

**TRAVELEGENDCY, LLC.**  
**Appendix 1**  
**POLICIES AND PROCEDURES**

**SECTION 1 – INTRODUCTION**

**1.1. Code of Ethics**

Travelegency, LLC. (the “Company”) is a values-based company that prides itself on the quality and character of its Participants (hereinafter referred to as the "Participant"). The following principles help to ensure a consistent standard of quality throughout our organization. Each Travelegency Participant is expected to uphold the following ethical standards of conduct when acting on behalf of the company:

- I will treat each person I encounter while engaged in any business related to Travelegency with respect.
- I will conduct myself and my business ethically, morally, legally, and with financial integrity at all times in accordance with the laws of the United States.
- I will not participate in any actions that may discredit Travelegency, any officer or employee of Travelegency, myself, or other Participants.
- I will not make any discouraging or disparaging remarks to or about other Travelegency Participants. I promise that in all Travelegency business dealings, I will refrain from using negative terminology. I will abstain from any and all slanderous statements.
- I will provide support and encouragement to my Clients, so that their experience with Travelegency is a successful one. I understand the importance of providing follow-up service and support to my downline.
- I will accurately represent all bonus/compensation plans available through Travelegency and the income potential represented therein. I understand that I cannot use my own income as an indication of the potential success of others or use compensation checks as marketing materials. I also understand that I may only disclose my income derived from Travelegency for the purpose of attracting prospective Participants after I have provided a copy of the Income Disclosure Statement to the prospective Participants.
- I agree to comply with all Travelegency Policies and Procedures as they currently exist, and as they may be amended in the future.

**1.2. Policies Incorporated in the Participant Agreement**

These Policies and Procedures (“Policies”) as they currently exist and as amended from time to time in Travelegency’s sole discretion are incorporated into and made a part of the Travelegency Participant Agreement (hereinafter referred to as "Participant Agreement"). Throughout these Policies, the term “Agreement” shall be used to refer to the Travelegency Participant Agreement, these Policies, and the Travelegency Compensation Plan. These documents are incorporated by reference in the Participant Agreement (all as currently existing and as amended by Travelegency). Each Participant is responsible for reading, understanding,

obeying, and ensuring that he or she is aware of and acting in accordance with the most current version of these Policies.

When sponsoring a new Participant, it is the sponsoring Participant's obligation to provide the most current version of these Policies and Procedures prior to the execution of the Participant Agreement.

### **1.3. Changes to Participant Agreement, Policies and Procedures or Compensation Plan**

In response to changing legal and business environments in the United States, Travelegency reserves the right to amend the Agreement and the prices in its Travelegency Product Price List in its sole and absolute discretion. Notice of amendments shall be given by publication in Travelegency's Official Materials. Amendments become effective upon publication in Travelegency's Official Materials, including without limitation, posting on the Travelegency website, email distribution, publication in the Travelegency newsletter, product inserts or by any other commercially reasonable method consistent with the laws of the United States.

The continuation of a Participant's Travelegency business or a Participant's receipt of bonuses or commission payments shall constitute acceptance of any amendments.

### **1.4. Force Majeure**

Travelegency will not be liable for delays in performance or for non-performance due to causes beyond its reasonable control. These causes include, but are not limited to, strikes, labor disputes, riots, wars, fires, floods, death, curtailment of a party's source of supply or government decrees or orders, acts of God, epidemics, pandemics and other force majeure events.

### **1.5. Severability of Terms and Conditions**

If any provision of the Agreement as currently existing or as amended is found invalid or unenforceable for any reason, then only the invalid portion(s) of the provision will be severed and the remaining terms and conditions shall remain in full force and effect and shall be construed as if such invalid or unenforceable provision was never a part of the Agreement.

### **1.6. Waiver**

The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws of the United States that govern the conduct of business. No failure of Travelegency to exercise any right or power under the Agreement or to insist upon strict compliance by a Participant 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 Travelegency's right to demand exact compliance with the Agreement. Waiver by Travelegency can be effected only in writing by an authorized officer of the Company.

### **1.7. Effective Date**

These Policies and Procedures shall become effective as of August 16, 2024 ("Effective Date"), and shall automatically supersede any and all previous Policies and Procedures ("Old Policies and Procedures") from such date. As of the Effective Date, the Old Policies and Procedures are null and void.

## **SECTION 2 – BECOMING A PARTICIPANT**

### **2.1. Requirements of Participant Applicants**

- To become a Travelegency Participant, each applicant must:
- Be of the age of majority and legal capacity under the laws of the United States .
- Reside in the United States
- Possess a valid IIN (Individual Identification Number).
- Be registered as an Individual Entrepreneur (IP) in accordance with the legislation of the United States
- Submit to Travelegency a properly completed and signed Participant Agreement either electronically or via fax.

### **2.2. Participant Benefits**

Once the Participant Agreement is accepted by Travelegency, the new Participant is eligible for the benefits of the Compensation Plan and the Participant Agreement. These benefits include the right to:

- Market the Travelegency services.
- Participate in the Travelegency Compensation Plan (earn bonuses and commissions where provided).
- Sponsor others as Travelegency customers or business Participants, and thereby build an organization and advance through the Travelegency Compensation Plan.
- Receive periodic Travelegency literature and other Travelegency communications.
- Participate in Travelegency-organized training, motivational and incentive events, and support services.

