

POLICIES & PROCEDURES

SECTION 1. GENERAL PROVISIONS

- 1.1 Crowned Free Designs, LLC. (“Crowned Free”) is a direct-selling company marketing clothing, jewelry, and other accessory products to consumers through a network of Crowned Free Sales Representatives (“CFRs”).
- 1.2 This Statement of Policies and Procedures (“Procedures”) as well as all the documents, representative materials and information contained in the Business Kit are referenced by and incorporated into the Independent Retail Sales Representative Agreement. The Agreement constitutes the entire agreement of the parties regarding their business relationship.
- 1.3 Crowned Free shall not waive its right to insist on compliance with these Procedures or with applicable laws governing the conduct of a business. This is true in all cases, both expressed and implied, unless an officer of Crowned Free who is authorized to bind Crowned Free in contracts or agreements, specifies in writing that Crowned Free waives any of these provisions. In addition, any time Crowned Free grants a written waiver to a CFR for an exception to these Procedures, that waiver does not extend to or permit any future waiver(s), nor does it extend to any CFR other than the one for whom the express written waiver is granted.
- 1.4 These rules are reasonably related to the laws of Michigan and shall be governed in all respects thereby. The parties agree that jurisdiction and venue shall lie with the place of acceptance of the Agreement, the State of Michigan. The CFR agrees that in the event of any dispute arising under or concerning the Agreement, suit shall be brought only in a court of competent jurisdiction in the State of Michigan.
- 1.5 Crowned Free expressly reserves the right to alter or amend its Procedures at any time. Such amendments are automatically incorporated as part of the Agreement and will be effective on the date the revised Procedures are posted on the Crowned Free website.
- 1.6 Crowned Free reserves the right to make changes in product prices and availability of products at any time and without notice. Crowned Free reserves the right to change the contents of the Starter Kits.
- 1.7 Crowned Free reserves the right to modify or amend its Compensation Plan. Such amendments are automatically incorporated as part of the Agreement and will be effective on the date the revised Compensation Plan is posted on CFR Resources, which constitutes written notice of any modifications.
- 1.8 Should any portion of these Procedures or any other instruments referred to herein or issued by Crowned Free be declared invalid by a court of competent jurisdiction, the balance of such rules, applications, or instruments shall remain in full force and effect.

