



QUANTUM LIVING ADVOCATE™ (QLA) Distributor

POLICY MANUAL

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SECTION 1 – INTRODUCTION

1.1 - Policies & Procedures and Ascend Quantum Compensation Plan Incorporated into Ascend Quantum Living Advocate™ (QLA) QLA Distributor Agreement

These Policies and Procedures, in their present form and as amended at the sole discretion of Ascend, LLC. (Hereafter “Ascend” or the “Company”), are incorporated into, and form an integral part of, the Ascend Quantum Living Advocate QLA Distributor (Hereafter the “QLA™ QLA Distributor”) Agreement. Throughout these Policies, when the term “Agreement” is used, it collectively refers to the Ascend QLA Distributor Application and Agreement, these Policies and Procedures, the Ascend Quantum Compensation Plan and the Ascend QLA Distributor Agreement (if applicable). These documents are incorporated by reference into the Ascend QLA Distributor Agreement (all in their current form and as amended by Ascend). It is the responsibility of each QLA Distributor (hereafter QLA Distributor) to read, understand, adhere to, and ensure that they are aware of and operating under the most current version of these Policies and Procedures. When sponsoring or enrolling a new QLA Distributor, it is the responsibility of the sponsoring QLA Distributor to ensure that the applicant is provided with, or has online access to, the most current version of these Policies and Procedures and the Ascend Quantum Compensation Plan prior to their execution of the Ascend QLA Distributor Agreement.

1.2 - Purpose of Policies

Ascend is a direct sales company that markets its products through QLA Distributors. It is important to understand that your success and the success of your fellow QLA Distributors depend on the integrity of the men and women who market our products and services. To clearly define the relationship that exists between QLA Distributors and Ascend, and to explicitly set a standard for acceptable business conduct, Ascend has established the Agreement.

Ascend QLA Distributors are required to comply with all of the Terms and Conditions set forth in the Agreement, as well as all federal, state, and local laws governing their Ascend business and their conduct. Because you may be unfamiliar with many of these standards of practice, it is very important that you read and abide by the Agreement. Please review the information in this Policies and Procedures carefully.

It explains and governs the relationship between you, as an independent contractor and Ascend. If you have any questions regarding any policy or rule, do not hesitate to seek an answer from The Ascend Support Team.

1.3 - Changes to the Agreement

Because federal, state, and local laws, as well as the business environment, periodically change, Ascend reserves the right to amend the Agreement and its prices in its sole and absolute discretion. By signing the Ascend QLA Distributor Application and Agreement, (on either hardcopy or electronically), QLA Distributor agrees to abide by all amendments or modifications that Ascend elects to make. Amendments shall be effective 30 days after publication of notice that the Agreement has been modified. Notification of amendments shall be published by one or more of the following methods: (1) posting on Ascend's official website; (2) electronic mail (e-mail); (3) inclusion in Company periodicals; (4) inclusion in product orders; or (5) special mailings. The continuation of QLA Distributor's Ascend business or QLA Distributor's acceptance of bonuses or commissions constitutes acceptance of any and all amendments.

1.4 – Delays

Ascend shall not be responsible for delays or failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, riot, war, fire, death, curtailment of a party's source of supply, or government decrees or orders.

1.5 - Policies and Provisions Severable

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect. The severed provision, or portion thereof, shall be reformed to reflect the purpose of the provision as closely as possible.

1.6 – Waiver

Ascend never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of Ascend to exercise any right or power under the Agreement or to insist upon strict compliance by QLA Distributor with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of Ascend’s right to demand exact compliance with the Agreement. An authorized officer of Ascend can effectuate waiver by Ascend only in writing. Ascend’s waiver of any particular breach by QLA Distributor shall not affect or impair Ascend’s rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other QLA Distributor. Nor shall any delay or omission by Ascend to exercise any right arising from a breach affect or impair Ascend’s rights as to that or any subsequent breach.

The existence of any claim or cause of action of QLA Distributor against Ascend shall not constitute a defense to Ascend’s enforcement of any term or provision of the Agreement.

SECTION 2 - BECOMING AN Ascend QLA Distributor

2.1 - Requirements to Become an Ascend QLA Distributor

To become an Ascend QLA Distributor, each applicant must:

1. Be at least 18 years of the age;
2. Reside in the United States or U.S. Territories or country that Ascend has officially announced is open for business;
3. Have a valid Social Security or Federal Tax ID number;
4. Submit a properly completed Ascend QLA Distributor Application and Agreement to Ascend either in hard copy or online format; (optional for residents of North Dakota).
5. QLA Distributors enrolling as a business entity must complete and submit the Ascend QLA Distributor Application and Agreement to Ascend either in hard copy or online format.

Ascend reserves the right to accept or reject any QLA Distributor Application and Agreement for any reason or for no reason.

2.2 – QLA Distributor Marketing and Product Collection

In order to familiarize QLA Distributors with Ascend products, services, sales techniques, sales aids, and other matters, Ascend offers (optional for all QLA Distributors beginning 12.1.2020) all QLA Distributors eligible for the AMBER (5th level of Leadership) to purchase a QLA Distributor Marketing and Product Promotion(s) Pack (optional in North Dakota). Ascend will repurchase resalable Marketing and Product Promotion/Collect Packs from any QLA Distributor who terminates their Ascend QLA Distributor Agreement pursuant to the terms of Section 7.4.

2.3 - QLA Distributor Benefits

Once Ascend has accepted the Ascend QLA Distributor Application and Agreement, the benefits of the Ascend Quantum Compensation Plan are available to the new QLA Distributor. These benefits include the right to:

- Sell Ascend products and services;
- Participate in the Ascend Quantum Compensation Plan (receive bonuses and commissions, if eligible);
- Sponsor other individuals as Customers, Preferred Customers, or Perspective QLA Distributors into the Ascend business and thereby, build a marketing organization and progress through the ranks of the Ascend Quantum Compensation Plan;
- Receive periodic Ascend literature and other Ascend communications;
- Participate in Ascend sponsored support, service, training, motivational and recognition functions, upon payment of appropriate charges, if applicable; and;
- Participate in promotional and incentive contests and programs sponsored by Ascend for its QLA Distributors.

2.4 - Term and Renewal of Your Ascend Business

The term of the Ascend QLA Distributor Agreement is one year from the date of its acceptance by Ascend (subject to reclassification for inactivity after six months pursuant to Section 10.2.). The Ascend QLA Distributor Agreement shall be automatically renewed each year. If QLA Distributor intends on cancelling their Ascend QLA Distributor Agreement they should provide written notice of cancellation 30 days prior to their anniversary date.

SECTION 3 - OPERATING AN Ascend BUSINESS

3.1 - Adherence to the Ascend Quantum Compensation Plan

QLA Distributors must adhere to the terms of the Ascend Quantum Compensation Plan as set forth in official Ascend literature. QLA Distributors shall not offer the Ascend opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official Ascend literature. QLA Distributors shall not require or encourage other current or prospective Customers, Preferred Customers or QLA Distributors to participate in Ascend in any manner that varies from the program as set forth in official Ascend literature. QLA Distributors shall not require or encourage other current or prospective Customers, Preferred Customers or QLA Distributors to execute any agreement or contract other than official Ascend agreements and contracts in order to become an Ascend QLA Distributor. Similarly, QLA Distributors shall not require or encourage other current or prospective Customers, Preferred Customers or QLA Distributors to make any purchase from, or payment to, any individual or other entity to participate in the Ascend Quantum Compensation Plan other than those purchases or payments identified as recommended or required in official Ascend literature.

3.2 - Ethical Obligations

Ascend has made a commitment to provide QLA Distributors top quality products, exceptional support and a successful and competitive Quantum Compensation Plan. A QLA Distributor may purchase products directly from Ascend for personal use or for resale to consumers. In turn, QLA Distributors herein and with each purchase agree to represent the products and the income opportunity in an ethical and professional manner. Each and every QLA Distributor agrees to abide by the following ethical obligations:

- Will be respectful of each and every person they meet while operating a QLA Distributor Business;
- Will conduct their business in an ethical, moral, legal and financially prudent manner and will not engage in any deceptive or illegal practice;
- Will not communicate disparaging comments about competitors' products to others and shall not communicate slanderous, libelous and derogatory statements about competitors and/or other QLA Distributors;
- Will not engage in activities that would bring disrepute to Ascend, other QLA Distributors or to QLA Distributors personally;
- Will be truthful in representation of the products and will make no product claim that is not contained in and supported by official Company publications;
- Will fulfill their leadership responsibilities as a sponsor by training, assisting, and otherwise supporting the QLA Distributors in QLA Distributors' downline;
- Will correctly and lawfully represent the Ascend Quantum Compensation Plan and the income potential represented therein;
- Will abide by each and every term and condition of the QLA Distributor Agreement;
- Will honor the terms of the product return and refund policies with all of QLA Distributors' retail customers; and
- Will respect the sponsor relationship of every other QLA Distributor and will neither attempt to interfere with or change these relationships nor make disparaging or untrue claims about other QLA Distributors.

3.3 - Advertising

3.3.1 – General

All QLA Distributors shall safeguard and promote the good reputation of Ascend and its products. The marketing and promotion of Ascend, the Ascend opportunity, the Quantum Compensation Plan, and Ascend products shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

To promote both the products and services, and the tremendous opportunity Ascend offers, QLA Distributors must use the sales tools and support materials produced by Ascend. Ascend has carefully designed its products, product labels, Ascend Quantum Compensation Plan, and promotional materials to ensure that each aspect of Ascend is fair, truthful, substantiated, and complies with the vast and complex legal requirements of federal and state laws. If Ascend QLA Distributors develop their own sales tools and promotional materials, or to promote Ascend's products or the Ascend opportunity on blog sites, social networks, or other forums, notwithstanding their integrity and good intentions, there is a considerable likelihood that they would unintentionally violate any number of statutes or regulations affecting an Ascend business. These violations, although they may be relatively few in numbers, would jeopardize the Ascend opportunity for all QLA Distributors. Accordingly, QLA Distributors must not produce their own literature, advertisements, sales tools and promotional materials, or Internet web pages without prior submission of said promotional materials, etc. and express written approval by the Ascend Compliance team.

