

LOCAL COORDINATOR

Market Hong Kong Limited

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Market America, Inc. is a global product brokerage and Internet marketing company that specializes in one-to-one marketing. Our mission is to provide a robust business system for entrepreneurs (“UnFranchise Owners” or “UFO”) to sell and distribute products, goods, and services, while providing consumers a better way to shop. Over the years a body of regulatory law covering consumer protection, prevention of misrepresentation, and deceptive or unfair trade practices has been promulgated for direct sales and home based business opportunities. Two areas of law that regulatory agencies are most concerned with are (1) the methods a company uses to attract new entrepreneurs or customers; and (2) the basis on which incentives are awarded.

Since 1979, the FTC and other agencies have been refining their definition and acceptance of legitimate sales and distribution activities and programs. The following guidelines are strictly adhered to in order to avoid the risk of a government investigation and/or legal problems: (1) UFOs should avoid deceptive income and unsubstantiated product claims; (2) UFO’s compensation should be linked to product sales to customers that do not participate in the compensation program; (3) UFOs must not be compensated for recruiting other UFOs; and (4) Market America must provide a comprehensive inventory return and buy-back policy. From its inception, Market America’s policies, procedures, rules and regulations within the Management Performance Compensation Plan (MPCP) were designed and implemented to meet or exceed the letter and spirit of these legal guidelines, and ensure its systemic safe guards guarantee adherence and enforcement of these principles of law.

Key elements contained within the MPCP and the Global Meeting, Training, and Seminar System (GMTSS), cultivate and encourage compliance with the laws and guidelines that govern how the UnFranchise Business must be conducted. The MPCP includes a series of acknowledgements and agreements that must be executed and submitted. These agreements state that in order to earn and continue to earn in the MPCP there are initial and ongoing sales activity and training requirements that must be performed and maintained. These sales activities and training requirements are measured and monitored before compensation is awarded.

Due to the number of trainers necessary to support the organizational growth by geographical density and ensure that all UnFranchise Owners who desire to participate in the MPCP are able to meet their training requirements, Market America has created an “open” GMTSS (meaning any UnFranchise Owner may attend a training session anywhere regardless of their line of sponsorship). Market America has enlisted the most qualified UnFranchise Owners in the field to conduct these ongoing, required training sessions. These sessions help enhance sales and distribution skills, as well as support Market America’s organizational growth and expansion strategies.

Local Coordinators within the GMTSS will achieve eminence and distinction within Market America and among UnFranchise Owners. On this path to leadership Market America and its UnFranchise Owners will edify and promote Local Coordinators, and encourage all UnFranchise Owners to attend GMTSS Local Seminars. Periodically, a Local Coordinator may receive, directly or indirectly, Proprietary and Confidential Information (see provision #20 of IUA&A, Proprietary and Trade Secret Information) that will assist the Local Coordinator fulfill his/her duties in accordance with the MPCP and GMTSS to help UnFranchise Owners build their businesses.

By agreeing to the covenants in the Local Coordinator Agreement and assuming the position of a GMTSS Local Coordinator, Local Coordinator acknowledges and accepts that all UnFranchise Owners (attendees and their line of sponsorship) are beneficiaries of the GMTSS and that Market America and the UnFranchise Owners have placed their utmost faith and trust in the Local Coordinator. The Local Coordinator agrees to perform his/her obligations with loyalty and reasonable care for all attendees, at any given time, and the Local Coordinator accepts that the trust and confidence placed in the Local Coordinator creates a fiduciary relationship. But for this relationship the open GMTSS would be rendered totally ineffective.

Acknowledged and Agreed:

SIGNATURE

PRINTED NAME

DATE

LOCAL COORDINATOR AGREEMENT

This **LOCAL COORDINATOR AGREEMENT** (the “Agreement”) between **MARKET AMERICA, INC.**, and its affiliates (including without limitation Market Hong Kong Limited; collectively, “Market America”), whose principal office is located at 1302 Pleasant Ridge Road, Greensboro, North Carolina 27409 and _____ (“Coordinator”), an Independent UnFranchise Owner residing at _____.

WITNESSETH:

WHEREAS, Market America is a product brokerage and direct sales company identifying new or established product trends, obtaining exclusive or proprietary rights to market those products, and marketing those products through Market America's proprietary Management Performance Compensation Plan (“MPCP”) and a network of Market America Independent UnFranchise Owners (“UnFranchise Owner(s)"); and

WHEREAS, Coordinator is an independent contractor, UnFranchise Owner, and Certified Executive Coordinator of Market America and is governed by an Independent UnFranchise Owner Application and Agreement and by a Certified Executive Coordinator Agreement, each of which have already been executed by the Coordinator; and

WHEREAS, the business and MPCP in which Market America is engaged requires specialized training of UnFranchise Owners to become Certified Executive Coordinators, as set forth and defined in the marketing plan, policies and procedures, and literature of Market America; and

WHEREAS, Coordinator is desirous of becoming a Market America certified Local Coordinator and being licensed by Market America to organize, schedule, fund, promote and manage Local Seminars within the respective districts of their region in accordance with Market America policy and the provisions set forth in this Agreement and to receive the opportunity to expand Coordinator's UnFranchise Business and potentially expand Coordinator's ongoing income;

THEREFORE, in consideration of the mutual covenants contained herein and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to and are legally bound as follows:

1. ACKNOWLEDGEMENT OF IUA&A

Coordinator acknowledges and certifies that he/she has executed one or more Market America Independent UnFranchise Owner Application & Agreements (collectively the “IUA&A”), that the IUA&A is in full force, and that Coordinator as an UnFranchise Owner is legally bound by the terms and conditions of the IUA&A and the Career Manual as amended from time to time in the sole discretion of Market America, which form part of the IUA&A. Coordinator agrees that his/her obligations under this Agreement apply in addition to the requirements of the IUA&A.

