

# **RYDR, INC.**

## **Policies and Procedures**

**Effective October 1, 2016**

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# **SECTION 1 - CORPORATE MISSION STATEMENT**

RYDR is your new On-Demand Car Service APP  
which helps you build your Rider and Driver Network.

## **SECTION 2 - INTRODUCTION**

### **2.1 Purpose of the Affiliate Agreement and the Policies and Procedures**

The purposes of the Affiliate Agreement and the Policies and Procedures include the following:

- ❖ To assist Affiliates in building and protecting their businesses;
- ❖ To protect RYDR and its Affiliates from legal and regulatory risks;
- ❖ To establish standards of acceptable behavior;
- ❖ To set forth the rights, privileges, and obligations of RYDR and its Affiliates; and
- ❖ To define the relationship between RYDR and its Affiliates.

### **2.2 Policies and Referral Plan Incorporated into Affiliate Agreement**

These Policies and Procedures and the Referral Plan, in their present form and as amended by RYDR, Inc. (hereafter "RYDR" or the "Company"), are incorporated into, and form an integral part of, the RYDR Independent Affiliate Application and Agreement ("Affiliate Agreement"). It is the responsibility of each Affiliate to read, understand, adhere to, and insure that he or she is aware of and operating under the most current version of these Policies and Procedures. Throughout these Policies, when the term "Agreement" is used, it collectively refers to the RYDR Affiliate Application and Agreement (including the Terms and Conditions), these Policies and Procedures, the RYDR Referral Plan, and the RYDR Business Entity Addendum (if applicable). These documents are incorporated by reference into the RYDR Affiliate Agreement (all in their current form and as amended by RYDR).

### **2.3 Changes to the Agreement**

RYDR reserves the right to amend the Agreement, the Referral Plan, and its prices in its sole and absolute discretion. By executing the Affiliate Agreement, an Affiliate agrees to abide by all amendments or modifications that RYDR elects to make. Amendments shall be effective thirty (30) days after publication of notice that the Agreement has been modified. Amendments shall not apply retroactively to conduct that occurred prior to the effective date of the amendment. Notification of amendments shall be published by one or more of the following methods: (1) posting on the Company's official website; (2) electronic mail (e-mail); or (3) posting in Affiliates' back-offices. The continuation of an Affiliate's RYDR business, the acceptance of any benefits under the Agreement, or an Affiliate's acceptance of bonuses or commissions constitutes acceptance of all amendments.

### **2.4 Policies and Provisions Severable**

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

### **2.5 Waiver**

The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of RYDR to exercise any right or

power under the Agreement or to insist upon strict compliance by an Affiliate with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of RYDR's right to demand exact compliance with the Agreement. The existence of any claim or cause of action of an Affiliate against RYDR shall not constitute a defense to RYDR's enforcement of any term or provision of the Agreement.

## **2.6 Company Use of Information**

By submitting an Affiliate Application and Agreement that is accepted by RYDR, the Affiliate consents to allow RYDR, its affiliates, and any related company to: (a) process and utilize the information submitted in the Affiliate Application and Agreement (as amended from time to time) for business purposes related to the RYDR business; and (2) disclose, now or in the future, such Affiliate information to companies which RYDR may, from time to time, deal with to deliver information to an Affiliate to improve its marketing, operational, and promotional efforts. An Affiliate has the right to access his or her personal information via his or her respective back office, and to submit updates thereto.

# **SECTION 3 - BECOMING AN AFFILIATE**

## **3.1 Requirements to Become an Affiliate**

To become a RYDR Affiliate, each applicant must:

- ❖ Be at least 18 years of age;
- ❖ Reside in the United States or U.S. Territories or country that RYDR has officially announced is open for business;
- ❖ Provide RYDR with his/her valid Social Security or Federal Tax ID number; and
- ❖ Submit a properly completed Affiliate Application and Agreement to RYDR in online format.

RYDR reserves the right to accept or reject any Affiliate Application and Agreement for any reason or for no reason.

## **3.2 Fees and Purchases**

No person is required to purchase RYDR services or sales aids, or to pay any charge or fee to become an Affiliate.

## **3.3 Affiliate Benefits**

Once an Affiliate Application and Agreement has been accepted by RYDR, the benefits of the Referral Plan and the Affiliate Agreement are available to the new Affiliate. These benefits include the right to:

- ❖ Market and refer RYDR services;
- ❖ Participate in the RYDR Referral Plan (receive bonuses and commissions, if eligible);
- ❖ Sponsor other individuals as Driver, Rider or Affiliates into the RYDR business and thereby, build a marketing organization and progress through the RYDR Referral Plan;
- ❖ Receive periodic RYDR literature and other RYDR communications;
- ❖ Participate in RYDR-sponsored support, service, training, motivational and recognition functions, upon payment of appropriate charges, if applicable; and
- ❖ Participate in promotional and incentive contests and programs sponsored by RYDR for its Affiliates.

### **3.4 Term of Your RYDR Business**

The Agreement shall remain in full force and effect unless and until it is terminated by one of the parties.

## **SECTION 4 - OPERATING A RYDR BUSINESS**

### **4.1 Adherence to the RYDR Referral Plan**

Affiliates must adhere to the terms of the RYDR Referral Plan as set forth in official RYDR literature. Affiliates shall not offer the RYDR opportunity through, or in combination with, any other system, program, sales tools, or method of marketing other than that specifically set forth in official RYDR literature. Affiliates shall not require or encourage other current or prospective Customers or Affiliates to execute any agreement or contract other than official RYDR agreements and contracts in order to become a RYDR Affiliate. Similarly, Affiliates shall not require or encourage other current or prospective Customers or Affiliates to make any purchase from, or payment to, any individual or other entity to participate in the RYDR Referral Plan other than those purchases or payments identified as recommended or required in official RYDR documents or literature.

### **4.2 Advertising**

#### **4.2.1 General**

All Affiliates shall safeguard and promote the good reputation of RYDR and its services. The marketing and promotion of RYDR, the RYDR opportunity, the Referral Plan, and RYDR services must avoid all discourteous, deceptive, misleading, unethical or immoral, or illegal conduct or practices.

To promote both the services, and the tremendous opportunity RYDR offers, Affiliates **MUST** use the sales aids, business tools, and support materials produced by RYDR. The Company has carefully designed its services, Referral Plan, and promotional materials to ensure that they are promoted in a fair and truthful manner and the materials comply with the legal requirements of federal and state laws.

Accordingly, Affiliates may only advertise or promote their RYDR business using approved tools, templates or images acquired through RYDR. No approval is necessary to use these approved tools. If you wish to design your own online or offline marketing materials of any kind, your designs must be submitted to the RYDR advertising department ( [support@RYDR.co](mailto:support@RYDR.co)) for consideration and inclusion in the template/image library. Unless you receive specific written approval from RYDR to use such tools, the request shall be deemed denied.

Affiliates may not sell sales aids to other RYDR Affiliates. Therefore, Affiliates who receive authorization from RYDR to produce their own sales aids may not sell such material to any other RYDR Affiliate. Affiliates may make approved material available to other Affiliates free of charge if they wish, but may not charge other RYDR Affiliates for the material.

RYDR further reserves the right to rescind approval for any sales tools, promotional materials, advertisements, or other literature, and Affiliates waive all claims for damages or remuneration arising from or relating to such rescission.

#### **4.2.2 Trademarks and Copyrights**

The name of RYDR and other names as may be adopted by RYDR are proprietary trade names, trademarks and service marks of RYDR (collectively "marks"). As such, these marks are of great value to RYDR and are supplied to Affiliates for their use only in an expressly authorized manner. RYDR will only allow the limited non-exclusive use of its marks, designs, or symbols, or any derivatives thereof, solely by an Affiliate in the furtherance or operation of his or her RYDR business, consistent with these Policies and Procedures. RYDR will not allow the use of its marks, designs, or symbols, or any derivatives thereof, by any person, including RYDR Affiliates, in any manner without its prior, written permission.

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

As an independent Affiliate, you may use the RYDR name in the following manner

Affiliate's Name  
Independent RYDR Affiliate

*Example:*

Alice Smith  
Independent RYDR Affiliate

or

Alice Smith  
RYDR

## Independent Affiliate

Affiliates may not use the name RYDR in any form in your team name, a tagline, an external website name, your personal website address or extension, in an e-mail address, as a personal name, or as a nickname. Additionally, only use the phrase *Independent RYDR Affiliate* in your phone greeting or on your answering machine to clearly separate your independent RYDR business from RYDR, Inc.. For example, you may not secure the domain name [www.buyRYDR.com](http://www.buyRYDR.com), [www.bestRYDR.com](http://www.bestRYDR.com), nor may you create an email address such as [RYDRsales@hotmail.com](mailto:RYDRsales@hotmail.com).