3.3.2 - QLA Distributor Web Sites

If a QLA Distributor desires to utilize an Internet web page to promote their business, they must use an official Ascend replicated website. No websites other than Ascend provided or sponsored replicated websites are permitted. Team Sites used for information and training are exempt, but must be approved by the Ascend Compliance Team.

If a QLA Distributor desires to utilize an Internet web page to promote their business, they may do so through the Company's replicated website program only. This program permits QLA Distributors to advertise on the Internet and to choose from among a variety of home page designs that can be personalized with the QLA Distributor's message and the QLA Distributor's contact information. These websites seamlessly link directly to the official Ascend website giving the QLA Distributor a professional and Company-approved presence on the Internet.

Except as provided below, no QLA Distributor may independently design a website that uses the names, logos, or product descriptions of Ascend or otherwise promotes (directly or indirectly) Ascend products or the Ascend opportunity. Nor may a QLA Distributor use "blind" ads on the Internet that make product or income claims which are ultimately associated with Ascend products, the Ascend opportunity, or the Ascend Marketing and Compensation Plan. The use of any other Internet website or web page to in any way promote the sale of Ascend products, the Ascend opportunity, or the Marketing and Compensation Plan is a breach of the Agreement and may result in any of the disciplinary sanctions set forth in Section 8.

Alternatively, QLA Distributors may develop their own web pages or websites. However, any QLA Distributor who does so: (a) may do so only with the express written permission of Ascend's Compliance Department; OR (b) must use the text of the Company's official website; and may not supplement the content of their website with text from any source other than the Company. QLA Distributors who develop or publish their own websites must register their site(s) with the Company and receive written approval from the Company prior to the site(s) public availability. The failure to register constitutes a material breach of these policies and procedures.

3.3.3 - Online Auctions and other Online Forums

QLA Distributors may not sell Ascend's products through online auction, barter, or brokerage sites, including but not limited to Craigslist and eBay without the express written approval from the Ascend Compliance Team. Products on these sites may not be listed, under any circumstances for less than suggested retail price.

3.3.4 - Domain Names

QLA Distributors may not use or attempt to register any of Ascend's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, for any Internet domain name, URL, Social Media or email address.

QLA Distributors may not use or attempt to register "Ascend" or any of Ascend's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, for any Internet domain name. Nor may QLA Distributors incorporate or attempt to incorporate any of the Company's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, into any electronic mail address

3.3.5 - Trademarks and Copyrights

Ascend will not allow the use of its trade names, trademarks, designs, or symbols by any person, including Ascend QLA Distributors, without its prior, written permission. QLA Distributors may not produce for sale or distribution any recorded Company events, speeches and conference calls without written permission from the Ascend Compliance Team nor may QLA Distributors reproduce for sale or for personal use any recording of Company produced audio or video tape presentations.

The name of Ascend and other names as may be adopted by Ascend are proprietary trade names, trademarks, and service marks of Ascend (collectively "marks"). As such, these marks are of great value to Ascend and are supplied to QLA Distributors for their use only in an expressly authorized manner. Ascend will not allow the use of its trade names, trademarks, designs, or symbols, or any derivatives of such marks, by any person, including Ascend QLA Distributors, without its prior, written permission.

The content of all Company sponsored events is copyrighted material. QLA Distributors may not produce for sale or distribution any recorded Company events and speeches without written permission from Ascend. Nor may QLA Distributors reproduce for sale or for personal use any recording of Company-produced audio or video tape presentations.

As an independent QLA Distributor, you may use the Ascend name in the following manner:

**QLA Distributor's Name (Your Name)
Independent Ascend QLA Distributor**

**Example:
Alice Smith
Independent Ascend QLA Distributor**

QLA Distributors may not use the name "Ascend" in any form in a team name, a tagline, an external website name, a personal website address or extension, in an email address, as a personal name, or as a nickname. For example, a QLA Distributor may not secure the domain name www.buyascend.com, nor may a QLA Distributor create an email address such as ascendlivingsales@gmail.com Additionally, a QLA Distributor may only use the phrase Independent Ascend QLA Distributor in telephone greetings or on an answering machine to clearly separate the QLA Distributor's independent Ascend business from Ascend.

3.3.6 - Media and Media Inquiries

QLA Distributors must not attempt to respond to media inquiries regarding Ascend, its products or services, or their independent Ascend business. All inquiries by any type of media must be immediately referred to the Ascend Compliance Team. This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image.

3.3.7 - Unsolicited Email and SMS Texts

Ascend does not permit QLA Distributors to send unsolicited commercial emails or SMS texts unless such emails or SMS texts strictly comply with applicable laws and regulations including, without limitation, the federal CAN SPAM Act. Any email or SMS text sent by QLA Distributor that promotes Ascend, the Ascend opportunity, or Ascend products and services must comply with the following:

1. There must be a functioning return email address to the sender.
2. There must be a notice in the email or text that advises the recipient that they may reply to the email or text, via the functioning return email address or telephone number, to request that future email or text solicitations or correspondence not be sent to him or her (a functioning “opt-out” notice).
3. The email must include the QLA Distributor’s physical mailing address.
4. The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
5. The use of deceptive subject lines and/or false header information is prohibited.
6. All opt-out requests, whether received by email, regular mail, text or telephone, must be honored. If a QLA Distributor receives an opt-out request from a recipient of an email or text, the QLA Distributor must forward the opt-out request to the Ascend Compliance Team.

Ascend may periodically send commercial emails on behalf of QLA Distributors. By entering into the QLA Distributor Agreement, QLA Distributor agrees that the Company may send such emails and that the QLA Distributor’s physical and email addresses will be included in such emails as outlined above. QLA Distributors shall honor opt-out requests generated as a result of such emails sent by Ascend.

3.3.8 - Unsolicited Faxes

Except as provided in this section, QLA Distributors may not use or transmit unsolicited faxes or use an automatic telephone dialing system relative to the operation of their Ascend businesses. The term “automatic telephone dialing system” means equipment which has the capacity to: (a) store or produce telephone numbers to be called, using a random or sequential number generator; and (b) to dial such numbers.

The terms “unsolicited faxes” means the transmission via telephone facsimile of any material or information advertising or promoting Ascend, its products, its compensation plan or any other aspect of the company which is transmitted to any person, except that these terms do not include a fax or e-mail: (a) to any person with that person’s prior express invitation or permission; or (b) to any person with whom the QLA Distributor has an established business or personal relationship. The term “established business or personal relationship” means a prior or existing relationship formed by a voluntary two way communication between QLA Distributor and a person, on the basis of: (a) an inquiry, application, purchase or transaction by the person regarding products offered by such QLA Distributor; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.

3.3.9 - Business Cards, Telephone Book Listings

The name of Ascend and other names as may be adopted by Ascend are proprietary trade names, trademarks and service marks of Ascend. As such, these marks are of great value to Ascend and are supplied to QLA Distributors for their use only in an expressly authorized manner. Use of Ascend name on any item not produced by the Company is prohibited except as follows:

1. QLA Distributor’s Name
2. Independent Ascend QLA Distributor
3. All QLA Distributors may list themselves as an “Ascend QLA Distributor” in the white or

yellow pages of the telephone directory under their own name. No QLA Distributor may place telephone directory display ads using Ascend’s name or logo. QLA Distributor may not answer the telephone by saying “Ascend”, “Ascend, LLC”, or in any other manner that would lead the caller to believe that they have reached corporate offices of Ascend.

3.3.10 - Prohibited Postings

When posting any information concerning Ascend, Ascend products, or the Ascend opportunity on the Internet or via any social media site, QLA Distributors may not make any postings, or link to any postings or other material that:

- Is sexually explicit, obscene, or pornographic;
 - Is offensive, profane, hateful, threatening, harmful, defamatory, libelous, harassing, or discriminatory (whether based on race, ethnicity, creed, religion, gender, sexual orientation, physical disability, or otherwise);
 - Is graphically violent, including any violent video game images;
 - Is solicitous of any unlawful behavior;
 - Engages in personal attacks on any individual, group, or entity;
- Is in violation of any intellectual property rights of the Company or any third party.

3.3.11 – Online Classifieds

As long as the price advertising requirements of Section 3.2.6 are adhered to, QLA Distributors may use online classifieds (e.g., craigslist) to list, sell or retail Ascend. In addition, QLA Distributors may use such online classifieds for prospecting, recruiting, sponsoring and informing the public about the Ascend business opportunity, provided Ascend -approved templates/images are used. These templates will identify the QLA Distributor as an Independent Ascend QLA Distributor. If a link or URL is provided, it must link to the QLA Distributor’s Replicated Website or Registered External Website.

3.3.12 – eBay / Online Auctions

Provided the price advertising requirements of Section 3.3 are adhered to, QLA Distributors may list Ascend products on eBay or other online auctions. However, QLA Distributors may not enlist or knowingly allow a third party to sell Ascend products on eBay or other online auction.

3.3.13 – Online Retailing

Provided the price advertising requirements of Section 3.3 are adhered to, QLA Distributors may list or sell Ascend products on online retail stores and ecommerce sites. However, a QLA Distributor may not enlist or knowingly allow a third party to sell Ascend products on any online retail store or ecommerce site.

3.5.14 – Banner Advertising and Links

QLA Distributors may place banner advertisements on a website provided the QLA Distributor uses Ascend -approved templates and images. All banner advertisements must link to a QLA Distributor’s Replicated Website. QLA Distributors may not use blind ads (ads that do not disclose the identity of the Company) or web pages that make product or income claims that are ultimately associated with Ascend products or the Ascend opportunity.

3.3.15 – Spam Linking

Spam linking is defined as multiple consecutive submissions of the same or similar content into blogs, wikis, guest books, websites or other publicly accessible online discussion boards or forums and is not allowed. This includes blog spamming, blog comment spamming and/or spamdexing. Any comments that a QLA Distributor makes on blogs, forums, guest books etc. must be unique, informative and relevant.