### **2.3. Travelegency Participant Agreement Term and Renewal**

The term of this Agreement is one year (subject to earlier termination or disqualification as provided in the Policies and Procedures). If a Participant does not renew his or her Agreement by affirming his or her agreement to these policies, or if it is terminated or canceled for any reason, the Participant understands that he or she forfeits all Participant rights irrevocably.

## **SECTION 3 – INCOME DISCLOSURE POLICY**

In an effort to implement the best business practices, Travelegency has developed an Income Disclosure Statement (“IDS”). The Travelegency IDS is intended to communicate truthful, timely, and complete information regarding income earned by Travelegency Participants. To achieve this goal, a copy of the IDS must be provided to all prospective Participants.

A copy of the IDS must be provided to a prospective Participant (a person not a party to an existing Travelegency Participant Agreement) anytime the Compensation Plan is presented or discussed and any income claim or earnings representations are made.

The terms “income claim” and/or “earnings representation” (collectively, “income claim”) includes: (1) average earnings claims, (2) non-average earnings claims, (3) earnings range claims, (4) income testimonials, (5) lifestyle claims, and (6) hypothetical claims.

Examples of “non-average earnings claims” include, “Our number one Participant earned over one million tenge last year” or “Our average-ranked Participant earns fifty thousand a month.” An example of an “earnings range claim” is, “Our top-ranked Participants earn anywhere from one hundred thousand tenge a month at the low end to three hundred thousand tenge a month at the high end.”

At any publicly held meeting where the Compensation Plan is discussed or any income claims are made, you are required to provide each and every prospective Participant with a copy of the IDS.

Copies of the IDS are available to print or download free of charge from the company website at [www.travelegency.com/ids](http://www.travelegency.com/ids)

## **SECTION 4 – ADVERTISING**

### **4.1. Compliance with the Travelegency Compensation Plan**

Participants are required to adhere to the terms of the Travelegency Compensation Plan as set forth in The Travelegency Official Materials. Participants may not offer participation with Travelegency through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in Travelegency’s Official Materials. Participants may not require or encourage other current or prospective customers or Participants to participate with Travelegency in any manner that varies from the program as set forth in the Official Materials of Travelegency. Participants may not require or encourage other current or prospective customers or Participants to execute any agreement or contract other than official Travelegency agreements and contracts in order to become a Travelegency Participant. Likewise, Participants may not require or encourage other current or prospective customers or Participants to make any purchase from or payment to any person or entity for the purpose of participating in the Travelegency Compensation Plan other than those purchases or payments identified in the Official Materials of Travelegency as recommended or required.

### **4.2. Use of Sales Aids**

To promote both the services and opportunities offered by Travelegency, Participants are required to utilize sales aids and literature produced by Travelegency. If Travelegency Participants develop their own sales aids and advertising materials (including internet advertising), then, notwithstanding the Participants’ good intentions, they may be unintentionally violating any number of laws or regulations of the United States that affect Travelegency’s business. These violations, even if few in number, can threaten Travelegency’s opportunities for all Participants. Accordingly, Participants are required to submit all proposed written sales aids, advertising materials, advertisements, web sites, and other materials to the Company for approval prior to their use. If a Participant does not receive specific written permission to use a piece, the request is considered denied. All Participants are required to protect and enhance the good reputation of Travelegency and its services. The marketing and promotion of Travelegency, Travelegency opportunities, the Compensation Plan, and Travelegency services must be consistent with the public interest, and must not involve dishonest, deceptive, misleading, unethical, or immoral conduct or practices.

During the term of this Agreement, in order to avoid legal liability related to promotion of sales aids, you as a Participant shall not sell training materials or sales aids including published books, eBooks, videos, or other general miscellaneous training aids to your downline or other Participants without prior written approval from the Company.

#### **4.3. Intellectual Property**

Travelegency does not permit the use of its trade names, trademarks, service marks, or symbols outside of Company-produced and approved sales aids by any person, including Travelegency Participants, without the prior written permission of Travelegency. Additionally, no Participant may use, publish, reproduce, advertise, sell or display in any manner whatsoever the name, photograph, or likeness, as well as the voice, of another Participant without first obtaining the prior written consent of said Participant. This consent must be on file with the Travelegency compliance department prior to any use.

#### **4.4. Website Policy**

If a Participant wishes to utilize an internet page to promote his or her business, he or she may do so only through company authorized services.

#### **A. General**

You are required to ensure that your online marketing activities are truthful, not deceptive, and not misleading to customers or prospective Participants in any way. Websites, as well as online promotional activities and tactics, that are misleading or deceptive, regardless of intent, are not permitted. These may include: representing yourself in any way as an authorized representative of Travelegency; link farms (or blog farms); unethical Search Engine Optimization (SEO) tactics; misleading pay-per-click (PPC) campaigns (e.g., displaying a PPC campaign URL that appears to lead to the official Travelegency website, but actually leads to a different site); unapproved banner ads; and unauthorized press releases. Travelegency shall be the sole arbiter of what is determined to be misleading or deceptive.