2. ACKNOWLEDGEMENT OF ECA

Coordinator acknowledges and certifies that he/she has executed an Executive Coordinator Agreement (“ECA”), that the ECA is still in force, and that she/he is legally bound by the terms and conditions of the ECA. Coordinator agrees that his/her obligations under this Agreement apply in addition to the requirements of the ECA.

3. INDEPENDENT CONTRACTOR STATUS AND TAX REPORTING

Coordinator is an independent contractor of Market America with the limited right to conduct Local Seminars of a specific scope and nature and to represent himself/herself as a Market America Local Coordinator. Coordinator is not an agent, employee, or legal representative of Market America, and Coordinator agrees not to represent himself/herself as such. Coordinator is responsible to report all income derived from training fees collected from UnFranchise Owners to the appropriate local tax authorities, and Coordinator is responsible for payment of all taxes on income derived from trainings, seminars, and local events.

4. TERM & TERMINATION

This Agreement is perpetual until replaced by another Local Coordinator. Market America reserves the right to terminate this Agreement, Coordinator’s status and certification to conduct and charge for trainings at any time at its sole discretion.

5. INITIAL REQUIREMENTS

In order to hold the position of Local Coordinator, Coordinator must:

- a. be a Senior Master Coordinator or higher UnFranchise Level;
- b. a Speakers Bureau Member;
- c. have personally sponsored two (2) UnFranchise Owners during the previous calendar year;
- d. qualify as a Shopping Annuity Master Member at least one quarter per year; and
- e. be recommended by the Country Manager of the respective area and approved by the Vice President of Sales.

Coordinator must meet these requirements each year in order to renew his/her status as a Local Coordinator. If a Senior Master Coordinator or higher that meets these criteria is not available, the Country Manager will address on a case by case basis.

Market America reserves the right to change, modify, or amend the requirements, qualifications, and certification rights for Coordinator, at its sole discretion. Pursuant to Section 22(b), Market America’s failure or delay to enforce any of the requirements, qualifications, and certification rights shall in no way act as a waiver.

6. ONGOING REQUIREMENTS

Market America reserves the right to change, modify, or amend the requirements, qualifications, and certification rights for Coordinator, at its sole discretion. Pursuant to Section 22(b), Market America’s failure or delay to enforce any of the requirements, qualifications, and certification rights shall in no way act as a waiver.

a. **Publicly Scheduled & Conducted Local Seminars.**

- (1) In order to maintain Local Coordinator status, Coordinator must schedule at least one (1) UnFranchise Business Presentation Meeting each month in the GMTSS Online for the immediate geographic area and must sell at least 100 tickets to the respective Local Seminar event (any exception must be approved by the Vice President of Sales)
- (2) Coordinator shall schedule and submit Local Seminar event dates to the GMTSS Online for each calendar quarter thirty (30) days prior to the beginning of the next quarter. Coordinator shall consult with their Country Manager prior to scheduling, if needed.
- (3) Local Seminars cannot be scheduled within one (1) month of any corporate sponsored Regional Convention, Annual Convention or Leadership School (Any exception must be approved by the Vice President of Sales).
- (4) Only Category 2 Speakers Bureau Members are eligible to speak/train at a Local Seminar in accordance with the following honorarium guidelines:

UnFranchise Level	Honorarium
Professional Coordinator	HK\$3,750
Supervising Coordinator	HK\$5,625
National Supervising Coordinator	HK\$7,500
Executive Supervising Coordinator	HK\$9,375
Director	HK\$11,250
Executive Director	HK\$13,125
Field Vice President	HK\$15,000
Executive Field Vice President	HK\$16,875
Senior Executive Field Vice President	HK\$18,750
Field President	HK\$20,625
International Field President	HK\$24,375
International Field Chairman	HK\$28,125

- (5) There is no cap/limit to the number of tickets that may be sold for a Local Seminar provided an appropriate facility can be secured.
- (6) Local Seminar agendas shall consist of at least 5.0 hours of training time and 30 (thirty) minutes of recognition.
- (7) A Local Seminar must have one (1) featured speaker. Any additional speaker needs to be approved by the Country Manager.
- (8) Coordinator must schedule at least two (2) and no more than seven (7) Local Seminars in a calendar year.

b. **Policy Enforcement Duties.** Coordinator has a FIDUCIARY RESPONSIBILITY to Market America under this Agreement to accurately represent and enforce Market America agreements, policies and procedures, rules and regulations, and programs. If Coordinator

receives any information, whether first hand or through third party reports, regarding possible policy violations, Coordinator has a duty to promptly investigate and determine the facts involved. Potential policy violations which Coordinator must investigate include, but are not limited to: (1) cross-group sponsoring; (2) non-solicitation and non-compete policy violations; (3) husband and wife violations; (4) same house hold violations; (5) 270-day rule violations; (6) failure to retail or Form 1000 violations (7) false or fraudulent sponsorship or activation activities; (8) improper earning or product claims; (9) unauthorized duplication of sales aids or other literature; (10) failure to fulfill management responsibilities; (11) unethical activity, including, but not limited to, disparagement of Market America; (12) GMTSS sponsorships violations; (13) internet policy violations; (14) sale of products in unauthorized countries; and/or (15) improper use of social media. If Coordinator finds a substantial basis for any and all non-trivial policy violations, Coordinator has a FIDUCIARY RESPONSIBILITY to report the relevant facts to Market America's Field Compliance Department immediately. Coordinator may also be required to participate in the resolution of the situation by conducting further investigation, providing training to offending parties, monitoring activities to ensure subsequent compliance, or carrying out other instructions given by Market America. Failure to investigate a policy violation could result in loss of Local Coordinator status and/or the initiation of corrective action, as set forth in the Career Manual

