

# kynect

## POLICIES & PROCEDURES

TOLLWAY CENTER, 14675 DALLAS PARKWAY SUITE 150, DALLAS, TEXAS, 75254

## TABLE OF CONTENTS

SECTION 1 - INDEPENDENT ASSOCIATE AGREEMENT .....	2
1.1 Agreement.....	2
1.2 Kynect’s Right to Reject Applications .....	2
1.3 Term of IA Agreement.....	2
1.4 Voluntary Termination of the Agreement.....	2
SECTION 2 - ENROLLING AS AN INDEPENDENT ASSOCIATE.....	2
2.1 General Requirements.....	2
2.2 SSNs, FEINs & ITINs.....	3
2.3 Certifications by the IA.....	3
2.4 Kynect Identification Number .....	5
2.5 Start Date .....	5
2.6 No Required Purchase of Products or Services .....	5
2.7 IAs Must be Responsible Customers .....	5
2.8 Genealogy and Other Information .....	6
2.9 Authorization to Use Name and Likeness .....	6
2.10 Refunds .....	6
SECTION 3 - STRUCTURING AN IA BUSINESS .....	7
3.1 Enrollment of Spouses .....	7
3.2 Business Entities .....	7
3.3 Requirements for Business Entities .....	7
3.4 W-9s.....	9
SECTION 4 - MAINTAINING/CHANGING YOUR IA STATUS.....	9
4.1 Maintaining Current Contact Information .....	9
4.2 Operating Multiple Positions .....	9
4.3 Inherited or Bequeathed Positions .....	10
4.4 Spousal Responsibility.....	11
4.5 Divorce, Annulment, or Dissolution.....	11
4.6 Reactivation/Retreading: The One-Year Rule .....	12
4.7 Sale or Transfer of IA Position .....	12
4.8 Transfer Due to an IA’s Incapacitation.....	13
SECTION 5 - OPERATING AN IA BUSINESS.....	13
5.1 Independent Contractor Relationship .....	13
5.2 No Agency or Authority to Bind Kynect.....	13
5.3 Returned Checks .....	14
5.4 Reporting Taxes .....	14
5.5 Income Disclosure Statement; Promises of Profits Prohibited.....	14
5.6 Representations Regarding Government Endorsements.....	15
5.7 Sponsoring .....	15
5.8 Sponsor Support and Training .....	15
5.9 Sponsorship Transfers.....	16
5.10 Sponsor Disputes .....	16

5.11	Sales Forces of Other Companies .....	16
5.12	Sales Presentations to Prospective and Actual Customers .....	16
5.13	Confidentiality .....	16
5.14	Privacy Information .....	17
<b>SECTION 6 - CODE OF ETHICS .....</b>		<b>18</b>
6.1	Honesty and Integrity .....	18
6.2	Compliance with Governing Law .....	18
6.3	Prohibited, Unethical, or Illegal Activities .....	18
6.4	Direct Deposit Policy .....	19
6.5	Reporting Policy Violations.....	20
<b>SECTION 7 - MARKETING, SELLING &amp; ADVERTISING.....</b>		<b>20</b>
7.1	Service Offerings .....	20
7.2	Territorial Rights; Availability of Services.....	20
7.3	Goal is Customer Acquisition and Sale of Services .....	20
7.4	IAs Not Required to be Customers and Vice Versa.....	20
7.5	Disclosures to Customers.....	21
7.6	Trademarks and Other Intellectual Property.....	21
7.7	Copyright and Trademark Information.....	21
7.8	IA Meetings and Materials Must Not Be For Profit .....	21
7.9	Use of Kynect’s Identity .....	22
7.10	The Business Presentation .....	22
7.11	Kynect Pro .....	23
7.12	IAs May Create Associate & Customer Advertising By Using the Kynect IA Advertisement and Style Guide .....	24
7.13	Internet Advertising .....	24
7.14	Personal Communications .....	24
7.15	Prohibition on Bulk Communications .....	25
7.16	Prohibition on Mass Advertising .....	25
7.17	Sponsorships .....	25
7.18	Print Advertising.....	25
7.19	Storefronts.....	26
7.20	Booths .....	26
7.21	Translation of Kynect Materials by IAs Prohibited.....	26
7.22	Interactions with the Media .....	26
7.23	Interactions with Members of Government/Regulatory Agencies .....	26
7.24	Regulatory ‘Certification’ and What It Means .....	27
7.25	Product/Service Warranty Disclaimer .....	27
<b>SECTION 8 - BONUSES AND COMMISSIONS.....</b>		<b>27</b>
8.1	Eligibility for Commissions and Free Services .....	27
8.2	Weekly-Paid Compensation.....	28
8.3	Monthly-Earned Income (“MEI”).....	29
8.4	Payment Discrepancies; Lost or Missing Payments .....	29
8.5	Minimum Payment \$10.....	29
8.6	Problems That Can Delay Commissions and/or Transfer of Service .....	30

8.7	Service Customer Qualifications .....	30
8.8	Sponsoring an Unassigned Customer .....	31
8.9	Retail Sales Rule .....	31
8.10	70% Rule.....	31
SECTION 9 - STRICTLY PROHIBITED CONDUCT .....		31
9.1	Zero Tolerance Policy.....	31
9.2	Slamming and Cramming .....	31
9.3	Sales of Third Party Products or Services.....	32
9.4	Conflict of Interest Violations .....	32
9.5	Non-Competition and Non-Solicitation .....	32
9.6	Cross-Line Recruiting .....	34
9.7	Forgery and Alteration of Forms .....	34
9.8	Purchase and Sale of Customer Accounts .....	34
9.9	Stacking or Placements .....	35
9.10	Customers & Premises: One-Year Rule .....	35
9.11	Second Party Purchase of IA Position/Payment of Fees .....	36
9.12	Cash or Monetary Incentives Prohibited.....	36
9.13	Unauthorized Contact With Providers or Contractors of Kynect .....	36
SECTION 10 - DISCIPLINARY MATTERS.....		36
10.1	Grounds for Disciplinary Action .....	36
10.2	Involuntary Suspension and Termination Procedures .....	37
10.3	Appeal Process.....	37
10.4	Effect of Termination.....	38
10.5	Offset.....	38
10.6	Follow-up Training and IA Compliance Requirement .....	38
10.7	Refunds Upon Termination.....	39
10.8	Returns for Residents of Certain States .....	39
SECTION 11 - LEGAL MATTERS.....		39
11.1	Amendments .....	39
11.2	Waiver.....	39
11.3	Indemnity .....	40
11.4	Severability; Order of Precedence .....	40
11.5	Binding Arbitration.....	40
11.6	Venue and Choice of Law.....	41
11.7	No Class Actions.....	41
11.8	Limitation of Liability.....	41
11.9	Limitations Period.....	42
11.10	Force Majeure .....	42
11.11	Spanish Versions.....	42
11.12	Price Changes.....	42
11.13	Receipts.....	42
11.14	Notice.....	42
11.15	Survival.....	43

SECTION 12 - CHANGES SINCE LAST VERSION..... 43

## INTRODUCTION

Kynect, Ltd. (“Kynect”), through affiliates and third parties, offers products and services related to energy, wireless, and other services (e.g., identity protection, tech support, credit monitoring, protective or home-related) (the “Services”) to consumers. For example, Kynect provides energy services through “Stream” - SGE Energy Sourcing, LLC and its corporate affiliates.

The term “Kynect”, as used within the Agreement, also indicates Kynect’s corporate predecessors, such as Ignite. These Policies & Procedures are designed to give you, our Independent Associates (“IAs”), clear guidelines when promoting and selling services offered by Kynect.

By enrolling as a Kynect IA, you agree to:

- the Independent Associate Agreement and its Terms and Conditions (the “IA Agreement”),
- Kynect IA Advertisement and Style Guide,
- the Policies & Procedures in this booklet, and
- the Compensation Plan.

Collectively, these three documents are referred to as the “Agreement”. You agree and represent that you have read and understand each of these documents in their entirety. You are responsible for periodically reviewing the Agreement for updates. Updates will be sent directly to you or posted in the Kynect Central.

If you have any questions regarding the Agreement, trouble locating the most recent copy of the Agreement, or complying with the Agreement, you should contact Associate Support or the Kynect Business Integrity Group (BIG).

## **SECTION 1 - INDEPENDENT ASSOCIATE AGREEMENT**

### **1.1 Agreement**

By enrolling as an IA, you agree to the terms and conditions of the IA Agreement, the Policies & Procedures in this booklet, and the Compensation Plan. When we refer to the “Agreement,” we’re referring to all three of these documents.

### **1.2 Kynect’s Right to Reject Applications**

Kynect reserves the right to reject enrollment applications from aspiring IAs. Kynect has the sole and absolute discretion to refuse to enter into an IA Agreement with a potential IA.

### **1.3 Term of IA Agreement**

If Kynect accepts an IA’s application, the term of the IA Agreement shall be one year from the IA’s Start Date (as defined in Section 2.5). The contract shall be automatically renewed from year-to-year. The only exception is if either party terminates the IA Agreement early, or, if the IA otherwise is rendered Inactive (as defined by Section 8). Valid methods of termination are described in the Agreement.

### **1.4 Voluntary Termination of the Agreement**

The IA Agreement may be voluntarily terminated by an IA at any time, for any reason, by written resignation. The resigning IA, or his or her legal guardian or executor, must contact Kynect Associate Support to request a Kynect IA resignation form which will be sent to him or her. The IA must sign and return the resignation form in order for the resignation to be deemed effective per the terms of the form. The IA must return the resignation form by mail or email to:

KYNECT  
Attn: Associate Support  
14675 Dallas Parkway, Suite 150  
Dallas, TX 75254\_  
[AS@wekynect.com](mailto:AS@wekynect.com)

The IA’s resignation will be effective on the date Kynect receives the signed resignation form (“Effective Resignation Date”).

As of the Effective Resignation Date, an IA loses all rights to future compensation, (including bonuses and commissions), from Kynect. An IA who resigns must wait six months to reapply to be a Kynect IA. If the IA reapplies and returns to Active status, the IA will not be paid any additional compensation for bonuses or commissions arising out of their time away from Kynect.

## **SECTION 2 - ENROLLING AS AN INDEPENDENT ASSOCIATE**

### **2.1 General Requirements**

In order to become an IA, an individual must be of legal contracting age in the state in which he or she resides.

## 2.2 SSNs, FEINs & ITINs

To become an IA, an Applicant (as defined in [Section 2.3.3](#)) is required to provide Kynect with a valid Social Security Number (“SSN”), an Individual Taxpayer Identification Number (“ITIN”), or a Federal Employer Identification Number (“FEIN”). Only SSNs issued by the Social Security Administration and/or ITINs and FEINs issued by the Internal Revenue Service (“IRS”) to the individual or Business Entity (as defined in [Section 3.2](#)) filling out the IA Agreement will be accepted by Kynect.

Kynect regularly validates and verifies SSNs, FEINs, and ITINs. IAs with unverified SSNs, FEINs, and ITINs may be suspended pending verification through Kynect’s regular validation practices; individuals flagged as potential victims of identity theft by Kynect’s verification service providers may also be suspended pending identity validation. Pending verification of the IA’s SSN, FEIN, or ITIN, the IA’s commissions and bonuses may be held. This will also subject the IA’s upline compensation to holding or claw back.

***If an IA provides false or invalid SSNs, ITINs or FEINs to Kynect, their IA position is subject to termination. SSNs or ITINs utilized by more than one individual will not be considered valid.***

- (a) **If the Applicant is a Business Entity**, the Applicant must submit a FEIN for tax purposes.
- (b) **If the Applicant is an individual and has a SSN**, the Applicant should provide Kynect with their SSN, which will be submitted for tax purposes to the IRS.
- (c) **If the IA is an individual and does not have a SSN**, the Applicant must provide Kynect with an ITIN for tax purposes. An ITIN is a nine-digit tax processing number issued by the IRS to individuals who are required to have a U.S. taxpayer identification number, but who do not have, and are not eligible to obtain, a SSN. ITINs are issued regardless of immigration status because both resident and nonresident aliens may have a U.S. tax return and payment responsibilities under the IRS code.

## 2.3 Certifications by the IA

231 **Certification in Good Faith.** By joining Kynect, each IA makes, on a continuing basis, the good faith certifications in [Section 2.3.4](#) (the “Certifications”). As part of the Agreement, you understand and agree that making the Certifications is a prerequisite to initial enrollment, renewal, and as a condition to remaining in good standing as an IA. Certifications and updates must be truthful.