#### **B. Domain Names, Email Addresses and Online Nicknames**

You may not use or register domain names, email addresses, and/or online nicknames that may be confusing, misleading or deceptive because they cause people to believe that the message is originating from or is the property of Travelegency.

Examples of improper uses include, but are not limited to: [travelegency@gmail.com](mailto:travelegency@gmail.com);

[www.travelegencydirect.com](http://www.travelegencydirect.com); [www.facebook.com/travelegency](http://www.facebook.com/travelegency);

[www.travelegencypresident.com/official](http://www.travelegencypresident.com/official) or any derivative as described herein.

Examples of permissible URLs, email addresses and online nicknames include: [facebook.com/ilovetravelegency](http://facebook.com/ilovetravelegency); [tantechtammy@travelegency.net](mailto:tantechtammy@travelegency.net).

The determination of what may be confusing, misleading or deceptive rests solely with Travelegency. Should you have any question regarding the acceptability of a name you have selected, you may submit it to [compliance@travelegency.com](mailto:compliance@travelegency.com) for review prior to use.

#### **C. Approved Participant Websites**

The term “Participant Website” refers to the Participant website offered by Travelegency or an approved vendor to Participants. The term “Social Networking Website” refers to any site not expressly prohibited by the terms of this Agreement such as, but not limited to Facebook.com, Instagram.com, Twitter.com, YouTube.com, personal blogs or other personal websites.

#### **D. Online Bulletin Boards**

You may not use online bulletin boards (including, [local equivalents of Craigslist]) to post, sell or promote specific Travelegency services. You may use online bulletin boards (including [local equivalents of Craigslist]) to generate leads, recruit, sponsor, and educate the public about Travelegency opportunities, provided you comply with other requirements of this Agreement such as identifying yourself as an Independent Travelegency Representative, using only approved images and versions of any trademarks and logos, and refraining from making any fraudulent or misleading product or income claims. If a link or URL is provided, it must lead to your Participant Website or your Social Networking Website.

Social Networking websites such as, but not limited to, Facebook, Instagram, VK, may also be used to promote your Travelegency business. You are required to provide approved Travelegency links to your replicated Participant Website to conduct sales and process orders. All online sales of Travelegency products must be transacted and processed through your replicated Participant Website (or the corporate website).

#### **E. Banner Advertising**

You may engage in banner advertising on a website provided you use the templates and images approved by Travelegency. All banner ads must lead to your Participant Website. You may not use hidden text advertising or web pages containing non-compliant product or income claims related to Travelegency products or Travelegency’s business opportunity.

#### **F. Link Farms**

Link farms are defined as multiple, consecutive posts of the same, or similar content, in blogs, wikis, guest books, websites, or other publicly available online forums and are not permitted. This includes, but is not limited to blog spamming, comment spamming and/or spamdexing. All comments that you make on blogs, forums, guest books, etc. must be unique, informative, and relevant.

#### **G. Social Networking Sites**

You may use social networking sites (Facebook, Instagram, VK, blogs, forums, and other interest sites) to share information about Travelegency products, the mission, and the business opportunity, as well as to generate leads and sponsor.

However, these sites may not be used to sell or offer to sell specific Travelegency services. The profiles that you create in any social community, where you mention or discuss Travelegency, must clearly identify you as an Independent Travelegency Participant. When participating in these communities, you must refrain from inappropriate conversations, comments, images, videos, audio, applications, or any other adult content, and offensive, discriminatory or vulgar content. The determination of what is inappropriate remains at the sole

discretion of Travelegency, and Participants found in violation will be subject to disciplinary action up to and including termination of the Agreement.

You agree to immediately remove any non-compliant site upon request by Travelegency.

Appeals regarding compliance may be made after the site has been removed. Appeals should be directed to the email address set forth in the Dispute Resolution policy.

#### **H. Sponsored Links/Pay-Per-Click (PPC)**

Sponsored links or pay-per-click (PPC) advertising is permitted. The destination URL must be to your Participant Website. The display URL must also be to your Participant Website and may not

contain any URLs that may mislead a user by causing him/her to believe that they are going to the

Travelegency corporate site or be inappropriate or misleading in any way.

#### **I. External Websites**

You are permitted to utilize external websites to promote your Travelegency business and the Travelegency opportunity. If you wish to utilize an external website, you must do the following:

- Identify yourself as an Independent Travelegency Participant.
- Utilize only approved images and verbiage allowed by Travelegency.
- Adhere to the brand, trademark, and image usage policy as described herein.
- Agree to modify your website to comply with any current or future policies of Travelegency.

You are solely responsible for the content, messages, statements, and information posted on your website and must ensure that your website properly represents and reinforces the Travelegency brand and is compliant with all Travelegency principles and policies.

Additionally, your website must not contain any fraudulent pop-ups or advertisements, or malicious code. Determinations and corrective actions, in this area, are solely at the discretion of Travelegency. It is recommended that you use Travelegency's approved images, which are available through the business tools package.