SECTION 2. INDEPENDENT CONTRACTOR STATUS

- 2.1 A Crowned Free Designs Representative (“CFR”) is an individual, age 18 or older, or approved individually-owned entity that has executed and submitted an Agreement that has been accepted by Crowned Free. The agreement is between Crowned Free and the CFR and includes no others.
- 2.2 CFR is free to sell Crowned Free products only in the United States.
- 2.3 CFR is not required to carry inventory of Crowned Free products or sales aids. Therefore, Crowned Free does not offer a “buy-back” policy for such purchases. Product samples, including Crowned Free Starter Kits, may be exchanged, replaced or refunded under the guidelines of the Crowned Free Starter Kit Return & Exchange Policy. Additional product samples ordered by CFR may be exchanged, replaced or refunded under the guidelines of The Crowned Free Return & Exchange Policy.
- 2.4 CFR shall not be treated as an employee for Federal and State tax purposes.
- 2.5 CFR is an independent sales representative of Crowned Free and is not to be considered a purchaser of a franchise or distributorship.
- 2.6 The Agreement does not create an employer/employee relationship, agency, partnership, or joint venture between Crowned Free and the CFR.
- 2.7 CFR is responsible for abiding by all federal, state, county, municipal and other local laws, rules and regulations and shall, at her/his own expense, make, execute or file all such reports and obtain such licenses as are required by law or public authority with respect to this Agreement and/or to the acquisition, receipt, holding, selling, distributing or advertising of Crowned Free’s products.
- 2.8 CFR agrees that if she/he is eligible to receive an IRS Form 1099, Crowned Free may provide this form to the CFR by sending it to her/his email address of record.
- 2.9 CFR consents to receive email messages, text messages, auto-dialed calls or SMS updates from Crowned Free.
- 2.10 CFR has no authority, expressed or implied, to bind Crowned Free to any obligation.
- 2.11 CFR should set up her/his own hours and determine her/his own methods of sale, so long as she/he complies with the Procedures of Crowned Free. CFR shall be solely responsible for control of her/his activities, manner and methods of performance of work, conduct and control of work, CFR’s own employees and/or subcontractors, if any, all equipment necessary to perform her/his sales function, and any investment in her/his own business.
- 2.12 The death of the CFR will cause termination of the Agreement.
- 2.13 With special permission granted in writing by Crowned Free, an CFR may be allowed to form a limited liability company or single shareholder corporation in which to conduct her/his CFR business. Permission will only be extended to those entities which (1) are owned and managed only by the Applicant, (2) are limited in scope to the purpose of carrying out the business of a CFR, (3) do not allow the addition of any new members or co-owners, (4) are non-transferable, and (5) terminate upon the death or withdrawal of the CFR. Crowned Free will not approve any CFR conducting business in a partnership, corporation, limited liability company, or any other business entity in which there are multiple owners. In those cases where the CFR has been granted permission to conduct her/his Representative Business (“RB”) as a limited liability company or corporation, it is agreed that since the RB is under the control of its owner, the actions of the individual owner, member, manager, agents, employees and officers, if any, which are in contravention to the Procedures shall be attributable to the RB as a whole.
- 2.14 CFR authorizes Crowned Free to verify all personally identifiable information provided to Crowned Free in the CFR Application.
- 2.15 CFR hereby certifies to Crowned Free that she/he is duly authorized to work in the U.S. and that if she/he has any employees performing work under this Agreement, such employees are duly authorized to work in the United States. Lack of work authorization by the CFR or its employees performing work under this Agreement is a violation of this Agreement and is cause for its immediate termination by Crowned Free. If such lack of authorization causes Crowned Free any harm, CFR agrees to fully indemnify Crowned Free, Crowned Free’s officers and employees for all its actual and consequential losses and any related legal fees. If a dispute arises out of the CFR’s violation of this clause, such dispute, to the extent of applicable law, is governed by U.S. immigration law.

- 2.16 CFR agrees that while under contract with Crowned Free, CFR will maintain residency in the United States. Should the CFR relocate to a residence outside the United States, the Agreement may be terminated. If CFR's relocation to a residence outside the United States is temporary, CFR may send a written request to Crowned Free requesting that CFR's Agreement remain active during the temporary relocation. Crowned Free will evaluate each situation on a case-by-case basis using the following criteria as guidelines for decision making:
- Can the CFR temporarily relocate without substantial disruption or administrative burden to the CFR, Crowned Free, and/or (where applicable) the CFR's sales organization and/or Upline?
 - Will the CFR maintain a permanent U.S. residence while living temporarily outside the United States?
 - Will the CFR reside in the United States for at least six months out of the calendar year in question?
- All requests to maintain an active Agreement during a temporary relocation will be evaluated by Crowned Free's executive management who will provide a written decision to the CFR.