232 **Updates to Certifications.** You understand and agree that Kynect has relied and will continue to rely upon your Certifications as a material condition of the Agreement. You agree to update any changes to your Certifications, whether as an individual or part of a Business Entity, no later than 10 calendar days after a change to any of the information addressed in the Certifications. If you fail to promptly report updates to your



Certifications, Kynect may consider this a breach to the Agreement. Updates shall be mailed or emailed to the Kynect Associate Support Team. Contact information for Associate Support can be found in Section 1.4.

233

**Who is an Applicant?** The term “Applicant” means:

(a) a person (individual or Business Entity) applying for a Kynect IA position, or, an existing IA wishing to participate in selling any of the services Kynect offers,

and

(b) includes the Applicant’s spouse, household member(s), or Principal (in the case of a Business Entity). The capitalized term “Principal” means a parent company, trustee, officer, partner, director, manager, any equity holder in the case of a privately held company, a greater than 10% equity holder in the case of a publicly traded company, beneficiaries, or trustees of a trust, or, a person that controls any of the foregoing.

234

**Certifications by IAs.** As a condition to becoming and remaining an IA, you make, on a continuing basis, the following Certifications:

- I certify that I neither own nor Control, directly or indirectly, (whether through another individual or Business Entity), a direct selling, multilevel, or network/relationship marketing company. The capitalized term “Control” means the power to direct or influence the management, policies or strategy of such company, whether through ownership of voting securities, by contract, by employment, or otherwise.
- I certify that I have never been involuntarily terminated, (including an involuntary resignation), by Kynect as an IA, employee, or consultant.
- I certify that I have never been an employee of Kynect in the role of a C-level executive or in a “Director” level position.
- I certify that I am not currently subject to the non-solicitation or cross-recruiting provision of another direct selling, multilevel, or network/relationship marketing company.
- I certify that I am not currently subject to a non-competition provision of another direct selling, multilevel or network/relationship marketing company that sells the same or substantially similar services as the Services sold by Kynect.
- I certify that:

- I am not an independent contractor with, or employee of, any other direct selling, multilevel or network/relationship marketing company.

OR

- I am an independent contractor with another direct selling, multilevel or network/relationship marketing company, and have made full disclosure of the same to Kynect’s Business Integrity Group by contacting [BIG@wekynect.com](mailto:BIG@wekynect.com).
- I certify that I am not a Principal of any direct selling, multilevel or network/relationship marketing company.
- *(For existing Kynect Executive Directors or above only):* I certify that I do not and will not (i) have a leadership role, (ii) appear in person at events or in promotional materials for, (iii) publicly recruit or promote for, or (iv) be employed by or with any other direct selling, multilevel or network/relationship marketing company in any capacity.

## **2.4 Kynect Identification Number**

After your IA Agreement is accepted, you will be assigned a unique identification number that identifies you as an Independent Associate of Kynect. A Kynect identification number serves no other purpose and is not associated with any identification numbers issued by federal or state agencies.

## **2.5 Start Date**

Your “Start Date” is the date that Kynect receives and accepts your completed IA Agreement and enrollment fee payment.

## **2.6 No Required Purchase of Products or Services**

Kynect does not require you to make any personal purchases. This includes the purchase of any Service. IA purchases, from Kynect or any other vendor, are not required or encouraged.

## **2.7 IAs Must be Responsible Customers**

If an IA chooses to purchase services offered by Kynect, like all customers, they are responsible for paying their bills in a timely manner. If an IA fails to pay for Services within 30 days of the payment due date, Kynect has the right to terminate that IA’s IA Agreement. When such a termination occurs, Kynect may apply compensation otherwise due to the IA’s unpaid Services balance, and exercise other rights it may have under the law.

## **2.8 Genealogy and Other Information**

Although Kynect may provide you with data regarding genealogy, downline, and other types of associated reports, all of this information is proprietary to and owned by Kynect. You acknowledge that these reports may contain information about you, including but not limited to: your name, address, phone number, Services purchased, Services sold, and earnings. By executing the IA Agreement, you consent to Kynect's use and dissemination of such reports, and any other information about you collected by Kynect in connection with our business. Kynect may use and/or disseminate such information to enforce the Agreement or to comply with applicable laws.

## **2.9 Authorization to Use Name and Likeness**

By executing the IA Agreement, you grant Kynect, its affiliates, and its agents the absolute, perpetual, and worldwide right and license to use, record, photograph, publish, reproduce, advertise, display, edit, and sell, in any manner and for all purposes, your name, photograph, likeness, voice, testimony, biographical information, image and other information related to your business with Kynect (collectively the "Likeness"). Kynect may use your Likeness in marketing, promotional, advertising, and training materials. This may be done in print, radio, television broadcasts, Internet audio and videotapes, or in other media ("Publicity Materials") for an unlimited number of times, without compensation, in perpetuity.

You also waive any right to inspect or approve Publicity Materials including or accompanying your Likeness. You further release Kynect from any liability or obligation that may arise as a result of the use of your Likeness, including without limitation, claims for invasion of privacy, infringement of right of publicity and defamation (including libel and slander). If your likeness has not yet been used, you may withdraw your authorization of Kynect's use of your Likeness via written notice. You agree that any information you give to Kynect, including your testimonial, is true and accurate.

## **2.10 Refunds**

Except as provided for by these Policies and Procedures, IA fees and payment are not refundable. Unless otherwise specified by law, and in addition to the right to a refund upon termination as set forth in Article 10, you have the right to rescind the IA Agreement within three federal business days after signing the IA Agreement ("the Rescission Period") and obtain a refund. Your rescission of the IA Agreement must be communicated in writing to Kynect's physical or email address as follows:

KYNECT  
Attn: Associate Support  
14675 Dallas Parkway, Suite 150  
Dallas, TX 75254  
AS@wekynect.com

To be eligible for this refund, your rescission must be postmarked or electronically received by Kynect on or before the end of the Rescission Period. Notwithstanding the foregoing, Kynect will honor all applicable federal or state refund laws that differ from this policy. After the Rescission

Period, you may still cancel your position but you will not be entitled to a refund except as set forth in [Sections 10.7](#) and [10.8](#). Furthermore, this Section does not apply to refunds for services, which are governed by the customer agreement(s) that apply to the purchase of such Services.

## **SECTION 3 - STRUCTURING AN IA BUSINESS**

### **3.1 Enrollment of Spouses**

If your spouse wishes to join as Kynect as an IA, they have three options:

- Spouses can jointly sign up as a team for a single IA position;
- Spouses can separately sign up for individual IA positions, but must have the same sponsoring IA; or
- One spouse can personally sponsor the other spouse in a separate downline position.

Cross-recruitment policies still apply to individual spousal positions.

### **3.2 Business Entities**

Subject to review and approval by Kynect, a sole proprietorship, partnership, limited liability company, trust, non-profit, or corporation (a “Business Entity”) may hold an IA position. However, no individual may hold any personal beneficial interest in more than one IA position.

Example: The John Williams Trust is a Kynect IA. John Williams receives 10% of the income from the John Williams Trust. Local charities receive the remaining 90% of the trust income. John is not permitted to apply for his own IA position until his beneficiary entitlements to the John Williams Trust are terminated.

Further, within six calendar months preceding a Business Entity’s execution of the IA Agreement, none of its Principals may have served as a Kynect IA (i) in their individual capacity or (ii) as a Principal of a Business Entity holding an IA position.

Notably, Business Entities such as trusts or non-profits may not earn incentives. Examples of incentives include, but are not limited to bonus pools, vehicles, or trips.

### **3.3 Requirements for Business Entities**

Kynect requires that the IA Agreement for a corporate-Business Entity be accompanied by copies of:

- A completed IA Agreement signed by an authorized officer of the corporation;
- The Business Entity’s formation and governance documents;
- A complete list of the Business Entity’s Principals;

- The Business Entity's FEIN;
- A copy of the corporate Articles of Incorporation that has been file-stamped by the Secretary of State in the state of incorporation;
- The full name, address, and Social Security Number of all of the corporation's shareholders who possess more than 5% ownership of the corporation;
- A copy of the corporate resolution authorizing the corporation to enter into the IA Agreement;
- A letter of designation from the corporation designating and providing the contact information for at least one individual who must be of legal age in the state where he or she resides. The designated individual will be the responsible part(ies) for the corporation IA's business.
- Other information reasonably requested by Kynect.

Kynect requires that the IA Agreement for a trust-Business Entity be accompanied by copies of:

- A completed IA Agreement to be signed by all trustees of the trust;
- A complete copy of the trust agreement;
- The full name, address, and Social Security Number of all trustees and beneficiaries;
- A copy of the official notification from the IRS issuing the trust's Federal Taxpayer Identification Number;
- A letter of designation from the trust designating and providing the contact information for at least one individual who must be of legal age in the state where he or she resides. The designated individual will be the responsible part(ies) for the trust IA's business.

Kynect requires that the IA Agreement for a nonprofit-Business Entity be accompanied by copies of:

- A completed IA Agreement to be signed by the nonprofit's designated contact (see final bullet point in this section);
- A complete copy of the nonprofit's charter, including but not limited to its articles of incorporation;
- The nonprofit's bylaws and any amendments thereto;
- IRS Form 1023;
- A letter of designation from the nonprofit designating and providing the contact information for at least one individual who must be of legal age in the state where he or

she resides. The designated individual will be the responsible part(ies) for the nonprofit IA's business.

All Business Entities must provide Kynect updated information concerning changes regarding Principal(s) or a Principal's interest in the IA account. Each Business Entity Principal agrees to be personally liable to Kynect and individually bound by the IA Agreement and these Policies & Procedures.

### **3.4 W-9s**

If you are an individual, the IRS's Form W-9, Request for Taxpayer Identification Number and Certification form, is used by Kynect to collect your tax payer information. Form W-9 requires your name, address, and taxpayer identification information, and a certification as to whether you are subject to backup withholding. Kynect will use information on your Form W-9 to complete and file a Form 1099 with the IRS. (See Section 5.4 of the Policies & Procedures for more information regarding Form 1099.)

## **SECTION 4 - MAINTAINING/CHANGING YOUR IA STATUS**

### **4.1 Maintaining Current Contact Information**

The address listed on an IA application must be the mailing address for either your primary residence or business. This will serve as your mailing address for all relevant purposes. If the mailing address listed on your IA application is identical to the mailing address utilized by other Kynect IAs, all IAs utilizing the identical address may be required to provide additional information. IAs must report any change of address, telephone number or email address by calling Associate Support at (214) 800-4500 or by sending written notice to Kynect by mail or email to the following:

KYNECT  
Attn: Associate Support  
14675 Dallas Parkway, Suite 150  
Dallas, TX 75254  
AS@wekynect.com

When a position is owned by more than one individual, (e.g., husband and wife), all parties must sign the written notification of an address change

### **4.2 Operating Multiple Positions**

An individual IA may not own, operate, or have an interest in more than one IA position in any form (whether as an individual or through a Business Entity). Operating more than one position will subject an IA to potential suspension or termination.

In its sole discretion, Kynect may waive the prohibition against multiple IA positions for:

- (i) an individual who is an uncompensated board member of a charitable foundation of a non-profit corporation that is also an active IA;

Example: Caring for Kids is a non-profit corporation. Caring for Kids is also an active Kynect IA. Caring for Kids runs a charitable foundation called Kids' Fund. Delilah is on the board of Kids' Fund. Delilah does not get paid for her board service. Delilah wants to become a Kynect IA. When she applies to become a Kynect IA, she should disclose her board service for Kids' Fund. Because Delilah's board service is unpaid, Kynect may decide to waive its prohibition against multiple IA positions.

- (ii) an individual who is working the IA business and is not a trustee of an IA trust or a beneficiary of a trust; or

Example: Trust for Lexy's Kids is a Kynect IA. John is building a business on behalf of Trust for Lexy's Kids. John is permitted to apply for his own IA position as long as he is not a Trustee for Trust for Lexy's Kids OR a beneficiary of Trust for Lexy's Kids. Because John neither acts as Trustee or beneficiary, Kynect may allow John to work on behalf of Trust for Lexy's Kids *and* his own IA position.

Example: Fernando is the trustee of Trust for Lexy's Kids, however, he does not work the business nor is he a beneficiary of Trust for Lexy's Kids. If Fernando applies for his own IA position, Kynect may decide to waive its prohibition against multiple IA positions.

- (iii) an IA with an existing position who inherits, by will or devise, another IA position. Any such waiver shall be deemed specific, and not general, and only applies to the IA for whom the prohibition is waived.

Example: Rafael and his father, Robert, are longtime Kynect IAs. When Robert passes away, Rafael inherits Robert's IA position. Per Section 4.2(iii), Rafael should apply for a waiver of Kynect's prohibition against multiple IA positions.