### 4.2.2.1 Independent RYDR Affiliate Logo

If you use a RYDR logo in any communication, you must use the Independent Affiliate version of the RYDR logo. Using any other RYDR logo requires written approval. Please see examples below:



### 4.2.3 Media and Media Inquiries

Affiliates must not attempt to respond to media inquiries regarding RYDR, its products or services, or their independent RYDR business. All inquiries by any type of media must be immediately referred to RYDR's PR Department at [support@rydr.co](mailto:support@rydr.co). This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image.

### 4.2.4 Unsolicited Email

RYDR does not permit Affiliates to send unsolicited commercial emails unless such emails strictly comply with applicable state and federal laws and regulations including, without limitation, the federal CAN SPAM Act. The CAN-SPAM Act regulates the transmission of all commercial e-mail messages, not just unsolicited messages. A commercial e-mail message is defined as any e-mail that has a "primary purpose of . . . commercial advertisement or promotion of a commercial product or service." This includes commercial e-mails sent to business e-mail accounts, as well as those sent to individual consumers.

#### 4.2.4.1 Requirements for All Commercial Email Messages

##### The Mailing List

- ❖ The mailing list may include only persons who have affirmatively agreed (opted in) to receive commercial e-mail from you.
- ❖ The mailing list must not include any recipient who has previously asked not to receive

- ❖ commercial e-mail from the business (opted out).
- ❖ You must “**scrub**” the mailing list against available “**do not e-mail**” list at the last possible, commercially reasonable moment before the e-mail is sent.

## The E-mail Message

- ❖ The message must include complete and accurate transmission and header information.
- ❖ The “From” line must identify your business as the sender. This does not have to include your business’s formal name, if any. For example, it may contain your business’s name, trade name, or product or service name. The key requirement is that the “From” line provide the recipient with enough information to understand who is sending the message.
- ❖ The “Subject” line must accurately describe the message’s content.
- ❖ The message must clearly include the business’s valid, current physical postal address. This address can be a:
  - o street address;
  - o post office box that the business has accurately registered with the US Postal Service; or
  - o private mailbox that the business has accurately registered with a commercial mail receiving agency established pursuant to US Postal Service regulations.
- ❖ The message must disclose that it is an advertisement or solicitation unless the e-mail message is sent only to recipients who have affirmatively agreed (opted in) to receive these messages from the business.
- ❖ There must be a functioning return email address to the sender.
- ❖ The use of deceptive subject lines and/or false header information is prohibited.

## The Opt-out Mechanism

- ❖ The message must clearly explain that the recipient may opt out of receiving future commercial messages from the business.
- ❖ The message must include either an e-mail address or other online mechanism that the recipient may use for this opt out. The mechanism must not require the recipient to:
  - o do anything more than reply to the e-mail or visit a single web page to opt out;
  - o make any payment or submit any personal information, including account information (other than e-mail address), to opt out; and
  - o the opt-out mechanism must work for at least 30 days after the e-mail is sent.
- ❖ You must ensure that the explanation of how a recipient can opt out is easy to read and understand.
- ❖ You may include a menu of opt-out options that permit the recipient to select the types of commercial messages the recipient would like to continue receiving. However, one option must permit opting out of all commercial messages from you.
- ❖ You must honor all opt-out requests within ten business days.
- ❖ Opt-out requests do not expire. An opt-out is overridden only by the recipient’s subsequent express (opt in) request to receive commercial e-mail.

- ❖ All opt-out requests, whether received by email or regular mail, must be honored. If you receive an opt-out request from a recipient of an email, you must forward the opt-out request to the Company.
- ❖ You may not sell, share or use a business's opt-out list for any reason other than to comply with the law.

Monitoring Opt-out Capabilities – If you use a third-party service provider you must implement procedures to ensure that your opt-out capabilities actually work. An example of a basic procedure to test the opt-out procedure is as follows:

- ❖ Establish e-mail accounts with several major private e-mail account providers (for example, Gmail, Yahoo, Hotmail, AOL, and so on) and add these e-mail addresses to the business's mailing list. For each e-mail address created for monitoring purposes, use the business's opt-out mechanism to remove the e-mail address from the mailing list.
- ❖ Repeat this procedure on a regular basis (for example, at least every two weeks).
- ❖ Examine the e-mail received by the monitoring e-mail account to confirm that the: z opt-out mechanism works; z opt-out request is honored within 10 business days; and z monitoring e-mail account no longer receives commercial messages from the business.
- ❖ If the monitoring and testing process reveals problems, the business should immediately fix the issues.

Third-party Marketing Affiliates or Service Providers - When using third-party service providers, including affiliate marketers you should ensure that the written contract with the service provider clearly sets out each party's responsibilities for compliance with the CAN-SPAM Act and includes appropriate and adequate remedies for noncompliance.

#### **4.2.4.2 Additional Requirements for Email Messages Sent to Wireless Devices**

When sending commercial messages to wireless devices:

- ❖ Ensure that you have the recipient's prior, affirmative consent (opt in) to send the commercial message. The consent can be oral, written or electronic.
- ❖ Ask for consent in a way that involves no cost to the recipient, for example:
  - o do not send the request to the wireless device; and
  - o allow the recipient to respond in a way that involves no cost (such as an online, e-mail or postal mail sign-up).
- ❖ When seeking consent, make it clear that the recipient:
  - o is agreeing to receive commercial e-mail on his wireless device;
  - o may be charged to receive the e-mail; and
  - o can revoke his consent at any time.

#### **4.2.4.3 Commercial Email Messages Sent on Behalf of Affiliates**

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

#### **4.2.5 Unsolicited Faxes**

Except as provided in this section, Affiliates MUST not use or transmit unsolicited faxes in connection with their RYDR business. The term "unsolicited faxes" means the transmission via telephone facsimile or computer of any material or information advertising or promoting RYDR, its services, its Referral Plan or any other aspect of the company which is transmitted to any person, except that these terms do not include a fax: (a) to any person with that person's prior express invitation or permission; or (b) to any person with whom the Affiliate has an established business or personal relationship. The term "established business or personal relationship" means a prior or existing relationship formed by a voluntary two way communication between an Affiliate and a person, on the basis of: (a) an inquiry, application, purchase or transaction by the person regarding products offered by such Affiliate; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.

#### **4.2.6 Telephone Directory Listings**

Affiliates may list themselves as an "Independent RYDR Affiliate" in the white or yellow pages of the telephone directory, or with online directories, under their own name. No Affiliate may place telephone or online directory display ads using RYDR's name or logo. Affiliates may not answer the telephone by saying "RYDR", "RYDR Incorporated", or in any other manner that would lead the caller to believe that he or she has reached corporate offices of RYDR. If an Affiliate wishes to post his/her name in a telephone or online directory, it must be listed in the following format:

Affiliate's Name  
Independent RYDR Affiliate

#### **4.2.7 Television and Radio Advertising**

Affiliates may not advertise on television and radio except with RYDR's express written approval.

#### **4.2.8 Advertised Prices**

Affiliates may not create their own marketing or advertising material offering any RYDR services at a price less than the current RYDR rates.

### **4.3 Online Conduct**

#### **4.3.1 Affiliate Web Sites**

Affiliates are provided with a replicated website by RYDR, from which they can enroll new Affiliates, as well as manage their RYDR business. Affiliates may use only replicated websites provided by RYDR to promote their RYDR business, and may not create their own websites to directly or indirectly promote RYDR's services or the RYDR opportunity.

#### **4.3.2 RYDR Replicated Websites**

Affiliates receive a RYDR Replicated Website subscription to facilitate the operation and management of their businesses. There is NO FEE for Replicated Websites.

Affiliates may not alter the branding, artwork, look, or feel of their Replicated Website, and may not use their Replicated Website to promote, market or sell non-RYDR products, services or income opportunities. Specifically, you may not alter the look (placement, sizing etc.) or functionality of the following:

- ❖ The RYDR Independent Affiliate Logo
- ❖ Your Name
- ❖ RYDR Corporate Website Redirect Button
- ❖ Artwork, logos, or graphics
- ❖ Original text.

Because Replicated Websites reside on the [www.gorydr.com](http://www.gorydr.com) domain, RYDR reserves the right to receive analytics and information regarding the usage of your website.

By default, your RYDR Replicated Website URL is [www.gorydr.com/YourUserName](http://www.gorydr.com/YourUserName). You must change this default ID and choose a uniquely identifiable website name that cannot:

- ❖ Be confused with other portions of the RYDR corporate website;
- ❖ Confuse a reasonable person into thinking they have landed on a RYDR corporate page;
- ❖ Be confused with any RYDR name;
- ❖ Contain any discourteous, misleading, or off-color words or phrases that may damage RYDR's image.

#### **4.3.3 Team Websites**

Affiliates who have achieved the rank of DIAMOND or higher may create their own Team Website. You may use team websites for the purposes of connecting, communicating, training, education and sharing best practices among team members. Because these sites may contain sensitive and Company-specific information, these team websites must be password protected and may only be shared with members of your downline.