- c. **Lines of Sponsorship.** Coordinator is responsible for strictly enforcing cross-group sponsoring rules and transfer of sponsorship rules. Coordinator may not encourage UnFranchise Owners to transfer from one line of sponsorship to another. Coordinator may never encourage an UnFranchise Owner to change lines of sponsorship, or to exercise the transfer or inactivity provisions of the policies and procedures, in order to circumvent the cross-group sponsoring rule and ultimately apply under another line of sponsorship other than the UnFranchise Owner's current placement. This is grounds for immediate termination of Coordinator from his/her Local Coordinator status. Coordinator further agrees to be beyond reproach and to exercise extra diligence in protecting and preserving the lines of sponsorship. Market America, at its sole discretion, reserves the right to determine whether Coordinator is adequately fulfilling this responsibility.
- d. **Purchase of Event Tickets.** Purchase five (5) tickets from Market Hong Kong for the Annual Convention and submit the ticket numbers to the GMTSS Department within sixty (60) days following each Leadership School, and five (5) tickets from Market Hong Kong for the Leadership School and submit the ticket numbers to the GMTSS Department within sixty (60) days following each Annual Convention. Failure to comply with this requirement will result in automatic suspension of Coordinator's status until such time as the required number of tickets is purchased.
- e. **Ticket Proceeds and Event Expenses.**
 - (1) Coordinator shall submit (email) an Event Financial Report (EFR) within twenty (20) days after the event to the Country Manager and GMTSS Department. The Local Seminar EFR is uploaded on www.UnFranchisetraining.com.
 - (2) Coordinator shall establish a separate checking account requiring two (2) signatures to deposit funds from ticket sales and pay expenses associated with Local Seminars.

- (3) After all front-end expenses associated with the Local Seminar have been paid, the remaining funds shall be distributed as follows:
- a. 40% to the Local Coordinator
 - b. 45% to the Local Association Event Fund
 - c. 15% to the Featured Speaker
- (4) The following shall be considered legitimate front-end expenses for Local Seminars (receipts must be provided upon request):
- a. Speaker Honorarium (in accordance with guidelines and sent to the speaker two (2) weeks prior to event date)
 - b. Speaker Travel such as Airfare/Mileage (Spouse can be included if speaking 25% or more at the Local Seminar)
 - c. Speaker Hotel Accommodations (Night prior to and night of the Local Seminar)
 - d. Speaker Meals (includes Local Coordinator and “Shadows” meals; Shadow and spouses as applicable. Max of 6 people: Speaker & spouse; Local & spouse; Shadow & spouse)
 - e. Speaker Gift Basket/Snacks (\leq HK\$500)
 - f. Speaker Gift (\leq HK\$800)
 - g. Speaker Reimbursement for Air Travel Incidentals for taxis, parking, baggage fees, food in the airport (\leq HK\$1600 with honorarium)
 - h. Seminar Room (Must disclose if room rate was negotiated in exchange for meals, room rentals, etc.)
 - i. Seminar Room Set-Up (minimal)
 - j. Audio/Visual rental (cannot charge rent for the trainer’s personal equipment)
 - k. Wrist Bands/ Name tag
 - l. Insurance
 - m. Audio/Visual Engineer (\leq HK\$3000, if not included in rental)
 - n. Tickets, Promo Flyer
 - o. Speaker’s needs (Company approved handouts only)

- (5) The following shall be considered legitimate back-end expenses for Local Seminars and must be paid for out of the Local Associations 45% distribution as applicable (Legitimate back end expenses can only be spent if the event is profitable and cannot exceed the profit allocated to the association):
 - a. Give Aways/On-Time Drawings (\leq HK\$800)
 - b. Challenge Winner Certificates/Awards (\leq HK\$800)
 - c. Receptions for Challenge Winners (\leq HK\$2000)
- (6) Leadership Council Dinner after Seminar (\leq HK\$3600)The following shall be considered legitimate ongoing expenses of Local Association funds:
 - a. Bank/Accounting Expenses
 - b. Monthly merchant account fees
- (7) For purchase of any equipment over HK\$800, Coordinator must submit an Equipment Pre-Purchase Agreement Form to the respective Country Manager for approval. Once purchased, receipts must be copied and sent to the GMTSS department.
- (8) Any equipment purchase with funds in the Local Seminar Account or UBP Account becomes property of the GMTSS. If the position of Local Coordinator or UBP Coordinator changes, for any reason, all equipment will be turned over to the new Coordinator within two (2) weeks.
- (9) Copies of Local Association bank statements and bank tracking sheets (including documentation describing each transaction) shall be submitted (email) to the Country Manager and GMTSS Department every month. Statements must be submitted by the 20th of the following month (e.g., June statements are due by July 20th).
- (10) Coordinator is responsible for guaranteeing and covering all deficits resulting from Local Seminar events.
- (11) Unpaid financial obligations that are not settled in a timely manner and are brought to the attention of Market America may be deducted from Coordinator's commissions and leadership bonuses for payment to satisfy payment.
- (12) Local Coordinators may maintain a maximum balance of HK\$24,000 (HK\$8,000 additional if UnFranchise Business Presentation Coordinators are using same account per Coordinator) in their Local Association's account. All funds in excess of HK\$24,000 (HK\$8,000 per UBP Coordinator additional) shall be transferred to the Country Manager of Market Hong Kong monthly for deposit to the General GMTSS Account.