### 4.3 Inherited or Bequeathed Positions

An IA's position can be inherited or bequeathed unless otherwise prohibited by law or unless previously cancelled, resigned or terminated. In order to transfer a position that has been inherited or bequeathed, the deceased IA's estate executor must provide Kynect with the following:

- A certified copy of the deceased IA's death certificate;
- A copy of the will setting forth provisions affecting the IA position's ownership, proof of the will's admission to probate, or a certified copy of a court order determining heirship;
- Certified Letters Testamentary setting forth the name of the deceased IA's estate executor. The Certified Letters Testamentary must bear a date no more than 60 days from the effective date of the transfer;

- Fully completed Kynect Sale/Transfer Packet, signed by the executor of the deceased IA's estate and the transferee; and
- Transferee's fully completed and executed IA Agreement.
- Other documents reasonably requested by Kynect.

Failure to provide all of the requested documents will delay the transfer of the relevant position.

#### **4.4 Spousal Responsibility**

For purposes of the Agreement, the term "spouse" means one who is a partner in a marriage, civil union, domestic partnership, common-law marriage, or otherwise holds him or herself out to the public as being married. Any IA who holds himself or herself out to Kynect or other IAs as married will be bound by such representation. Whether operating as a team with regard to a single IA position, or, individually with regard to separate positions, (and whether as individuals or as part of a Business Entity), each spouse serving in an IA capacity agrees: (i) to be bound by the Agreement, (ii) to be responsible for any and all conduct by the other spouse, even if only one spouse is designated as an IA, and (iii) if one spouse violates the Agreement, such violation will be attributed to each of the IA position(s) held by both spouses and (if applicable) their associated IA Business Entities. IAs who become spouses after the date they originally signed the IA Agreement as individuals (or as part of a Business Entity) agree that, upon becoming spouses, this provision shall apply to them.

#### **4.5 Divorce, Annulment, or Dissolution**

In cases of a divorce, annulment or other dissolution of a marriage, civil union, domestic partnership or common-law marriage, two spouses jointly operating a single IA position, may continue to do so, or they may agree that one of them will thereafter continue as the sole owner of the IA position. If a court decides through decree or order that an individual spouse will become sole owner of the IA position, the remaining IA should submit a certified copy of such final decree or order.

Unless ordered by said court to do otherwise, Kynect will not distribute the position assets/funds between the former spouses. Instead, a third party (e.g., a certified public accountant, escrow, or other third party) will need to be obtained by the couple, at their sole expense. Kynect will send commission checks to the third party.

No later than 10 business days after the court's final decree or order, the couple should submit a completed Sale/Transfer Packet. (The Sale/Transfer Packet can be obtained from Associate Support.) The submission should be accompanied by Kynect's current transfer processing fee in the form of a non-refundable check or money order.

Until Kynect receives proper documentation, the IA position will retain the same status as that prior to the divorce, annulment or dissolution. Except as permitted elsewhere in the Agreement, no changes to the IA position will be made.

#### **4.6. Reactivation/Retreading: The One-Year Rule**



### **(i) Reactivation**

If an IA Agreement has been voluntarily cancelled or inactive for less than one year, the IA may reactivate their original position by sending a written request to the Kynect Associate Support department. At Kynect's discretion, the IA's account may be reactivated. No changes may be made to the IA's sponsorship position and the IA's seniority level will be reinstated. The IA will not qualify for previously earned promotions or bonuses.

### **(ii) Retreading**

After the IA Agreement has been voluntarily canceled or inactive for a full year, a re-enrolling IA may apply for a wholly new IA position. The application process includes a retreading application that may be obtained from Associate Support. The application is subject to approval. The IA will not qualify for previously earned bonuses or promotions.

IAs may not reactivate or retread more than once.

Example: After earning his PCB 4 and PCB 10, Leon canceled his IA position on December 1, 2016. On December 2, 2017, Leon applies for, and receives, a new IA position. Leon may not re-earn a PCB 4 or PCB 10; however, he is eligible for a PCB 15.

## **4.7 Sale or Transfer of IA Position**

Subject to Kynect's written approval, an IA may sell or transfer their position to an individual or Business Entity.

A "sale" of an IA position is defined as a change of ownership in which the individual(s) selling the IA position no longer maintain(s) a financial interest in the IA position after the sale.

A "transfer" is defined as a change in name and/or identification number in which the beneficial holder of the IA position retains a financial/ownership interest in the IA position after the transfer. Some examples of transfers are:

- 4.7.1 transfer from one spouse to the other spouse;
- 4.7.2 transfer from an individual to a Business Entity or vice versa, in which an individual having an interest therein still retains a financial interest; or
- 4.7.3 a transfer from SSN to FEIN or vice versa.

Notably, in all transfers, the transferor keeps a financial interest/ownership interest after the transfer.

The review and approval process of the sale or transfer of an IA position begins when Kynect

receives all of the documentation required by the Position Sale/Transfer Packet (available from Associate Support) and a check or money order for the applicable processing fees. Processing fees are determined by the level that the IA position has achieved at the time of the sale or transfer. IAs seeking to sell or transfer their IA position should inquire with the Kynect Business Integrity Group for the current applicable processing fees. An attempted sale or transfer of an IA position that is not conducted in accordance with this provision shall be void *ab initio* (i.e., to be treated as invalid and void from the outset).

#### **4.8 Transfer Due to an IA's Incapacitation**

If an IA becomes incapacitated, is unable to work their business, and a legally appointed guardian or person holding a legal power-of-attorney wishes to assume control of the IA's Kynect business, Kynect requires the following legal documentation:

- A certified copy of the legal documentation certifying or finding that the IA is incapacitated and appointing the requestor to act on the incapacitated IA's behalf for legal and/or financial matters; or
- A copy of a living will setting forth provisions affecting ownership of the IA position with proof of its admission to probate, or a certified copy of a court order determining legal guardian status.

Once received and reviewed, and being presented with no conflicting information affecting ownership or control of the IA position, Kynect will process the transfer.

### **SECTION 5 - OPERATING AN IA BUSINESS**

#### **5.1 Independent Contractor Relationship**

IAs are Kynect independent contractors. IAs will not be treated as Kynect employees for any purpose. This includes, without limitation, for federal, state, or local tax purposes, or for retirement or unemployment benefits. IAs are self-employed independent contractors who are authorized by Kynect to market and sell services. Any agreement between Kynect and an IA does not create an employee/employer relationship, agency, partnership, or joint venture between Kynect and such IA.

So long as they comply with the Agreement, IAs shall establish their own goals, hours, place of business and methods of sale. IAs are solely responsible for all decisions made and all costs incurred with respect to their Kynect businesses. All IAs assume all entrepreneurial and business risk in connection with their Kynect businesses. IAs are responsible for obtaining any state or local licenses, permits, and other governmental approvals applicable to their business, including qualifications to transact business in states other than their domicile. There is no guarantee that there is or will be a market for the services Kynect offers or that IAs will earn or will not lose money.

#### **5.2 No Agency or Authority to Bind Kynect or Affiliated Entities Such as Stream**

IAs will not involve Kynect, directly or indirectly, in any contractual relationships relating to their IA position. IAs are prohibited from signing any contract, renting or leasing office space or

equipment, opening any bank account, securing credit, cashing any negotiable instrument, making purchases or entering into agreements of any kind in the name, or on behalf of, Kynect or Stream. IAs will not represent in any manner that they are agents, legal representatives or employees of Kynect or Stream. IAs have no authority, express or implied, to legally bind Kynect, Stream, or their officers, directors or employees.

Example: Donald, a Kynect associate, would like Rose to become a Stream energy customer. Rose is satisfied with her current energy provider. Donald promises Rose that if she signs up for a Stream electricity plan, Stream will waive her deposit fee. Donald has violated Kynect's Policies & Procedures.

### **5.3 Mandatory Training**

Kynect reserves the right to require training and certifications. IAs who fail to conduct training in the time allotted may be subject to disciplinary action, up to and including termination.

### **5.4 Returned Checks**

Kynect charges \$35 for each returned check that it receives. If an IA submits a check that is later returned by their banking institution, Kynect may require that future financial transactions be conducted through a different payment method.

### **5.5 Reporting Taxes**

IAs are independent contractors. IAs are not Kynect employees under the Social Security Act, the Federal Unemployment Tax Act, federal or state income tax laws, or any other laws governing employees. Kynect does not deduct any taxes from commission and/or bonus payments. IAs are responsible for paying (and will indemnify and hold Kynect harmless from) all local, state, federal, and other taxes on any income derived from operating their Kynect business. IAs should consult their personal tax advisor for tax advice. Kynect does not provide legal or accounting advice on tax matters.

For IAs who earn more than \$600 per tax year, Kynect will send an IRS Form 1099 MISC (non-employee compensation) earnings statement. (This is the minimum dollar threshold set by the IRS as of the date of the Agreement.) It is an IA's responsibility to provide Kynect with the proper SSN, FEIN, or ITIN for IRS filings.

### **5.6 Income Disclosure Statement; Promises of Profits Prohibited**

Prior to enrolling prospective IAs, IAs are required to either (i) give the prospective IA a paper copy of the Income Disclosure Statement or (ii) provide the prospective IA with the following link to the electronic Income Disclosure Statement: [www.wekynect.com/incomedisclosure](http://www.wekynect.com/incomedisclosure)

All IAs should understand and inform prospective IAs that the earnings described in the Income Disclosure Statement are not necessarily representative of the income, if any, that a Kynect IA can or will earn through their participation in the Kynect business. The figures listed in the Income Disclosure Statement should not be considered or communicated as guarantees or projections of

an individual IA's actual earnings or profits.

All IAs should understand and inform prospective IAs that compensation with Kynect results only from service customer enrollment and service sales. Kynect does not compensate IAs for the recruitment of other IAs.

This requires hard work, skill, commitment, diligence, and leadership. An IA's success depends on how effectively they exercise these qualities. IAs are not permitted to make promises, claims, or suggestions to prospective IAs regarding the anticipated or actual income a specific IA might earn while affiliated with Kynect. Kynect makes no guarantees about income, profits, or success, and IAs are prohibited from representing otherwise. The use of written or verbal income projections, actual IA commission checks, lifestyle claims, and all other income potential presentations whatsoever are prohibited. This includes making representations that an IA may or will achieve equivalent or substantially similar standards of living as that of the IA or any other IA.

For more information on income claims (e.g. Kynect potential earnings), consult your Kynect Central, training materials, and Currents for more information.

## **5.7 Representations Regarding Government Endorsements**

The IA understands and agrees that state attorney generals and federal/state regulatory agencies do not review, endorse, or approve company compensation programs. This includes Kynect. Therefore, IAs should not make regulatory endorsement or approval claims.

## **5.8 Sponsoring**

IAs must ensure that potential IAs have reviewed and have access to the current IA Agreement and Income Disclosure Statement before the potential IA is enrolled.

IAs may not enroll individuals or Business Entities into Kynect's IA program without their knowledge. IAs must ensure that every individual or Business Entity they enroll executes an IA Agreement.

The enrollment of non-existent individuals or Business Entities as IAs or retail customers is prohibited. Kynect prohibits the use of monetary or other incentives, promotions, prizes, or bonuses in connection with sponsoring or influencing potential IAs. An IA may not purchase or sell sponsorships. With the exception of immediate family members, IAs may not pay other IAs' registration fees. Immediate family members are defined as parents, children, grandchildren, and siblings. Immediate step family members are also included in this definition.

## **5.9 Sponsor Support and Training**

IA uplines and sponsors should provide support and guidance to the extent that their support and guidance does not violate the law or Agreement terms. No upline IA or sponsor has the authority, regardless of their IA status, to provide advice, support, guidance, communication or materials that conflict with the law or the Agreement. If any IA is in doubt about a communication from or conduct of an upline IA, it is the IA's responsibility to seek clarification from Associate Support.

Sponsoring IAs should help their downline IAs obtain training, enroll new customers, and sell Services. When doing so, IAs may only use corporate-approved materials. Under extremely

limited circumstances, IAs may be able to obtain authorization from the Business Integrity Group to develop their own materials. Sponsoring IAs are responsible for providing ongoing advice and support to their sponsored downline organization. Sponsoring IAs who deliberately or willfully ignore their downline IA's Agreement violations may be subject to disciplinary action.

IAs may create videos in order to train their teams. IAs ranked SDs and above may host webinars for team training. IAs ranked ED and above may create webpages for team training. **Such videos and webpages must be pre-approved by Kynect's Field Development and Marketing teams prior to release.**

## **5.10 Sponsorship Transfers**

An IA's relationship with their sponsor should be protected as much as possible. Therefore, IAs may not change sponsors unless their IA position was previously cancelled. See Section 4.6 Reactivation/Retreading: The One-Year Rule.