An eligible Affiliate who wants to develop his or her own Team Website must submit a properly completed Team Website Registration Application and Agreement along with the proper website registration fee and receive the Company's prior written approval before the website goes live and is visible to any third party. Once a Team Website is approved by RYDR in writing, it is a "Registered Team Website." Any changes to the Registered Team Website must be submitted to RYDR, and the Affiliate must receive RYDR's written authorization to make the change before going live with the change. Affiliates who own or operate a Registered Team Website must provide RYDR with a user ID

and password to be able to access the website from time to time. Registered Team Websites must comply with the terms of RYDR's Policies and Procedures and applicable laws.

#### **4.3.4 Domain Names, email Addresses and Online Aliases**

You are not allowed to use or register RYDR or any of RYDR's trademarks, product names, or any derivatives, for any Internet domain name, email address, or online aliases. Additionally, you cannot use or register domain names, email addresses, and/or online aliases that could cause confusion, or be misleading or deceptive, in that they cause individuals to believe or assume the communication is from, or is the property of RYDR. Examples of the improper use of RYDR include, but are not limited to any form of RYDR showing up as the sender of an email or examples such as:

[www.MyRYDRBiz.com](http://www.MyRYDRBiz.com)  
[www.ISellRYDR.com](http://www.ISellRYDR.com)  
[www.RYDRMoney.net](http://www.RYDRMoney.net)  
[www.bestRYDR.com](http://www.bestRYDR.com)  
[www.RYDRteam.net](http://www.RYDRteam.net)

[RYDRDreamTeam.com](http://RYDRDreamTeam.com)  
[RYDRbyJaneDoe.com](http://RYDRbyJaneDoe.com)  
[JanesRYDROpportunity.net](http://JanesRYDROpportunity.net)  
[www.RYDRnyc.com](http://www.RYDRnyc.com)  
[www.nycRYDR.com](http://www.nycRYDR.com)

#### **4.3.5 Online Classifieds**

You may not use online classifieds (including Craigslist, Ebay, Amazon, Groupon) to list, market or promote RYDR services. You may use online classifieds (including Craigslist, Ebay, Amazon, Groupon) for prospecting, recruiting, sponsoring and informing the public about the RYDR income opportunity, provided RYDR-approved templates/images are used. These templates will identify you as an Independent RYDR Affiliate. If a link or URL is provided, it must link to your Replicated Website.

#### **4.3.6 Banner Advertising**

You may place banner advertisements on a website provided you use RYDR-approved templates and images. All banner advertisements must link to your Replicated Website. Affiliates may not use blind ads (ads that do not disclose the identity of the Company) or web pages that make income claims that are ultimately associated with the RYDR opportunity.

#### **4.3.7 Spam Linking**

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

#### **4.3.8 Digital Media Submission (YouTube, iTunes, PhotoBucket etc.)**

Affiliates may upload, submit or publish RYDR-related video, audio or photo content that they develop and create so long as it aligns with RYDR's values, contributes to the RYDR community greater good, and is in compliance with RYDR's Policies and Procedures. All submissions must clearly identify you as an Independent RYDR Affiliate in the content itself and in the content description tag,

must comply with all copyright/legal requirements, and must state that you are solely responsible for this content. Affiliates may not upload, submit or publish any content (video, audio, presentations or any computer files) received from RYDR or captured at official RYDR events or in buildings owned, leased, or operated by RYDR without prior written permission from RYDR.

#### **4.3.9 Sponsored Links / Pay-Per-Click (PPC) Ads**

Except as prohibited elsewhere within the Policies and Procedures, sponsored links or pay-per-click ads (PPC) are acceptable. The destination URL must be to the sponsoring Affiliate's Replicated Website. The display URL must also be to the sponsoring Affiliate's Replicated Website and must not portray any URL that could lead the user to believe they are being directed to a RYDR Corporate site, or be inappropriate or misleading in any way.

#### **4.3.10 Domain Names and Email Addresses**

Except as set forth in the Affiliate Website Application and Agreement, Affiliates may not use or attempt to register any of RYDR's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative of the foregoing, for any Internet domain name, email address, or social media name or address.

#### **4.3.11 Social Media**

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

- ❖ No sales or enrollments may occur on any social media site.
- ❖ It is your responsibility to follow the social media site's terms of use. If the social media site does not allow its site to be used for commercial activity, you must abide by the site's terms of use.
- ❖ Any social media site that is directly or indirectly operated or controlled by an Affiliate that is used to discuss or promote RYDR's services or the RYDR opportunity may not link to any website, social media site, or site of any other nature, other than the Affiliate's RYDR replicated website.
- ❖ During the term of this Agreement and for a period of **12 calendar months** thereafter, an Affiliate may not use any social media site on which they discuss or promote, or have discussed or promoted, the RYDR business or RYDR's services to directly or indirectly solicit RYDR Affiliates for another direct selling or network marketing program (collectively, "direct selling"). In furtherance of this provision, an Affiliate shall not take any action that may reasonably be foreseen to result in drawing an inquiry from other Affiliates relating to the Affiliate's other direct selling business activities. Violation of this provision shall constitute a violation of the non-solicitation provision in Section 4.9 (Conflicts of Interest) below.
- ❖ An Affiliate may post or "pin" photographs related to RYDR on a social media site, but only photos that are provided by RYDR and downloaded from the Affiliate's Back-Office may be used.

If an Affiliate creates a business profile page on any social media site that promotes or relates to RYDR, its services, or opportunity, the business profile page must relate exclusively to the Affiliate's RYDR business and RYDR services. If the Affiliate's RYDR business is cancelled for any reason or if the Affiliate becomes inactive, the Affiliate must deactivate the business profile page.

#### **4.4 Business Entities**

A corporation, limited liability company, partnership or trust (collectively referred to in this section as a "Business Entity") may apply to be a RYDR Affiliate by submitting an Affiliate Application and Agreement along with a properly completed Business Entity Registration Form and a properly completed IRS Form W-9. The Business Entity, as well as all shareholders, members, managers, partners, trustees, or other parties with any ownership (legal or equitable) interest in, or management responsibilities for, the Business Entity (collectively "Affiliated Parties") are individually, jointly and severally liable for any indebtedness to RYDR, compliance with the RYDR Policies and Procedures, the RYDR Affiliate Agreement, and other obligations to RYDR.

##### **4.4.1 Removal of an Affiliated Party**

To prevent the circumvention of Sections 4.21 (Sale, Transfer, or Assignments of RYDR Business) and 4.5, (Change of Sponsor), if any Affiliated Party wants to terminate his or her relationship with the Business Entity or RYDR, the Affiliated Party must terminate his or her affiliation with the Business Entity, notify RYDR in writing that he or she has terminated his/her affiliation with the Business Entity, and must comply with the provisions of Section 4.21 (Sale, Transfer, or Assignments of RYDR Business). In addition, the Affiliated Party foregoing their interest in the Business Entity may not participate in any other RYDR business for **thirty (30) days** in accordance with Section 4.5.3 (Termination and Re-application). If the Business Entity wishes to bring on any new Affiliated Party, it must adhere to the requirements of Section 4.21 (Sale, Transfer, or Assignments of RYDR Business).

The modifications permitted within the scope of this paragraph *do not* include a change of sponsorship. Changes of sponsorship are addressed in Section 4.5 (Change of Sponsor), below. There is a \$100.00 fee for each change requested, which must be included with the written request and the completed Affiliate Application and Agreement. RYDR may, at its discretion, require notarized documents before implementing any changes to a RYDR business. Please allow **thirty (30) days** after the receipt of the request by RYDR for processing.

##### **4.4.2 Changes to a Business Entity**

Each Affiliate must immediately notify RYDR of all changes to type of business entity they utilize in operating their businesses and the addition or removal of business Affiliated Parties.

#### **4.5 Change of Sponsor**

RYDR strongly discourages changes in sponsorship. In order to protect all Sponsors, no Affiliate may interfere with the relationship between another Affiliate and his or her Sponsor in any way. An Affiliate may not offer, entice, encourage, solicit, recruit, or otherwise influence or attempt

to persuade another Affiliate to change his or her Sponsor or line of sponsorship, either directly or indirectly. Accordingly, the transfer of a RYDR business from one sponsor to another is rarely permitted. Requests for change of sponsorship must be submitted in writing to the Affiliate Services Department, and must include the reason for the transfer. Transfers will only be considered in the following three circumstances:

#### **4.5.1 Misplacement**

In cases in which the new Affiliate is sponsored by someone other than the individual he or she was led to believe would be his or her Sponsor, an Affiliate may request that he or she be transferred to another organization with his or her entire marketing organization intact. Requests for transfer under this policy will be evaluated on a case-by-case basis and must be made within 10 days from the date of enrollment. The Affiliate requesting the change has the burden of proving that he or she was placed beneath the incorrect sponsor. It is up to RYDR's discretion whether the requested change will be implemented.