3.3.16 – Digital Media Submissions

QLA Distributors may upload, submit or publish Ascend -related video, audio or photo content that they develop and create to sites such as YouTube, PhotoBucket, Pinterest, and Instagram, so long as it aligns with Ascend values, contributes to the Ascend community greater good and is in compliance with Ascend’s Policies and Procedures. All submissions must clearly identify the submitter as an Independent Ascend QLA Distributor in the content itself and in the content description tag, must comply with all copyright/legal requirements, and must state that the submitter is solely responsible for this content. QLA Distributors may not upload, submit or publish any content (video, audio, presentations or any computer files) received from Ascend or captured at official Ascend events or in buildings owned or operated by Ascend without prior written permission.

3.3.17 – Social Media Policies

In addition to meeting all other requirements specified in these Policies and Procedures, should a QLA Distributor utilize any form of social media, including but not limited to Facebook, Twitter, LinkedIn, YouTube, Instagram, or Pinterest, the QLA Distributor agrees to each of the following:

- **No product sales or enrollments may occur on any social media site. To generate sales, a social media site must link only to the QLA Distributor’s Ascend Replicated Website.**
- **It is each QLA Distributor’s responsibility to follow the social media site’s terms of use. If the social media site does not allow its site to be used for commercial activity, you must abide by the site’s terms of use.**
- **Any social media site that is directly or indirectly operated or controlled by a QLA Distributor that is used to discuss or promote Ascend’s products or the Ascend opportunity may not link to any website, social media site, or site of any other nature, other than the QLA Distributor’s Ascend replicated website.**
- **During the term of this Agreement and for a period of 12 calendar months thereafter, a QLA Distributor may not use any social media site on which they discuss or promote, or have discussed or promoted, the Ascend business or Ascend’s products to directly or indirectly solicit Ascend’s QLA Distributors for another direct selling or network marketing program (collectively, “direct selling”). In furtherance of this provision, a QLA Distributor shall not take any action that may reasonably be foreseen to result in drawing an inquiry from other QLA Distributors relating to the QLA Distributor’s other direct selling business activities. Violation of this provision shall constitute a violation of the non solicitation provision in Section 3.10 below.**
- **A QLA Distributor may post or “pin” photographs of Ascend products on a social media site, provided such photos depict Ascend and its products in a positive manner and do not contain any images that are offensive, inappropriate or in bad taste, as determined by Ascend at its sole and absolute discretion. Upon request by the Company, a QLA Distributor shall immediately delete any photograph or image that the Company deems to be in violation of this policy.**
- **If a QLA Distributor creates a business profile page on any social media site that promotes or relates to Ascend, its products, or opportunity, the business profile page must relate exclusively to the QLA Distributor’s Ascend business and Ascend products. If the QLA Distributor’s Ascend business is cancelled for any reason or if the QLA Distributor becomes inactive, the QLA Distributor must deactivate the business profile page.**

3.4 - Bonus Buying Prohibited

BONUS BUYING IS STRICTLY AND ABSOLUTELY PROHIBITED. “Bonus buying” includes: (a) the enrollment of individuals or entities without the knowledge of and/or execution of QLA Distributor Application and Agreement by such individuals or entities; (b) the fraudulent enrollment of an individual or entity as QLA Distributor or Customer; (c) the enrollment or attempted enrollment of non-existent individuals or entities as QLA Distributors or Customers (“phantoms”); (d) Purchasing Ascend products or services on behalf of another QLA Distributor or Customer, or under another QLA Distributor’s or Customer’s I.D. number, to qualify for commissions or bonuses; (e) purchasing excessive amounts of goods or services that cannot reasonably be used or resold in a month; and/or (f) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions or bonuses that is not driven by bona fide product or service purchases by end user consumers.

3.5 - Business Entities

A corporation, limited liability company, partnership or trust (collectively referred to in this section as a “Business Entity”) may apply to be an Ascend QLA Distributor by submitting a properly completed QLA Distributor Application and Agreement and inclusion of a Federal Employment Identification Number (FEIN). QLA Distributor Applications must be submitted in hard copy and must bear the original signature of all partners, members, shareholders, or other individuals with any ownership interest in the Ascend business; business entities may not enroll entirely online.

An Ascend business may change its status under the same sponsor from an individual to a partnership, corporation or trust or from one type of entity to another. There is a \$25.00 fee for each change requested, which must be included with the written request and the completed QLA Distributor Application and Agreement. The QLA Distributor Application and Agreement must be signed by all of the shareholders, members, partners or trustees. Members of the entity are jointly and severally liable for any indebtedness or other obligation to Ascend.

To prevent the circumvention of Section 3.28 (regarding transfers and assignments of Ascend business), if an additional partner, shareholder, member, or other business entity affiliate is added to a business entity, the original applicant must remain as a party to the original QLA Distributor Application and Agreement. If the original QLA Distributor wants to terminate their relationship with the Company, they must transfer or assign their business in accordance with Section 3.28.

If this process is not followed, the business shall be canceled upon the withdrawal of the original QLA Distributor. All bonus and commission checks will be sent to the address of record of the original QLA Distributor. Please note that the modifications permitted within the scope of this paragraph do not include a change of sponsorship.

Changes of sponsorship are addressed in Section 3.6. There is a \$25.00 fee for each change requested, which must be included with the written request and the completed QLA Distributor Application and Agreement. Ascend may, at its discretion, require notarized documents before implementing any changes to an Ascend business. Please allow thirty (30) days after the receipt of the request by Ascend for processing.

3.5.1 - Changes to a Business Entity

Each QLA Distributor must immediately notify the Ascend Compliance Team of all changes to a type of business entity they utilize in operating their businesses and the addition or removal of business associates. Changes shall be processed only once per year. All changes must be submitted by November 30 to become effective on January 1 of the following year.

3.6 - Change of Sponsor

To protect the integrity of all marketing organizations and safeguard the hard work of all QLA Distributors, Ascend strongly discourages changes in sponsorship. Maintaining the integrity of sponsorship is critical for the success of every QLA Distributor and marketing organization. Accordingly, the transfer of an Ascend business from one sponsor to another is rarely permitted. Requests for change of sponsorship must be submitted in writing to the Ascend Support Team, and must include the reason for the transfer. Transfers will only be considered in the following three circumstances:

3.6.1 – Misplacement

In cases in which the new QLA Distributor is sponsored by someone other than the individual they were led to believe would be their Sponsor, QLA Distributor may request that they be transferred to another organization with their entire marketing organization intact. Requests for transfer under this policy will be evaluated on a case-by-case basis and must be made by 5:00 pm, Eastern Time, on or before the third business day following the date of the application.

The request must be submitted to Ascend on the 72-Hour Correction Request Form, available at www.acend.com/forms. The QLA Distributor requesting the change has the burden of proving that they were placed beneath the wrong sponsor. It is up to Ascend's discretion whether the requested change will be implemented.

3.6.2 - Cancellation and Re-Application

QLA Distributor may legitimately change organizations by voluntarily canceling their Ascend business and remaining inactive (i.e., no purchases of Ascend products for resale, no sales of Ascend products, no sponsoring, no attendance at any Ascend functions, participation in any other form of QLA Distributor activity, or operation of any other Ascend business) for six (6) full calendar months. Following the 6-month period of inactivity, the former QLA Distributor may reapply under a new sponsor, however, the former QLA Distributor's downline will remain in their original line of sponsorship.

3.6.3 - Waiver of Claims for Unauthorized Organization Changes

In cases where the appropriate sponsorship change procedures have not been followed, and a downline organization has been developed in the second business developed by QLA Distributor, Ascend reserves the sole and exclusive right to determine the final disposition of the downline organization. Resolving conflicts over the proper placement of a downline that has developed under an organization that has improperly switched sponsors is often extremely difficult. Therefore, QLA DistributorS WAIVE ANY AND ALL CLAIMS AGAINST Ascend, ITS OFFICERS, DIRECTORS, OWNERS, AGENTS AND EMPLOYEES THAT RELATE TO OR ARISE FROM Ascend's DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT DEVELOPS BELOW AN ORGANIZATION THAT HAS IMPROPERLY CHANGED LINES OF SPONSORSHIP.

3.7 - *Unauthorized Claims and Action*

3.7.1 – Indemnification

QLA Distributor is fully responsible for all of their verbal and written statements made regarding Ascend products, services, and the Ascend Quantum Compensation Plan, which are not expressly contained in official Ascend materials. QLA Distributors agree to indemnify Ascend and Ascend's directors, officers, employees, and agents, and hold them harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by Ascend as a result of the QLA Distributor's unauthorized representations or actions. This provision shall survive the termination of the QLA Distributor Agreement.

3.7.2 - Product Claims

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

3.7.3 - Income Claims

In their enthusiasm to enroll prospective Customers, Preferred Customers and/or QLA Distributors, some QLA Distributors are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of network marketing. This is counterproductive because new QLA Distributors may become disappointed very quickly if their results are not as extensive or as rapid as the results others may have achieved. At Ascend, we firmly believe that the Ascend income potential is great enough to be highly attractive, without reporting the earnings of others.

Moreover, the Federal Trade Commission and several states have laws or regulations that regulate or even prohibit certain types of income claims and testimonials made by persons engaged in network marketing. While QLA Distributors may believe it beneficial to provide copies of checks, or to disclose the earnings of themselves or others, such approaches have legal consequences that can negatively impact Ascend as well as the QLA Distributor making the claim unless appropriate disclosures required by law are also made contemporaneously with the income claim or earnings representation. Because Ascend QLA Distributors do not have the data necessary to comply with the legal requirements for making income claims, QLA Distributor, when presenting or discussing the Ascend opportunity or the Ascend Quantum Compensation Plan to a prospective Customer, Preferred Customer and/or QLA Distributor, may not make income projections, income claims, or disclose their Ascend income (including the showing of checks, copies of checks, bank statements, or tax records).