#### **J. Travelegency Participant Image Requirements**

When using social media or an external website, it should include:

- Your Travelegency Participant logo from the approved templates.
- Your first and last name.
- A link to your derivative Participant Website.

It should be clear to anyone who arrives on your page that it is an Independent Participant site and not the corporate Travelegency page.

#### **4.6. Advertised Price**

You may not advertise any Travelegency service at a price BELOW the highest price published by the company for a similar service. Advertisements with special discounts are not permitted.

These include but are not limited to offers of free memberships or other similar offers that extend benefits beyond those available through the Company.

#### **4.7. No Spamming**

Participants are not permitted to send out unauthorized promotional materials, including via email (spamming) or via SMS messaging. Any messaging must comply with the United States Law "On Advertising" and be carried out only with the consent of the recipients.

Any email sent by a Participant that advertises Travelegency, Travelegency opportunities, or Travelegency services must comply with the following:

- It must contain the sender's valid return email address.
- The email must contain a notice informing the recipient that he or she may reply to the email at the valid return email address with a request to not receive any future promotional messages or correspondence (a valid opt-out notice).
- The email must contain the Participant's actual postal address.
- The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
- Use of misleading subject lines and/or false header information is prohibited.
- All opt-out requests received via email or regular mail must be honored. If a Participant receives an opt-out request from an email recipient, the Participant must forward the request to the Company.

Travelegency may, from time to time, send out commercial emails on behalf of Participants. By entering into the Participant Agreement, Participant agrees that the Company may send such emails and that the Participant's actual street and email address will be included in such emails as set forth above. Participants are required to honor any opt-out requests received as a result of such emails being sent by the Company. Except as provided for in this Section, Participants may not use or transmit unsolicited faxes or use an auto-dialer system in connection with operating their Travelegency businesses.

### **SECTION 5 – CONDUCTING THE Travelegency BUSINESS**

#### **5.1. Business Entities**

A legal entity registered in accordance with the laws of the United States may apply to participate in Travelegency as a Participant by submitting to Travelegency a Travelegency Application and Participant Agreement along with its incorporation documents (Charter, Foundation Agreement). Travelegency may change its status under the same Sponsor from an individual to a legal entity. To do so, the Participant(s) must provide the legal entity's incorporation documents to Travelegency. All founding members must sign the Participant Application. The founding members of the legal entity shall be liable for any debts or other obligations to Travelegency in accordance with the laws of the United States.

##### **5.1.1. Changes to the Business Entity**

Each Participant is required to immediately notify Travelegency of any changes to the legal entity that it uses to conduct the Travelegency business, as well as the addition or removal of founding members. Travelegency may change its status under the same Sponsor from an individual to a legal entity. All founding members must sign the Participant Agreement form. The founding members of the legal entity shall be liable for any debts or other obligations to Travelegency in accordance with the laws of the United States.



### **5.1.2.Sponsor Changes**

In order to protect the integrity of all marketing organizations and protect the fruits of all Participants' hard work, Travelegency does not allow a Sponsor change. If in any case, a User is not satisfied with his/her Sponsor line, that person can cancel the membership at any time and make a new registration but only six (6) months after previous cancellation.

### **5.1.3.Placement Changes**

Travelegency does not allow a placement change, users have the option to allocate referrals on either side of the Binary structure. At the same time, users have full responsibility on what side they allocate each referral.

## **5.2.Unauthorized Representations and Actions**

### **5.2.1.Indemnification**

The Participant shall be fully responsible for all of his or her verbal and/or written representations made regarding the services of Travelegency and the Compensation Plan that are not expressly contained in the Official Materials of Travelegency. Participants agree to indemnify and hold Travelegency harmless from any liability including judgments, damages, court costs, or lost profits incurred as a result of the Participant's unauthorized representations or actions in accordance with the laws of the United States . This provision shall survive the termination of the Participant Agreement.

### **5.2.2.Advertising Travelegency Services.**

Except for the statements contained in the Travelegency Official Materials, no other statements, representations or claims regarding any of the services offered by Travelegency shall be made. All information disseminated by Participants concerning Travelegency, its services, and opportunities must be truthful and comply with the laws of the United States concerning advertising, on touristic activity and consumer protection.

## **5.3.Conflicts**

### **5.3.1.Non-Solicitation**

Participants may participate in other direct sales, multilevel, network marketing or relationship marketing business ventures or marketing opportunities (collectively, "Network Marketing") as long as they do not commingle Company product/service offerings with other product/service offerings. This commingling shall never be conducted in any format. Additionally, during the Term of this Agreement and for one (1) year thereafter, a Participant may not recruit any Participant or Customer for any other Network Marketing business, unless that Participant or Customer was personally sponsored by such Participant. The preceding sentence shall not be interpreted to permit a Participant to recruit one of their downline Participants or Customers in an effort to have that Participant do the same. Company shall, in its sole discretion, have the ability to enforce this provision as it deems fit to fulfill both the purpose and the spirit of this non-solicitation provision.

Participant shall not offer any type of contact information connected to any Participant to another party with the intent of having the other party solicit/recruit that Participant to consider any product, service, or income opportunity unrelated to the Company.