## **5.11 Sponsor Disputes**

Kynect will not mediate disputes involving sponsor designations. Kynect will use the IA Agreement's postmark to recognize the sponsor who appeared on the first IA Agreement. Nonetheless, Kynect reserves the right to review sponsoring practices to ensure compliance with this Agreement.

## **5.12 Sales Forces of Other Companies**

IAs may not target another direct sales company's sales force to become Kynect IAs or to sell services for Kynect. IAs may not encourage another direct sales company's sales force to violate their contracts. Kynect does not endorse or support any such activities. IAs bear sole risk and sole liability for these activities.

## **5.13 Sales Presentations to Prospective and Actual Customers**

When discussing the services Kynect offers with prospective customers, IAs must truthfully identify themselves, the services being offered, and the purpose of their presentation. IAs may not use misleading, deceptive, or unfair sales practices. As IAs explain and demonstrate any services, they must provide accurate and complete information, including but not limited to, information on price, terms of payment, refund rights, guarantees, and after-sales services/delivery.

Personal contacts must be made in a reasonable manner and during reasonable hours to avoid intrusiveness and in accordance with applicable laws. Upon customer request, IAs must immediately discontinue a demonstration or sales presentation. IAs may not, directly or by implication, disparage any other company, service, or product. IAs may not use comparisons which are likely to mislead customers and which are incompatible to the principles of fair competition. Points of comparison may not be unfairly selected and will be based on substantiated facts. IAs may not abuse customers' trust and may not exploit a customer's age, illness, lack of understanding, or lack of language expertise.

## **5.14 Confidentiality**

IAs agree and acknowledge that all customer lists, customer information, commissions/bonus reports, financial information, IA lists, genealogical, upline/downline reports, supplier/vendor information, training aids/materials, testing/development of new products, services/programs, and

other financial and business information, are Kynect's proprietary and confidential property. Kynect transmits its proprietary and confidential property to IAs in strictest confidence.

IAs further agree and acknowledge that such information, whether in discrete forms or when presented as a compilation, and whether verbally or electronically transmitted, may constitute Kynect's trade secret information and/or intellectual property. IAs agree to keep such information confidential. IAs agree to not use, copy, or disclose the information unless it's for Kynect's benefit, to operate a Kynect IA position, or to promote the services Kynect offers in strict accordance with the Agreement. If it weren't for this confidentiality agreement, Kynect would not provide such information to the IA. Upon cancellation or termination of the IA Agreement, regardless of cause, IAs must immediately discontinue all use of confidential information. Upon Kynect's request, the IA must promptly destroy or return all materials containing confidential information.

Example: Emily is a Senior Director. Using her Kynect Central, Emily has access to the identities of her entire downline and their contact information. Emily learns of a great opportunity to sell lotions. Emily uses her downline IA email list to spread word about her lotion opportunity. Emily has violated her Agreement with Kynect.

### 5.15 Privacy Information

Regardless of whether an IA receives private information by a current/prospective customer or another IA, IAs must safeguard this private information. Federal and state laws require that Kynect and its IAs protect private information from improper use and dissemination to third parties. IAs must comply with all applicable privacy and data security laws, including security breach notification laws. Regardless of the source, an IA may not use or disclose, in any way, personal information that has been provided to them.

In addition, IAs must protect confidential information such as customer identifying information. This includes but is not limited to: a customer's name, address, telephone number, email, and all or any portion of a social security number. IAs are responsible for securely handling and storing documents that may contain such private information. IAs must adopt, implement, and maintain appropriate administrative, technical and physical safeguards to protect against anticipated threats or hazards to the security of confidential information and customer data. Appropriate safeguards may include, but are not limited to: (i) encrypting data before electronically transmitting it; (ii) storing records in a secure location; (iii) password-protecting computer files, or (iv) shredding paper files containing confidential information or customer data.

IAs should retain documents containing private information for only as long as necessary to complete the related transaction. After use, IAs should dispose of paper or electronic records confidential information after use. Reasonable methods of disposal include: shredding, permanently erasing and deleting, or otherwise modifying the confidential information to make it unreadable, unreconstructible, and indecipherable.

IAs shall not use their access to IA or customer private information to impersonate another IA or customer.

Example: Sean and his brother Michael are both IAs. While Michael is out of the country, Kynect IA Support telephones Michael's home number for information on a new customer. Sean picks up the phone, identifies himself as Michael, and answers on Michael's behalf. This is a violation of Sean's agreement with Kynect.

## SECTION 6 - CODE OF ETHICS

### 6.1 Honesty and Integrity

When promoting the sale and use of the services Kynect offers, IAs must operate lawfully, ethically, and professionally.

Example: John needs one more customer to trigger his Personal Customer Bonus. In order to trigger this bonus, John signs up his sister Sally to a year-long energy contract. As payment, John provides Sally with a pre-loaded debit card carrying enough money for two months' of payments. John assures Sally that she will only be an energy customer for two months.

This violates Kynect's honesty and integrity policy because John has encouraged Sally to contract with Kynect under false pretenses. John's payment of Sally's services is also a violation.

IAs must conduct themselves with integrity, honesty and professionalism in all matters related to Kynect and its Services. IAs must avoid discourteous, deceptive, misleading, or unethical practices when dealing with prospective customers, Associates and Kynect personnel. IAs should strictly adhere to the Policies and Procedures' sponsoring practices.

Not only are IAs held responsible for directly violating the Agreement, but they may also be held responsible for acts performed on their behalf by another person (whether an IA or not) that cause them to be in violation of the Agreement. IAs may not contract or subcontract their Agreement responsibilities.

### 6.2 Compliance with Governing Law

It is an IA's sole responsibility to comply with all federal, state, and local laws and regulations governing the promotion, marketing, sale, or solicitation of services and how an IA conducts their business. If a court of law or regulatory body finds that an IA failed to comply with a law or takes action against an IA, the finding or act will constitute an automatic rebuttable presumption that the IA failed to comply with this Agreement.

### 6.3 Prohibited, Unethical, or Illegal Activities

IAs must not engage in conduct specifically prohibited by the Agreement, unethical conduct, or illegal conduct. Prohibited activities include, but are not be limited to, the following:

- Forging a signature, signing on behalf of another (with or without permission), or using false or misleading methods to procure IAs or services offered by Kynect.

- Making false or misleading representations of any kind, including but not limited to, misrepresentations about the Services or the Compensation Plan;
- Making or disseminating disparaging or defamatory remarks about Kynect, its owners, officers, employees, or another Kynect IA;
- Making or disseminating unauthorized remarks about Kynect, its Services, business plans, or strategy;
- Unauthorized use of Kynect’s Intellectual Property as defined in Section 7.6;
- Manipulation of the Kynect Compensation Plan – this includes but is not limited to stacking practices;
- Violating federal, state, local laws, or regulations;
- Engaging in any deceptive, unlawful, or unethical recruiting/marketing practices;
- Making promises related to future earnings/profits to current or prospective IAs;
- Cross-recruiting/solicitation of IAs or engaging in other prohibited competition;
- Paying, accepting payment, or accepting any item of value for the enrollment fee, renewal fee, or Kynect Pro fee of a prospective or existing Associate;
- Customer slamming or cramming;
- Completing enrollment on behalf of an IA or customer. This includes filling in their personal contact information or submitting false contact information;
- Allowing an IA or customer to submit false contact information – IAs should also instruct customers not to submit Google, internet, or text subscriber phone numbers. Under no circumstances should an IA’s personal contact information appear on customer accounts unless the account is the IA’s own service account;
- Any conduct identified in Section 9 Conduct Strictly Prohibited;
- Any other conduct in violation of the Agreement.

Regardless of whether it is specifically identified in this Section, Kynect reserves the right to impose disciplinary action, up to and including termination, upon any IA for any violation of the Agreement.

#### **6.4 Direct Deposit Policy**

When enrolling in ACH, the person who owns the IA position must also be listed on the bank account provided for ACH purposes.



## **6.5 Reporting Policy Violations**

All IAs have an interest in ensuring that other IAs comply with the Agreement. If an IA learns that another IA has violated the Agreement and wishes to alert Kynect of the violation, the IA can do so anonymously by calling Associate Support at 833-859-6328 or by emailing the Kynect Business Integrity Group at [BIG@wekynect.com](mailto:BIG@wekynect.com). To the extent possible, Kynect will keep all names confidential.

## **SECTION 7 - MARKETING, SELLING & ADVERTISING**

### **7.1 Service Offerings**

Except where otherwise prohibited by law, Kynect, its suppliers, and other service providers (collectively, “Service Providers”) have the exclusive right to accept or reject Service orders, to establish and change without notice Service prices, and to establish Service offering terms and conditions. Without liability or obligation to Kynect or its IAs, Kynect and its Service Providers may also discontinue Service offerings or sales. IAs may only offer and sell Services in accordance with rates, terms and conditions established by Kynect, its Service Providers, or pertinent regulatory agencies. IAs may only market and sell Services in ways that are acceptable to Kynect and its Service Providers.

### **7.2 Territorial Rights; Availability of Services**

Each IA has the non-exclusive right to conduct business in any designated area where Kynect offers Services to consumers. Kynect does not impose territorial restrictions on IAs regarding sales, promotion, and sponsoring efforts.

The services Kynect offers are not available in every state or local territory. Kynect does not make representations regarding local availability of Services and does not accept responsibility for contrary actions taken by IAs. In states and jurisdictions where Kynect does offer Services, Kynect has filed and maintains the necessary filings, licenses and permits required by applicable federal, state, and local governments.

### **7.3 Goal is Customer Acquisition and Sale of Services**

Kynect IAs promote and sell Services that are intended to be used and/or consumed by Kynect’s end-user customers; IA compensation is based upon those sales. An IA’s goal should be to promote and sell services, rather than the recruiting of other IAs into the business. All IAs should understand and inform prospective IAs that compensation with Kynect only results from the enrollment of Service customers and the sale of Services. IAs should never directly or indirectly state or imply otherwise.

### **7.4 IAs Not Required to be Customers and Vice Versa**

IAs are not required to purchase services from Kynect. IAs are never allowed to lead another IA, or prospective IA, to believe that he or she must purchase services from Kynect as a condition of becoming, or maintaining status as, an IA. In addition, IAs are not allowed to lead potential customers to believe that they must first become an IA in order to purchase services from Kynect.

## **7.5 Disclosures to Customers**

When enrolling customers and selling Services, IAs must provide information concerning all relevant costs, options, and required disclosures. Notably, disclosures may be required by Kynect and/or regulatory agencies -- see Kynect Central for more details. It is important that IAs help customers choose the best Service for their needs. When enrolling customers and selling Services, IAs agree to disclose Kynect and/or Stream's policies regarding credit verification, deposit options, and if applicable, Third Party Verification (TPV).

## **7.6 Trademarks and Other Intellectual Property**

The Company's name, logo, trademarks, service marks, and copyrighted materials ("Intellectual Property") are owned by Kynect and/or its affiliates. In order for IAs to use Intellectual Property, Kynect must give written approval and the use must be in strict compliance with these Policies & Procedures.

IAs agree to not use, reproduce, modify, distribute, or display the Intellectual Property in any manner except as permitted by Kynect's Policies & Procedures, the IA Advertisement and Style Guide (the "Guide"), or as otherwise pre-approved in writing by Kynect. IAs agree to transfer all proprietary rights in and to any materials that an IA is authorized to produce to Kynect in perpetuity. IAs also agree to assist Kynect with any requirements necessary to protect such rights.

If Kynect gives an IA the right to use its Intellectual Property, the right shall be non-exclusive. Kynect has the right and sole discretion to grant others the right to use its Intellectual Property. Any and all goodwill associated with the Intellectual Property (including goodwill arising from an IA's use) inures directly and exclusively to Kynect's benefit and Kynect's property. On expiration or termination of the IA Agreement, no monetary amount shall be attributable to any goodwill associated with any IA's use of the Intellectual Property.

## **7.7 Copyright and Trademark Information**

Federal law prohibits the use, reproduction, display, modification, distribution, or performance of copyrighted material without the permission of its owner. Copyrighted material can include brochures, books, magazine articles, print advertisements, television advertisements, radio broadcasts, webcasts, videotapes, television programs, computer software and firmware, mobile applications, music, photographs, paintings, toys, and many other items. IAs may not incorporate or use copyrighted materials without the copyright owner's written permission. Internet images and written materials should be assumed to be copyrighted and therefore not usable for commercial or advertising purposes without prior permission. The absence of a ® or other copyright notice does not mean the material is not copyrighted. Names and logos of other companies, their products, and services are usually trademarks or service marks and should never be used without prior permission.