3.8 - Commercial Outlets

QLA Distributors may not sell Ascend products from a commercial outlet, nor may QLA Distributors display or sell Ascend products in any retail or service establishments where competitive products are displayed or sold unless prior written approval by Ascend.

3.9 - Trade Shows, Expositions and Other Sales Forums

QLA Distributors may display and/or sell Ascend products at trade shows and professional expositions. Before submitting a deposit to the event promoter, QLA Distributors must contact the Ascend Support Team in writing for conditional approval, as Ascend's policy is to authorize only one Ascend business per event.

Final approval will be granted to the first QLA Distributor who submits an official advertisement of the event, a copy of the contract signed by both the QLA Distributor and the event official, and a receipt indicating that a deposit for the booth has been paid. Approval is given only for the event specified. Any requests to participate in future events must again be submitted to the Ascend Support Team. Ascend must approve all signage or art prior to final approval. Ascend further reserves the right to refuse authorization to participate at any function, which it does not deem a suitable forum for the promotion of its products, services, or the Ascend opportunity. Approval will not be given for swap meets, garage sales, flea markets or farmers' markets as these events are not conducive to the professional image Ascend wishes to portray.

3.10 - Conflicts of Interest

3.10.1 - Non-solicitation

Ascend QLA Distributors are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively “network marketing”). However, during the term of the Ascend QLA Distributor Agreement, QLA Distributors may not directly or indirectly recruit other Ascend QLA Distributors or Customers for any other network marketing business.

Following the cancellation of the QLA Distributor’s Ascend QLA Distributor Agreement, and for a period of six (6) calendar months thereafter, with the exception of those QLA Distributors who are personally sponsored by the former QLA Distributor, a former QLA Distributor may not recruit any Ascend QLA Distributor or Customer or Preferred Customer for another network marketing business. QLA Distributors and Ascend recognize that because network marketing is conducted through networks of independent contractors dispersed across the entire United States and internationally, and business is commonly conducted via the Internet and telephone, an effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, QLA Distributors and Ascend agree that this non-solicitation provision shall apply to all markets in which Ascend conducts business.

The term “Recruit” means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another QLA Distributor or Customer to enroll or participate in another multi-level marketing, network marketing or direct sales opportunity.

3.10.2 - Sale of Competing Goods or Services

QLA Distributors must not sell, or attempt to sell, any competing non-Ascend programs, products or services to Ascend Customers, Preferred Customers or QLA Distributors. Any program, product or service in the same generic categories as Ascend products or services is deemed to be competing, regardless of differences in cost, quality or other distinguishing factors.

3.10.3 - QLA Distributors Participation in Other Direct Selling Programs

If QLA Distributor is engaged in other non-Ascend direct selling programs, it is the responsibility of the QLA Distributor to ensure that their Ascend business is operated entirely separate and apart from any other program. To this end, the following must be adhered to:

- QLA Distributors shall not display Ascend promotional material, sales aids, products or services with or in the same location as, any non-Ascend promotional material or sales aids, products or services.
- QLA Distributors shall not offer the Ascend opportunity, products or services to prospective or existing Customers or QLA Distributors in conjunction with any non-Ascend program, opportunity, product or service.
- QLA Distributors may not offer any non-Ascend opportunity, products, services or opportunity at any Ascend- related meeting, seminar or convention, or within two hours and a five-mile radius of the Ascend event. If the Ascend meeting is held telephonically or on the Internet, any non-Ascend meeting must be at least two hours before or after the Ascend meeting, and on a different conference telephone number or Internet web address from the Ascend meeting.
- Ascend QLA Distributors cannot serve as a supplier, vendor or consultant for goods and services to Ascend without the express written consent by Ascend Executive Management.
- Ascend QLA Distributors will not solicit one or more corporate officers or managers for special favors or exceptions.

3.10.4 - Resale of Goods or Services offered as incentives or gifts

QLA Distributors must not sell, or attempt to sell, any Ascend programs, products or services that have been offered or provided to QLA Distributor as an incentive or gift from Ascend. An attempt to sell under this section includes but is not limited to listing programs, products or services on eBay or Craigslist.

3.10.5 - Downline Activity (Genealogy) Reports

Ascend may, in its discretion, provide QLA Distributors with a downline genealogy report in conjunction with QLA Distributor's replicated website. Access to a genealogy report is a privilege, and not a right. Ascend reserves the right to deny QLA Distributor's access to a genealogy report at its sole discretion. All Downline Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets belonging to Ascend. Downline Activity Reports are provided to QLA Distributors in strictest confidence and are made available to QLA Distributors for the sole purpose of assisting QLA Distributors in working with their respective Downline Organizations in the development of their Ascend business. QLA Distributors should use their Downline Activity Reports to assist, motivate, and train their downline QLA Distributors. The QLA Distributor and Ascend agree that, but for this agreement of confidentiality and nondisclosure, Ascend would not provide Downline Activity Reports to the QLA Distributor. Therefore, if a Downline Activity Report is provided to QLA Distributor, the QLA Distributor shall not, on their own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- Directly or indirectly disclose any information contained in any Downline Activity Report to any third party;
- Directly or indirectly disclose the password or other access code to their Downline Activity Report;
- Use the information to compete with Ascend or for any purpose other than promoting their Ascend business;
- Recruit or solicit any QLA Distributor, Customer or Preferred Customer of Ascend listed on any report, or in any manner attempt to influence or induce any QLA Distributor, Customer or Preferred Customer of Ascend, to alter their business relationship with Ascend; or
- Use or disclose to any person, partnership, association, corporation, or other entity any information contained in any Downline Activity Report.
- Upon demand by Ascend, any current or former QLA Distributor will return the original and all copies of Downline Activity Reports to Ascend.

3.11 - Targeting Other Direct Sellers

Ascend does not condone QLA Distributors specifically or consciously targeting the sales force of another direct sales company to sell Ascend products or to become QLA Distributors for Ascend, nor does Ascend condone QLA Distributors solicitation or enticement of members of the sales force of another direct sales company to violate the terms of their contract with such other company. Should QLA Distributors engage in such activity, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration or mediation is brought against a QLA Distributor alleging that they engaged in inappropriate recruiting activity of its sales force or customers, Ascend will not pay any of QLA Distributor's defense costs or legal fees, nor will Ascend indemnify the QLA Distributor for any judgment, award, or settlement.

3.12 - Cross-Sponsoring

Actual or attempted cross sponsoring is strictly prohibited. "Cross sponsoring" is defined as the enrollment of an individual who or entity that already has a current Customer, Preferred Customer or QLA Distributor Agreement on file with Ascend, or who has had such an agreement within the preceding six (6) calendar months, within a different line of sponsorship. The use of a spouse's or relative's name, trade names, DBAs, assumed names, corporations, partnerships, trusts, federal ID numbers, fictitious ID numbers, any straw-man or other artifice to circumvent this policy is prohibited. QLA Distributors shall not demean, discredit or defame other Ascend QLA Distributors in an attempt to entice another QLA Distributor to become part of the first QLA Distributor's marketing organization. This policy shall not prohibit the transfer of an Ascend business in accordance with Section 3.5. If Cross Sponsoring is discovered, it must be brought to the Ascend Compliance Team's attention immediately. Ascend may take disciplinary action against the QLA Distributor that changed organizations and/or those QLA Distributors who encouraged or participated in the Cross Sponsoring. Ascend may also move all or part of the offending QLA Distributor's downline to their original downline organization if the Company deems it equitable and feasible to do so. However, Ascend is under no obligation to move the Cross Sponsored QLA Distributor's downline organization, and the ultimate disposition of the organization remains within the sole discretion of Ascend. QLA Distributors waive all claims and causes of action against Ascend, its officers, directors, owners, agents, and employees arising from or relating to the disposition of the Cross Sponsored Associate's downline organization.

3.13 - Errors or Questions

If QLA Distributor has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports, or charges, the QLA Distributor must notify the Ascend Support Team in writing within 60 days of the date of the purported error or incident in question. Ascend will not be responsible for any errors, omissions or problems not reported to Ascend within 60 days.

3.14 - Governmental Approval or Endorsement

Neither federal nor state regulatory agencies or officials approve or endorse any direct selling or network marketing companies or programs. Therefore, QLA Distributors shall not represent or imply that Ascend or its Quantum Compensation Plan have been “approved,” “endorsed” or otherwise sanctioned by any government agency. A small number of states require Network Marketing businesses to register with the state regulatory authority. Registration does not mean an endorsement of the company or its business.

3.15 - Holding Orders

QLA Distributors must not manipulate purchases of products made by prospective QLA Distributors, Preferred Customers or Customers. All Ascend QLA Distributor Applications and Agreements, and all product orders must be conducted online using Ascend’s corporate website with the QLA Distributor, Preferred Customer or Customer present.

3.16 – Identification

All QLA Distributors are required to provide their Social Security Number, or a Federal Employer Identification Number to Ascend on the Ascend QLA Distributor Application and Agreement. Upon enrollment, the Company will provide a unique QLA Distributor Identification Number to the QLA Distributor by which they will be identified. This number will be used to place orders, and track commissions and bonuses.

3.17 - Income Taxes

Each QLA Distributor is responsible for paying local, state, and federal taxes on any income generated as a QLA Distributor. If an Ascend business is tax exempt, the Federal tax identification number must be provided to Ascend. Every year, Ascend will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. Resident who: 1) Had earnings of over \$600 in the previous calendar year; or 2) Made purchases during the previous calendar year in excess of \$5,000. Ascend reserves the right to make appropriate withholdings from any QLA Distributor's income if they provide an inaccurate social security number or Federal Tax Identification number.

3.17.1 - Non-U.S. Citizen QLA Distributors

If a QLA Distributor is not a United States citizen, the QLA Distributor must submit a form W8-BEN. Otherwise Ascend will withhold the maximum amount allowed under the Internal Revenue Code or IRS Regulation.