The term "recruit" means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way (either directly or through a third party), another Participant or Customer to enroll or participate in any Network Marketing opportunity and the active role of discouraging others from enrolling within the Company opportunity. This conduct represents recruiting even if the Participant's actions are in response to an inquiry made by another Participant or Customer.

### **5.3.2.Sale of Competitive Goods or Services**

Participants shall never promote multiple Network Marketing opportunities or products/services of other Network Marketing opportunities on the same platforms as they market and sell Company products/services, at any Company-related event, seminar, training, convention, or immediately after such an event. Participants shall also not display or bundle Company products or services in sales literature, on a website, or in sales meetings with any other products or services. These are reasonable restrictions to avoid confusing or misleading a prospective Customer or Participant into believing there is a relationship between the Company and non-Company products, services, or opportunity and to prevent indirect solicitation.

Due to the visibility of higher-ranking Participants, the Company has designated that Participants at the rank of Manager and above agree to NOT participate in any other Network Marketing opportunity.

### **5.3.3.Targeting Other Direct Selling Salespeople**

If Participants engage in the recruitment and/or attempted recruitment of other direct selling company's participants to sell or distribute Travelegency services, they risk being held liable by the other direct selling company.

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

If at the time of enforcement of any provision of Section a court of competent jurisdiction shall hold that the duration, scope or area restriction of any provision herein is unreasonable under circumstances now or then existing, you and Company hereto agree that the maximum restricted period, scope or territory reasonable under the circumstances shall be substituted by the court for the stated duration, scope or area.

If another Network Marketing entity brings any lawsuit, arbitration, or mediation against a Participant alleging that the Participant engaged in inappropriate recruiting activity of its sales force or Customers, the Company will not pay any of Participant's defense costs or legal fees, nor will the Company indemnify the Participant for any judgment, award, or settlement.

#### **5.3.4. Confidentiality and Nondisclosure of Information**

All Participants are required to abide by the Company's Confidentiality Policy relating to participant and customer information in accordance with the Law of the United States "On Personal Data and Their Protection".

#### **5.3.5. Data Management Rule**

The Data Management Rule is intended to protect the Sponsorship Line ("SL") for the benefit of all Participants, as well as Travelegency. SL Information is information compiled by Travelegency that discloses or relates to all or part of the specific sponsorship arrangement in the Travelegency business, including, but not limited to, Participant lists, sponsorship trees, and all Participant information generated therefrom, as they may exist now and in the future. Travelegency's SL represents commercially valuable, unique, and confidential trade secrets (Confidential Information) that it keeps secret, protects from unauthorized access, and treats as confidential. Travelegency is the sole and exclusive owner of all Confidential Information which has been acquired, collected, configured and maintained through the substantial expenditure of time, effort and resources of Travelegency and its Participants. Subject to this Rule, Participants are granted a personal, nonexclusive, non transferable, revocable license by Travelegency to use Confidential Information only to the extent necessary to conduct their business pursuant to these Policies and Procedures.

The Company reserves the right to deny or revoke this license, upon notice to a Participant describing the reason(s) for such denial or revocation, at any time when, in Travelegency's reasonable judgment, it is necessary to protect the confidentiality or value of Confidential Information. All Participants shall hold Confidential Information in the strictest confidence and shall take all reasonable steps and appropriate measures to protect the Confidential Information and maintain its confidentiality.

#### **5.4. Cross Sponsoring**

Actual or attempted cross sponsoring is prohibited. "Cross Sponsoring" is defined as the enrollment, indirect or otherwise, of an individual or entity who has a current username or Participant Agreement on file with Travelegency, or who has had such an Agreement within the previous six (6) calendar months, in another line of sponsorship.

The use of a spouse's or relative's name, assumed business names, DBA's, trade names, assumed names, federal tax identification numbers, or fictitious identification numbers to circumvent this policy is prohibited. This policy does not prohibit the transfer of a Travelegency business pursuant to the "Sale, Transfer, or Assignment of Travelegency Business" section of these Policies and Procedures.

#### **5.5. Prohibition on the Use of State Symbols**

Participants are prohibited from using state symbols of the United States, including in advertising materials, without obtaining appropriate permission in the manner prescribed by law.

#### **5.6. Identification**

All Participants are required to provide their IIN (Individual Identification Number) or BIN (Business Identification Number) to Travelegency either on the Participant Agreement or upon request by the company. Upon enrollment, the Company will provide the Participant with a unique Participant Identification Number by which he or she will be identified. This number will be used to place orders and to track commissions and bonuses.

### **5.7.Taxation**

Each Participant is solely responsible for paying taxes on any income earned as a Participant, in accordance with the tax laws of the United States.

### **5.8.Independent Contractor Status.**

You are an independent contractor. You are not an agent, employee, partner, legal representative, or joint venturer of the Company. You may not represent yourself as anything other than an Independent Participant. You do not have the authority to bind Travelegency to any obligations.

You are responsible for paying your own income taxes and other statutory payments, as required by the laws of the United States.

You are required to comply with all laws of the United States, as well as all Company rules and regulations, pertaining to your independent Travelegency business or your acquisition, receipt, holding, sale, distribution or advertising of the Travelegency services or opportunities.