SECTION 3. CFR CONDUCT

- 3.1 CFR shall safeguard and promote the reputation of the products of Crowned Free and shall refrain from all conduct which might be harmful to the reputation or interests of Crowned Free or to the marketing of such products, or inconsistent with the public interest, and shall avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices. If in the sole opinion of Crowned Free, a CFR is conducting business in a manner inconsistent with this clause, the Agreement may be terminated immediately, which will be deemed termination "for cause" as defined in Section 7.
- 3.2 CFR shall not be employed by, consult with, own, manage or be an advisor to, whether paid or unpaid, any other direct sales company or entity or direct sales personnel without prior express written consent from Crowned Free.
- 3.3 CFR shall not, directly or indirectly, whether through spouses or affiliated third parties, recruit for another company, or promote, show, market or sell products or services for another company to any other CFRs at any time for any reason.
- 3.4 CFR shall not, directly or indirectly, whether through spouses or other affiliated third parties or entities, recruit for another company or charity, or promote, show, market or sell products or services for another company at any Crowned Free Party, meeting, conference or event.
- 3.5 CFR may not use Crowned Free's name, prestige, drawing power, forms, or printed materials in conjunction with or in support of her/his non-Crowned Free activities.
- 3.6 Representatives shall be physically present during Crowned Free Parties and shall personally and actively engage in the demonstration and sales of Crowned Free products during such Parties.
- 3.7 CFR shall not, directly or indirectly, sell or display Crowned Free products to or through consignment stores, eBay or other unauthorized Internet sites or channels of distribution.
- 3.8 CFR may not manipulate any provisions of the Crowned Free Compensation Plan in an effort to fraudulently earn or maximize Direct Profits, Sales Bonuses, Referral Bonuses, Override Commissions, Awards, Prizes, Rank Achievement Bonuses, PCV Bonuses, Sponsor Bonuses, Growth Bonuses, or any other remuneration as applicable.
- 3.9 Representatives may not transfer or give a new Recruit to anyone in her/his Downline.
- 3.10 Representative may not manipulate or transfer her/his own Personal Commissionable Volume ("PCV") or the PCV of anyone in any one of their Downline level(s) to any other CFR.
- 3.11 Representative may not make personal purchases to generate PCV in an effort to qualify themselves or any other Representative for PCV monthly minimums, Override Commissions, Promotions, Bonuses, Contests, Awards or any other remuneration.
- 3.12 CFR may not give Parties or individual orders away to any other CFR.
- 3.13 Representatives may not entice another CFR with offers of monetary remuneration, discounts or other incentives to terminate their Agreement for the purpose of creating a vacancy in the organization and a roll-up of their Downline.
- 3.14 Representatives may not place "ghost Representatives" into her/his Downline for the purpose of meeting plan requirements. "Ghost Representatives" are defined as any person or entity recruited into Crowned Free as a Representative who does not actively and personally engage in the act of demonstrating or selling Crowned Free products.
- 3.15 Representatives may not manipulate the Crowned Free Hostess Free Product provisions of the Crowned Free Income Opportunity in an effort to fraudulently acquire or award free products. Such fraudulent manipulation includes, but is not limited to:
- naming "ghost Hostesses" for the purpose of inappropriately awarding or personally acquiring free products.
 - acting as a Guest on a Party, in order to increase Guest count resulting in increased Hostess Free Products.
- 3.16 Crowned Free reserves the right to require a Representative to return any Hostess Free Products which were inappropriately obtained by means of manipulation, or which should be disqualified due to a high level of retail returns.
- 3.17 Representatives must complete a Customer Order Form which accurately reflects all charges and must provide a copy of the completed Order Form to the Customer.
- 3.18 CFR is responsible for resolving credit card charge-backs, disputed charges, insufficient funds checks, and stop-payment checks from their customers.
- 3.19 CFR may not use Crowned Free's credit card processing system as a means to accept payment for retired cash and carry items.
- 3.20 CFR payments added to Customer Orders must be for CFR cost only (remaining balance due) and should not be for the retail amount, which would inappropriately result in an average amount due back to the CFR.
- 3.21 All Customer credit card payments entered into Crowned Free's payment processing system must accurately reflect the cardholder name, the cardholder address, the exact product purchased, and amount that the cardholder authorized for payment.
- 3.22 CFR may not transfer a credit card payment of one Customer to the Order of another Customer without the signed authorization of the cardholder.
- 3.23 Violations of these conduct provisions may be grounds for disqualification of fraudulently acquired profits, commissions, awards, prizes, trips, bonuses, and/or free products.
- 3.24 Violations of these conduct provisions shall be grounds for immediate termination of the Agreement "for cause," at the discretion of Crowned Free, and would serve as the basis of possible legal action taken against the CFR, in an effort to recover fraudulently acquired profits, commissions, awards, prizes, bonuses, and/or free products. Any expense associated therewith, including attorney fees and costs, will be assessed against the CFR.
- 3.25 Crowned Free may, at its own discretion, award prizes, trips, and/or bonuses to a Representative who did not otherwise qualify for the respective award,

based on her/his exceptional performance during any incentive qualification period.