Besides the monthly maximum balance, there is also a year-end close-out balance transfer to the General GMTSS Fund. By December 15 of every year, Local

Coordinators are expected to bring the Local account down to HK\$4,000 (aside from ticket money for January event).

7. RESPONSIBILITY FOR ACCURACY OF STATEMENTS

Coordinator is solely responsible and liable for his/her representations and the quality and accuracy of his/her presentations and events. Market America is not responsible or liable for any misrepresentations made by Coordinator. In order for Coordinator to be liable for a misrepresentation, the following must apply:

- a. Coordinator was responsible for the inaccurate information;
- b. The inaccurate information was the direct cause of the downline UnFranchise Owner flushing or not qualifying for a check; and
- c. The UnFranchise Owner reasonably relied on Coordinator's misrepresentation.

If Market America determines that Coordinator is responsible for a misrepresentation to an UnFranchise Owner, the Coordinator may appeal the decision to the Dispute Resolution Board for final determination in accordance with the policies and procedures.

8. EQUALITY OF UNFRANCHISE OWNERS AND OPEN MEETINGS

Coordinator must treat all UnFranchise Owners equally and provide equal access to all UnFranchise Owners at their trainings regardless of the lines of sponsorship. All Trainings must be open to all UnFranchise Owners regardless of the UnFranchise Owner's organization or sponsor. Absolutely no "closed" meetings are permitted.

9. CHANGE IN REQUIREMENTS

Market America reserves the right to change, modify, or amend the requirements, qualifications, and certification rights for Coordinator at its sole discretion by notifying Coordinator in writing. For purposes of this Section 9, e-mail shall be considered sufficient written notification.

10. PROPRIETARY, CONFIDENTIAL AND TRADE SECRET INFORMATION

During the term of this Agreement, Coordinator will have certain confidential information, reports, and material made available regarding Market America's business, including but not limited to: UnFranchise Owner lists, UnFranchise Owner and customer contact information, including but not limited to names, addresses and phone numbers, UnFranchise Owner financial data, a UnFranchise Owner's personal and/or group sales volume(s), linkage and/or genealogy information, the GMTSS, Market America voicemail system, business building/marketing materials (printed, web-based, social media, on film, magnetic media produced by sound recording or otherwise embodied, are copyrighted and/or trademarked/service marked, whether such claim or mark is registered, or in the process of such), suppliers, and information with respect to the internal affairs of Market America and its affiliates including, without limitation, results of operations, contents of financial statements and corporate records (collectively "Proprietary and Confidential Information"). Such Proprietary and Confidential Information may or may not contain written notice that it is of

a confidential or proprietary nature. The parties acknowledge that, as between them, the above-described matters are important and confidential and gravely affect the successful conduct of the business of Market America

Coordinator acknowledges and agrees that all Proprietary and Confidential Information belongs solely and exclusively to Market America and constitutes its trade secrets. Coordinator further agrees that he/she has no claim, right, or title to any of the Proprietary and Confidential Information; and that the Proprietary and Confidential Information is provided to him/her in strictest confidence and is made available to him/her for the sole purpose of assisting in building and growing his/her Market America business. Coordinator acknowledges that, but for Coordinator's agreement to these provisions, Market America would not provide Proprietary and Confidential Information to Coordinator.

To protect the Proprietary and Confidential Information, Coordinator shall not, on Coordinator's behalf or on behalf of any other person or entity, directly or indirectly:

- a. Disclose or disseminate any Proprietary and Confidential Information to any other person or entity;
- b. Provide access to any password-protected sections of Market America's web sites and associated social media pages containing Proprietary and Confidential Information to any other person or entity;
- c. Use Proprietary and Confidential Information for any purpose other than the conduct and promotion of the Coordinator's UnFranchise Business, including but not limited to recruiting any UnFranchise Owner for any Competing Companies, as defined in Section 11 of this Agreement;
- d. Use Proprietary and Confidential Information to attempt to influence or induce any UnFranchise Owner, customer, or employee of Market America to cease or alter their business relationship with Market America; or
- e. Reproduce Proprietary and Confidential Information in whole or in part for any UnFranchise Owner or any other person except as authorized in writing by Market America to ensure the quality, integrity, and service of these valuable business assets are protected.

Upon termination or cancellation of this agreement, all Proprietary and Confidential Information in its entirety must be returned to Market America.

Further, Coordinator agrees this nondisclosure obligation shall apply to all Proprietary and Confidential Information, whether or not Coordinator participated in the development thereof. Coordinator acknowledges and agrees that if Coordinator violates the terms of this section, Market America will be irreparably harmed and the full extent of Market America's damages will be difficult to determine and likely not sufficient; therefore, Market America shall be entitled to equitable relief, including but not limited to immediate temporary, preliminary, and permanent injunctive relief against Coordinator and all those acting in collaboration with him/her to prevent and enjoin any violation of this section. This remedy is in addition to any

other legal remedies to which Market America may be entitled, including but not limited to disciplinary sanctions and recovery of damages caused by Coordinator's breach. The provisions of this section shall survive termination of this Agreement.

Coordinator has a FIDUCIARY RESPONSIBILITY to Market America with respect to all Proprietary and Confidential Information. This fiduciary responsibility also applies to Coordinator's agents, attorneys and representatives. Coordinator, his/her agents, attorneys and representatives, will not use the Proprietary and Confidential Information, property or trade secrets in any way for their own personal gain during the term of this Agreement or after termination of this Agreement.