#### **4.5.2 Upline Approval**

The Affiliate seeking to transfer submits a properly completed and fully executed Sponsorship Transfer Form which includes the written approval of his or her immediate 2 upline Affiliates in his or her marketing organization. Photocopied or facsimile signatures are not acceptable. All Affiliate signatures must be notarized. The Affiliate who requests the transfer must submit a fee of \$100.00 for administrative charges and data processing. If the transferring Affiliate also wants to move any of the Affiliates in his or her marketing organization, each downline Affiliate must also obtain a properly completed Sponsorship Transfer Form and return it to RYDR with the \$100.00 change fee (i.e., the transferring Affiliate and each Affiliate in his or her marketing organization multiplied by \$100.00 is the cost to move a RYDR business.) Downline Affiliates will not be moved with the transferring Affiliate unless all of the requirements of this paragraph are met. Transferring Affiliates must allow thirty (30) days after the receipt of the Sponsorship Transfer Forms by RYDR for processing and **verifying** change requests.

#### **4.5.3 Termination and Re-application**

An Affiliate may legitimately change organizations by voluntarily canceling his or her RYDR business and remaining inactive (*i.e.*, no use of RYDR services, no sponsoring, no attendance at any RYDR functions, participation in any other form of Affiliate activity, or operation of any other RYDR business, no income from the RYDR business) for one (1) full calendar months. Following the six-month period of inactivity, the former Affiliate may reapply under a new sponsor, however, the former Affiliate's downline will remain in their original line of sponsorship. RYDR will consider waiving the one month waiting period under exceptional circumstances. Such requests for waiver must be submitted to RYDR in writing.

#### **4.5.4 Waiver of Claims**

In cases in which the appropriate sponsorship change procedures have not been followed, and a downline organization has been developed in the second business developed by an Affiliate, RYDR reserves the sole and exclusive right to determine the final disposition of the downline organization.

Resolving conflicts over the proper placement of a downline that has developed under an organization that has improperly switched sponsors is often extremely difficult. Therefore, **AFFILIATES WAIVE ANY AND ALL CLAIMS AGAINST RYDR, ITS OFFICERS, DIRECTORS, OWNERS, EMPLOYEES, AND AGENTS THAT RELATE TO OR ARISE FROM RYDR'S DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT DEVELOPS BELOW AN ORGANIZATION THAT HAS IMPROPERLY CHANGED LINES OF SPONSORSHIP.**

## **4.6 Unauthorized Claims and Actions**

### **4.6.1 Indemnification**

An Affiliate is fully responsible for all of his or her verbal and written statements made regarding RYDR services and the Referral Plan that are not expressly contained in official RYDR materials. This includes statements and representations made through all sources of communication media, whether person-to-person, in meetings, online, through Social Media, in print, or any other means of communication. Affiliates agree to indemnify RYDR and RYDR's directors, officers, employees, and agents, and hold them harmless from all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by RYDR as a result of the Affiliate's unauthorized representations or actions. This provision shall survive the termination of the Affiliate Agreement.

### **4.6.2 Referral Plan Claims**

When presenting or discussing the RYDR Referral Plan, you must make it clear to prospects that financial success with RYDR requires commitment, effort, and sales skill. Conversely, you must never represent that one can be successful without diligently applying themselves. Examples of misrepresentations in this area include:

- ❖ It's a turnkey system;
- ❖ The system will do the work for you;
- ❖ Just get in and your downline will build through spillover;
- ❖ Just join and I'll build your downline for you;
- ❖ The company does all the work for you;
- ❖ You don't have to sell anything; or
- ❖ All you have to do is buy your products every month.

The above are merely examples of improper representations about the Referral Plan. It is important that you do not make these or any other representations that could lead a prospect to believe that they can be successful as a RYDR Affiliate without commitment, effort, and sales skill.

### **4.6.3 Income Disclosure Statement**

RYDR's corporate ethics compel us to do not merely what is legally required, but rather, to conduct the absolute best business practices. To this end, we have developed the RYDR Income Disclosure Statement ("IDS"). The RYDR IDS is designed to convey truthful, timely, and

comprehensive information regarding the income that RYDR Affiliates earn. In order to accomplish this objective, a copy of the IDS must be presented to all prospective Affiliates. The failure to comply with this policy constitutes a significant and material breach of the RYDR Affiliate Agreement and will be grounds for disciplinary sanctions, including termination, pursuant to Section 9.1 (Disciplinary Sanctions).

An Affiliate, when presenting or discussing the RYDR opportunity or Referral Plan to a prospective Affiliate, may not make income projections, income claims, or disclose his or her RYDR income (including the showing of checks, copies of checks, bank statements, or tax records) unless, at the time the presentation is made, the Affiliate provides a current copy of the RYDR Income Disclosure Statement (IDS) to the person(s) to whom he or she is making the presentation.

A copy of the IDS must be presented to a prospective Affiliate (someone who is not a party to a current RYDR Affiliate Agreement) anytime the Referral Plan is presented or discussed, or any type of income claim or earnings representation is made.

The terms "income claim" and/or "earnings representation" (collectively "income claim") include: (1) statements of actual earnings; (2) statements of projected earnings; (3) statements of earnings ranges; (4) income testimonials; (5) lifestyle claims; and (6) hypothetical claims.

A lifestyle income claim typically includes statements (or pictures) involving large homes, luxury cars, exotic vacations, or other items suggesting or implying wealth. They also consist of references to the achievement of one's dreams, having everything one always wanted, and are phrased in terms of "opportunity" or "possibility" or "chance." Claims such as "My RYDR income exceeded my salary after six months in the business," or "Our RYDR business has allowed my wife to come home and be a full-time mom" also fall within the purview of "lifestyle" claims.

A hypothetical income claim exists when you attempt to explain the operation of the Referral Plan through the use of a hypothetical example. Certain assumptions are made regarding some or all of the following: (1) number of personally-enrolled Customers and Affiliates; (2) number of downline Customers and Affiliates; (3) average sales/purchase volume/sales volume per Customer and Affiliate; and (4) total organizational volume. Applying these assumptions through the compensation plan yields income figures which constitute hypothetical income claims.

In any non-public meeting (e.g., a home meeting, one-on-one, regardless of venue) with a prospective Affiliate or Affiliates in which the Referral Plan is discussed or any type of income claim is made, you must provide the prospect(s) with a copy of the IDS. In any meeting that is open to the public in which the Referral Plan is discussed or any type of income claims is made, you must provide every prospective Affiliate with a copy of the IDS and you must display at least one (3 foot x 5 foot poster board) in the front of the room in reasonably close proximity to the presenter(s). In any meeting in which any type of video display is utilized (e.g., monitor, television, projector, etc.) a slide of the IDS must be displayed continuously throughout the duration of any discussion of the Referral Plan or the making of an income claim.

Copies of the Income Disclosure Statement may be printed or downloaded without charge from the corporate website at [www.gorydr.com](http://www.gorydr.com)

Affiliates who develop sales aids and tools in which the Referral Plan or income claims are present must incorporate the IDS into each such sales aid or tool prior to submission to the Company for review.

#### **4.7 Military Installations**

The offer, promotion, or sale of RYDR services, or the offer and promotion of the RYDR opportunity on a military installation is not a right – it is a privilege. Even if an Affiliate *lives* on a military installation, he or she does not have the right to offer our services or opportunity to anyone on that installation without the permission of the installation Commander. For the purposes of the U.S. Navy personnel and Navy Regulations, the definition of an “installation” also includes U.S. Navy vessels.

Any Affiliate who wants to offer, promote, or sell RYDR services, or the offer and promote the RYDR opportunity (these activities will be collectively referred to as “commercial solicitation activities”) on a military installation must make an inquiry to the office of the installation Commander to determine whether the Commander has granted permission for RYDR Affiliates to engage in such activities on the installation. If the Commander has not done so, the Affiliate must contact RYDR’s offices to ask the Company to obtain the Commander’s permission. Affiliates are prohibited from seeking such permission from any installation Commander. If obtained, the permission to engage in commercial solicitation activities on a military installation is granted only for one particular installation.

Any Affiliate who intends to engage in commercial solicitation activities on a military installation must be aware of and become completely familiar with the applicable military Regulation or Instruction. There are many activities that are permissible in a civilian environment that are not permissible on a military installation. Some of these activities include, but are not limited to:

- ❖ Solicitation during enlistment or induction processing or during basic combat training, and within the first half of the one station unit training cycle.
- ❖ Solicitation of “mass,” “group,” or “captive” audiences.
- ❖ Making appointments with or soliciting military personnel during their normally-scheduled duty hours.
- ❖ Soliciting without an appointment in areas used for housing or processing transient personnel, or soliciting in barracks areas used as quarters.
- ❖ Use of official military identification cards or vehicle decals by active duty, retired, or reserve members of the military services to gain access to Army installations for the purpose of soliciting. (When entering the installation for the purpose of solicitation, Affiliates with military identification cards and/or installation vehicle decals must present documentation issued by the installation authorizing solicitations.)
- ❖ Offering rebates to promote transaction or to eliminate competition.