SECTION 4. SPONSORING

- 4.1 Only Representatives may sponsor others.
- 4.2 CFR has the right to choose her/his own Sponsor, or to choose to have no sponsor.
- 4.3 If two Representatives claim to be the Sponsor of the same new CFR, Crowned Free will regard the first application received by Crowned Free as controlling. Any disputes over sponsorship will be subject to review and determination by Crowned Free. Any disputes over sponsorship or referral will be subject to review and determination by Crowned Free.
- 4.4 Actual or attempted cross-recruiting is strictly prohibited. Cross-recruiting is defined as the enrollment of an individual or entity that already has a current Agreement on file with Crowned Free, or who has had such an Agreement within the preceding 180 calendar days, within a different line of sponsorship.
- 4.5 No altering of CFR's original Sponsor is allowed.
- 4.6 Sponsors are not required to carry inventory of Crowned Free products or sales aides for new CFRs.
- 4.7 Any Representative who sponsors other CFRs may voluntarily forfeit sponsorship to her/his Level 1 and subsequent Downline organization by submitting a written request to Crowned Free. The sponsorship change will occur on the tenth day of the following month and the Downline rolled up to the Upline Sponsor. At that time, the Representative's Highest Achieved Title will be changed to that of "Representative."
- 4.8 Any Representative who sponsors other Representatives should participate in the training of the new Representative. A part of that training should include having the new Representative observe or "shadow" at one or two Parties the Sponsor is holding. If the new Representative cannot "shadow" her/his Sponsor, we recommend that she/he can "shadow" another qualified Representative.
- 4.9 Unless otherwise stated, a "new" Representative for contests, awards, and recognition is currently in her/his first year of business and must have been personally sponsored.

SECTION 5. INTELLECTUAL PROPERTY

- 5.1 The name "Crowned Free" and other names, symbols and designs, as may be adopted by Crowned Free from time to time, are proprietary trade names, trademarks, service marks, and trade association memberships or affiliations of Crowned Free. As such, these marks are of great value to Crowned Free and are supplied to the CFR for the CFR's use only in an expressly authorized manner. CFR agrees not to advertise Crowned Free products in any manner other than through the advertising or promotional materials made available to the CFR by Crowned Free or otherwise approved by Crowned Free.
- 5.2 CFR agrees not to use any written, printed, recorded or any other material in advertising, promoting or describing Crowned Free products or the Crowned Free Earnings Opportunity, or any other aspect of Crowned Free, other than material supplied or approved by Crowned Free.
- 5.3 CFR is fully responsible for all of her/his verbal and written statements regarding Crowned Free products, services and marketing program which are not expressly contained in advertising or promotional materials supplied directly by Crowned Free.
- 5.4 CFR agrees to indemnify Crowned Free and hold it harmless from any and all liability including judgments, civil penalties, attorney fees, court costs or lost business incurred by Crowned Free as a result of CFR's unauthorized representations.
- 5.5 Crowned Free will not permit the use of its name, trade names, copyrights, designs, logos, trademarks, trade association memberships or affiliations, service marks, product photographs and/or catalog scans of photographs or any other proprietary material of any nature to be used in any materials, including the World Wide Web, except as expressly authorized or approved by Crowned Free.
- 5.6 CFR shall not advertise or disclose the Crowned Free products and/or the Crowned Free Earnings Opportunity except as expressly authorized or approved by Crowned Free.
- 5.7 CFR agrees to make no false, fraudulent or misleading representations, whether oral or written, about Crowned Free, Crowned Free products, the Crowned Free Earnings Opportunity, income potentials or projections to the public or a prospective CFR, and to use only such language that has been approved by Crowned Free or used in Crowned Free's materials.
- 5.8 Crowned Free sponsors, conducts or participates in national, regional and local Crowned Free Conferences, Crowned Free Designs CFR Training Sessions, Crowned Free Representative Sales Award Trips, Crowned Free Representative Focus Groups and/or Advisory Board Meetings, Company brainstorming sessions and Crowned Free get-togethers. Representatives may not use these Company-sponsored events or venues to solicit, promote, market, sell or otherwise conduct non-Crowned Free business. This includes but is not limited to recruitment or solicitation of Crowned Free Representatives as either prospective Representatives or Customers to non-Crowned Free businesses or charitable causes.
- 5.9 Crowned Free deems the names and address lists of CFRs and Customers to be confidential and proprietary to Crowned Free. CFR may not use names and address lists of other CFRs or Customers to solicit, promote, market or sell non-Crowned Free products and services. This clause survives the termination of the Crowned Free Agreement.
- 5.10 Any reference the CFR makes to herself/himself must clearly set forth the CFR's independent status.
- 5.11 CFR is an independent contractor and is not an employee or agent of Crowned Free, and therefore may not represent herself/himself as such.
- 5.12 CFRs using unauthorized materials are subject to action by Crowned Free up to and including termination of the Agreement.
- 5.13 CFR is not authorized to speak on behalf of Crowned Free. All media inquiries are to be immediately referred to Crowned Free's corporate office. This policy is to ensure accuracy of communication and a consistent public image for Crowned Free.
- 5.14 All Crowned Free materials, whether printed, Web-based, on film, on magnetic media produced by sound recording or otherwise embodied, are copyrighted and/or trademarked/ service marked, whether such claim or mark is registered or not, and may not be reproduced in whole or in part by CFR or any other person except as authorized in writing by Crowned Free.
- 5.15 CFR may not produce, use or distribute any information relative to the contents, characteristics or properties of Crowned Free products that has not been provided directly by Crowned Free. This prohibition includes but is not limited to print, audio or video media.
- 5.16 CFR may not produce, sell or distribute printed literature, films or sound recordings that are deceptively similar in nature to those produced, published and provided by Crowned Free for its CFRs, nor may CFR create, purchase, sell or distribute non-Crowned Free materials that imply or suggest that said materials originate from Crowned Free.
- 5.17 CFR may not establish a website using Crowned Free's trade names, copyrights, designs, logos, trademarks, trade association memberships or affiliations,