11. DUTY OF LOYALTY

Coordinator acknowledges that he/she holds a very sensitive position. Coordinator receives information, which Market America does not provide to other UnFranchise Owners. Also, Local Coordinators have a high profile in Market America's network of UnFranchise Owners, and Local Coordinators are responsible for enforcing Market America policies and procedures. In light of the sensitivity of this position, Coordinator agrees that for so long as he/she remains a Local Coordinator, he/she will not, directly or indirectly; act as a distributor or advisor, or in any other capacity on behalf of, a Competing Company. For purposes of this Agreement, "Competing Company" shall include, but is not limited to, any direct sales, network marketing, affiliate marketing or similar business ventures or marketing opportunities.

12. NON-DISPARAGEMENT

During the term of this Agreement and for one (1) year thereafter, you will take no action, including but not limited to making untrue or negative statements regarding Market America, or any of the persons or entities listed in this Section, by use of social media or any other means, which is intended, or would reasonably be expected, to materially harm Market America, its affiliates, their respective businesses, officers, directors, or employees, harm the reputation of any of the foregoing persons or entities, or which would reasonably be expected to cause another UnFranchise Owner to leave or reduce his or her activity with Market America.

13. CONFIDENTIALITY WITH REGARD TO SUPPLIERS

As a Local Coordinator, Coordinator may learn the identity and other information regarding Market America suppliers and vendors. This information provides a competitive advantage for Market America because Market America is the only distributor for many of our products, and Market America often works in conjunction with suppliers or vendors to develop the products. Coordinator acknowledges the sensitivity of this information regarding Market America suppliers. Thus, Coordinator agrees 1) not to enter into any transaction, directly or indirectly, with any Market America vendor or supplier, during the period when Coordinator is a UnFranchise Owner for Market America, and after Coordinator ceases to be a UnFranchise Owner and 2) not to disclose any of Market America's supplier or vendor information to any third party or other UnFranchise Owner.

14. NON-SOLICITATION COVENANT

a. **During Term.** As a Local Coordinator, Coordinator enjoys a high profile and positive reputation with the network of UnFranchise Owners. Coordinator receives this broad

recognition and approval by virtue of his/her status as a Local Coordinator, which privilege is conferred upon Coordinator at the discretion of Market America. Thus, due to the sensitive information received as a Local Coordinator, during the term of this Agreement, Coordinator may not solicit, directly or indirectly (including but not limited to the use of websites and social media), or through a third party, another UnFranchise Owner or customer to enroll or participate in a Competing Company, whether or not the UnFranchise Owner or customer was personally sponsored by Coordinator.

- b. **After Termination.** Following the cancellation or termination of this Agreement, whether voluntary or involuntary and regardless of the reason for cancellation or termination, and for a period of two (2) years thereafter, Coordinator may not solicit, directly or indirectly (including but not limited to the use of a website or social media), or through a third party, another UnFranchise Owner or customer to enroll or participate in a Competing Company whether or not the UnFranchise Owner or customer was personally sponsored or registered by Coordinator:
- (1) within 100 miles (161 kilometres) of any place Coordinator resided (including vacation properties) or was employed while he/she was an UnFranchise Owner;
 - (2) within 100 miles (161 kilometres) of the residences of any of his/her personally sponsored UnFranchise Owners;
 - (3) within 100 miles (161 kilometres) of any UnFranchise Owner in his/her downline who achieved the level of Executive Coordinator or above during the time that Coordinator was an UnFranchise Owner; and
 - (4) within 100 miles (161 kilometres) of any GMTSS presentation conducted by Coordinator.
- c. This conduct constitutes recruiting even if the solicited UnFranchise Owner's or customer's actions are in response to an inquiry or contact made by another individual or company on Coordinator's behalf and even if the solicited UnFranchise Owner's or customer's response is not directed to the Coordinator. Should Coordinator solicit another UnFranchise Owner or customer, regardless of whether Coordinator personally sponsored or personally registered the UnFranchise Owner or customer, there shall be a presumption that Coordinator utilized Proprietary and Confidential Information. Coordinator must then prove by the preponderance of the evidence that the solicitation was done without the use of Proprietary and Confidential Information.
- d. If Coordinator violates this provision, the time period will be extended by two (2) years from the date of the last violation.
- e. Coordinator acknowledges and agrees that if Coordinator violates the terms of this section, Market America will be irreparably harmed and the full extent of Market America's damages will be difficult to determine and likely not sufficient; therefore, Market America shall be entitled to equitable relief, including but not limited to immediate temporary, preliminary, and permanent injunctive relief against Coordinator and all those acting in collaboration with Coordinator to prevent and enjoy any violation of this section. This remedy is in addition to

any other legal remedies to which Market America may be entitled, including but not limited to disciplinary sanctions and recovery of damages caused by Coordinator's breach. The provisions of this section shall survive termination of this Agreement.