## **7.8 IA Meetings and Materials Must Not Be For Profit**

Kynect supports presentations about Services Kynect offers and education about becoming a Kynect IA. These types of meetings, events, training sessions, or business receptions have the potential to be

valuable educational tools when conducted properly with both professionalism and integrity. The primary intent, however, must be to educate attendees and then allow them to make decisions that best suit their individual preferences. IAs may charge a meeting entrance fee, but the fee may not exceed the amount minimally necessary to cover the cost of such events; under no circumstances may such fees create additional income to the event sponsors or speakers. All events must be offered as non-profit activities at all times. IAs sponsoring such events must keep a detailed registration of all attendees, detailed documentation of all associated revenues and expenses, and Kynect may periodically request these documents for review.

Similarly, IAs may work with BIG in order to create advertising, team, or training materials. Under no circumstances may such materials be sold at a profit to other IAs.

## **7.9 Use of Kynect’s Identity**

Under no circumstances may IAs represent themselves as having any affiliation with Kynect or Stream except as a “Kynect Independent Associate”.

IAs may not use Kynect Intellectual Property except in materials provided and approved by Kynect. In addition to possible suspension or termination, unauthorized use or duplication of Kynect’s proprietary materials is prohibited and subject to penalties under the law.

If the name of an IA facility, training center, office, or meeting location includes the word “Kynect,” it must also include the phrase “Independent Associate”. The complete name shall, at all times, only be used in connection with Kynect-related activities.

IAs may not use their own, or another’s, contact information, (whether via phone, website, email, text, or any other means), to lead any person to mistakenly believe that they have reached Kynect’s corporate offices, or to represent that the IA is a Kynect employee. The only exception to this rule is if the IA is, in fact, a Kynect employee and on Kynect’s payroll.

## **7.10 The Business Presentation**

The Kynect Business Presentation (“Business Presentation”) is a scripted presentation designed for IAs so that they present the Kynect IA business clearly, easily, and in a lawful manner.

Only Kynect materials may be used during the Business Presentation. No modifications can be made to Business Presentation materials. IAs may not make false or misleading statements about Kynect and/or the Kynect business. During Business Presentations, IAs may only use the facts and figures published by Kynect. IAs may not modify the Business Presentation’s visual or auditory layout, presentation order, use of disclaimers, or in any other manner.

In making the Business Presentation, as at all other times, IAs are required to abide by the policies set forth in the Section entitled Income Disclosure Statement; Promises of Profits Prohibited. Any variation from the Business Presentation script, training, or the associated corporate materials may result in disciplinary and/or legal action against the IA. Kynect periodically audits, without notice and/or anonymously, IA Business Presentations and trainings to ensure compliance with this policy. Kynect may use recording devices in connection with such audits. All IAs hereby consent to the audit and taping of Kynect Business Presentations and training meetings.

## 7.11 Kynect Pro

All IAs are eligible for subscriptions to Kynect Pro. Kynect Pro includes an additional monthly fee and is charged on the third day prior to purchase date of each month. The terms are subject to change, however, as of the drafting of this Section, Kynect Pro is a personalized online system that allows Kynect IAs access to enhanced reporting capabilities and business-building features within their Kynect Central and Homesites.

IAs may register for Kynect Pro through the Kynect Central, which is accessible from the Kynect corporate website at [www.wekynect.com](http://www.wekynect.com). Kynect Pro is a nonrefundable product, except when cancelled within the three day right of rescission addressed in Section 2.10. Kynect does not provide partial-month fee refunds for Kynect Pro.

IAs are granted a limited and non-exclusive right to create a hypertext link to the websites found at [www.wekynect.com](http://www.wekynect.com) (the “WeKynect Website”). The hypertext link may not portray Kynect, its affiliates, or any of their respective Services in a false, misleading, derogatory, or otherwise defamatory manner. An IA cannot create an impression that a sub-domain on [www.wekynect.com](http://www.wekynect.com) is part of the IA’s own or other non-Kynect maintained site. This limited right may be revoked at any time. Frames or framing techniques cannot be used to enclose any Kynect Intellectual Property. This includes the images found at Kynect’s corporate website, and the content of any layout/design text of any page or form, without Kynect’s express written consent. The WeKynect Website and any other websites offered by Kynect (the “Websites”) and their content are Kynect’s intellectual property. All WeKynect addresses and sub-domains are wholly owned by Kynect. Any such information extracted from these Websites must bear a copyright in the following form:

© Copyright Kynect, Ltd 2019.

If an IA wishes to cancel their Kynect Pro, they may do so a number of ways:

- Via the Kynect Central in the “My Settings/Kynect Pro Billing Info” Section;
- By calling Associate Support at 833-U-KYNECT (833-859-6328); or
- By sending a written request to KYNECT, Attn: Associate Support, 14675 Dallas Parkway, Suite 150, Dallas, Texas, 75254.

Kynect will bill its participating IAs 30 days in advance for their monthly Kynect Pro subscription. A Kynect Pro account may be suspended or terminated after three unsuccessful attempts at billing. If status as an IA is cancelled or terminated, this will automatically terminate any associated Kynect Pro agreement. Kynect will not assume that an expired credit card is intended to be notice to terminate services and will continue to process Kynect Pro billings in order to avoid an unintended interruption in service for IAs.

Kynect is not responsible for interrupted, inaccessible, or unavailable networks, servers, satellites, Internet service providers, websites, or other connections. Kynect is also not responsible for miscommunications, failed, jumbled, scrambled, delayed, or misdirected computer, telephone, or cable transmissions; or for any technical malfunctions, failures, or difficulties. If, due to no fault of their own, an IA cannot access their Kynect Pro for a continuous period of eight hours, they will

be credited with an additional day for each occurrence. IAs must notify Associate Support of such occurrences in order to receive the credit.

Kynect does not assume any responsibility for the accuracy of information posted on any Website. Kynect will make every effort to provide the most accurate information possible, but does not warrant or guarantee that the information will be free from errors. IAs agree not to introduce into Websites any materials that may be harmful to other users, such as viruses.

### **7.12 IAs May Create Associate Advertising By Using the Kynect IA Advertisement and Style Guide**

As long as they follow the Kynect IA Advertisement and Style Guide (“Guide”) and submit materials for approval by the Business Integrity Group before use, IAs may create their own materials on how to become an IA. The Guide sets forth important Do’s and Don’ts to help IAs develop their own materials. If there is conflict between the Agreement and the Guide, the Agreement shall control. Additional policies may apply.

### **7.13 IAs May Not Create Customer Advertising for Energy-Related Services**

IAs may only market and promote Services with marketing and promotional materials approved by Stream. These materials are located Kynect Central. IAs are not permitted to alter Stream’s approved marketing and promotional materials. No independently created marketing and/or promotional materials for energy-related Services will be accepted for review.

If IAs wish to create advertising for Kynect’s non-energy related services, they must follow the Guide and submit materials for approval by the Kynect Business Integrity Group before use. If there is conflict between the Agreement and the Guide, the Agreement shall control. Additional policies may apply.

### **7.14 Internet Advertising**

Kynect allows the use of sponsored links through search engines (i.e., Google, Bing) and through third-party websites to promote the Kynect IA business. The link, when selected, must return the internet user to the IA’s Kynect sponsored website. Sponsored links may not contain Kynect intellectual property. Kynect’s IAs must review and submit the Kynect IA Online Advertising Policy form to BIG before the IA may purchase the sponsored link. Sponsored links are not permitted for customer advertising.

IAs ranked SD or below are never permitted to publish self-created websites or blogs, including URLs designating such non-Kynect websites in order to solicit customers or Associates. Whether these self-created websites are targeted toward customers or Kynect IA business is irrelevant. IAs ranked ED and above may be granted permission to publish self-created websites or blogs in order to gain Associates. Such permission must be obtained from BIG before the website or blog is made live to the general public.

Social media advertising is permitted, as long as it is not sponsored or “boosted”. IAs may not pay social media or search engines to post, promote, or boost their Kynect-related posts. IAs may create their own non-energy related materials as long as they follow the Kynect IA Advertisement and

Style Guide (“Guide”) and submit materials for approval by the Business Integrity Group before use.

Any internet post that mentions potential Kynect earnings or incentives (e.g. bonuses, MEI, trips, cars) that are more than an average IA’s earnings (see Kynect’s Income Disclosure Statement for the average IA’s earnings) must be accompanied by one of Kynect’s approved income disclaimers.

### **7.15 Personal Communications**

IAs may only send personal communications, including electronic communications, to those individuals with whom they have an established personal or business relationship. All communications must adhere to the Guide and all communications must comply with the advertising and marketing policies set forth herein. Communications containing claims that are untrue, misleading, deceptive, exaggerated, or fraudulent will not be tolerated. IAs are required to abide by all applicable laws and regulations regarding electronic communications. An IA shall not conduct activities via electronic communication in any market where such activities are prohibited by law.

### **7.16 Prohibition on Bulk Communications**

The term “bulk communications” in this Section refers to the dissemination of unsolicited messages or communications to individuals with whom the IA has no relationship. This is applicable regardless of whether the IA intends to communicate with either customers or prospective IAs. Kynect IAs may not, directly or indirectly through another party, send bulk communications. This includes but is not limited to bulk email (known as “spamming”), unsolicited or automated text messages, automated or pre-recorded telephone calls, direct mail, or any other mass market communications that may be illegal under applicable federal, state, or local laws, rules, or regulations.

### **7.17 Prohibition on Mass Advertising**

Mass advertising, purchased leads, blind mailing lists, trade shows, door-to-door selling or marketing, telemarketing and “speed dial” (random or auto dialing), auto-dialer usage, direct mail campaigns, inclusion in blind email messages, and Usenet cross-postings (spams and/or blogs) is prohibited and is a violation of the IA agreement. Kynect prohibits all IAs (regardless of status or position) from creating, utilizing, or participating in television or radio broadcasts (live or taped), webcasts, or any other mass multi-media forum for the purpose of discussing any aspect of Kynect whatsoever. The only exception is if such participation is sponsored by Kynect.

Mass advertising, such as television and radio broadcasts, can be extremely costly and ineffective forms of marketing with low rates of return on investment. False or misleading advertising, whether intentional or accidental, can incur heavy fines from regulators, which more than offset any financial gain these forms of advertising are likely to generate.

### **7.18 Sponsorships**

IAs may sponsor events and teams within their warm market as a Kynect Independent Associate. It must be made clear that a Kynect Independent Associate is the sponsor and not Kynect itself. Additionally, materials created for the sponsorship, (i.e. flyers, signs, etc.), must be approved by BIG.

### **7.19 Print Advertising**

If an IA wishes to distribute flyers, postcards, business cards, signs, or post ads in a publication, they are encouraged to use Kynect's pre-approved materials available in the Kynect Central. If, after review of the existing materials, an IA still wishes to create their own material, the material must be approved by the Business Integrity Group prior to use.

Notwithstanding the foregoing, however, energy-related materials must use Stream-approved materials found in Kynect Central.

Notably, signs may not be any larger than 4'x4'. Signs larger than 4'x4' are prohibited.

### **7.20 Storefronts**

IAs may not lease, own, or operate storefronts, retail spaces, or buildings, for the purpose of acquiring customers or IAs.

### **7.21 Booths**

Kynect encourages IAs to meet one-on-one with prospective IAs. If, however, the IA would like to participate in having a booth at a trade show, networking event, flea market or any other public or private event, the IA must complete Booth Certification Training and receive advance approval to attend the event from Field Sales. Kynect may approve or deny any request at its sole discretion.

Booths may only be used to solicit prospective IAs. Booths may not be used to solicit customers. "Solicitation", as used in this provision, will be interpreted broadly.

### **7.22 Translation of Kynect Materials by IAs Prohibited**

IAs may not translate Kynect-related materials from English into other languages. An incorrect translation could adversely affect Kynect's or a customer's rights and obligations under their contracts. Translations made by IAs violating this section will not be binding to Kynect or any other third party. Kynect will handle all translations at the corporate level. Kynect-provided translations are the only translated materials that may be used.

### **7.23 Interactions with the Media**

Only Kynect's public relations department and executive management team are authorized to speak on Kynect's behalf to the news media. All TV, radio, and print media relations interactions with the media are to solely be handled by Kynect's corporate public relations department. This is true even if a member of the media contacting the IA is a personal friend or family member. IAs are prohibited from initiating contact, issuing statements, making appearances, or conducting interviews with the media. This includes writing op ed pieces identifying oneself as a Kynect IA.

If a member of the media contacts an IA to discuss any aspect of Kynect, the IA shall direct that media person without comment or discussion to contact Kynect’s public relations department at 214-800-4400. Kynect reserves the right to interface with the media at its sole discretion.