Participants may not answer phone solicitations with the phrases "Travelegency", the "Travelegency Home Office" or any other manner that may mislead the caller into believing that they have reached a Travelegency corporate office. A Participant may only identify themselves as a Travelegency Participant.

Therefore, all letterheads and business cards pertaining to or connected with a Participant's Travelegency business must contain the Participant's first and last name followed by the term "Participant."

### **5.9.Bonus Buying**

The payment of membership fees solely for the purpose of receiving bonuses or advancing in rank is prohibited.

### **5.10."Stacking"**

"Stacking" is the unauthorized manipulation of the Travelegency compensation system and/or marketing plan for the purpose of generating commissions or advancing the rank of a downline participant in an unearned manner. One form of "stacking" occurs when a Sponsor places participants under a downline participant who is inactive (who may be unaware of or have no relationship with the customers) for the purpose of generating unearned commissionable volume.

Another example of "stacking" occurs when Participants are manipulatively placed within a downline organization in order to advance rank.

"Stacking" is an unethical and unacceptable practice and as such, is a punishable offense for which the penalty can be, among other things, the forfeiture of the ranks of all individuals found to be directly involved.

### **5.11. One Travel Agency Business Per Participant**

A Participant may operate or have any ownership or equitable interest, whether by operation of law or otherwise, as a sole proprietor or participant in only one Travel Agency business.

No individual may own, operate, or receive compensation from more than one Travel Agency business.

Family members may join Travel Agency or have an interest in their own, separate Travel Agency businesses only if each successive family position is placed ahead of the first family member to enroll with Travel Agency. "Family" is defined as husband and wife and dependent children residing at the same address.

### **5.12. Sale, Transfer, or Assignment of Travel Agency Business**

While a Travel Agency business is a private, independent business, the sale, transfer, or assignment of a Travel Agency business is subject to certain restrictions. If a Participant desires to sell his or her Travel Agency business, the following criteria must be met:

- The integrity of the existing line of sponsorship must always be protected so that the Travel Agency business continues to operate within that line of sponsorship.
- The purchaser or successor must become a qualified Travel Agency Participant. If the purchaser is an existing Travel Agency Participant, he or she must first terminate his or her Travel Agency Participant Agreement and wait six calendar months before purchasing any interest in a new Travel Agency business.
- Prior to the closing of the sale, transfer, or assignment, and its approval by Travel Agency, any outstanding debt obligations owed to Travel Agency by the selling Participant must be satisfied; and
- The selling Participant must be in good standing and not in violation of any terms and conditions of the Agreement in order to be eligible to sell, transfer, or assign the Travel Agency business.

Prior to the sale of a Travel Agency business, the selling Participant must notify the Travel Agency compliance department of his or her intent to sell the Travel Agency business. No changes to the line of sponsorship may be made as a result of a sale or transfer of the Travel Agency business. A Participant cannot sell, transfer or assign a portion of his or her business – the position must be sold in its entirety.

### **5.13. Division of Travel Agency Business**

Travel Agency Participants sometimes operate their Travel Agency businesses as married couples or business partners.

In the event of a dissolution of a marriage or the termination of a partnership, steps must be taken to ensure that any split or division of the business is done in a way that does not harm or prejudice the interests and incomes of other businesses above or below in the line of sponsorship.

If the parties to the division fail to protect the interests of other Participants and the Company within the timeline established, Travel Agency shall have the right to unilaterally terminate the Participant Agreement, upon three (3) days' prior notice to the Participant by any available means.

The parties in the process of dividing the business must elect one of the following courses of action:

- One of the parties may, with the consent of the other party(ies), operate the Travelegency business under a written agreement whereby the spouse(s) or partner(s) relinquishing their rights authorize Travelegency to deal directly and solely with the other non-relinquishing spouse(s) or partner.
- The parties may continue to operate the Travelegency business jointly on a “business-as-usual” basis, with all compensation payable by Travelegency paid in accordance with the pre-existing arrangement that was in place prior to the filing of the petition for dissolution of marriage or the commencement of the division proceedings. This is the default procedure if the parties are unable to reach an agreement on the format set forth above. Under no circumstances will the Company remove a party from a Participant account without that party’s written authorization and signature.

Under no circumstances will the downline organization of a divorcing couple or business entity be split. Under no circumstances will Travelegency split commission checks between divorcing spouses or partners. Travelegency will only recognize one downline organization and will only issue one commission check per Travelegency business for each commission cycle.

Commission checks must always be made payable to the same individual or entity.

In the event that the parties to a divorce are unable to reach a settlement regarding the distribution of commissions and ownership of the business within a reasonable time period established by the Company, the Participant Agreement will be unilaterally terminated.

If a former spouse or partner has completely relinquished all rights to the original Travelegency business in connection with the dissolution of a marriage or the termination of a partnership, he or she will subsequently be free to enroll under any Sponsor of his or her choosing without having to wait six (6) calendar months.

#### **5.14.Sponsoring**

All Active Participants in good standing have the right to sponsor and enroll others into Travelegency.

Each prospective customer or Participant has the absolute right to select his or her own Sponsor. If two Participants claim to be the Sponsor of the same new Participant or customer, the Company will honor whichever application it receives first.