15. LIMITED NON-COMPETE

- a. **During Term.** Due to the sensitive information received by Coordinator, Coordinator is prohibited from, directly or indirectly, acting in any capacity on behalf of a Competing Company during the term of this Agreement. Coordinator agrees that he/she is also prohibited from, directly or indirectly, using Proprietary and Confidential Information to offer or promote any non-Market America products or business opportunities to UnFranchise Owners or customers regardless of whether such business opportunities or products relate to a Competing Company.
- b. **After Termination.** Coordinator agrees that for a period of one (1) year after the termination of this Agreement, whether by reason of voluntary or involuntary termination, Coordinator will not, directly or indirectly, act in any capacity on behalf of a Competing Company:
 - (1) within 100 miles (161 kilometres) of any place Coordinator resided (including vacation properties) or was employed while he/she was an UnFranchise Owner;
 - (2) within 100 miles (161 kilometres) of the residences of any of his/her personally sponsored UnFranchise Owners;
 - (3) within 100 miles (161 kilometres) of any UnFranchise Owner in his/her downline who achieved the level of Executive Coordinator or above during the time that Coordinator was an UnFranchise Owner; and
 - (4) within 100 miles (161 kilometres) of any GMTSS presentation conducted by Coordinator.
- c. This section shall expressly prohibit, directly or indirectly, advising a Competing Company regarding marketing plans, products, promotions, pricing, computer systems, legal systems and other strategic matters, and being involved, directly or indirectly, in a Competing Company.
- d. If Coordinator violates this provision, the time period will be extended by one (1) year from the date of the last violation.
- e. Coordinator acknowledges and agrees that if Coordinator violates the terms of this section, Market America will be irreparably harmed and the full extent of Market America's damages will be difficult to determine and likely not sufficient; therefore, Market America shall be entitled to equitable relief, including but not limited to immediate temporary, preliminary, and permanent injunctive relief against Coordinator and all those acting in collaboration with Coordinator to prevent and enjoin any violation of this section. This remedy is in addition to any other legal remedies to which Market America may be entitled, including but not limited to disciplinary sanctions and recovery of damages caused by Coordinator's breach. The provisions of this section shall survive termination of this Agreement.

16. PROTECTION OF MARKET AMERICA'S SALES FORCE

Coordinator recognizes that Market America and all of its UnFranchise Owners (herein referred to as Market America's "Sales Force") have invested substantial time, energy, effort, and money in training and building this Sales Force; therefore, protecting Market America and the Sales Force from unfair competition is critically important. Coordinator agrees and warrants that he/she will not in any way, directly or indirectly, during the term of this Agreement or thereafter, make any statements (orally or in writing, whether fiction or nonfiction) or take any action(s), which in any way disparage or defame Market America, its parent, subsidiaries or affiliates ("Related Companies") and/or their respective officers, directors, partners, principals, employees, third party vendors, consultants, agents, attorneys or advisors, or in any way, directly or indirectly, cause or encourage any other person to make such statements or take such actions. Coordinator further agrees that provisions contained in this Agreement are reasonable and necessary to protect the legitimate interests of Market America, the Sales Force and Related Companies, and that Market America will not accept the Local Coordinator Agreement in the absence of Coordinator's agreement to these provisions. Coordinator acknowledges and agrees that if he/she violates the terms of this section, Market America will be irreparably harmed and the full extent of Market America's damages will be difficult to determine and likely not sufficient; therefore, Market America shall be entitled to equitable relief, including but not limited to immediate temporary, preliminary, and permanent injunctive relief against Coordinator and all those acting in collaboration with Coordinator to prevent and enjoin any violation of this section. This remedy is in addition to any other legal remedies to which Market America may be entitled, including but not limited to disciplinary sanctions and recovery of damages caused by Coordinator's breach. The provisions of this section shall survive termination of this Agreement.

17. ENFORCEABILITY, SEPARATE COVENANTS

- a. Coordinator acknowledges that the covenants included in Sections 10 through 16 above are crucial to the success of Market America and that violation of the covenants would immeasurably damage Market America and/or its affiliates. The parties agree that any breach of the terms of Sections 10 through 16 will be a material breach of this Agreement. If Coordinator fails to comply with any provision of Sections 10 through 16, all rights of Coordinator and any person claiming under or through Coordinator to the payments described in this Agreement shall terminate, and no person shall be entitled thereafter to receive any payments hereunder. Additionally, Coordinator agrees that if there is a breach or threatened breach of the provisions of Sections 10 through 16, Market America will be irreparably harmed and the full extent of Market America's damages will be difficult to determine and likely not sufficient; therefore, Market America shall be entitled to equitable relief, including but not limited to immediate temporary, preliminary, and permanent injunctive relief against Coordinator and all those acting in collaboration with Coordinator to prevent and enjoin any violation of this section. This remedy is in addition to any other legal remedies to which Market America may be entitled, including but not limited to disciplinary sanctions and recovery of damages caused by Coordinator's breach. Nothing herein shall be construed as prohibiting Market America from pursuing other remedies for such breach or threatened breach.

- b. Each of the covenants contained in Sections 10 through 16 shall be construed as an

independent agreement. The existence of any claim or cause of action by Coordinator against Market America or any of its affiliates, officers, directors, shareholders, employees, representatives, or agents, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by Market America of any such covenant.

- c. If any of the restrictions contained in Sections 10 through 16 are deemed to be unenforceable by reason of the extent, duration, geographical scope or other provisions thereof, then the court shall reduce such extent, duration, geographical scope or other provision hereof and enforce Sections 10 through 16 in reduced form for all purposes in the manner contemplated thereby.

18. INDEMNIFICATION

Coordinator agrees to defend, indemnify and hold harmless Market America its owners, representatives, officers, employees, agents, and assigns against any and all liability, claims, judgments, demands for damages and costs (including reasonable attorney fees and costs) arising out of or resulting from the actions or omissions to act of Coordinator or its representatives, contractors, officers, employees, agents, assigns or invitees, in connection with the performance of its obligations under this Agreement, except those which are due solely to the intentional or gross misconduct of Market America, its owners, representatives, officers, employees, agents, and/or assigns.