3.18 - Independent Contractor Status

QLA Distributors are independent contractors, and are not purchasers of a franchise or a business opportunity. The agreement between Ascend and its QLA Distributors does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the QLA Distributor. QLA Distributors shall not be treated as an employee for their services or for Federal or State tax purposes. All QLA Distributors are responsible for paying local, state, and federal taxes due from all compensation earned as QLA Distributor of the Company. The QLA Distributor has no authority (expressed or implied), to bind the Company to any obligation. Each QLA Distributor shall establish their own goals, hours, and methods of sale, so long as they comply with the terms of the Ascend QLA Distributor Agreement, these Policies and Procedures, and applicable laws.

3.19 – Insurance

You may wish to arrange insurance coverage for your business. Your homeowner's insurance policy does not necessarily cover business-related injuries, or the theft of or damage to inventory or business equipment. Contact your insurance agent to make certain that your business property is protected. This can often be accomplished with a simple "Business Pursuit" endorsement attached to your present homeowner's policy.

3.20 - International Marketing

Ascend has published or will publish a policy manual for each country in which it conducts or will conduct business. QLA Distributors operating outside of the United States must comply with the policies of each country in which they operate.

3.21 - Inventory Loading

Ascend QLA Distributors MUST NEVER PURCHASE MORE PRODUCTS THAN THEY CAN REASONABLY USE OR SELL TO RETAIL CUSTOMERS IN A MONTH, AND MUST NOT INFLUENCE OR ATTEMPT TO INFLUENCE ANY OTHER QLA Distributor TO BUY MORE PRODUCTS THAN THEY CAN REASONABLY USE OR SELL TO RETAIL CUSTOMERS IN A MONTH. IF INVENTORY LOADING IS SUSPECTED, Ascend RESERVES THE RIGHT TO AUDIT QLA Distributor'S ABILITY TO RESALE PRODUCT. IF, THROUGH Ascend'S INDEPENDENT AUDIT, FINDS A QLA Distributor IS INVENTORY LOADING (FOR E.G. SELLING AND/OR CONSUMING LESS THAN 70% (SEE SEVENTY PERCENT RULE BELOW) OF ITS PRODUCT PRIOR TO MAKING ITS NEXT ORDER), Ascend MAY IMMEDIATELY CANCEL QLA Distributor'S AGREEMENT.

3.22 - Seventy Percent Rule

No QLA Distributor may order products without complying with the 70% rule. Ascend does not require or encourage a QLA Distributor to purchase inventory in an amount which unreasonably exceeds that which can be expected to be resold and/or consumed within a reasonable period of time. QLA Distributors certify on each product order form or when placing an order that the QLA Distributor has sold, consumed, or used at least 70% of all products purchased in the last order. Such certifications are subject to random or selective audits by the Ascend Compliance Team. While some amount of product may be reasonably reported to be for personal use, the uses of the remaining product must be validated with proper documentation. Some types of documentation that may assist in validating a 70% certification include but are not limited to:

- Copies of filled-out receipts to retail customers whose names, addresses, and other normal contact information are verifiable (such receipts are required to filled out when the sale is made);
- Invitations, guest lists, pictures, or any press coverage of business events where large amounts of product were provided for the examination or personal use of others;
- Certification by an officer of a large nonprofit organization such as a church or school of the total amount sold, used, or provided to membership and the date it was provided; or
- Bills of lading or other shipping documentation.

3.23 - Adherence to Laws and Ordinances

QLA Distributors shall comply with all federal, state, and local laws and regulations in the conduct of their businesses. Many cities and counties have laws regulating certain home-based businesses. In most cases these ordinances are not applicable to QLA Distributors because of the nature of their business. However, QLA Distributors must obey those laws that do apply to them. If a city or county official tells a QLA Distributor that an ordinance applies to him or her, the QLA Distributor shall be polite and cooperative, and immediately send a copy of the ordinance to the Ascend Compliance Team. In most cases there are exceptions to the ordinance that may apply to Ascend QLA Distributors.

3.24 - Minors

A person who is recognized as a minor in their state of residence may not be an Ascend QLA Distributor. QLA Distributors shall not enroll or recruit minors into the Ascend program.

3.25 – QLA Distributor ownership interest

QLA Distributors may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one Ascend business. No individual may have, operate or receive compensation from more than one Ascend business

3.26 - Actions of Household Members or Affiliated Individuals

If any member of a QLA Distributor's immediate household engages in any activity, which, if performed by the QLA Distributor, would violate any provision of the QLA Distributor Agreement, such activity will be deemed a violation by the QLA Distributor and Ascend may take disciplinary action pursuant to the Statement of Policies against the QLA Distributor. Similarly, if any individual associated in any way with a corporation, partnership, trust or other business entity (collectively "affiliated individual") violates the Agreement, such action(s) will be deemed a violation by the business entity, and Ascend may take disciplinary action against the entity. Likewise, if QLA Distributor enrolls in Ascend as a business entity, each shareholder, officer, member, partner, or other individual or entity with an ownership interest or management responsibility in the independent business shall be personally and individually bound to, and must comply with, the terms and conditions of the QLA Distributor Agreement, and Ascend may take disciplinary action jointly and severally against each such individual with an ownership interest.

3.27 - Requests for Records

Any request from a QLA Distributor for copies of invoices, applications, downline activity reports, or other records will require a fee of \$10.00 and \$1.00 per page per copy. This fee covers the expense of mailing and time required to research files and make copies of the records.

3.28 - Sale, Transfer, Assignment or Alteration of Ownership Interest of Ascend Business

Although an Ascend business is a privately owned, independently operated business, the sale, transfer, assignment, or alteration of ownership interest (e.g. adding a partner) of an Ascend business is subject to certain limitations. If a QLA Distributor wishes to sell their Ascend business, the following criteria must be met:

- Protection of the existing line of sponsorship must always be maintained so that the Ascend business continues to be operated in that line of sponsorship.
- The buyer or transferee must become a qualified Ascend QLA Distributor. If the buyer is an active Ascend QLA Distributor, they must first terminate their Ascend business before acquiring any interest in a different Ascend business.
- Before the sale, transfer or assignment can be finalized and approved by Ascend, any debt obligations the selling QLA Distributor has with Ascend must be satisfied.
- The selling QLA Distributor must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer or assign an Ascend business.
- While Ascend will not withhold approval of sale or transfer unreasonably, Ascend reserves the right to prevent such sale if sale imperils Ascend business and/or to negotiate transfer or sale of QLA Distributor's position to Ascend itself. Prior to selling an Ascend business, the selling QLA Distributor must notify the Ascend Compliance Team of their intent to sell the Ascend business. No changes in line of sponsorship can result from the sale or transfer of an Ascend business. A QLA Distributor may not sell, transfer or assign individual business centers; if a business is sold, transferred or assigned, all business centers must be included in the transaction. The selling QLA Distributor must submit a properly completed Transfer of Ownership Form and a \$150.00 transfer fee to Ascend to initiate the transfer process.

3.29 - Separation of an Ascend Business

Ascend QLA Distributors sometimes operate their Ascend businesses as husband-wife partnerships, regular partnerships, corporations, or trusts. At such time as a marriage may end in divorce or a corporation, partnership or trust (the latter three entities are collectively referred to herein as "entities") may dissolve, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship. If the separating parties fail to provide for the best interests of other QLA Distributors and the Company in a timely fashion, Ascend will involuntarily terminate the QLA Distributor Agreement. During the divorce or entity dissolution process, the parties must adopt one of the following methods of operation:

- One of the parties may, with consent of the other(s), operate the Ascend business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize Ascend to deal directly and solely with the other spouse or non-relinquishing shareholder, partner or trustee.
- The parties may continue to operate the Ascend business jointly on a "business-as-usual" basis, whereupon all compensation paid by Ascend will be paid according to the status quo as it existed prior to the divorce filing or dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above. Under no circumstances will the Downline Organization of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will Ascend split commission and bonus checks/payments between divorcing spouses or members of dissolving entities. Ascend will recognize only one Downline Organization and will issue only one commission check/payment per Ascend business per commission cycle. Commission checks/payments shall always be issued to the same individual or entity. In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of commissions and ownership of the business in a timely fashion as determined by Ascend, or an adjudicated order from a court seeks to split commissions and bonus checks/payments in violation of this section, the QLA Distributor Agreement shall be involuntarily canceled. If a former spouse has completely relinquished all rights in the original Ascend business pursuant to a divorce, they are thereafter free to enroll under any sponsor of their choosing without waiting six (6) calendar months. In the case of business entity dissolutions, the former partner, shareholder, member, or other entity affiliate who retains no interest in the business must wait six (6) calendar months from the date of the final dissolution before re-enrolling as QLA Distributor. In either case however, the former spouse or business affiliate shall have no rights to any QLA Distributors in their former organization or to any former retail customer. They must develop the new business in the same manner, as would any other new QLA Distributor.

3.30 – Sponsoring

All active QLA Distributors in good standing have the right to sponsor and enroll others into Ascend. Each prospective Customer, Preferred Customer or QLA Distributor has the ultimate right to choose their own Sponsor. If two QLA Distributors claim to be the Sponsor of the same new QLA Distributor, Preferred Customer or Customer, the Company shall regard the first application received by the Company as controlling.

3.31 – Succession

Upon the death or incapacitation of a QLA Distributor, their business may be passed to their heirs. Appropriate legal documentation must be submitted to the Ascend Compliance Team to ensure the transfer is proper. Accordingly, the QLA Distributor should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever an Ascend business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased QLA Distributor's marketing organization provided the following qualifications are met. The successor(s) must:

- Execute QLA Distributor Agreement;
- Comply with terms and provisions of the Agreement; and
- Meet all of the qualifications for the deceased QLA Distributor's status.
- Bonus and commission checks/payments of an Ascend business transferred pursuant to this section will be paid in a single check jointly to the devisees. The devisees must provide Ascend with a bank account to which all bonus and commission payments will be sent;
- If the business is bequeathed to joint devisees, they must form a business entity and acquire a federal taxpayer identification number. Ascend will issue all bonus and commission payments and one 1099 to the business entity.