service marks, product photographs, and/or catalog scans of photographs or any other proprietary material of any nature except as expressly authorized or approved by Crowned Free.

- 5.18 CFR releases the use of her/his name and any photograph, film rendering, audio or video in which she/he, or any likeness, appears or is presented. CFR consents to Crowned Free and/or its agents, in connection with any Crowned Free event, meeting or gathering, to use any of the above-mentioned information in any form of transmission, including without limitation, on the worldwide web, in radio broadcasts, newspapers and other publications, and in television or film releases, or other interactive media worldwide, without compensation.

SECTION 6. DURATION AND RENEWAL OF THE AGREEMENT

- 6.1 A CFR may only change organizations by voluntarily canceling her/his Agreement and remaining inactive (i.e., no sales of Crowned Free products, no recruiting, no attendance at any Crowned Free function, no participation in any other form of CFR activity and no operation of any other Crowned Free business) for 180 consecutive, calendar days from the date the CFR becomes inactive.
- 6.2 If CFR resigns or terminates the Agreement, or becomes deceased, the Agreement will be made inactive on the date of resignation, termination, or notice of passing. All commissionable sales for the month will be included in the month-end close and sales incentives, when applicable. The account for an inactive Representative will become compressed on the tenth of the following month and all CFRs in the first level immediately below the inactive Representative will be permanently moved to become Level 1 to the inactive Representative's Sponsor (unless Representative has entered into a separate written agreement with Crowned Free to transfer her business).
- 6.3 If a Representative is allowed to recertify within 180 calendar days after she/he becomes inactive, the renewal date will be adjusted to reflect the last day of the month one full year following when the recertification was processed. If the Representative had achieved a Title higher than Representative prior to being compressed, her/his Title will be adjusted to that of Representative upon renewal of her/his Agreement. The adjustment to the renewal month and Title will only occur to Representatives whose Agreement has been compressed and who renews within 180 calendar days.
- 6.4 Any Representative who recertifies before her/his Agreement becomes compressed will maintain her/his original renewal month and her/his existing Highest Achievement Title.
- 6.5 If recertification is not made within 180 calendar days of the Representative's renewal date, the individual will need to reapply to become a new Representative at which time payment of the Certification Fee is required.
- 6.6 The spouse of an active CFR is not eligible to become a CFR.
- 6.7 The spouse of a CFR who has become inactive with Crowned Free within the previous 180 calendar days is not eligible to become a CFR.