### **SECTION 6 – OBLIGATIONS**

#### **6.1. Change of Address, Telephone Number, Email Address**

To ensure timely communication, delivery of support materials, and commission checks, it is vitally important that Travelegency’s files are current. Participants who are planning to move or change their email address are required to submit a revised Participant Agreement reflecting the new information.

#### **6.2. Sponsoring Participant’s Obligations**

##### **6.2.1. Initial Training**

It is the obligation of any Participant who sponsors another Participant into Travelegency to provide real assistance and training so that his or her downline is properly conducting his or her Travelegency business.

Participants are obligated to provide the most current version of the Policies and Procedures, the Income Disclosure Statement, and the Compensation Plan to any person(s) they are sponsoring to become a Participant, before the applicant signs the Participant Agreement.

### **6.2.2. Continuing Training Obligations**

Participants are obligated to monitor the Participants in their downline organizations to ensure that downline Participants are not making improper product or business claims or engaging in any illegal or improper conduct. Upon request, each Participant must be able to provide Travelegency with documented proof that it is continuously fulfilling its Sponsor's obligations.

### **6.3. No Disparagement**

Participants are prohibited from disparaging or denigrating the business reputation of, or making any negative remarks to or about, Travelegency, other Travelegency Participants, Travelegency services, the Compensation Plan, or the owners, directors, officers or employees of Travelegency.

### **6.4. Reporting Policy Violations**

Participants who become aware of a policy violation by another Participant should report the violation, in writing, directly to the Travelegency compliance department, along with any supporting evidence and relevant information. It is important to understand that any information provided will be kept confidential.

## **SECTION 7 – PAYMENT FOR SERVICES**

### **7.1. Payment Methods**

Membership in the Program will automatically renew each month using the user's balance on their eWallet. If there is not enough balance on the eWallet, our Payment Process System will automatically use the credit or debit card information on their record to process the renovation.

## **SECTION 8 – BONUSES AND COMMISSIONS**

### **8.1. Requirements for Earning Bonuses and Commissions**

To be eligible to earn commissions and bonuses, a Participant must be in good standing and in compliance with the Agreement and these Policies and Procedures. A Participant is eligible to receive commissions and bonuses if they maintain active Participant status in good standing.

### **8.2. Errors or Questions**

If a Participant has any questions or believes that errors have been made regarding commissions, bonuses, downline activity reports, or charges, the Participant is required to notify Travelegency in writing within 30 days of the date of the error or incident.

Travelegency shall not be responsible for any errors, omissions, or problems not reported to the Company within 30 days.

### **8.3. Bonus Buying Prohibited**

Bonus buying is strictly and absolutely prohibited. Bonus buying includes: (a) enrolling individuals or entities without their knowledge and/or without their execution of a Participant Agreement; (b) fraudulently enrolling an individual or entity as a Participant or Customer; (c) enrolling or attempting to enroll nonexistent individuals or entities as Participants or Customers (“phantoms”); (d) purchasing Travelegency services on behalf of another Participant or Customer or using another Participant’s or Customer’s identification number to qualify for commissions or bonuses; and/or (e) any other scheme or ruse for the purpose of qualifying for rank advancements, incentives, prizes, commissions, or bonuses not associated with bona fide product or service purchases by ultimate consumers.

### **8.4. Reports**

All information furnished by Travelegency including, without limitation, Personal Sales Volume (or any portion thereof) and downline sponsorship activity is presumed to be true and accurate. However, due to various factors including, but not limited to, the potential for human and mechanical error; the accuracy, completeness, and timeliness of orders; rejected electronic payment transactions, a Participant whose Participant Agreement has been terminated shall receive commissions and bonuses only through the last full pay period worked prior to termination (less any amounts withheld during an investigation preceding a unilateral termination).

A Travelegency Participant has the right to terminate the Agreement at any time for any reason. Notice of termination shall be provided to the Company in writing to its principal place of business or by email to Travelegency.

## **SECTION 9 – DISCIPLINARY ACTION**

### **9.1. Disciplinary Action**

Violation of the Agreement, these Policies and Procedures, breach of any duty hereunder, any illegal, fraudulent, deceptive, or unethical business conduct, and any action or inaction by a Participant which, in the Company’s sole judgment, may harm its reputation or business reputation, may result, at Travelegency’s discretion, in one or more of the following corrective actions:

- The issuance of a written warning or reprimand.
- The requirement that the Participant take immediate corrective measures.
- The imposition of a fine, which may be withheld from bonus and commission checks.
- The forfeiture of one or more bonus and commission checks.
- The withholding from the Participant of some or all of his or her bonuses and commissions during the period that Travelegency is investigating any actions alleged to be in violation of the Agreement.
- If a Participant’s business is terminated for disciplinary reasons, the Participant shall not be entitled to receive any commissions withheld during the investigation period.