3.31.1 - Transfer Upon Death of a QLA Distributor

To effect a testamentary transfer of an Ascend business, the executor of the estate must provide the following to the Ascend Compliance Team: (1) an original death certificate; (2) certified letters testamentary or a letter of administration appointing an executor; (3) instructions from the authorized executor to Ascend specifying to whom the business and income should be transferred; and (4) a completed QLA Distributor Application and Agreement executed by the beneficiary.

3.30.2 - Transfer Upon Incapacitation of a QLA Distributor

To effectuate a transfer of an Ascend business because of incapacity, the successor must provide the following to the Ascend Compliance Team: (1) a notarized copy of an appointment as trustee; (2) a notarized copy of the trust document or other documentation establishing the trustee's right to administer the Ascend business; and (3) a completed QLA Distributor Application and Agreement executed by the trustee.

3.32 - *Telemarketing Techniques*

The Federal Trade Commission and the Federal Communications Commission each have laws that restrict telemarketing practices. Both federal agencies (as well as a number of states) have "do not call" regulations as part of their telemarketing laws. Although Ascend does not consider QLA Distributors to be "telemarketers" in the traditional sense of the word, these government regulations broadly define the term "telemarketer" and "telemarketing" so that your inadvertent action of calling someone whose telephone number is listed on the federal "do not call" registry could cause you to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties (up to \$11,000.00 per violation). Therefore, QLA Distributors must not engage in telemarketing in the operation of their Ascend businesses. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of an Ascend product or service, or to recruit them for the Ascend opportunity. "Cold calls" made to prospective customers or QLA Distributors that promote either Ascend's products or services or the Ascend opportunity constitute telemarketing and are prohibited. However, a telephone call(s) placed to a prospective customer, Preferred Customer or QLA Distributor (a "prospect") is permissible under the following situations:

- If the QLA Distributor has an established business relationship with the prospect.
An “established business relationship” is a relationship between QLA Distributor and a prospect based on the prospect’s purchase, rental, or lease of goods or services from the QLA Distributor, or a financial transaction between the prospect and the QLA Distributor, within the eighteen (18) months immediately preceding the date of a telephone call to induce the prospect’s purchase of a product or service.
- The prospect’s personal inquiry or application regarding a product or service offered by the QLA Distributor, within the three (3) months immediately preceding the date of such a call.
- If the QLA Distributor receives written and signed permission from the prospect authorizing the QLA Distributor to call. The authorization must specify the telephone number(s), which the QLA Distributor is authorized to call.
- You may call family members, personal friends, and acquaintances. An “acquaintance” is someone with whom you have at least a recent first-hand relationship within the preceding three months. Bear in mind, however, that if you engage in “card collecting” with everyone you meet and subsequently calling him or her, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if you engage in calling “acquaintances,” you must make such calls on an occasional basis only and not make this a routine practice.
- In addition, QLA Distributors shall not use automatic telephone dialing systems relative to the operation of their Ascend businesses. The term “automatic telephone dialing system” means equipment which has the capacity to: (a) store or produce telephone numbers to be called, using a random or sequential number generator; and (b) to dial such numbers.

SECTION 4 - RESPONSIBILITIES OF QLA Distributors

4.1 - Change of Address, Telephone, and Email Addresses

To ensure timely delivery of products, support materials, and/or commission checks/payments, it is critically important that the Ascend's files are current. Street addresses are required for shipping. QLA Distributors planning to change their e-mail address or move must send their new address and telephone numbers to Ascend Support Team. To guarantee proper delivery, two weeks advance notice must be provided to Ascend on all changes.

4.2 - Continuing Development Obligations

4.2.1 - Ongoing Training

Regardless of their level of achievement, QLA Distributors have an ongoing obligation to continue to personally promote sales by generating new Customers, Preferred Customers and servicing their existing Customers, Preferred Customers and downline QLA Distributors.

4.2.2 - Increased Training Responsibilities

As QLA Distributors progress through the various levels of leadership they will become more experienced in sales techniques, product knowledge, and understanding of the Ascend program. They will be called upon to share this knowledge with lesser-experienced QLA Distributors within their organization.

4.2.3 - Ongoing Sales Responsibilities

Regardless of their level of achievement, QLA Distributors have an ongoing obligation to continue to personally promote sales through the generation of new Customers, Preferred Customers and QLA Distributors and through servicing their existing Downline.

4.3 – *Non-disparagement*

Ascend wants to provide its QLA Distributors with the highest quality products, best compensation plan, and top-notch support in the industry. Accordingly, we value your constructive criticisms and comments. All such comments should be submitted in writing to the Ascend Support Team. Remember, to best serve you, we must hear from you! While Ascend welcomes constructive input, negative comments and remarks made in the field by QLA Distributors about Ascend, its products, or compensation plan serve no purpose other than to sour the enthusiasm of other Ascend QLA Distributors. For this reason, and to set the proper example for their downline, QLA Distributors must not disparage, demean, or make negative remarks about Ascend, other Ascend QLA Distributors, Ascend's products, the Ascend Quantum Compensation Plan, or Ascend's directors, officers, owners, agents or employees.

4.4 - Providing Documentation to Applicants

QLA Distributors must provide the most current version of these Policies and Procedures and the Ascend Quantum Compensation Plan to individuals whom they are sponsoring to become QLA Distributors before the applicant signs the Ascend QLA Distributor Agreement. Additional copies of the Policies and Procedures can be downloaded from Ascend's website located at www.attainhealth.com.

4.5 - Reporting Policy Violations

QLA Distributors observing a Policy violation by another QLA Distributor should submit a written report of the violation directly to the attention of the Ascend Compliance Team. Details of the incidents such as dates, number of occurrences, persons involved, and any supporting documentation should be included in the report.

SECTION 5 - SALES REQUIREMENTS

5.1 - Product Sales

The Ascend Quantum Compensation Plan is based on the sale of Ascend products and services to end consumers. QLA Distributors must satisfy the Level requirements associated with their rank as specified in the Ascend Quantum Compensation Plan. "Commissionable Volume" does not include purchases made by the QLA Distributor and only includes purchases made by the QLA Distributor's personal customers, Preferred Customers and personally sponsored or enrolled QLA Distributors.

5.2 - No Territory Restrictions

There are no exclusive territories granted to anyone. No franchise fees are required.

5.3 - Sales Receipts

All QLA Distributors must provide their retail customers with two copies of a sales receipt at the time of the sale. QLA Distributors must maintain all retail sales receipts for a period of two years and furnish them to Ascend at the Company's request.

Remember that customers must receive two copies of the sales receipt. In addition, QLA Distributors must orally inform the buyer of their cancellation/return rights.

SECTION 6 - BONUSES AND COMMISSIONS

6.1 - Bonus and Commission Qualifications

A QLA Distributor must be active and in compliance with the QLA Distributor Agreement to qualify for bonuses and commissions. So long as QLA Distributor complies with the terms of the QLA Distributor Agreement, Ascend shall pay commissions to such QLA Distributors in accordance with the Ascend Quantum Compensation Plan. The minimum amount for which Ascend will issue payment is \$25.00. If QLA Distributor's bonuses and commissions do not equal or exceed \$25.00, the Company will accrue the commissions and bonuses until they total \$25.00. An ACH transfer will be issued once \$25.00 has been accrued.

6.2 - Adjustment to Bonuses and Commissions

6.2.1 - Adjustments for Returned Products

QLA Distributors receive bonuses and commissions based on the actual sales of products and services to end consumers. When a product is returned to Ascend for a refund or is repurchased by Ascend, the bonuses and commissions attributable to the returned or repurchased product(s) will be deducted, in the month in which the refund is given, and continuing every pay period thereafter until the commission is recovered, from the upline QLA Distributors who received bonuses and commissions on the sales of the refunded products.

6.2.2 - Other Deductions

Ascend will deduct fees from QLA Distributor's Bonus and commission payments for genealogy reports requested by a QLA Distributor, label fees, transfer request fees, maintenance fees, and fees for other services provided by Ascend, and for any other outstanding balance on QLA Distributor's Ascend account. The company further reserves the right to deduct sums from a QLA Distributor's commission and bonus payment that constitute disciplinary sanctions.

6.3 – Reports

All information provided by Ascend in online or telephonic downline activity reports, including but not limited to Commissionable Volume (or any part thereof), and downline-sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors including but not limited to the inherent possibility of human and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit card and electronic check payments; returned products; credit card and electronic check charge-backs; the information is not guaranteed by Ascend or any persons creating or transmitting the information.

ALL PERSONAL AND GROUP SALES VOLUME INFORMATION IS PROVIDED “AS IS” WITHOUT WARRANTIES, EXPRESS OR IMPLIED, OR REPRESENTATIONS OF ANY KIND WHATSOEVER. IN PARTICULAR BUT WITHOUT LIMITATION THERE SHALL BE NO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE, OR NON- INFRINGEMENT.

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, Ascend AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO ANY QLA Distributor OR ANYONE ELSE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT ARISE OUT OF THE USE OF OR ACCESS TO PERSONAL AND GROUP SALES VOLUME INFORMATION (INCLUDING BUT NOT LIMITED TO LOST PROFITS, BONUSES, OR COMMISSIONS, LOSS OF OPPORTUNITY, AND DAMAGES THAT MAY RESULT FROM INACCURACY, INCOMPLETENESS, INCONVENIENCE, DELAY, OR LOSS OF THE USE OF THE INFORMATION), EVEN IF Ascend OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. TO THE FULLEST EXTENT PERMITTED BY LAW, Ascend OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE NO RESPONSIBILITY OR LIABILITY TO YOU OR ANYONE ELSE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY OR OTHER THEORY WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO.

Access to and use of Ascend’s online reporting services and your reliance upon such information is at your own risk. All such information is provided to you “as is”. If you are dissatisfied with the accuracy or quality of the information, your sole and exclusive remedy is to discontinue use of and access to Ascend’s online reporting services and your reliance upon the information.