SECTION 7. TERMINATION OF THE AGREEMENT

- 7.1 The Agreement may be terminated by Crowned Free at the conclusion of the initial term or any renewal term without notice.
- 7.2 The Agreement may be terminated by the CFR for any reason upon written notice to Crowned Free.
- 7.3 The Agreement may be terminated by Crowned Free at any time for any reason without cause. In such cases, a prorated refund of the current year's web certification fee will be issued by Crowned Free to the CFR (prorating will be calculated on 365 days per year).
- 7.4 The Agreement may be terminated by Crowned Free, immediately for cause, whereupon the current year's certification fee will not be refunded to the CFR. For purposes of this Agreement, "cause" shall mean, but not be limited to, any actions by the CFR which, in Crowned Free's sole discretion, Crowned Free believes
- (i) discredits Crowned Free's name, goodwill or products;
 - (ii) violates in any material way any provision of the Agreement;
 - (iii) misrepresents in any way Crowned Free's products or business opportunity.
- 7.5 The Agreement will terminate upon the death or retirement of the CFR whether the CFR is doing business individually or in the form of an approved limited liability company or corporation.
- 7.6 The Agreement may be terminated by Crowned Free for cause upon relocation and change of the CFR's permanent residence to one outside of the United States, U.S. Territories and U.S. military bases.
- 7.7 Upon any termination by Crowned Free, Crowned Free shall notify the CFR in writing to the most recent electronic or mailing address listed by the CFR in the records of Crowned Free.
- 7.8 In the event of a termination of the Agreement, the CFR agrees to immediately cease representing herself/himself/ itself as a Representative of Crowned Free. Additionally, all Crowned Free training materials, training CDs and DVDs, memorandums, newsletters, price lists and pricing information, cost information, Customer lists, Customer purchasing histories, computer data, copies of invoices and mailings lists and all other written materials of any type, nature or kind whatsoever acquired by the CFR from or relating to Crowned Free whether originals, photocopies, notes, abstracts or facsimiles thereof shall immediately be returned to Crowned Free by the former CFR at her/his expense.
- 7.9 In the event of termination of the Agreement, whether by CFR or by Crowned Free, CFR will have no claim to redeem Style Bucks, Bonuses, Contest Prizes, Override Commissions, Awards, trips, or any other remuneration.

SECTION 8. INTERNET POLICIES

- 8.1 CFR may not cause or permit the name "Crowned Free" or any other of Crowned Free's trademarks to be used as part of any website address, URL, domain name, email address, or as a meta-tag or keyword heading or description.
- 8.2 CFR may not cause or permit any website link or advertising of non-Crowned Free products or services to be included on his/her Crowned Free individual e-commerce website.
- 8.3 CFR may not cause or permit her/his Crowned Free business to be promoted in any sponsored link advertising, search engine advertising, or auction sites.
- 8.4 CFR may not cause or permit any Crowned Free products to be sold, marketed or promoted through any website other than as expressly authorized on CFR's Crowned Free individual e-commerce website site.
- 8.5 CFR may not cause or permit Crowned Free products to be photographed or otherwise reproduced on any other website.