- The suspension of the Participant Agreement for one or more pay periods.
- The involuntary termination of the offending Participant's Participant Agreement.
- Any other measures Travelegency deems necessary and appropriate to implement to fairly address claims that have arisen in whole or in part from a Participant's violation of policy or the terms of the Agreement.
- The initiation of legal proceedings for redress in accordance with the laws of the United States
- Each violation is dealt with on a case-by-case basis and any and all disciplinary actions are at the sole discretion of Travelegency.

## **9.2. Damages**

In any case arising out of or related to the wrongful termination of the Agreement and/or the loss of the Participant's Travelegency business, the Company and the Participant agree that damages would be extremely difficult to ascertain.

Therefore, the Company and the Participant stipulate that in the event that it is proven that the involuntary termination of the Agreement and/or the loss of the Participant's Travelegency business was wrongful under the laws of the United States, the Participant's sole remedy shall be the recovery of liquidated damages calculated as follows:

I. For Participants ranked as "Paid As" Ambassador and above, the liquidated damages shall be an amount equal to his/her gross compensation earned by him/her pursuant to the Travelegency Compensation Plan during the twelve (12) month period immediately preceding the termination.

II. For Participants ranked as "Paid As" Legend, the liquidated damages shall be an amount equal to his/her gross compensation earned by him/her pursuant to the Travelegency Compensation Plan during the twenty-four (24) month period immediately preceding the termination.

In any lawsuit arising out of or related to the Agreement, the Travelegency business, or the relationship between the Company and the Participant, both parties waive all claims for incidental damages, even if the other party has been advised of the possibility of such damages. The Company and the Participant also waive all claims for punitive damages unless otherwise stipulated by the laws of the United States.

## **SECTION 10 – POST-TERMINATION**

### **10.1. Effect of Termination.**

For as long as a Participant remains active and in compliance with his or her Participant Agreement and these Policies, Travelegency shall pay such Participant commissions in accordance with the Compensation Plan. The Participant's bonuses and commissions constitute full compensation for the Participant's sales generation efforts and all activities related to sales generation (including, without limitation, the building of a downline organization).

Upon the expiration of the Participant Agreement, termination for inactivity, or voluntary or involuntary termination (cancellation) of the Participant Agreement (all of these methods are collectively referred to as "Termination"), a former Participant has no rights, title, claim, or interest in the downline organization he or she managed or to any commissions or bonuses

from the sales generated by the organization. Participants waive any and all rights, including, without limitation, any property rights, to downlines that they may have. Upon a Participant's termination of the Participant Agreement, the former Participant shall not be entitled to represent himself or herself as a Travelegency Participant, and shall not have the right to sell Travelegency products or services. A Participant whose Participant Agreement has been terminated shall receive commissions and bonuses only through the last full pay period worked prior to termination (less any amounts withheld during an investigation preceding an involuntary termination).

A Travelegency Participant has the right to terminate the Agreement at any time for any reason. Notice of termination shall be provided to the Company in writing to its principal place of business or by email to Travelegency. The written notice must include the Participant's signature, his or her printed name, address, and Participant Identification Number.

### **10.2. Non-Renewal**

A Participant can also voluntarily terminate the Participant Agreement by failing to pay a renewal fee, if applicable. Participants are provided with a 60-day grace period to reinstate their membership in the event of a declined administrative fee payment.

## **SECTION 11 – DEFINITIONS**

**AGREEMENT:** The contract between the Company and each Participant; includes the Participant Agreement, the Travelegency Policies and Procedures, and the Travelegency Compensation Plan, all as they currently exist and as amended from time to time by Travelegency in its sole discretion. These documents are collectively referred to as the "Agreement."

**TERMINATION:** The discontinuation of a Participant's business. Termination may be voluntary, involuntary, or by non-renewal.

**COMPENSATION PLAN:** The principles and supporting materials that describe how Participants can earn commissions and bonuses.

**CUSTOMER:** A customer who purchases Travelegency services and is not engaged in building a business or selling services.

**PARTICIPANT:** An individual or entity that has executed an Agreement with Travelegency to market the Services and receive commissions from sales and for building a business.

**SPONSORSHIP LINE ("SL"):** A report generated by Travelegency which contains vital participant data, sales information, and enrollment data regarding each Participant in the organization. This report contains confidential and trade secret information that is proprietary to Travelegency.

**ORGANIZATION:** The customers and participants under a given participant.

**TRAVELEGENDCY OFFICIAL MATERIALS:** Literature, audio or video cassettes and other materials that are developed, printed, published and circulated by Travelegency for use by Participants.

**RECRUIT:** For purposes of Travelegency's Conflict of Interest Policy, the term "Recruit" means the actual or attempted solicitation, enrollment, encouragement or other influence, whether direct, indirect, or through a third party, of another Travelegency Participant or Customer to enroll with or participate in another multi-level marketing, network marketing, or direct selling program.

**SPONSOR:** The participant who enrolls a customer or another participant into the Company, who is designated as the Sponsor on the Participant Agreement. The act of enrolling other individuals and training them to also become Participants is referred to as "Sponsoring."

**UPLINE:** This term refers to the Participant or Participants above any given Participant in the line of sponsorship up to and including the Company. This is the line of Sponsors that connects any particular Participant to the Company.

PARTICIPANT:

FULL NAME:

IIN:

ADDRESS:

SIGNATURE:

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