SECTION 7 - PRODUCT GUARANTEES, RETURNS & INVENTORY REPURCHASE

7.1 - Product Guarantee

Ascend offers a 30-day money-back product guarantee (less shipping charges and fees) to all Customers, Preferred Customers and QLA Distributors. If, for any reason, a Customer, Preferred Customer or QLA Distributor is dissatisfied with any Ascend product, they may return the product to Ascend for a full refund (less shipping charges and fees) within 30 days from the date of purchase. Product returned within the first 30 days DOES NOT need to be in resalable condition, however all unused product does need to be returned. Following this 30-day period, items may be returned within one (1) year of purchase for a 90% repurchase.

All items covered under this Product Guarantee (After 30 days from date of purchase) must be in resalable condition. This product satisfaction guarantee applies only to Ascend products and does not apply to QLA Distributor Marketing and/or Product Collection or sales aids purchased by QLA Distributors. QLA Distributor Marketing and/or Product Collection and sales aids are subject to the refund provisions in Section 7.4.

7.1.1 – Excessive Returns

If a QLA Distributor returns \$300.00 or more of merchandise for a refund in any 12 consecutive month period (excluding damaged merchandise, which will be replaced), the return(s) constitute an inventory repurchase and Ascend will repurchase the goods pursuant to the terms of Section 7.4 and involuntarily cancel the QLA Distributor Agreement.

7.2 - Returns by Retail Customers and Product Guarantee

Ascend offers, through its QLA Distributors, a 100% 30-day money-back guarantee (less shipping and a 10% restocking fee) to all Retail customers for all products, which is in resalable condition. Every QLA Distributor is bound to honor the retail customer guarantee.

7.3 - Right of Rescission

A retail customer who makes a purchase of \$25.00 or more from QLA Distributor has three business days (72 hours, excluding Sundays and legal holidays) after the sale or execution of a contract to cancel the order and receive a full refund consistent with the cancellation notice on the order form (5 business days for Alaska residents). When a QLA Distributor makes a sale or takes an order from a retail customer who cancels or requests a refund within the 72-hour period, the QLA Distributor must promptly refund the customer's money as long as the products are returned to the QLA Distributor in resalable condition. Additionally, QLA Distributors must orally inform customers of their right to rescind a purchase or an order within 72 hours (5 business days for Alaska residents), and ensure that the date of the order or purchase is entered on the order form. All retail customers must be provided with two copies of a sales receipt at the time of the sale.

7.4 - Return of Inventory and Sales Aids by QLA Distributors upon Cancellation

Upon cancellation of QLA Distributor's Agreement, the QLA Distributor may return any resalable QLA Distributor Marketing and/or Product Collection and any products and sales aids held in their inventory for a refund. QLA Distributors may only return QLA Distributor Marketing and/or Product Collection, products and sales aids that they personally purchased from Ascend (purchases from other QLA Distributors or third parties are not subject to refund) and which are in Resalable condition and which have been purchased within one year prior to the date of cancellation. Upon receipt of a Resalable QLA Distributor Marketing and/or Product Collection and/or Resalable products and sales aids, the QLA Distributor will be reimbursed 90% of the net cost of the original purchase price(s). Shipping charges incurred by QLA Distributor when the QLA Distributor Marketing and/or Product Collection, products or sales aids were purchased will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. If a QLA Distributor was paid a commission based on a product(s) that they purchased, and such product(s) is subsequently returned for a refund, the commission that was paid based on that product purchase will be deducted from the amount of the refund.

7.4.1 - Montana Residents

A Montana resident may cancel their QLA Distributor Agreement within 15 days from the date of enrollment, and may return their QLA Distributor Marketing and/or Product Collection for a full refund within such time period.

7.4.2 - Maryland and Puerto Rico Residents

QLA Distributors who cancel their QLA Distributor's Agreement and who are residents in Maryland and Puerto Rico may return their unsold inventory within 3 months from receipt of inventory for a full refund.

7.5 - Procedures for All Returns

The following procedures apply to all returns for refund, repurchase, or exchange:

- The QLA Distributor, Customer, or Preferred Customer who purchased it directly from Ascend must return all merchandise.
- All products to be returned must have a Return Authorization Number, which is obtained by calling the Ascend Support Team at 800-888-8888. This Return Authorization Number must be written on each carton returned.
- The return must be accompanied by:
 - A copy of the Packing Slip that accompanied the product being returned; and
 - All unused portions of the product in its original container.
 - Proper shipping carton(s) and packing materials are to be used in packaging the product(s) being returned for replacement, and the best and most economical means of shipping is suggested.
 - All returns must be shipped to Ascend shipping prepaid. Ascend does not accept C.O.D. or shipping-collect packages. The risk of loss in shipping for returned product shall be on the QLA Distributor, Preferred Customer or Customer. If the returned product is not received by the Company's Distribution Center, it is the responsibility of the QLA Distributor, Preferred Customer or Customer to trace the shipment.

Returns are to be mailed to: Ascend Returns Company address 3098 W Executive Parkway Suite 204
Lehi UT 84043

No refund or replacement of product will be made if the conditions of these rules are not met.

SECTION 8 - DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

8.1 - Disciplinary Sanctions

Violation of the QLA Distributor Agreement, these Policies and Procedures, violation of any common law duty, including but not limited to any applicable duty of loyalty, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by QLA Distributor that, in the sole discretion of the Company may damage its reputation or goodwill (such damaging act or omission need not be related to the QLA Distributor's Ascend business), may result, at Ascend's discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition;
- Requiring the QLA Distributor to take immediate corrective measures;
- Imposition of a fine, which may be withheld from bonus and commission checks/payments;
- Loss of rights to one or more bonus and commission checks/payments;

Ascend may withhold from QLA Distributor all or part of the QLA Distributor's bonuses and commissions during the period that Ascendis investigating any conduct allegedly in violation of the Agreement. If QLA Distributor's business is canceled for disciplinary reasons, the QLA Distributor will not be entitled to recover any commissions withheld during the investigation period;

- Suspension of the individual's QLA Distributor Agreement for one or more pay periods;
- Involuntary termination of the offender's QLA Distributor Agreement;
- Suspension and/or termination of the offending QLA Distributor's Ascend website or website access;
- Any other measure expressly allowed within any provision of the Agreement or which Ascend deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the QLA Distributor's policy violation or contractual breach;
- In situations deemed appropriate by Ascend, the Company may institute legal proceedings for monetary and/or equitable relief.

8.2 - Grievances and Complaints

When a QLA Distributor has a grievance or complaint with another QLA Distributor regarding any practice or conduct in relationship to their respective Ascend businesses, the complaining QLA Distributor should first report the problem to their Sponsor who should review the matter and try to resolve it with the other party's upline sponsor. If the matter involves interpretation or violation of Company policy, it must be reported in writing to the Ascend Compliance Team. The Ascend Compliance Team will review the facts and attempt to resolve it.

8.3 – Mediation

Prior to instituting arbitration, the parties shall meet in good faith and attempt to resolve any dispute arising from or relating to the Agreement through non-binding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least 10 days in advance of the mediation. Each party shall pay its own attorneys fees, costs, and individual expenses associated with conducting and attending the mediation. Unless otherwise agreed by the parties, mediation shall be held in Portland, Maine, and shall last no more than two business days.

8.4 – Arbitration

If mediation is unsuccessful, any controversy or claim arising out of or relating to the QLA Distributor Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. QLA Distributors waive all rights to trial by jury or to any court. All arbitration proceedings shall be held in Portland, Maine. All parties shall be entitled to all discovery rights pursuant to the Federal Rules of Civil Procedure. There shall be one arbitrator, an attorney at law, who shall have expertise in business law transactions with a strong preference being an attorney knowledgeable in the direct selling industry, selected from the panel, which the American Arbitration Panel provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrator shall be final, binding, and confidential. This agreement to arbitration shall survive any termination or expiration of the Agreement.

If mediation is unsuccessful, any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration as provided in this Section 8.5. The arbitration shall be filed with, and administered by, the American Arbitration Association (“AAA”) or JAMS under their respective rules and procedures. The Commercial Arbitration Rules and Mediation Procedures of the AAA are available at the AAA’s website at www.adr.org. The Streamlined Arbitration Rules & Procedures of JAMS are available at the JAMS website at www.jamsadr.com. Copies of the AAA’s Commercial Arbitration Rules and Mediation Procedures or JAM’s Streamlined Arbitration Rules & Procedures will be emailed to QLA Distributors upon request to Ascend’s Compliance Department.

Notwithstanding the rules of the AAA or JAMS, the following shall apply to all arbitration actions:

- The Federal Rules of Evidence shall apply in all cases;
- The parties shall be entitled to all discovery rights permitted by the Federal Rules of Civil Procedure;
- The parties shall be entitled to bring motions under Rules 12 and/or 56 of the Federal Rules of Civil Procedure;
- The arbitration shall occur within 180 days from the date on which the arbitrator is appointed, and shall last no more than five business days; and
- The parties shall be allotted equal time to present their respective cases, including cross-examinations.

All arbitration proceedings shall be held in the City of Salt Lake City, Utah, unless the laws of the state in which a QLA Distributor resides expressly require the application of its laws, in which case the arbitration shall be held in the capital of that state. There shall be one arbitrator, an attorney at law, who shall have expertise in business law transactions with a strong preference being an attorney knowledgeable in the direct selling industry, selected from the panel that the alternate dispute resolution services (the AAA or JAMS) provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitration shall survive any termination or expiration of the Agreement.

The parties and the arbitrator shall maintain the confidentiality of the entire arbitration process and shall not disclose to any person not directly involved in the arbitration process:

- The substance of, or basis for, the controversy, dispute, or claim;
- The content of any testimony or other evidence presented at an arbitration hearing or obtained through discovery in arbitration;
- The terms or amount of any arbitration award; or
- The rulings of the arbitrator on the procedural and/or substantive issues involved in the case.