- 8.6 CFR may not cause or permit Crowned Free's industry affiliations and/or associations (e.g., Direct Selling Association membership, etc.) to be posted on any website.
- 8.7 CFR may not cause or permit a domain redirection or forward to CFR's Crowned Free individual e-commerce website.
- 8.8 CFR may not send unsolicited bulk email messages.
- 8.9 CFR may not publicly post Crowned Free's proprietary training curriculums and materials, its marketing and promotional materials, or any other materials meant for internal use and training or marketing except where the access to the site is restricted to active CFRs only and requires a user name and password to gain access.
- 8.10 CFR must maintain a professional and respectful dialogue at all times and refrain from using offensive or derogatory language.
- 8.11 CFR must not participate in arguments with any individuals who have posted negative information about Crowned Free.
- 8.12 CFR may not post anonymously about Crowned Free in social media sites. CFR must identify herself/himself by using CFR's real name on social media sites.
- 8.13 CFR agrees that any reference she/he makes about herself/himself in relationship to Crowned Free must clearly set forth the CFR's independent status.
- 8.14 CFR is an independent contractor and may not label Crowned Free as her/his "Employer."
- 8.15 CFR may not use the name "Crowned Free" or other trademarks in her/his user name, page name, member name, group name, title or any other name or registration requirement except as expressly authorized by Crowned Free.
- 8.16 CFR may use only the images and logos available from Crowned Free's marketing resources in CFR Resources and may not use other Crowned Free copyrighted material or Crowned Free-related images without prior written approval.
- 8.17 CFR must delete or replace any images or information that have become outdated or inaccurate.
- 8.18 CFR must delete all Internet references to Crowned Free if she/he ceases being a CFR for any reason.
- 8.19 CFR must make clear that the views she/he expresses is her/his alone and do not represent the views of Crowned Free.
- 8.20 CFR is not authorized to speak on behalf of Crowned Free and may not represent that she/he is authorized to do so.
- 8.21 CFR may not unfairly compete with other CFRs by offering discounts on Crowned Free Products to the public.
- 8.22 CFR may not post personal contact information or solicitations on Crowned Free's corporate social media sites.
- 8.23 CFR may not market another company's products and services simultaneously with Crowned Free's products and services.
- 8.24 CFR may not solicit or recruit other CFRs to join another company or purchase another company's products and services. This includes all forms of communication including social media posts on sites such as Facebook that are directed to or accessible by other CFRs.
- 8.25 CFR must not make any claims or statements that Crowned Free endorses or recommends any other company's products and/or services.
- 8.26 Crowned Free may modify or amend these web policies, with immediate notice. Furthermore, Crowned Free reserves the right to evaluate and approve all Internet actions and initiatives taken or proposed by the CFR, whether specifically covered or addressed by the terms of these Procedures or not.
- 8.27 Crowned Free reserves the right to contact administrators of third-party websites to request the removal of inappropriate material posted by a CFR.

SECTION 9. CONFIDENTIALITY, NON-DISCLOSURE AND NON-COMPETE

- 9.1 Crowned Free deems the names and address lists of CFRs and Customers to be confidential and proprietary to Crowned Free. CFR may not use names and address lists of other CFRs or Customers to solicit, promote, market or sell non-Crowned Free products and services. This provision survives the termination of the Agreement.
- 9.2 Crowned Free provides data processing information and monthly reports to the Representative, which includes information concerning the Representative's Downline retail sales network. Representative agrees that such information is proprietary and confidential to Crowned Free and is transmitted to the Representative in confidence. The Representative agrees that she/he will not disclose such information to compete either directly or indirectly with Crowned Free. The Representative acknowledges that but for this agreement of confidentiality and nondisclosure, Crowned Free would not provide the above confidential information to the Representative.
- 9.3 The CFR agrees that while under contract with Crowned Free and for a period of twenty-four (24) months thereafter, whether termination of Agreement is occasioned by Crowned Free, CFR or by mutual agreement, or whether Agreement is terminated with or without cause, not to directly or indirectly, for herself/himself or in or on behalf of any other party or entity, solicit or sponsor or cause any other person or entity to solicit or sponsor any employee of Crowned Free or any CFR under contract with Crowned Free to another business or opportunity.
- 9.4 The CFR agrees that while under contract with Crowned Free and for a period of twenty-four (24) months thereafter, whether termination of Agreement is occasioned by Crowned Free, CFR or by mutual agreement, or whether Agreement is terminated with or without cause, not to directly or indirectly, for herself/himself or in or on behalf of any other party or entity, solicit or sponsor or cause any other person or entity to solicit or sponsor any inactive CFR who has been under contract with Crowned Free in the preceding 180 calendar days to another business or opportunity.
- 9.5 Crowned Free will not sell CFR's personally identifiable information to third parties.
- 9.6 In the event CFR files a personal bankruptcy, CFR agrees that she/he will not use the name Crowned Free, Crowned Free Designs, dba Crowned Free, or any other of Crowned Free's trademarks anywhere in her/his personal bankruptcy petition.
- 9.7 CFR agrees not to make any disparaging remarks, comments or statements which impugn the character, honesty, integrity or morality of Crowned Free Designs, Inc., any Crowned Free Designs Employee, and/or any Crowned Free Designs Independent CFR. This clause survives the termination of the Agreement.