- ❖ Any oral or written representations which suggest or appear that the military branch sponsors or endorses the Company or its Affiliates, or the goods, services, and commodities offered for sale.
- ❖ The designation of any agent or the use by any agent of titles (for example, "Battalion Insurance Counselor," "Unit Insurance Advisor," "Servicemen's Group Life Insurance Conversion Consultant") that in any manner states or implies any type of endorsement from the U.S. Government, the Armed Forces, or any State or Federal agency or Government entity.
- ❖ Entry into any unauthorized or restricted area.
- ❖ Distribution of literature other than to the person being interviewed.
- ❖ Contacting military personnel by calling a Government telephone, faxing to a Government fax machine, or sending e-mail to a Government computer, unless a pre-existing relation (that is, the military member is a current client or requested to be contacted) exists between the parties and the military member has not asked for the contact to be terminated.
- ❖ Soliciting door to door or without an appointment.

The foregoing items are not an all-inclusive list. There are many more prohibited activities that are addressed in the applicable military Regulation or Instruction. The violation of military Regulations or Instructions by one Affiliate could jeopardize the ability of all RYDR Affiliates to engage in commercial solicitation activities on a particular military installation or even the entire branch of the military involved (e.g., Army, Air Force, Navy, Marines, or Coast Guard).

#### **4.8 Trade Shows, Expositions and Other Forums**

Affiliates may display or exhibit the RYDR opportunity at trade shows and professional expositions. Before submitting a deposit to the event promoter, Affiliates must contact the Affiliate Services department in writing for conditional approval, as RYDR's policy is to authorize only one RYDR business per event. Final approval will be granted to the first Affiliate who submits an official advertisement of the event, a copy of the contract signed by both the Affiliate and the event official, and a receipt indicating that a deposit for the booth has been paid. Approval is given only for the event specified. Any requests to participate in future events must again be submitted to the RYDR, INC. RYDR further reserves the right to refuse authorization to participate at any function which it does not deem a suitable forum for the promotion of its services or the RYDR opportunity. Approval will not be given for swap meets, garage sales, flea markets or farmer's markets as these events are not conducive to the professional image RYDR wishes to portray.

#### **4.9 Conflicts of Interest**

##### **4.9.1 Crossline Recruiting**

Affiliates are prohibited from crossline recruiting. The use of a spouse or relative's name, trade names, DBAs, assumed names, entities, federal identification numbers, or fictitious identification numbers, or any other device or contrivance to circumvent this policy is prohibited. An Affiliate shall not demean, discredit, or defame other RYDR Affiliates in an attempt to entice another

customer, Affiliate or prospective Affiliate to become part of his or her organization.

For the purposes of this Section 4.9.1, the term “crossline recruiting” means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any way, either directly, indirectly, or through a third party, another RYDR Affiliate or Customer to enroll, join, or otherwise participate in another RYDR marketing organization, downline, or line of sponsorship other than the one in which he, she, or it originally enrolled.

#### **4.9.2 Nonsolicitation**

RYDR Affiliates are free to participate in other direct selling, multilevel marketing, or network marketing entities, businesses, organizations, opportunities, or ventures (collectively referred to as a “network marketing business”). However, during the term of this Agreement, Affiliates may not directly or indirectly Recruit other RYDR Affiliates or Customers anywhere in the United States for any other network marketing business.

Following the termination of an Affiliate’s Independent Affiliate Agreement, and for a period of six (6) calendar month thereafter, with the exception of an Affiliate who is personally sponsored by the former Affiliate, a former Affiliate may not Recruit any RYDR Affiliate or Customer for another network marketing business. Affiliates and the Company recognize that because network marketing is conducted through networks of independent contractors dispersed across the entire United States and internationally, and business is commonly conducted via the RYDR App, an effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, Affiliates and RYDR agree that this non-solicitation provision shall apply nationwide and to all international markets in which Affiliates are located. This provision shall survive the termination or expiration of the Affiliate Agreement.

For the purposes of this Section 4.9.2, the term “recruit” means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any way, either directly, indirectly, or through a third party, another RYDR Affiliate or Customer to enroll, join, or otherwise participate in another network marketing business.

#### **4.9.3 Affiliate Participation in Other Network Marketing Programs**

If an Affiliate is engaged in other non-RYDR network marketing business, it is the responsibility of the Affiliate to ensure that his or her RYDR business is operated entirely separate and apart from any other network marketing business. To this end, the following must be adhered to:

- ❖ Affiliates must not sell, or attempt to sell, any competing non-RYDR programs, products or services to RYDR Customers or Affiliates. Any program or services in the same generic categories as RYDR products or services is deemed to be competing, regardless of differences in cost, quality or other distinguishing factors.
- ❖ Affiliates shall not display RYDR promotional materials or sales aids with or in the same location as, any non-RYDR promotional material or sales aids.
- ❖ Affiliates shall not offer the RYDR opportunity or services to prospective or existing Customers or Affiliates in conjunction with any non-RYDR program, opportunity,

- ❖ product or service.
- ❖ Affiliates may not offer any non-RYDR opportunity, products, services or opportunity at any RYDR-related meeting, seminar, convention, webinar, teleconference, or other function.

#### **4.9.4 Confidential Information**

“Confidential Information” includes, but is not limited to, Downline Genealogy Reports, the identities of RYDR customers and Affiliates, contact information of RYDR customers and Affiliates, Affiliates’ personal and group sales volumes, and Affiliate rank and/or achievement levels. All confidential information is proprietary information of RYDR and constitutes a business trade secret belonging to RYDR. Confidential Information is, or may be available, to Affiliates in their respective back-offices. Affiliate access to such Confidential Information is password protected, and is confidential and constitutes proprietary information and business trade secrets belonging to RYDR. Such Confidential Information is provided to Affiliates in strictest confidence and is made available to Affiliates for the sole purpose of assisting Affiliates in working with their respective downline organizations in the development of their RYDR business. Affiliates may not use the reports for any purpose other than for developing their RYDR business. Where an Affiliate participates in other multi-level marketing ventures, he/she is not eligible to have access to Downline Genealogy Reports. Affiliates should use the Confidential Information to assist, motivate, and train their downline Affiliates. The Affiliate and RYDR agree that, but for this agreement of confidentiality and nondisclosure, RYDR would not provide Confidential Information to the Affiliate.

To protect the Confidential Information, Affiliates shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- ❖ Directly or indirectly disclose any Confidential Information to any third party;
- ❖ Directly or indirectly disclose the password or other access code to his or her back-office;
- ❖ Use any Confidential Information to compete with RYDR or for any purpose other than promoting his or her RYDR business;
- ❖ Recruit or solicit any Affiliate or Customer of RYDR listed on any report or in the Affiliate’s back-office, or in any manner attempt to influence or induce any Affiliate or Customer of RYDR, to alter their business relationship with RYDR; or
- ❖ Use or disclose to any person, partnership, association, corporation, or other entity any Confidential Information.

The obligation not to disclose Confidential Information shall survive cancellation or termination of the Agreement, and shall remain effective and binding irrespective of whether an Affiliate’s Agreement has been terminated, or whether the Affiliate is or is not otherwise affiliated with the Company.

#### **4.10 Targeting Other Direct Sellers**

RYDR does not condone Affiliates specifically or consciously targeting the sales force of another direct sales company to sell RYDR products or to become Affiliates for RYDR, nor does RYDR condone Affiliates solicitation or enticement of members of the sales force of another direct sales

company to violate the terms of their contract with such other company. Should Affiliates engage in such activity, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration or mediation is brought against an Affiliate alleging that he or she engaged in inappropriate recruiting activity of its sales force or customers, RYDR will not pay any of the Affiliate's defense costs or legal fees, nor will RYDR indemnify the Affiliate for any judgment, award, or settlement.

#### **4.11 Errors or Questions**

If an Affiliate has questions about or believes any errors have been made regarding commissions, bonuses, genealogy lists, or charges, the Affiliate must notify RYDR in writing within 30 days of the date of the purported error or incident in question. RYDR will not be responsible for any errors, omissions or problems not reported to the Company within 30 days.

#### **4.12 Governmental Approval or Endorsement**

Neither federal nor state regulatory agencies or officials approve or endorse any direct selling or network marketing companies or programs. Therefore, Affiliates shall not represent or imply that RYDR or its Referral Plan have been "approved," "endorsed" or otherwise sanctioned by any government agency.