19. CROSS-GROUP SPONSORING

Prospecting, recruiting, and/or sponsoring, directly or indirectly (including but not limited to the use of a website or social media), whether through a spouse, immediate family members, or affiliated third parties, any UnFranchise Owner into another line of sponsorship within Market America's MPCP or in any Competing Company is strictly prohibited. Further, Coordinator agrees that any use of Market America's Proprietary or Confidential Information or relationships developed through Market America to divert or diminish a UnFranchise Owner's time, effort, volume, production or activity under the UnFranchise Owner's line of sponsorship or under the MPCP to benefit another person or entity by use of any device, mechanism, agreement or arrangement, including but not limited to the use of trade names, DBA's, assumed names, resident identification numbers, fabricated Business Development Centers (collectively "Alter Egos"), is unethical and strictly prohibited. Coordinator acknowledges and agrees that the use of an Alter Ego undermines the UnFranchise Business Plan and deprives other UnFranchise Owners of business volume that he or she would be due. Furthermore, Coordinator agrees and acknowledges that without these prohibitions, there would be no incentive for UnFranchise Owners to recruit, train, and manage their organizations. Violation of this Section 19, shall result in the initiation corrective action procedure, which may result in, without limitation, reorganizing the sales organizations and genealogies, moving or adjusting sales volumes involved in order to protect the integrity of the marketing plan, financial restitution and termination of the Local Coordinator Agreement as well as the IUA&A.

20. CHOICE OF LAW & FORUM

- a. **Choice of Law.** North Carolina law shall govern any dispute arising out of, or related to, this Agreement notwithstanding its choice of law provisions.
- b. **Arbitration.** (1) Any controversy or claim arising out of or relating to this Agreement, or the

breach thereof, shall ultimately be settled by arbitration administered by the American Arbitration Association (“AAA”) in accordance with its Commercial Arbitration Rules and judgment on the award rendered by the arbitrators may be entered in a court of competent jurisdiction. Coordinator certifies that Coordinator is knowingly, voluntarily and intentionally waiving the right to have any dispute he/she may have regarding this Agreement heard by a jury and determined in a court of law. The arbitration shall be heard by one arbitrator, and it shall take place in Greensboro, North Carolina. Either party may seek emergency or provisional relief in the General Court of Justice, Guilford County, North Carolina, prior to invoking the arbitration remedy. (2) PROVIDED, HOWEVER, COORDINATOR AND MARKET AMERICA AGREE NOT TO BRING OR PARTICIPATE IN A CLASS OR REPRESENTATIVE ACTION, PRIVATE ATTORNEY GENERAL ACTION OR COLLECTIVE ARBITRATION, EVEN IF AAA’S PROCEDURES OR RULES WOULD OTHERWISE ALLOW ONE. THE ARBITRATOR MAY AWARD RELIEF ONLY IN FAVOR OF THE INDIVIDUAL PARTY SEEKING RELIEF AND ONLY TO THE EXTENT OF THAT PARTY’S INDIVIDUAL CLAIM. Coordinator and Market America also agree not to seek to combine any action or arbitration with any other action or arbitration without the consent of all parties to this Agreement and all other actions or arbitrations. (3) If Section 20 (b)(2) should be found illegal or unenforceable, Coordinator and Market America agree that it shall not be severable, that Sections 20 (b)(1) and (b)(2) shall be unenforceable in their entirety, and that the any claim or dispute will be resolved in court and not in collective arbitration.

- c. **Choice of Forum/Jurisdiction.** Notwithstanding sections 20(a) and 20(b) above, if Market America suspects that Coordinator has violated **Sections 10, 11, 14, 15 and/or 16**, Market America may, in its sole discretion, prior to or instead of invoking the arbitration remedy contained in Section 20(b) of this Agreement, commence an action, litigation, or proceeding against Coordinator seeking any and all remedies available to Market America at law or in equity, including, without limitation, an injunction in any court of competent jurisdiction in Guilford County, North Carolina or in any jurisdiction (a) in which the suspected violation occurred; (b) in which Coordinator resides (or if Coordinator is a business entity, in which it were created); or (c) in which Coordinator may have conducted or developed his/her Market America business. In such a case, if the courts of the concerned jurisdiction are unable or unwilling to apply North Carolina law, the laws of the jurisdiction shall apply. Coordinator irrevocably submits and consents to the personal jurisdiction of such courts in the event that Market America invokes this provision. Coordinator further agrees that a final judgment in any such action, litigation, or proceeding is conclusive and may be enforced against Coordinator in other jurisdictions by suit on the judgment or in any other manner provided by law.
- d. **Attorney’s Fees.** The prevailing party shall have the right to collect from the other party its reasonable costs and attorney fees (including, without limitation, those associated with in house counsel) incurred in enforcing this Agreement.

21. CODE OF ETHICS

Coordinator must abide by the Coordinator Code of Ethics and Responsibilities attached as Exhibit A. Execution of this Agreement indicates Coordinator’s agreement to comply with the Code of Ethics and Responsibilities.