#### **7.24 Interactions with Members of Government/Regulatory Agencies**

Only Kynect’s executive management team are authorized to speak on Kynect’s behalf to members of governmental or regulatory agencies. All governmental relations, including lobbying, are to be handled solely by Kynect even if the member of government is an IA’s personal friend or family member. When it comes to Kynect, IAs are strictly prohibited from initiating contact, issuing statements, making appearances, conducting business plans, or engaging in discussions with any local, state, and federal governmental or regulatory agency officials or their aides or staff. IAs may not join lobbying groups or other coalitions that might speak on behalf of the IA about Kynect and/or its products or Services to any government official or regulatory agency. If a governmental or regulatory agency official contacts an IA to discuss any aspect of Kynect or its Services, the IA shall direct the governmental or regulatory agency official without comment or discussion to Kynect executive management team 214-800-4400. Kynect reserves the right to interface with governmental and regulatory agency officials at its sole discretion.

#### **7.25 Regulatory ‘Certification’ and What It Means**

IAs must be very careful as to how they represent and answer questions about regulatory certifications for energy services we sell. In each state where we sell electricity or natural gas, we sell exclusively only for Stream, an NRG company. Stream holds the requisite license to be able to sell electricity or gas (as applicable) in each state. This means Stream has demonstrated, to the state’s satisfaction, that it has the requisite technical, managerial, and financial capability to serve energy customers in that state. It does NOT mean that the state’s public utility commission has “certified” any specific products or services we sell for Stream. Nor does any commission award any “seal of approval,” or recommend or prefer those products or services over other retailers in the market. It only indicates that Stream is authorized to do business in that state. IAs may never state or imply otherwise.

IAs should also be aware that Kynect is registered as an energy broker in Texas. Not all states require Kynect to hold a license to be a broker. Kynect will ensure that it always obtains any licenses to broker or sell energy in the event of any change in law in any jurisdiction. An example of this would be wireless services offered by Kynect nationwide. This is because, with some exceptions, wireless services are largely governed only at the federal level.

#### **7.26 Product/Service Warranty Disclaimer**

EXCEPT AS EXPRESSLY MADE BY KYNECT IN WRITING, KYNECT MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, WORKMANSHIP, NON-INFRINGEMENT, OR ANY OTHER WARRANTY ARISING BY LAW, STATUTE, USAGE OF TRADE, OR COURSE OF DEALING CONCERNING ANY PRODUCT OR SERVICE PURCHASED FROM OR THROUGH KYNECT OR ITS AFFILIATES. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, ALL PRODUCTS AND SERVICES OF KYNECT ARE PROVIDED “AS IS,” “WITH ALL FAULTS,” AND “AS AVAILABLE.”



KYNECT DOES NOT WARRANT THAT ITS PRODUCTS OR SERVICES WILL BE COMPATIBLE WITH ANY HARDWARE OR SOFTWARE SYSTEMS OR THAT ONLINE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE. KYNECT DOES NOT WARRANT THAT ANY WEBSITE OPERATED, SPONSORED, OR HOSTED BY KYNECT OR ITS AFFILIATES WILL BE UNINTERRUPTED OR FREE FROM ERROR.

## **SECTION 8 - BONUSES AND COMMISSIONS**

### **8.1 Eligibility for Commissions and Free Services**

Once IAs have been enrolled for a full year, they must have “Active” status and remain qualified at their position in order to be eligible for commissions, bonuses, or other financial payments from Kynect. At the end of every month, Kynect will review IA activity to determine whether they will be deemed Active. IAs excluded from the end-of-month qualification review include:

1. IAs who have been Kynect Associates less than one year;
2. IAs under “Active-No Commission”, “Suspended”, “Terminated”, or “Cancelled” status.

To be deemed Active, by the first of the month, IAs must meet one of the following conditions:

1. Maintains a paid monthly subscription to Kynect Pro, OR
2. Maintains at least 10 personal qualified points (PQPs), OR
3. Personally sponsored at least 1 Active customer within the past 120 days, OR
4. Personally sponsored at least 1 Active Associate within the past 120 days.

IAs who fail to meet the end-of-month qualification review criteria will be deemed Inactive. Compensation accrued while Inactive will be forfeited. IAs can reactivate their accounts by meeting one of the above conditions. The IA’s account will be reactivated during the following end-of-month qualification review. On a go-forward basis and excluding previously accrued compensation payments, Kynect may change commission percentages, commission structures, bonuses, and awards.

Free services and/or similar benefits to IAs are at Kynect’s sole option and discretion. “Free” services or “rewards or incentives” may accompany some of the services Kynect offers. In some cases, IAs can take advantage of them if they are a customer of the Service. These rewards and/or incentives are deemed as part of IA compensation. At Kynect’s discretion, the rewards/incentives are applied to an Associate’s designated Service account as a Services credit or will be disbursed directly to the holder of the designated account. The amount of free Services and awards are dependent on meeting the program requirements and the usage of Services by the designated account. The program will be governed by a separate agreement, but is intended to be read in conjunction with this provision.

Kynect reserves the right to review and validate bonuses. This process may take up to 30 days. If Kynect finds evidence of fraud, gaming, or other Agreement violations, repercussions may include denial of the bonus or termination of the IA contract.

## 8.2 Weekly-Paid Compensation

Kynect pays several kinds of bonus compensation on a weekly basis.

- “Personal Customer Bonuses” are paid to Qualified Directors who have: (1), enrolled the minimum number of personal Service accounts, and (2), made related sales of Services within the required timeframe.
- “Team Customer Bonus 4” is paid to Qualified Directors and above who: (1), helped their newly sponsored downline IAs reach the position of Qualified Director by enrolling the minimum number of personal Service Accounts, and (2) making the related sales of Services within the required timeframe. 30 days after an IA’s Start Date.
- “Team Customer Bonuses” are paid to Regional Directors and above who: (1), meet the minimum qualifications for such level as shown on the Compensation Plan, (2), whose new downline IAs have been trained and successfully enrolled the minimum number of Service accounts, and (3) made the related sales of Services within the required time.

All documentation necessary for bonus qualifications must be received and verifiable by Kynect - and with any qualifying activities in pending or active status by each Friday at 11:59 p.m. (CST) -- for payment to be issued on the next Friday after the week in which such pending status is achieved. The IA agrees that this deadline shall apply regardless of whether the due date falls on a business or holiday.

## 8.3 Monthly Earned Income (“MEI”)

Monthly Earned Income -- or “MEI” -- is monthly compensation paid to qualified IAs. Subject to Section 11.1 of these Policies & Procedures, Kynect’s intent is to issue MEI payments for as long as Kynect receives sufficient payments for the applicable Service’s customer.

IAs are qualified when they sell the required number of personal Service accounts and make the required number of Service sales for their particular position. Kynect must receive full direct or indirect payment from a customer(s) for relevant delivered Service(s) that trigger or contribute to MEI before Kynect will issue payment for MEI. After Kynect receives full payment for the applicable Service, MEI payments will be issued on or before the 15th day of the following month. Subject to Section 11.1 of these Policies & Procedures and the remainder of the IA Agreement, Kynect will issue MEI payments for as long as the Company receives sufficient payments from its partners (including but limited to, energy and gas partners such as Stream) for the applicable Service. Assuming the foregoing, a Compensation Plan change affecting the rate at which MEI is paid will only apply to customers brought in after the applicable Compensation Plan change to the MEI rate.

Should a Kynect partner terminate the parties’ network marketing agreement, Kynect will pay a pro rata portion of the relevant termination fee to active IAs. The amount received by individual

IAs will be equal to the pro rata share of cumulative MEI, as compared to that termination fee, earned by the IA in the past 12 trailing months.

#### **8.4 Payment Discrepancies; Lost or Missing Payments**

Compensation will be paid to the IA on a debit card provided to the IA. IAs understand that Kynect neither issues the debit card nor manages it. Therefore, IAs will not hold Kynect responsible for lost or stolen debit cards, or loss or misuse of card funds. Fees charged by the card issuer or merchant shall not be deemed to be within Kynect's control or responsibility and IAs are not eligible to be reimbursed by Kynect for any such fees or charges.

Compensation discrepancies should be reported to Kynect in writing so that Kynect may appropriately research the situation. All compensation inquiries must be received by Kynect within 90 days of the compensation's release date. All inquiries must be in writing. Reissuance of compensation payment, if approved, may take up to 45 days. If a payment must be reissued, the IA will be responsible for any fees involved with placing a stop payment on the original payment and issuing new payment.

#### **8.5 Minimum Payment \$10**

No payment will be issued to an IA until the total amount due such IA is equal to or greater than \$10.00. All unpaid commissions are accumulated until the appropriate amount is reached and added to the next commission payment of its kind.

#### **8.6 Problems That Can Delay Commissions and/or Transfer of Service.**

Kynect is not responsible for loss of commissions or Service transfer delays due to the following:

- The failure to complete mandatory training;
- Government or Stream-initiated investigations or requirements;
- No IA Agreement being on file with Kynect;
- Incomplete or incorrectly completed IA Agreement (includes but not limited to incorrect contact information for IAs);
- Late or delayed delivery of IA Agreement to Kynect;
- Incorrect IA or sponsor identification numbers on an IA Agreement or other necessary form;
- Improper notification of a change of the address on file with Kynect;
- Phone number not in Kynect service or billing area;
- Outdated forms submitted to Kynect;

- Mismatch of SSN, FEIN or ITIN;
- Incorrect or missing customer information;
- Incomplete, invalid, or unsuccessful enrollment of Service(s) to customer(s);
- Incomplete, invalid, or unsuccessful payment(s) from customer(s) for Kynect service offering(s);
- Inadequate credit or identity verification for enrolled Service(s) customer(s); or
- Any other event outside Kynect’s control.

### **8.7 Service Customer Qualifications**

Commissions, bonuses, and advancement to leadership levels within the Kynect Compensation Plan are based on the acquisition of active, billable customers, and the related Service sales. A SSN and/or driver’s license may be required to be eligible as a potential Service customer; otherwise, a financial deposit may be requested, at Stream’s sole discretion, prior to the commencement of Service. Each customer service request (i.e., enrollment in a Service) must contain the name and Kynect identification number of the IA who sold the Service and acquired the customer. The customer service request must also contain all other necessary information for customer enrollment and to correlate a valid customer with a valid IA.

IAs may not use the name or Kynect identification number of another IA, or, otherwise entering into a Service in the name of another IA. A customer account cannot be moved from one IA to another unless the customer has been inactive from service for at least twelve (12) months. A customer account that has been inactive in excess of twelve (12) months but thereafter becomes active again and eligible for reinstatement to their original IA sponsor if such sponsor is in good standing.

### **8.8 Sponsoring an Unassigned Customer**

“Unassigned customers” are customers who are currently unassigned to an IA. Customers sponsored by cancelled or inactive IAs are not considered unassigned and will not be transferred to another IA. Under no circumstances will cancelled customers be transferred to another IA.

### **8.9 Retail Sales Rule**

In order to qualify for commissions, an IA must make retail sales of Services in the calendar period in which commissions are earned. Recurring monthly Services to customers constitute retail sales.

### **8.10 70% Rule**

In order to receive commissions and overrides an IA must have sold or used at least 70% of all Services previously purchased.

## **SECTION 9 - STRICTLY PROHIBITED CONDUCT**

### **9.1 Zero Tolerance Policy**

Without in any way limiting Kynect’s right to impose discipline (up to and including termination) upon an IA for violation of any provision of the Agreement, this Section identifies specific prohibited conduct for which Kynect has a zero-tolerance policy. Violation of this Section’s provisions may result in suspension or termination of the IA positions of all involved individuals or individuals who condoned the violation. Such IAs may forfeit their rights and status as an IA (including potential forfeiture of all future commissions, bonuses, and payments of any kind), termination of the IA Agreement, and/or legal action being taken against them.

## **9.2 Slamming and Cramming**

Kynect prohibits customer “slamming” and “cramming.” Slamming is the unauthorized transfer of a customer’s service from the customer’s current service provider to a new service company (e.g., from Company A to Kynect). “Cramming” is the unauthorized addition of services or features connected with an existing service, even if the underlying service was authorized. Kynect may take legal action against an IA who engages in such conduct. Such legal action may be to recover actual and consequential damages, fines, penalties, costs, attorney’s fees, and other expenses and

relief. The Federal Communications Commission, Federal Trade Commission, state attorneys general, and other governing regulatory agencies have rules that prohibit slamming and/or cramming. Violation of these rules may result in criminal penalties. IAs can avoid slamming and cramming by utilizing the following procedures:

Verify available information against each new customer's current service bill for each paper or electronic form IAs submit to switch a customer's service. This practice can confirm that the customer's name and phone number matches the information on the service bill.