#### **4.13 Income Taxes**

Each Affiliate is responsible for paying local, state, and federal taxes on any income generated as an Independent Affiliate. Unfortunately, we cannot provide you with any personal tax advice. Please consult your own tax accountant, tax attorney, or other tax professional. Every year, RYDR will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident who: (1) Had earnings of over \$600 in the previous calendar year; or (2) Made purchases during the previous calendar year in excess of \$5,000.

#### **4.14 Independent Contractor Status**

Affiliates are **independent contractors**. The agreement between RYDR and its Affiliates does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Affiliate. Affiliates shall not be treated as an employee for his or her services or for Federal or State tax purposes. All Affiliates are responsible for paying local, state, and federal taxes due from all compensation earned as an Affiliate of the Company. The Affiliate has no authority (expressed or implied), to bind the Company to any obligation. Each Affiliate shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the Affiliate Agreement, these Policies and Procedures, and applicable laws.

#### **4.15 International Marketing**

Affiliates are authorized to market RYDR services, and enroll Customers or Affiliates only in the countries in which RYDR is authorized to conduct business, as announced in official Company literature. RYDR products or sales aids may not be shipped into or sold in any foreign country. Affiliates may sell, give, transfer, or distribute RYDR promotional materials and sales aids only in their home country. In addition, no Affiliate may, in any unauthorized country: (a) conduct enrollment or

training meetings; (b) enroll or attempt to enroll potential Customers or Affiliates; or (c) conduct any other activity for the purpose of selling RYDR services, establishing a marketing organization, or promoting the RYDR opportunity.

#### **4.16 Bonus Buying**

Bonus buying includes any mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions or bonuses that is not driven by bona fide product or service purchases by end user consumers. Bonus buying includes, but is not limited to, purchasing products or services through a straw man or other artifice.

#### **4.17 Adherence to Laws and Regulations**

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

#### **4.18 One RYDR Business Per Affiliate**

An Affiliate may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one RYDR business. No individual may have, operate or receive compensation from more than one RYDR business, without special authorization from RYDR. Individuals of the same Household may maintain, own, and operate their own RYDR Business. Abusive stacking of positions may lead RYDR to require positions placement to be restructured to honor the integrity and intent of the RYDR business. Continued stacking is grounds for RYDR to terminate an Affiliate.

#### **4.19 Requests for Records**

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

#### **4.20 Roll-up of Marketing Organization**

When a vacancy occurs in a Marketing Organization due to the termination of a RYDR business, each Affiliate in the first level immediately below the terminated Affiliate on the date of the termination will be moved to the first level ("front line") of the terminated Affiliate's sponsor. For example, if A sponsors B, and B sponsors C1, C2, and C3, if B terminates her business, C1, C2, and C3 will "roll-up" to A and become part of A's first level.

#### **4.21 Sale, Transfer, or Assignment of RYDR Business**

Although a RYDR business is a privately owned and independently operated business, the sale, transfer or assignment of a RYDR business, and the sale, transfer, or assignment of an interest in a

Business Entity that owns or operates a RYDR business, is subject to certain limitations. If an Affiliate wishes to sell his or her RYDR business, or interest in a Business Entity that owns or operates a RYDR business, the following criteria must be met:

- ❖ The selling Affiliate must offer RYDR the right of first refusal to purchase the business on the same terms as agreed upon with a third-party buyer. RYDR shall have fifteen days from the date of receipt of the written offer from the seller to exercise its right of first refusal.
- ❖ The buyer or transferee must become a qualified RYDR Affiliate. If the buyer is an active RYDR Affiliate, he or she must first terminate his or her RYDR business and wait one calendar month before acquiring any interest in a different RYDR business;
- ❖ Before the sale, transfer or assignment can be finalized and approved by RYDR, any debt obligations the selling party has with RYDR must be satisfied.
- ❖ The selling party must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer or assign a RYDR business.

Prior to selling an independent RYDR business or Business Entity interest, the selling Affiliate must notify RYDR's Compliance Department in writing and advise of his or her intent to sell his/her RYDR business or Business Entity interest. The selling Affiliate must also receive written approval from the Compliance Department before proceeding with the sale. No changes in line of sponsorship can result from the sale or transfer of a RYDR business. In the event that an Affiliate transfers, assigns, or sells his or her RYDR business without the express written approval of the Compliance Department, such transfer, assignment, or sale shall be voidable in the sole and absolute discretion of RYDR.

#### **4.22 Separation of a RYDR Business**

RYDR Affiliates sometimes operate their RYDR businesses as husband-wife partnerships, regular partnerships, limited liability companies, corporations, trusts, or other Business Entities. At such time as a marriage may end in divorce or a corporation, limited liability company, partnership, trust or other Business Entity may dissolve, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship.

During the divorce or entity dissolution process, the parties must adopt one of the following methods of operation:

- ❖ One of the parties may, with consent of the other(s), operate the RYDR business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize RYDR to deal directly and solely with the other spouse or non-relinquishing shareholder, member, partner, or trustee.
- ❖ The parties may continue to operate the RYDR business jointly on a "business-as-usual" basis, whereupon all compensation paid by RYDR will be paid according to the status quo as it existed prior to the divorce filing or dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above.

Under no circumstances will the downline organization of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will RYDR split commission and bonus checks between divorcing spouses or members of dissolving entities. RYDR will recognize only one downline organization and will issue only one commission check per RYDR business per commission cycle. Commission checks shall always be issued to the same individual or entity.

If a former spouse has completely relinquished all rights in the original RYDR business pursuant to a divorce, he or she is thereafter free to enroll under any sponsor of his or her choosing without waiting six calendar months. In the case of business entity dissolutions, the former partner, shareholder, member, or other entity affiliate who retains no interest in the business must wait one calendar month from the date of the final dissolution before re-enrolling as an Affiliate. In either case, the former spouse or business affiliate shall have no rights to any Affiliates in their former organization or to any former Customer. They must develop the new business in the same manner as would any other new Affiliate.

#### **4.23 Sponsoring Online**

When sponsoring a new Affiliate through the online enrollment process, the sponsor may assist the new applicant in filling out the enrollment materials. ***However, the applicant must personally review and agree to the online application and agreement, RYDR's Policies and Procedures, and the RYDR Compensation Plan. The sponsor may not fill out the online Affiliate Application and Agreement on behalf of the applicant and agree to these materials on behalf of the applicant.***

#### **4.24 Succession**

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

- ❖ Execute an Affiliate Agreement;
- ❖ Comply with terms and provisions of the Agreement;
- ❖ Meet all of the qualifications for the deceased Affiliate's status;
- ❖ The devisee must provide RYDR with an "address of record" to which all bonus and commission checks will be sent;
- ❖ If the business is bequeathed to joint devisees, they must form a business entity and acquire a Federal Taxpayer Identification Number. RYDR will issue all bonus and commission checks and one 1099 to the business entity.

##### **4.24.1 Transfer Upon Death of an Affiliate**

To effect a testamentary transfer of a RYDR business, the executor of the estate must provide the following to RYDR: (1) an original death certificate; (2) certified letters testamentary or a letter of administration appointing an executor; and (3) written instructions from the authorized executor to RYDR specifying to whom the business and income should be transferred.

#### **4.24.2 Transfer Upon Incapacitation of an Affiliate**

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

#### **4.25 Telemarketing Techniques**

The Federal Trade Commission and the Federal Communications Commission each have laws that restrict telemarketing practices. Both federal agencies (as well as a number of states) have "do not call" regulations as part of their telemarketing laws. Although RYDR does not consider Affiliates to be "telemarketers" in the traditional sense of the word, these government regulations broadly define the term "telemarketer" and "telemarketing" so that your inadvertent action of calling someone whose telephone number is listed on the federal "do not call" registry could cause you to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties.

Therefore, Affiliates must not engage in telemarketing in the operation of their RYDR businesses. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of a RYDR product or service, or to recruit them for the RYDR opportunity. "Cold calls" made to prospective customers or Affiliates that promote either RYDR's products or services or the RYDR opportunity constitute telemarketing and are prohibited. However, a telephone call(s) placed to a prospective customer or Affiliate (a "prospect") is permissible under the following situations:

- ❖ If the Affiliate has an established business relationship with the prospect. An "established business relationship" is a relationship between an Affiliate and a prospect based on the prospect's purchase, rental, or lease of goods or services from the Affiliate, or a financial transaction between the prospect and the Affiliate, within the eighteen (18) months immediately preceding the date of a telephone call to induce the prospect's purchase of a product or service.
- ❖ The prospect's personal inquiry or application regarding a product or service offered by the Affiliate, within the three (3) months immediately preceding the date of such a call.
- ❖ If the Affiliate receives written and signed permission from the prospect authorizing the Affiliate to call. The authorization must specify the telephone number(s) which the Affiliate is authorized to call.
- ❖ You may call family members, personal friends, and acquaintances. An "acquaintance" is someone with whom you have at least a recent first-hand relationship within the preceding three months. Bear in mind, however, that if you engage in "card collecting" with everyone you meet and subsequently calling them, the FTC may consider this a

form of telemarketing that is not subject to this exemption. Thus, if you engage in calling "acquaintances," you must make such calls on an occasional basis only and not make this a routine practice.