SECTION 10. DEATH AND INCOMPACITY

In the unfortunate event of your death, we'll pay your estate any commissions or other amounts you accrued before your death. Your Consultant Agreement will automatically terminate on the date of your death, and your Downline will Roll-Up to your Sponsor's first level. Your business can't be transferred to your estate or heirs.

SECTION 11. TRADE SHOWS AND EXPOSITIONS

Trade shows, expositions, fairs and similar events are a great avenue to market your business. Here are some rules you need to know about trade shows,

expositions and similar events:

- a. When you register for the event, you must identify yourself as an Independent Company Name Consultant. The contract between you and the organization holding the event must contain your name and the identification of you as an Independent Company Name Consultant.
- b. Your booth must contain Company Name only and cannot be shared with another business.
- c. The event cannot last more than 10 days with prior written authorization from the company.
- d. The first Consultant to register for the event has the right to conduct the event. Before you register for the event, you should make sure that another Consultant is not already registered.
- e. You are responsible for all permits, fees, licenses and insurance that may be required to participate in the event.

SECTION 12. LEAVE OF ABSENCE: MILITARY & PERSONAL

- 12.1 We understand there may be a time you need a leave of absence from your business. While these leaves are at the sole discretion of the company, there are certain circumstances when we allow our Consultants to apply for one.
- 12.2 Military Leave – We understand that for many military families there may be times when you or your spouse is on deployment and it may be difficult to conduct your business as usual. Should that circumstance arise, you have the choice to continue to conduct your business or place your business on hold. Should you choose to conduct your business as usual, there may be circumstances where certain maintenance requirements may be waived. You must inform the company of the deployment situation in advance and must be living on or near the military base to which you or your military spouse is stationed. You may also request to put your business “On Hold” during the deployment. Once your request is accepted, your downline will be temporarily rolled up to the next qualified Consultant or Director. Should you choose this option, upon completion of your deployment, you will be returned to active status once written notification that your deployment is complete and you have submitted your first retail order. Once your Active Status is regained your downline will be transferred back to you.
- 12.3 Personal Leave – Crowned Free understands that a personal crisis can strike at any time putting our Consultants in the position to need a Personal Leave of Absence. Illness or injury are examples of circumstances by which a Personal Leave might be granted. A Personal Leave can be considered when a Consultant or Director is in a situation where it would be impossible for them to keep up their responsibilities to maintain their title qualifications. All requests are considered on a case by case basis and are reviewed each month. You must have been an active Consultant for a minimum of 6 months to request a leave. Should a Personal Leave be granted, each party will be required to sign off on the requirements and criteria for the leave.
- 12.4 Personal Leave – Our Personal leave is good for a period of up to three consecutive months in a one year time frame. For all CFR’s you will be allowed to keep your active status with the company without submitting the required Personal Volume, however no downline overrides will be paid. As a Qualified Director or above, Personal Volume requirements will be waived during the 3-month leave. In order to receive your Override on your downline you must maintain all other requirements of your title during your leave. No promotions to a higher title will be allowed while on a leave of absence.

SECTION 13. BUSINESS TRANSFERS

Crowned Free Representatives in good standing who wish to sell or transfer their business must receive Crowned Free’s prior written approval before the business may be transferred. Requests to transfer a business must be submitted in writing to the Compliance Department to repcare@crowndfree.com. It is within Crowned Free’s discretion whether to allow a business sale or transfer, but such authorization shall not be unreasonably withheld. However, no business that is on disciplinary probation, suspension, or under disciplinary investigation may be transferred unless and until the disciplinary matter is resolved. Prior to transferring a business to a third party, the representative must offer Crowned Free the right of first refusal to purchase the business on the same terms as negotiated with a third party. The Company shall have ten days to exercise its right of first refusal.

An electronic copy of this Agreement shall be treated as an original in all respects.