- Verify that the person completing the switch has authority to act on behalf of the person whose name appears on the service bill. It is essential that the person signing the forms has authority to change service providers.

### **9.3 Sales of Third Party Products or Services**

IAs may not promote or sell services or use its Intellectual Property in connection with any other company's business, products or services.

### **9.4 Conflict of Interest Violations**

There are three types of conflict of interests prohibited by these Policies & Procedures. The first occurs when an IA's employment with a third party (or other non-Kynect business or other relationship) gives the IA access to information or authority and the IA uses that information or authority to mislead an individual to become a Kynect IA or customer.

Example: Kris manages an apartment complex. When new tenants sign a lease, Kris misleads them to believe that they must sign up for services offered by Kynect to be a tenant. This is a violation of Kynect's policies.

The second occurs when an IA has access to an individual's private information and uses it without authorization in relation to his or her own or another IA's position with Kynect.

Example: Kris works for a bodega that accepts electricity bill payments. One day, Kris collects the information from all the bills paid that week, and uses the phone numbers on the bills to advertise the services Kynect offers. This is a violation of Kynect's policies.

The third occurs when an IA attempts to become a preferred vendor, supplier, or consultant to Kynect. While operating an IA position, no IA may serve as a preferred vendor, supplier, or consultant to Kynect unless specifically authorized by Kynect in writing. This prohibition shall also apply to the IA's immediate family members, and any business partner or Business Entity with whom the IA operates, or in which the IA owns a controlling interest.

### **9.5 Non-Competition and Non-Solicitation**

During the term of the IA Agreement and for one year thereafter, the IA shall not:

- (a) market, promote, derive financial benefit from, or otherwise participate in or be affiliated with any other business involving the same or substantially similar services as the Services offered by Kynect in any geographical area or State in which Kynect provides such Services;
- (b) be involved, directly or indirectly, in the solicitation, marketing, or sale of products or services for any other company or any other person or Business Entity that engages in the sale or promotion of the same or substantially similar Services as those offered by Kynect in any geographical area or State in which Kynect provides Services;
- (c) solicit, divert, take away, or interfere with any of the customers, IAs, employees, trade or patronage of Kynect; or
- (d) directly or indirectly sponsor, solicit, or “cross-recruit” (whether on behalf of the IA or any other person or Business Entity) any other Kynect IA (whether an individual or a Business Entity) to participate in another network marketing program regardless of whether such network marketing company offers products or services the same as or similar to the services Kynect offers. Cross-recruiting includes directing multi-level marketing sale efforts at Kynect IAs.

Example: Ace is a Kynect Senior Director; Ace recently began using tea tree oil from Koala Gardens, another multi-level marketing company. Ace posts before and after pictures on Facebook in order to promote Koala Gardens. Ace tags several of Kynect IAs in his post. Ace is seeking to promote Koala Garden products to Kynect IAs and is violating Kynect’s policies against cross-recruiting.

Example: Betty is a Kynect Senior Director; Betty recently discovered Rich’s Best Baking Mixes, another multi-level marketing company. Betty posts pictures of her delicious Rich’s Best Baking Mixes cakes on Facebook. Betty is Facebook friends with other Kynect IAs, but does not tag them. Betty has not violated Kynect’s policies because she is not targeting Kynect IAs.

Example: Kevin’s Kynect sponsor, Matt, left the company six months ago to pursue another opportunity the multi-level marketing company Advantik. Matt tells Kevin if he’ll bring a couple Kynect IAs to Matt’s Advantik happy hour, he’ll refer new energy customers to Kevin. Kevin should not take other Kynect IAs to the Advantik happy hour. This is indirect cross-recruiting and violates Kynect’s policies.

## 9.6 Cross-Line Recruiting

IAs may not solicit, entice, encourage or persuade an IA to leave the IA's current Kynect sponsor for another Kynect sponsor. Similarly, no IA may knowingly solicit, entice, encourage, or persuade an IA, who is currently sponsored by another IA or who is considering joining Kynect and reasonably likely to be sponsored by another IA, to leave the IA's current or potential future sponsor for another sponsor.

## 9.7 Forgery and Alteration of Forms

No individual may sign any portion of the IA Agreement or any service document (including by electronic signature) on behalf of another individual. The only exception is if the individual can prove possession of a valid power of attorney. Forgery of another individual's name or establishing phantom IA positions will subject violators of this policy to termination and other possible penalties, including criminal prosecution.

The alteration of any information (such as an IA's Kynect identification number or signature) or the signing of any documents or contract by anyone other than the individual entering into that contract is prohibited. IAs may not make any alterations, whether orally or in writing, to the Agreement or any customer form without the express written approval of Kynect's Legal Department. Further, any promise or commitment by an IA to make such changes shall not be enforceable unless it is in writing and signed by Kynect's Legal Department. Kynect reserves the right within its sole discretion to reject any agreement or form submitted by an IA. No act or omission of Kynect shall be deemed a waiver of Kynect's rights under this Section.

## 9.8 Purchase and Sale of Customer Accounts

IAs may not purchase, sell, or pay for (with money or other gain) a customer account. This includes payments to someone who facilitated a customer account – in other words, a kickback. IAs will be held responsible if this provision is violated on their behalf.

Example: Samundra's sister manages a 500 unit apartment complex. Samundra pays her sister \$10 for every tenant that signs up for Stream electricity services. Samundra is violating Kynect's prohibition on purchasing or selling customer accounts.



## 9.9 Stacking or Placements

“Stacking” or “placement” is the manipulation of the Kynect Compensation Plan and/or the marketing system in order to illegitimately trigger commissions or rank advancement. This includes, but isn’t limited to, situations where one IA places customers under a downline IA who may not know or have any relationship with such individuals. This behavior is fraudulent.

Kynect counts on its IAs to contact BIG if an unfamiliar customer is placed directly under them. Together we can prevent fraud, but failure to notify BIG may be considered a violation of this policy.

## 9.10 Customers & Premises: One-Year Rule

If a customer terminates their services, an IA who brings the customer account back to the same service within a year of termination will not earn any customer point values off the customer’s account. After a year has passed since the customer or premise’s account termination, their enrollments will once again hold the ordinary point value assigned by Kynect’s Compensation Plan. A customer account is defined as a customer or premise with a discrete Social Security Number, Mobile Directory Number (MDN), Meter Number (ESIID/SEP), or Account Number.

Example: Erica’s mother, Joan, is a long-time Stream gas customer. Joan terminates her gas account with Stream when she leaves the country for three months. Three months later, Joan asks Erica for a new Stream gas account. Erica will not earn a customer point from Joan’s account.

Example: Joan has never held an electricity account with Stream. When Joan asks Erica for a second Stream gas account, Erica asks Joan if she would also like to sign up on Stream’s electricity plan. Joan agrees. Erica will earn a customer point from Joan’s electricity account.

**Similarly, if a customer and/or premise has previously left Kynect with bad debt, for one year after termination of service, the customer/premise will not be eligible for Associate bonuses. This provision may be waived by Associate Support if a wholly new customer is proven to have moved into the premises.**

Example: When Caren moves out of 3226 Cliff Rd., (ESIID: 2212019), she leaves behind \$200 in bad debt. When John moves into 3226 Cliff Rd., (ESIID: 2212019), Eve convinces John to become her customer. In order to receive compensation based upon John’s account, Eve will need to call Associate Support and show that John is a different occupant than Caren.

### **9.11 Second Party Purchase of IA Position/Payment of Fees**

Kynect prohibits the payment of applicable IA fees by anyone other than the IA to whom the fees apply. This prohibition includes, but is not limited to, advancing money, paying for, promising to pay for, reimbursing, or giving any other item of value to a prospective or renewing IA to pay for that IA's enrollment fee, renewal fee, or other fees.

Kynect also prohibits the payment of customer fees by anyone other than the customer to whom the fees apply.

### **9.12 Cash or Monetary Incentives**

Kynect prohibits IAs from offering any cash or monetary incentives, promotions, prizes, bonuses, or anything of more than \$1,000 in value to their downline or upline IAs as a method of influencing recruiting for the Kynect opportunity, as a method of customer acquisition, or Service sales.

Teams may, however, conduct contests or offer incentives if the cumulative value is less than \$1,000. If a team wishes to receive an exemption from the rule against contests and/or incentives valued at more than \$1,000, they must receive written approval from a corporate employee ranked Director or above within the Field Sales department.

### **9.13 Unauthorized Contact With Providers or Contractors of Kynect**

Under no circumstance is an IA permitted to directly contact Service providers or vendors with whom Kynect contracts without receiving prior written authorization from an authorized Kynect officer. IAs may not solicit and/or prospect any person or company employed by, under contract with, or conducting business in any Kynect corporate office.

## **SECTION 10 - DISCIPLINARY MATTERS**

### **10.1 Grounds for Disciplinary Action**

At Kynect's sole discretion and depending upon the facts and circumstances of each individual case, an IA's position may be suspended, terminated, and/or subject to other action taken as set forth herein for any violation of any provision of the Agreement regardless of whether the provision itself specifies that its violation is a terminable offense and regardless of whether it is included in Section 9 Conduct Strictly Prohibited.

In addition to or in lieu of suspension and/or termination, and depending on the facts and circumstances of each individual case, an IA violating this Agreement may be subject to other disciplinary action including, but not necessarily limited to: compensation withholding, forfeiture of a leadership position, rank demotion, forfeiture of any other benefit or perquisite granted to the IA, and/or the enrollment in, or purchase of, any existing or new Service or line of Services. Kynect reserves its rights to injunctive and/or legal action in a court of law, equity, or arbitration.

## **10.2 Involuntary Suspension and Termination Procedures**

Generally, when a decision is made to suspend and/or terminate an IA's Agreement and position, Kynect will inform the IA in writing immediately, effective as of the written notification or other specified date. During the suspension period, the IA may not attend Kynect corporate or field events. The IA will be ineligible for recognition, incentives, or commissions. Such commissions may be forfeited unless the IA successfully rebuts the allegations underlying their suspension and the IA is reinstated to Active status.

The suspended IA's back office and website will be disabled. The suspended IA is not permitted to speak to prospects about becoming a customer and/or joining the Kynect opportunity.

If the suspension is for one month or longer, or the disciplinary action is termination, the IA will have 15 calendar days from the date of the notification in which to respond to and thereby appeal in writing the proposed suspension or termination. The IA's written appeal notice must be received or postmarked within this 15-day period. The IA's written appeal notice must state whether the IA wishes to have a telephonic hearing after his or her documentation has been submitted. If no such statement is made, no telephonic hearing will be permitted.

If the IA wishes to provide supporting documentation for their appeal and/or telephonic hearing, they may include it with the notice of appeal. Documentation may include written statements from witnesses. Such statements must be notarized. No witness testimony will be allowed at the telephonic hearing. The only live testimony allowed will be from BIG and the appealing IA.

If the appeal is not received or postmarked within this 15-day period, the failure to respond in a timely fashion will be considered acceptance of the suspension/termination, and/or any other sanction or penalty that Kynect may impose.

Notwithstanding the foregoing, if Kynect lifts the suspension upon the IA's response to Kynect's disciplinary letter, then the IA will not be eligible for the appeal process.

## **10.3 Appeal Process**

If an IA files a timely notice of appeal of their suspension/termination, the IA will be given ten business days to provide supplemental information to support their appeal. The Kynect Field Appeals Board ("Appeals Board") will review appealed IA suspensions/terminations. The Appeals Board is comprised of at least three members. All three individuals are Kynect employees and at least one of whom is a member of Kynect's management team.

Once the Appeals Board has reviewed the suspension/termination, considered appropriate information, and made a decision, Kynect's Business Integrity Group will notify the IA of the Appeals Board's decision. The decision will be final and only subject to further appeal or review by Kynect's Chief Executive Officer at his or her discretion.

If the suspension/termination is not rescinded, suspension/termination will be effective as of the date of Kynect's original designated suspension/termination date. In Kynect's sole discretion to protect itself, its IAs, and/or customers, Kynect may suspend some or all of an IA's access to information and services (such as the Kynect Central) and withhold checks during the pendency of an IA Compliance investigation without prior notice to the IA. Kynect reserves the right, in its sole discretion, to suspend

or terminate any IA without following these aforementioned procedures, depending upon the egregiousness or urgency of the situation. Kynect may terminate an IA without first suspending the IA. Where state laws on contract termination are inconsistent with this suspension/termination policy, the applicable state law shall apply.

#### **10.4 Effect of Termination**

If an IA is involuntarily terminated, all future commissions, bonuses, and other payments will be permanently forfeited as of the effective date of the termination. Once terminated by Kynect for cause, such IAs may not re-engage with Kynect as an Independent Associate.