Notwithstanding the foregoing, nothing in these Policies and Procedures shall prevent Ascend from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction or other relief available to safeguard and protect Ascend's interest prior to, during or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

8.5 - Governing Law, Jurisdiction and Venue

Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in Salt Lake County, State of Utah. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of Utah shall govern all other matters relating to or arising from the Agreement. Notwithstanding the foregoing, and the arbitration provision in Section 8.4 residents of the State of Louisiana shall be entitled to bring an action against Ascend in their home forum and pursuant to Louisiana law.

SECTION 9 - PAYMENT AND SHIPPING

9.1 - Returned Checks

All checks returned by QLA Distributor's bank for insufficient funds will be re-submitted for payment. A \$30.00 returned check fee will be charged to the account of the QLA Distributor. After receiving a returned check from a Customer, Preferred Customer or QLA Distributor, all future orders must be paid by Credit Card, money order or cashier's check. Any outstanding balance owed to Ascend by QLA Distributor for NSF checks and returned check fees will be withheld from subsequent bonus and commission checks/payments.

9.2 - Restriction on Third Party Use of Credit Cards and Checking Account Access

QLA Distributors shall not permit other QLA Distributors or customers to use their credit card, or permit debits to their checking accounts, to enroll or to make purchases from the company, without written permission submitted to the Ascend Support Team.

With credit Card Abuse or credit card charge-backs, QLA Distributor Agreement may be immediately cancelled.

9.3 - Sales Taxes

In order to free QLA Distributors from as many administrative, operational, and logistical tasks as possible QLA Distributors are free to concentrate on those activities that directly affect their incomes, namely product sales and enrollment activities. To these ends, Ascend relieves QLA Distributors of the burdens of collecting and remitting sales taxes, filing sales tax reports, and keeping records relative to sales taxes.

By virtue of its business operations, Ascend is required to charge sales taxes on all purchases made by QLA Distributors and Customers, and remit the taxes charged to the respective states. Accordingly, Ascend will collect and remit sales taxes on behalf of QLA Distributors, based on the suggested retail price of the products, according to applicable tax rates in the state or province to which the shipment is destined. If QLA Distributor has submitted, and Ascend has accepted, a current Sales Tax Exemption Certificate and Sales Tax Registration License, sales taxes will not be added to the invoice and the responsibility of collecting and remitting sales taxes to the appropriate authorities shall be on the QLA Distributor. Exemption from the payment of sales tax is applicable only to orders, which are shipped to a state for which the proper tax exemption papers have been filed and accepted. Applicable sales taxes will be charged on orders that are drop-shipped to another state. Any sales tax exemption accepted by Ascend is not retroactive.

Customers and Preferred Customers are not allowed to resale product and agree that they are the end consumer of the product.

SECTION 10 - INACTIVITY AND CANCELLATION

10.1 - Effect of Cancellation

So long as the QLA Distributor remains active and complies with the terms of the QLA Distributor Agreement and these Policies and Procedures, Ascend shall pay commissions to such QLA Distributors in accordance with the Ascend Quantum Compensation Plan. QLA Distributor's bonuses and commissions constitute the entire consideration for the QLA Distributor's efforts in generating sales and all activities related to generating sales (including building a downline organization). Following QLA Distributor's non-renewal of their QLA Distributor Agreement, cancellation for inactivity, or voluntary or involuntary cancellation of their QLA Distributor Agreement (all of these methods are collectively referred to as "cancellation"), the former QLA Distributor shall have no right, title, claim or interest to the marketing organization which they operated, or any commission or bonus from the sales generated by the organization. QLA Distributors whose business is cancelled will lose all rights as a QLA Distributor. This includes the right to sell products and services and the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the QLA Distributor's former downline sales organization. In the event of cancellation, QLA Distributors agree to waive all rights they may have, including but not limited to property rights, to their former downline organization and to any bonuses, commissions or other remuneration derived from the sales and other activities of their former downline organization.

Following QLA Distributor's cancellation of their QLA Distributor Agreement, the former QLA Distributor shall not hold himself or herself out as an Ascend QLA Distributor and shall not have the right to sell Ascend products or services. QLA Distributor whose QLA Distributor Agreement is canceled shall receive commissions and bonuses only for the last full pay period they were active prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

10.2 - Cancellation Due to Inactivity

If QLA Distributor has not had activity of purchasing or selling product for six (6) consecutive months (and thus become “inactive”), their QLA Distributor Agreement shall be canceled for inactivity and QLA Distributor will be considered a preferred customer unless QLA Distributor no longer has an active autoship and will be considered a Customer.

10.3 - Involuntary Cancellation

QLA Distributor’s violation of any of the terms of the Agreement, including any amendments that may be made by Ascend in its sole discretion, may result in any of the sanctions listed in Section 8.1, including the cancellation of their QLA Distributor Agreement. Cancellation shall be effective on the date on which written notice is mailed, faxed, or delivered to an express courier, to the QLA Distributor’s last known address (or fax number), or to their attorney, or when the QLA Distributor receives actual notice of cancellation, whichever occurs first.

10.4 - Voluntary Cancellation

A participant in this network-marketing plan has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to Ascend at its principal business address. The written notice must include the QLA Distributor’s signature, printed name, address, and QLA Distributor I.D. Number.

10.5 - Non-renewal

QLA Distributors may also voluntarily cancel their QLA Distributor Agreement by failing to renew the Agreement on its anniversary date. Ascend may also elect not to renew QLA Distributor’s Agreement upon its anniversary date.

SECTION 11 - DEFINITIONS

A. Active QLA Distributor — A QLA Distributor who satisfies the minimum Personal Volume requirements, as set forth in the Ascend Marketing and Compensation Plan, to ensure that they are eligible to receive bonuses and commissions.

B. Active Rank — The term active rank refers to the current rank of a QLA Distributor, as determined by the Ascend Marketing and Compensation Plan, for any week. To be considered active relative to a particular rank, a QLA Distributor must meet the criteria set forth in the Ascend I Marketing and Compensation Plan for their respective rank. (See the definition of Rank below.)

C. Agreement - The contract between the Company and each QLA Distributor includes the QLA Distributor Application and Agreement, the Ascend Policies and Procedures, the Ascend Marketing and Compensation Plan, and the Business Entity Registration Form (where appropriate), all in their current form and as amended by Ascend in its sole discretion. These documents are collectively referred to as the Agreement.

D. Cancel — The termination of a QLA Distributor’s business. Cancellation may be either voluntary, involuntary, through non-renewal or inactivity.

E. Preferred Customer — An individual who registers with Ascend as a Preferred Customer or pursuant to Ascend’s Preferred Customer Program.

F. Downline Activity Report — A weekly report generated by Ascend that provides critical data relating to the identities of QLA Distributors, sales information, and enrollment activity of each QLA Distributor’s Marketing Organization. This report contains confidential and trade secret information which is proprietary to Ascend.

G. Downline Leg — Each one of the individuals enrolled immediately underneath you and their respective Marketing Organizations represents one leg in your Marketing Organization.

H. Group Volume — The commissionable value of Ascend products or services sold by a QLA Distributor’s Marketing Organization. Group Volume includes the Personal Volume of the subject QLA Distributor and their customers. (Starter Kits and sales aids have no Commissionable Volume.)

I. Immediate Household — Heads of household and dependent family members residing in the same house.

J. Level — The layers of downline Preferred Customers and QLA Distributors in a particular QLA Distributor's Marketing Organization. This term refers to the relationship of a QLA Distributor relative to a particular upline QLA Distributor, determined by the number of QLA Distributors between them who are related by sponsorship. For example, if A sponsors B, who sponsors C, who sponsors D, who sponsors E, then E is on A's fourth level.

K. Marketing Organization — The Preferred Customers and QLA Distributors sponsored below a particular QLA Distributor.

L. Official Ascend Material — Literature, audio or video tapes, and other materials developed, printed, published and distributed by Ascend to QLA Distributors.

M. Ascend products or services to an end consumer for personal use.

N. Personal Volume (PV) — The commissionable value of services and products sold in a period: (1) by the Company to a QLA Distributor; and (2) by the Company to the QLA Distributor's personally enrolled Preferred Customers.

O. Lifetime Rank — The title that a QLA Distributor has achieved pursuant to the Ascend Marketing and Compensation Plan.

P. Recruit — For purposes of Ascend's Conflict of Interest Policy the term recruit means: (a) The actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another Ascend QLA Distributor or Preferred Customer to enroll or participate in another multi level marketing, network marketing or direct sales opportunity; and (b) The conduct described in (a) above constitutes recruiting even if the QLA Distributor's actions are in response to an inquiry by another QLA Distributor or Preferred Customer. This subsection (b) shall not be applicable in California.

Q. Resalable — Products and Sales aids shall be deemed "Resalable" if each of the following elements is satisfied: 1) they are unopened and unused; 2) packaging and labeling has not been altered or damaged; 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price;

4) they are returned to Ascend within one year from the date of purchase; and 5) the product contains current Ascend labeling. Any merchandise that is clearly identified at the time of sale as non-returnable, discontinued, or as a seasonal item, shall not be Resalable.

R. Retail Customer — An individual who purchases Ascend products from a QLA Distributor but who is not a participant in the Ascend Marketing and Compensation Plan or the Ascend Preferred Customer Program. See the definition of Preferred Customer above.

S. Sponsor — A QLA Distributor who enrolls a Preferred Customer or another QLA Distributor into the Company, and is listed as the Sponsor on the QLA Distributor Application and Agreement. The act of enrolling others and training them to become QLA Distributors is called sponsoring.

T. Starter Kit — A selection of Ascend training materials and business support literature that each new QLA Distributor is required to purchase. The Starter Kit is sold to QLA Distributors.

U. Upline — This term refers to the QLA Distributor or QLA Distributors above a particular QLA Distributor in a sponsorship line up to the Company. Conversely stated, it is the line of sponsors that links any particular QLA Distributor to the Company.