- ❖ Affiliates shall not use automatic telephone dialing systems or software relative to the operation of their RYDR businesses.
- ❖ Affiliates shall not place or initiate any outbound telephone call to any person that delivers any pre-recorded message (a "robocall") regarding or relating to the RYDR products, services or opportunity.

#### **4.26 Back Office Access**

RYDR makes online back offices available to its Affiliates. Back offices provide Affiliates access to confidential and proprietary information that may be used solely and exclusively to promote the development of an Affiliate's RYDR business and to increase sales of RYDR products. However, access to a back office is a privilege, and not a right. RYDR reserves the right to deny Affiliates' access to the back office at its sole discretion.

#### **4.27 Unauthorized Communication**

In the excitement and enthusiasm of working his or her RYDR business, an Affiliate may attempt to contact the Company's vendors, suppliers, or advisors with questions or ideas. Any such communication without the Company's prior written consent is strictly prohibited. Vendors, suppliers, and advisors are often not set up to handle a large volume of contacts. Equally important, we must respect their rights to privacy. Questions regarding any of these Entities may be directed to Field Support.

## **SECTION 5 - RESPONSIBILITIES OF AFFILIATES**

### **5.1 Change of Address, Telephone, and E-Mail Addresses**

To ensure timely delivery of products, support materials, commission, and tax documents, it is important that the RYDR's files are current. Street addresses are required for shipping since UPS and FedEx cannot deliver to a post office box. Affiliates planning to change their e-mail address or move must send their new address and telephone numbers to RYDR's Corporate Offices to the attention of the Affiliate Services Department. To guarantee proper delivery, two weeks advance notice must be provided to RYDR on all changes. In the alternative, an Affiliate's whose contact information changes may amend their contact information through their Affiliate Back Office.

### **5.2 Continuing Development Obligations**

#### **5.2.1 Ongoing Training**

Any Affiliate who sponsors another Affiliate into RYDR must perform a bona fide assistance and training function to ensure that his or her downline is properly operating his or her RYDR

business. Affiliates must have ongoing contact and communication with the Affiliates in their Downline Organizations. Examples of such contact and communication may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, and the accompaniment of downline Affiliates to RYDR meetings, training sessions, and other functions. Upline Affiliates are also responsible to motivate and train new Affiliates in RYDR Services knowledge, effective sales techniques, the RYDR Referral Plan, and compliance with Company Policies and Procedures and applicable laws. Communication with and the training of downline Affiliates must not, however, violate Sections 4.1 and/or 4.2 (regarding the development of Affiliate-produced sales aids and promotional materials).

Affiliates should monitor the Affiliates in their Downline Organizations to guard against downline Affiliates making improper product or business claims, violation of the Policies and Procedures, or engaging in any illegal or inappropriate conduct.

### **5.2.2 Increased Training Responsibilities**

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

### **5.2.3 Ongoing Sales Responsibilities**

Regardless of their level of achievement, Affiliates have an ongoing obligation to continue to personally promote sales through the generation of new customers and through servicing their existing customers.

## **5.3 Non-disparagement**

RYDR wants to provide its independent Affiliates with the best services, Referral Plan, and service in the industry. Accordingly, we value your constructive criticisms and comments. All such comments should be submitted in writing to the RYDR, INC. Remember, to best serve you, we must hear from you! While RYDR welcomes constructive input, negative comments and remarks made in the field by Affiliates about the Company, its services, or Referral Plan serve no purpose other than to sour the enthusiasm of other RYDR Affiliates. For this reason, and to set the proper example for their downline, Affiliates must not disparage, demean, or make negative remarks about RYDR, other RYDR Affiliates, RYDR's Services, the Marketing and Referral Plan, or RYDR's directors, officers, or employees.

## **5.4 Providing Documentation to Applicants**

Affiliates must provide the most current version of the Policies and Procedures and the Referral Plan to individuals whom they are sponsoring to become Affiliates before the applicant signs an Affiliate Agreement, or ensure that they have online access to these materials.

## **SECTION 6 - SALES & DRIVING: VOLUME REQUIREMENTS**

### **6.1 Volume Requirements**

The RYDR Referral Plan is based on both the sale of RYDR services to end consumers which translates into volume and Drivers performing RYDR services for end consumers (driving) which also translates into volume. Affiliates must meet Direct Referral Reward Volume and Network Volume requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions and advancement to higher levels of achievement.

### **6.2 No Territory Restrictions**

There are no exclusive territories granted to anyone.

## **SECTION 7 - BONUSES AND COMMISSIONS**

### **7.1 Bonus and Commission Qualifications and Accrual**

An Affiliate must be active and in compliance with the Agreement to qualify for bonuses and commissions. So long as an Affiliate complies with the terms of the Agreement, RYDR shall pay commissions to such Affiliate in accordance with the Marketing and Compensation plan.

### **7.2 Reports**

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

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

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, RYDR AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO ANY AFFILIATE OR ANYONE ELSE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT ARISE OUT OF THE USE OF OR ACCESS TO PERSONAL AND/OR GROUP SALES VOLUME INFORMATION (INCLUDING BUT NOT LIMITED TO LOST PROFITS, BONUSES, OR COMMISSIONS, LOSS OF OPPORTUNITY, AND DAMAGES THAT MAY RESULT FROM

INACCURACY, INCOMPLETENESS, INCONVENIENCE, DELAY, OR LOSS OF THE USE OF THE INFORMATION), EVEN IF RYDR OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. TO THE FULLEST EXTENT PERMITTED BY LAW, RYDR OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE NO RESPONSIBILITY OR LIABILITY TO YOU OR ANYONE ELSE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY OR OTHER THEORY WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO.

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

## **SECTION 8 - DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS**

### **8.1 Disciplinary Sanctions**

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

- ❖ Issuance of a written warning or admonition;
- ❖ Requiring the Affiliate to take immediate corrective measures;
- ❖ Imposition of a fine, which may be withheld from bonus and commission checks;
- ❖ Loss of rights to one or more bonus and commission checks;
- ❖ RYDR may withhold from an Affiliate all or part of the Affiliate's bonuses and commissions during the period that RYDR is investigating any conduct allegedly violative of the Agreement. If an Affiliate's business is canceled for disciplinary reasons, the Affiliate will not be entitled to recover any commissions withheld during the investigation period;
- ❖ Suspension of the individual's Affiliate Agreement for one or more pay periods;
- ❖ Permanent or temporary loss of, or reduction in, the current and/or lifetime rank of an Affiliate (which may subsequently be re-earned by the Affiliate);
- ❖ Transfer or removal of some or all of an Affiliate's downline Affiliates from the offending Affiliate's downline organization.
- ❖ Involuntary termination of the offender's Affiliate Agreement;

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

## 8.2 Grievances and Complaints

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

## 8.3 Mediation

Prior to instituting an arbitration, the parties shall meet in good faith and attempt to resolve any dispute arising from or relating to the Agreement through non-binding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. The mediation shall occur within 60 days from the date on which the mediator is appointed. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least 10 days in advance of the mediation. Each party shall pay its own attorneys' fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in the City of Brooklyn, New York, and shall last no more than two business days.

## 8.4 Arbitration

If mediation is unsuccessful, **any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration. The Parties waive all rights to trial by jury or to any court.** The arbitration shall be filed with, and administered by, the American Arbitration Association ("AAA") or JAMS Endispute ("JAMS") under their respective rules and procedures. The *Commercial Arbitration Rules and Mediation Procedures* of the AAA are available on the AAA's website at [www.adr.org](http://www.adr.org). The *Streamlined Arbitration Rules & Procedures* are available on the JAMS website at [www.jamsadr.com](http://www.jamsadr.com). Copies of AAA's *Commercial Arbitration Rules and Mediation Procedures* or JAM's *Streamlined Arbitration Rules & Procedures* will also be emailed to Affiliates upon request to RYDR, Inc.

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

- ❖ The Federal Rules of Evidence shall apply in all cases;
- ❖ The Parties shall be entitled to all discovery rights permitted by the Federal Rules of Civil Procedure;

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

All arbitration proceedings shall be held in Brooklyn, New York. There shall be one arbitrator selected from the panel that the Alternate Dispute Resolution service provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. The arbitration shall occur within 180 days from the date on which the arbitration is filed, and shall last no more than five business days. The parties shall be allotted equal time to present their respective cases. The decision of the arbitrator shall be final and binding on the parties and may if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitrate shall survive the cancellation or termination of the Agreement.