A termination cancels any and all rights of the IA under IA Agreement, effective as of the date of termination. This includes but is not limited to: the right to receive additional compensation of any kind; the right to sell, transfer, or bequeath the IA's business; the right to maintain or access confidential downline information; the right to receive any other IA perquisites or benefits of any kind. An IA who has had their IA position terminated is prohibited from having any interest of any kind in any other IA position. They are also forbidden to work on behalf of another's IA position.

Immediately upon expiration, nonrenewal, or termination of the IA Agreement, the affected IA must: (i) remove and permanently discontinue the use of the Intellectual Property and any signs, labels, stationery or advertising referring to or relating to any of the services Kynect offers or programs; (ii) cease representing themselves as an IA; (iii) take all action reasonably required by Kynect relating to the protection of its confidential information and Intellectual Property.

#### **10.5 Offset**

Kynect has the right to offset against an IA's commissions any amounts owed by an IA to Kynect, including without limitation, (i) for repayment of commissions earned in breach of the Agreement for "slamming", "cramming", or as a result of phantom positions, among other causes or (ii) any indemnity obligation of the IA.

#### **10.6 Follow-up Training and IA Compliance Requirement**

Regardless of any suspension or termination procedures outlined in the Agreement, when an IA is subject to disciplinary action, Kynect's Business Integrity Group generally contacts the affected IA's upline to relay information about what types of prohibited conduct may have occurred and to assist the upline IAs with addressing the situation as necessary. By entering into the IA Agreement, all IAs waive any objection to their upline being informed of any disciplinary issues. IAs agree to assist Kynect's Business Integrity Group with investigations into their downline and to take any necessary corrective action required by law.

From time to time, Kynect may communicate to all IAs in the field reminding them of Kynect's policies and/or the Agreement. Kynect may also communicate with IAs to provide guidance on policies and/or the Agreement. IAs are required to read these communications and to ensure their own compliance with the Agreement.

## 10.7 Refunds Upon Termination

An IA who terminates his or her business relationship with Kynect has the right to return for repurchase on commercially reasonable terms currently marketable inventory, including product, Kynect-produced promotional materials, sales aids, and kits in possession of the IA and purchased by the IA for resale within 12 months of the date of termination. For purposes hereof, “reasonable commercial terms” shall mean the repurchase of currently marketable inventory within 12 months from the IA’s date of purchase at not less than 90% of the IA’s original net cost less appropriate set-offs and legal claims, if any. In addition, for purposes of this Section, products shall not be considered “currently marketable” if returned for repurchase after the product’s or sales aids’ commercially reasonable usable or shelf life period has passed; nor shall products or sales aids be considered “currently marketable” if Kynect clearly discloses to the IA prior to purchase that the products or sales aids are seasonal, discontinued or special promotions and are not subject to the repurchase obligation.

## 10.8 Returns for Residents of Certain States

Where a state may require a different buyback policy than Kynect’s, that state’s buyback policy will apply.

## SECTION 11 - LEGAL MATTERS

### 11.1 Amendments

In order to improve and keep its business practices up to date and to comply with changes in federal, state or local laws or economic conditions, IAs understand and acknowledge that Kynect reserves the right to modify the Agreement (including the IA Agreement, these Policies & Procedures, the Compensation Plan, and the Kynect Pro Website Terms of Use) in its sole discretion, unless otherwise prohibited by law. Notification of amendments shall be communicated to IAs via Currents (Kynect’s online news source) or the Kynect Central and shall become effective 30 days after publication (the “Effective Date”). Once effective, such amendment(s) shall become a binding part of the Agreement. The continuation of a Kynect IA position or an IA’s acceptance of commissions or bonuses following the Effective Date of any amendment shall constitute an IA’s acceptance of the amendment unless specifically rejected by the IA in written notice to Kynect’s IA Compliance Department no later than 30 days after publication of the change by Kynect. ***It is the responsibility of every IA to either read Currents, check their emails for communications from Kynect, or utilize the Kynect Central password-secured web site (accessible to IAs at no additional cost) for posted amendments and to ensure the IA remains informed of and is compliant with the latest amendments to the Agreement.***

### 11.2 Waiver

No term or condition set forth in the Agreement will be deemed to have been waived by Kynect, nor will there be any estoppel to enforce any of the terms or provisions of the Agreement except by written instrument of the party charged with such waiver or estoppel. A waiver at any time of any terms of the Agreement will not be construed as a waiver of any of the other terms nor shall it be considered as a waiver at any subsequent or previous time of the same terms.

### **11.3 Indemnity**

Each IA agrees to indemnify, defend, and hold Kynect harmless from any and all claims, damages, liabilities and expenses, including attorneys' fees, arising out of or related to an IA's (i) activities as an IA; (ii) breach of the Agreement or any other instruments referred to herein or issued by Kynect; (iii) breach or violation of any applicable federal, state or local law or regulations; and/or (iv) negligent, intentional, grossly negligent, reckless, criminal, or other wrongful conduct.

### **11.4 Severability; Order of Precedence**

If under any applicable law or rule, a provision of the Agreement is held to be invalid or unenforceable, the remainder of the Agreement will be interpreted as best to effect the parties' intent. The remaining provisions of the Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from the Agreement. In the event of an irreconcilable conflict between these Policies & Procedures and any other part of the Agreement, the Policies & Procedures shall be deemed controlling. The organization of contents within these Policies & Procedures is for ease of reference purposes only and is not meant to limit the common sense or legal meaning of any specific provision herein.

### **11.5 Binding Arbitration**

As part of the consideration exchanged pursuant to the Agreement, the parties agree that, except as otherwise set forth herein, any claim, dispute, or other difference between two or more IAs or between any IA(s) and Kynect, or any other claim or dispute of any kind arising under or in any way related to the Agreement, will be exclusively resolved by binding arbitration pursuant to the Commercial Arbitration Rules of the American Arbitration Association (the "Rules") and the United States Arbitration Act, 9 U. S. C. Sections 1-16 (the "Act"), with arbitration to occur at Dallas, Texas. All statutory and common law statutes of limitations applicable to any causes of action or claims shall be applicable in arbitration to the same extent they would be applicable in a court of law. If the dispute pertains to a matter which is generally administered pursuant to a written Kynect policy or procedure, the procedures set forth in that policy or procedure must be fully utilized by the IA before the IA may invoke the IA's right to arbitration under this Section. This Section will control in the event of any conflict between this Section and the Act or the Rules. The parties agree that the arbitrator will have the sole power to decide any question about the arbitrability of any claim, dispute, or other difference between the parties. The arbitrator may award declaratory relief, preliminary and permanent injunctive relief and economic damages. The arbitrator will not have the authority to award attorneys' fees, costs, or non-economic, consequential, punitive, exemplary or incidental damages, or lost profits; except that the arbitrator may award to Kynect such relief in a proceeding brought by Kynect against an IA for slamming customers to Kynect. In all other cases, each party will bear the expense of its own attorneys' fees and costs. The decision of the arbitrator will be entitled to enforcement in any court of competent jurisdiction.

Notwithstanding the foregoing, the arbitrator shall have no jurisdiction over disputes relating to the ownership, validity, use, or registration of any Intellectual Property or Kynect's confidential information without Kynect's prior written consent. Kynect may seek any applicable remedy in any applicable forum with respect to these disputes. In addition to monetary damages, Kynect may

obtain injunctive relief against an IA for any violation of the Agreement or misuse of Kynect's Intellectual Property or confidential information.

This provision will not be construed so as to prohibit Kynect from obtaining a writ of attachment, preliminary and permanent injunctive relief or any other emergency relief available to safeguard and protect Kynect's interests prior to the filing of or during or following or in lieu of any arbitration or other proceeding or pending the handing down of a decision or award in connection with any arbitration or other proceeding in any court of competent jurisdiction. It also will not be construed to prevent Kynect from recovering attorneys' fees and costs associated with successfully obtaining a writ of attachment, preliminary and permanent injunctive relief, or any other emergency relief necessary to safeguard or protect Kynect's interests.

In the event any portion of this provision regarding arbitration be found unenforceable, such portion shall be severable from the remainder of this provision, which shall remain in full force and effect. Any amendment to this provision shall not apply to: (i) a dispute arising prior to the effective date of such amendment; or (ii) an IA who declines to accept such amendment by discontinuing the IA's Kynect business and status as an IA following the effective date of any such amendment.

Nothing contained herein shall be deemed to give the arbitrator any authority, power or right to alter, change, amend, modify, add to, or to subtract from any of the provisions of these Policies & Procedures, Compensation Plan or the IA Agreement. The arbitrator shall not have the power to award special, incidental, indirect, punitive or exemplary, or consequential damages of any kind or nature, however caused.

#### **11.6 Venue and Choice of Law**

This Agreement shall be governed by the laws of the State of Texas without regard to conflict of laws principles. The venue for all disputes or enforcement actions, including informal dispute resolution, arbitration, and permitted court actions, shall be exclusively Dallas, Texas.

#### **11.7 No Class Actions**

As part of the consideration exchanged pursuant to the Agreement, all parties expressly waive and disclaim any right to bring any claim against each other in any and all forums (including, but not limited to, court and arbitration) as a class action or as a private attorney general. No party may serve as a class representative or a member of a class in litigation adverse to another party.

#### **11.8 Limitation of Liability**

In no event will Kynect's total liability (collectively as to all Kynect affiliates) to any IA for any claim whatsoever arising under or relating to this Agreement, and regardless of the forum in which a claim may be brought, and further regardless of the form of the cause of action (whether in contract, tort, equity, pursuant to statute, or otherwise), be more than the amount of that IA's economic damages recoverable under law, which shall not exceed the amount of such IA's enrollment fee and Kynect Pro fees paid by the IA. ALTHOUGH THE PARTIES ACKNOWLEDGE THE POSSIBILITY OF SUCH LOSSES OR DAMAGES, THEY AGREE THAT NEITHER KYNECT NOR ANY OF ITS AFFILIATES, SUCCESSORS, OR ASSIGNS

SHALL BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT, NON-ECONOMIC, OR CONSEQUENTIAL DAMAGES, OR LOST PROFITS, IN ANY WAY RELATED TO OR ARISING OUT OF THIS AGREEMENT. This limitation of liability provision shall survive the expiration or termination of the IA Agreement and the termination of an IA's position with Kynect.

### **11.9 Limitations Period**

With the sole exception of claims for indemnification, no action or claim of any kind arising out of or relating to this Agreement may be brought more than two years after the accrual of the cause of action.

### **11.10 Force Majeure**

Kynect shall not be responsible for delays or failure in performance caused by circumstances beyond a party's control, such as acts of terrorism, natural disasters, strikes, labor difficulties, fire, war, acts or omissions of third parties, disruptions in communication systems, government decrees or orders or curtailment of a party's usual source of supply.

### **11.11 Spanish Versions**

The Agreement and a variety of other documents related to the IA opportunity are provided to IAs in the Spanish language as a courtesy to our Spanish-speaking IAs. While every attempt is made to ensure proper translation from English into Spanish, in the event of any irreconcilable conflict between the English version of any document and the Spanish version of that document, the English version will prevail.

### **11.12 Price Changes**

Prices for Kynect's products and Services are subject to change without prior notice.

### **11.13 Receipts**

IAs must provide all retail purchasers of the Services with written receipts in compliance with applicable law.

### **11.14 Notice**

Any communication, notice or demand of any kind whatsoever, which either the IA or Kynect may be required or may desire to give or to serve upon the other, shall be in writing and delivered either (i) by electronic communication (whether by email or telecopy), (ii) personally or by same day local courier services or overnight express delivery services; or (iii) by registered or certified mail, postage pre-paid, return receipt requested. Any such communication, notice, or demand shall be deemed to have been given or served on the date personally received by personal service or overnight courier service, on the date of confirmed dispatch if by electronic communication, or on the date shown on the return receipt or the other evidence if delivery is by mail. Any party may change its address for notice by giving written notice to the other in the manner provided in this Section.



### **11.15 Survival**

Any provision of the Agreement, which, by its terms, is intended to survive termination or expiration of the IA Agreement shall so survive, including, without limitation, the arbitration, non-competition, non-solicitation, trade secrets and confidential information covenants.

### **SECTION 12 - CHANGES SINCE LAST VERSION**

This version of the Kynect Policies & Procedures includes extensive formatting as well as substantive revisions since the last version. ALL IAs SHOULD REVIEW THIS VERSION OF THE POLICIES & PROCEDURES IN ITS ENTIRETY IN ORDER TO ENSURE UNDERSTANDING AND COMPLIANCE WITH ITS TERMS.