22. MISCELLANEOUS

- a. **Severability.** If any provision of this Agreement is illegal or unenforceable, that provision is severed from this Agreement and the other provisions remain in force.
- b. **Waiver.** The failure or delay of Market America to enforce at any time any right, power, requirement or privilege of this Agreement or to exercise any option which is herein provided, or to require at any time performance by Coordinator of any of the provisions hereof, shall in no way act as a waiver thereof, nor shall such failure or delay affect the validity of this Agreement or any part hereof, or the right of Market America to thereafter enforce each and every such provision.
- c. **Survivability.** The terms and conditions of this Agreement that, by their sense and context, are intended to survive the termination, performance or completion of this Agreement shall so survive.
- d. **Construction of Agreement.** The captions and headings used in this Agreement are for convenience of reference only and shall not be considered in construing or interpreting this Agreement. Whenever the context so requires, the masculine shall include the feminine and neuter, and conversely thereof.
- e. **Assignment.** Coordinator hereby covenants that Coordinator will not assign or transfer this Agreement, and any attempt on the part of Coordinator to assign, whether by operation of law, voluntarily or otherwise, shall, at the option of Market America, result in the termination of this Agreement, and the same shall be void and of no effect. Market America, may, at its option, assign or transfer this Agreement to another party, whether by operation of law, voluntarily or otherwise.
- f. **Executed Counterparts.** This Agreement may be simultaneously executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- g. **Entire Agreement.**
Except for the agreements specifically named herein, this Agreement constitutes the full understanding of the parties, unless Coordinator and Market America enter into any additional agreements as Coordinator progresses as an UnFranchise Owner, and if so, such agreements are specifically incorporated herein. There are no other agreements or understandings, whether oral or written, that may in any way alter, modify, amend or otherwise change this Agreement.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, this agreement has been executed by the parties signing below on the date first above mentioned.

MARKET AMERICA

LOCAL COORDINATOR

SIGNATURE

SIGNATURE

Jim Winkler

PRINTED NAME

PRINTED NAME

Vice President of Sales

TITLE

UNFRANCHISE LEVEL & UNFRANCHISE ID

DATE

DATE

ADDRESS

CITY /ZIP

PHONE

EMAIL ADDRESS

RECOMMENDING SIGNATURES
COUNTRY MANAGER

SIGNATURE

SIGNATURE

PRINTED NAME

PRINTED NAME

DATE

DATE

EXHIBIT A
CODE OF ETHICS & RESPONSIBILITIES

1. Lead the Local Leadership Team/Council and Local Association.
2. Organize, schedule, fund through Local Account, promote and manage Local Seminars.
3. Appoint UnFranchise Business Presentation Coordinators in appropriate areas of growth within their respective locals; ensure that UnFranchise Business Presentation Coordinators are conducting meetings within the guidelines and in accordance with Company's most current/updated policies, procedures and approved content.
4. Coordinate with UBP Coordinators in scheduling and promotion of UnFranchise Business Presentation Meetings within his or her local area.
5. Approve all scheduled GMTSS meetings and trainings in their local areas to avoid schedule conflicts.
6. Submit Local Seminar schedules on the GMTSS Online System for approval by the Country Manager, and/or the Vice President of Sales.
7. Attend and promote Market Hong Kong Annual Convention and Leadership School each year.
8. Treat all lines of sponsorship equally and impartially.
9. Assist in scheduling, managing, and logistics of running District Conference events.
10. Ensure that Local Seminar events are conducted in accordance with meeting room setup, mechanics, and format as set forth in the GMTSS.
11. Ensure that all Basic 5 Trainings and New UnFranchise Owner Trainings within his or her area are conducted in accordance with approved content, policy, procedure, rules and regulations.
12. Make no recordings (audio/video) of any event without the express written approval of the Vice President of Sales.
13. Randomly monitor meetings and trainings in your area for compliance with policies and procedures as defined by Market America. Actively monitor local area for conflicts and dispute resolution. (Non-resolvable conflicts or problems should be reported to the Country Manager. Final resolution should be requested from the Vice President of Sales.)
14. Assist, promote and sell tickets to all area meetings, trainings, seminars, conferences, convention and corporate sponsored events (including local training conducted by trainers from outside areas).
15. Be a responsible team player. Prospects and guests attending GMTSS events must be put into original sponsor's line. Do not misrepresent the GMTSS mechanism.
16. Always dress in professional business attire when you are responsible for conducting a Local

Seminar or event. "Dress for Success" is more than a cliché.

17. Associate with UnFranchise Owners that are always striving to attain higher levels of excellence, both professionally and personally. Instill and nurture the qualities of Market America's GMTSS program; pride, poise and professionalism.
18. We are all members of the Market America Team—one Market America, one plan, one topic, everyone's success.
19. Report any unauthorized reproduction of sales materials and the sale of any unapproved Market America literature or generic sales aides.
20. Published GMTSS events, either online or announced over the informational hotline, are to be open to the public, and to all UnFranchise Owners.
21. Never disparage or complain about other Coordinators, Speakers, or Trainers to anyone. If there is a complaint about another Coordinator, Speaker, or Trainer put it in writing and either fax, or mail, your grievances to the Office of the Senior Vice President.
22. Coordinator will not conduct or attend meetings where alcohol or other controlled substances are being served.
23. When in public, your conduct should always be above and beyond reproach. You are a representative of Market America and the UnFranchise System. Your bearing should always reflect the highest standards of ethical and moral conduct.
24. Coordinator should not borrow money from other UnFranchise Owners, especially UnFranchise Owners in their own downline.
25. No Coordinator shall ever engage in any deceptive, unlawful, or unethical recruiting, or marketing practices. Likewise, Coordinator shall exercise great measures to ensure that no statements, promises, or testimonials are made which are in any regard misleading to prospective UnFranchise owners, or the general public.
26. No Coordinator shall ever knowingly make statements which misrepresent the accuracy of any UnFranchise Owners financial earning potential. All statements, with regard to earning potentials, shall be based on the accurate accounting information from Market America and those records, which are available to the general public.
27. Coordinators should understand the power of the team concept in relation to the GMTSS. They should also be empowered to focus and build their organizations as they build their area and support cross line teams.
28. As a Market America Coordinator, it is imperative that every effort is made to represent the policies, procedures, methods, and marketing practices, as defined in the Career Manual, are taught with the highest degree of accuracy; duplication is the key to successful UnFranchise ownership. With this conscientious effort, the key GMTSS elements of knowledge, enthusiasm, and belief can be instilled for all that choose to participate.