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

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

Notwithstanding the foregoing, nothing in these Policies and Procedures shall prevent either party from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction or other relief available to safeguard and protect its intellectual property rights, and/or to enforce its rights under the non-solicitation provision of the Agreement.

## **8.5 Governing Law, Jurisdiction, and Venue**

Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in Kings County, State of New York. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of New York shall govern all other matters relating to or arising from the Agreement.

### **8.5.1 Louisiana Residents**

Notwithstanding the foregoing, and the arbitration provision in Section 8.7, residents of the State of Louisiana shall be entitled to bring an action against RYDR in their home forum and pursuant to Louisiana law.

## SECTION 9 - PAYMENTS

### 9.1 Returned Checks

All checks returned by an Affiliate's bank for insufficient funds will be re-submitted for payment. A \$25.00 returned check fee will be charged to the account of the Affiliate. After receiving a returned check from a customer or an Affiliate, all future orders must be paid by Credit Card, money order or cashier's check. Any outstanding balance owed to RYDR by an Affiliate for NSF checks and returned check fees will be withheld from subsequent bonus and commission checks.

### 9.2 Restrictions on Third Party Use of Credit Cards and Check Account Access

Affiliates shall not permit other Affiliates or Customers to use his or her credit card, or permit debits to their checking accounts, to make purchases from the Company.

### 9.3 Sales Taxes

RYDR is required to charge sales taxes on all purchases made by Affiliates and Customers, and remit the taxes charged to the respective states. Accordingly, RYDR will collect and remit sales taxes on behalf of Affiliates, based on the suggested retail price of the products, according to applicable tax rates in the state or province to which the shipment is destined. If an Affiliate has submitted, and RYDR has accepted, a current Sales Tax Exemption Certificate and Sales Tax Registration License, sales taxes will not be added to the invoice and the responsibility of collecting and remitting sales taxes to the appropriate authorities shall be on the Affiliate (unless the state in question does not accept a Sales Tax Exemption Certificate and Sales Tax Registration License from a direct selling independent contractor). Exemption from the payment of sales tax is applicable only to orders which are shipped to a state for which the proper tax exemption papers have been filed and accepted. Applicable sales taxes will be charged on orders that are drop-shipped to another state. Any sales tax exemption accepted by RYDR is not retroactive.

## SECTION 10 - INACTIVITY, RECLASSIFICATION, AND TERMINATION

### 10.1 Effect of Termination

So long as an Affiliate remains active and complies with the terms of the Affiliate Agreement and these Policies and Procedures, RYDR shall pay commissions to such Affiliate in accordance with the Compensation Plan. An Affiliate's bonuses and commissions constitute the entire consideration for the Affiliate's efforts in generating sales and all activities related to generating sales (including building a downline organization). Following an Affiliate's voluntary or involuntary termination of his or her Affiliate Agreement (all of these methods are collectively referred to as "termination"), the former Affiliate shall have no right, title, claim or interest to the marketing organization which he or she operated, or any commission or bonus from the sales generated by the organization. **An Affiliate whose business is cancelled will lose all rights as an Affiliate. This includes the**

**right to sell RYDR products and services and the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the Affiliate's former downline sales organization. In the event of termination, Affiliates agree to waive all rights they may have, including but not limited to property rights, to their former downline organization and to any bonuses, commissions or other remuneration derived from the sales and other activities of his or her former downline organization.**

Following an Affiliate's termination of his or her Affiliate Agreement, the former Affiliate shall not hold himself or herself out as a RYDR Affiliate and shall not have the right to sell RYDR services. An Affiliate whose business is canceled shall receive commissions and bonuses only for the last full pay period prior to termination (less any amounts withheld during an investigation preceding an involuntary termination).

## **10.2 Involuntary Termination**

An Affiliate's violation of any of the terms of the Agreement, including any amendments that may be made by RYDR in its sole discretion, may result in any of the sanctions listed in Section 8.1, including the involuntary termination of his or her Affiliate Agreement. Termination shall be effective on the date on which written notice is mailed, emailed, faxed, or delivered to an express courier, to the Affiliate's last known address, email address, or fax number, or to his/her attorney, or when the Affiliate receives actual notice of termination, whichever occurs first.

RYDR reserves the right to terminate all Affiliate Agreements upon thirty (30) days written notice in the event that it elects to: (1) cease business operations; (2) dissolve as a corporate entity; or (3) terminate distribution of its products via direct selling.

## **10.3 Voluntary Termination**

A participant in this network marketing plan has a right to cancel at any time, regardless of reason. Termination must be submitted in writing to the Company at its principal business address. The written notice must include the Affiliate's signature, printed name, address, and Affiliate I.D. Number. In addition to written termination, Affiliates who have consented to Electronic Contracting will cancel their Affiliate Agreement should they withdraw their consent to contract electronically.

## SECTION 11 - DEFINITIONS

**Active Customer** – A Preferred or Direct Customer who purchases RYDR services during a particular month.

**Active Affiliate** – An Affiliate who has received a commission during the preceding six months.

**Active Rank** – The term “active rank” refers to the current rank of an Affiliate, as determined by the RYDR Compensation Plan, for a particular pay period. To be considered “active” relative to a particular rank, an Affiliate must meet the criteria set forth in the RYDR Compensation Plan for his or her respective rank. *(See the definition of “Rank” below.)*

**Affiliated Party** – A shareholder, member, partner, manager, trustee, or other parties with any ownership interest in, or management responsibilities for, a Business Entity.

**Agreement** – The contract between the Company and each Affiliate includes the Affiliate Application and Agreement Terms and Conditions, the RYDR Policies and Procedures, the RYDR Compensation Plan, and the Business Entity Addendum (where appropriate), all in their current form and as amended by RYDR in its sole discretion. These documents are collectively referred to as the “Agreement.”

**Cancel** — The termination of an Affiliate’s business. Termination may be either voluntary, involuntary, through non-renewal or inactivity.

**Downline** — Your downline (or downline organization) consists of the Affiliates you personally enroll or sponsor (your first level Affiliates), the Affiliates that first level Affiliates enroll or sponsor, as well as the Affiliates that are subsequently enrolled or sponsored beneath them.

**Downline Leg** — Each one of the individuals personally enrolled immediately underneath you and their respective marketing organizations represents one “leg” in your marketing organization.

**Enroll** — The act of introducing a prospective Affiliate to RYDR and assisting them to execute an Affiliate Application and Agreement and thereby become a RYDR Affiliate. (Also see the definition of “Sponsor.”) These activities are called “enrolling.”

**Enroller** — The person who enrolls a prospective Affiliate into RYDR.

**Group Volume** — The commissionable value of services purchased by the Customers and Affiliates in the downline of a particular Affiliate.

**Immediate Household** — Spouses, heads-of-household, and dependent family members residing in the same residence.

**Level** — The layers of downline Customers and Affiliates in a particular Affiliate’s downline. This term refers to the relationship of an Affiliate relative to a particular upline Affiliate, determined by the number of Affiliates between them who are related by sponsorship. For example, if A enrolls B, who enrolls C, who enrolls D, who enrolls E, then E is on A’s fourth level.

**Official RYDR Material** — Literature, audio or video tapes, websites, and other materials developed, printed, published and/or distributed by RYDR to Affiliates.

**Personal Production** — The sales of RYDR services made by an Affiliate to a personally enrolled Customer.

**Personal Volume** — The commissionable value of RYDR services purchased by: (1) an Affiliate; and (2) the Affiliate’s personally-enrolled Customers.

**Rank** — The “title” that an Affiliate holds pursuant to the RYDR Compensation Plan. “Title Rank” refers to the highest rank an Affiliate has achieved in the RYDR compensation plan at any time. “Paid As” rank refers to the rank at which an Affiliate is qualified to earn commissions and bonuses during the current pay period.

**Replicated Website** – A website provided by RYDR to Affiliates which utilizes website templates developed by RYDR.

**Retail Customer** — An individual who is personally enrolled by an Affiliate and purchases RYDR services but who is not a participant in the RYDR compensation plan.

**Social Media** - Any type of online media that invites, expedites or permits conversation, comment, rating, and/or user generated content, as opposed to traditional media, which delivers content but does not allow readers/viewers/listeners to participate in the creation or development of content, or the comment or response to content. Examples of Social Media include, but are not limited to, blogs, chat rooms, Facebook, MySpace, Twitter, LinkedIn, Delicious, and YouTube.

**Sponsor** — An Affiliate who enrolls a Customer or another Affiliate into the Company, and is listed as the Sponsor on the Affiliate Application and Agreement. The act of enrolling others and training them to become Affiliates is called “sponsoring.”

**Upline** — This term refers to the Affiliate or Affiliates above a particular Affiliate in a sponsorship line up to the Company. Conversely stated, it is the line of sponsors that links any particular Affiliate to the Company.