

# iProsper

## Affiliate Terms and Policies

- 1. The Agreement.** These Terms & Policies govern the relationship between you, as an Independent iProsper Affiliate, and iProsper, LLC. (hereafter “iProsper” or the “Company”). These Terms & Policies, together with the iProsper Compensation Plan, and the iProsper Business Entity Addendum (the Business Entity Addendum is only applicable to those who enroll as a business entity) make up the Agreement between you and iProsper. Therefore, as used in this document, the term “Agreement” collectively refers to these Terms & Policies, the iProsper Compensation Plan, and the iProsper Business Entity Addendum, in their current form and as may be amended in the future at the Company’s discretion. Independent iProsper Affiliates shall be referred to herein as “Affiliates.” Any promises, representations, offers, or other communications not expressly set forth in the Agreement are of no force or effect.
- 2. Eligibility.** By entering into the Agreement, you verify that a) you are a resident of the United States; and b) and you agree that you shall not offer the iProsper opportunity or iProsper’s products and services to: a) persons under the age of 18 (under the age of 19 in Nebraska and under the age of 21 in Massachusetts); b) persons residing outside of the United States, unless they reside in a country that has been opened legally and officially for business by iProsper LLC.
- 3. Independent Contractor Status.** Affiliates are independent contractors and not employees, partners, legal representatives, or franchisees of iProsper. Affiliates are solely responsible for paying all expenses they incur, including but not limited to travel, food, lodging, secretarial, office, telephone and other business expenses. **AFFILIATES SHALL NOT BE TREATED AS AN IPROSPER EMPLOYEE FOR FEDERAL OR STATE TAX PURPOSES.** iProsper is not responsible for withholding and shall not withhold or deduct FICA, or taxes of any kind from affiliate’s compensation. Affiliates are not entitled to workers compensation or unemployment security benefits of any kind from iProsper.

In all written, graphic, or digital material used for iProsper business purposes, Affiliates must represent themselves as a “iProsper Independent Affiliates.” In verbal conversations with prospective Affiliates, customers, and Players, Affiliates must introduce themselves as an “independent iProsper Affiliates”. Affiliates shall not lead anyone to believe that they are employees of iProsper.

- 4. Income Taxes.** As an independent contractor, you are responsible for paying local, state, and federal taxes on any income generated as a iProsper Affiliate. Every year, iProsper 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 specifically for resale. To facilitate this reporting, you must provide iProsper with your Social Security Number, Employer Identification Number, or Taxpayer Identification Number as appropriate.
- 5. Tax ID Verification/Substitute W-9.** With respect to the Social Security Number, Employer Identification Number, or Taxpayer Identification Number that you provide to iProsper during the enrollment process, you certify, under penalty of perjury, as follows:
  - The number shown on this enrollment form is my correct taxpayer identification number

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(or I am waiting for a number to be issued to me);

- I am not subject to backup withholding because: (i) I am exempt from backup withholding, or  
(ii) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (iii) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (a U.S. resident alien, a partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, an estate (other than a foreign estate), or a domestic trust (as defined in 26 CFR 301.7701-7)).

**NOTE:** If you are not a U.S. citizen or other U.S. person ((a U.S. resident alien, a partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, an estate (other than a foreign estate), or a domestic trust (as defined in 26 CFR 301.7701-7)) you must submit a properly completed IRS Form W-8 BEN to iProsper within 30 days of enrollment. Failure to timely submit the properly completed W-8 BEN shall result in the automatic termination of the Agreement.

- 6. Adherence to the Agreement.** **Affiliates** must comply with the Agreement. If you have not yet reviewed the Terms & Policies at the time you execute this Agreement, they are posted in your back-office. You must review the Terms & Policies within five days from the date on which you execute this Agreement. If you do not agree to the Terms & Policies, your sole recourse is to notify the Company and cancel the Agreement. Failure to cancel constitutes your acceptance of the Terms & Policies. You must be in good standing, and not in violation of the Agreement, to be eligible for bonuses or commissions from iProsper.
- 7. Amendments to the Agreement.** The Company reserves the right to amend the Agreement at its discretion. Amendments shall be effective 30 days after notice and publication of the amended provisions in each affiliate's Back office, but amendments shall not apply retroactively to conduct that occurred prior to the effective date of the amendment. If you do not agree to any amendments, your sole recourse is to cancel the Agreement.
- 8. Affiliates' Rights:** Affiliates,
  - Have the right to sell, and solicit orders for, iProsper products in accordance with these Terms & Policies. It is within the exclusive right of iProsper to accept or reject orders submitted by Affiliates.
  - Have the right to enroll others as iProsper affiliates.
  - If qualified, have the right to earn commissions pursuant to the iProsper Compensation Plan.
- 9. Assignment of Rights and Delegation of Duties.** Affiliates may not assign any rights under the Agreement without the prior written consent of iProsper. Any attempt to transfer or assign the Agreement without the express written consent of iProsper renders the Agreement voidable at the

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option of iProsper and may result in termination of the Agreement.

If the assets of iProsper, or a controlling ownership interest in iProsper, are transferred to a third party, iProsper may assign its rights and delegate its duties and obligations under the Agreement to such third party as part of the sale or transfer.

**10. Waiver.** Any waiver by either Party of any breach of the Agreement must be in writing and signed by an authorized agent of the Party against which the waiver is asserted. Any waiver of a breach by a Party shall be a one-time waiver only and shall not operate or be construed as a waiver of any subsequent breach.

**11. Waiver of Right of Publicity. Affiliates** grant iProsper an irrevocable license to reproduce and use their name, photograph, video, personal story, testimonial, and/or likeness in its advertising or promotional materials, including but not limited to use in online forums. Affiliates waive all claims for remuneration for such use and all rights to inspect or approve all draft, beta, preliminary, and finished material.

**12. Severability.** If any provision of the Agreement, in its current form or as amended, is held void or unenforceable, only the void or unenforceable portion(s) of the provision shall be severed from the Agreement and the remaining provisions shall remain in effect. The severed provision shall be reformed so that it is in compliance with the law and reflects the purpose of the original provision as closely as possible. The existence of any claim or cause of action against iProsper shall not constitute a defense to iProsper's enforcement of any term or provision of the Agreement.

**13. Term and Renewal of the Agreement.**

The term of the Agreement is one year from the date of enrollment and shall automatically renew for additional one-year terms on each anniversary of the date of enrollment provided the Agreement has not been previously terminated as provided in Policy 41. Affiliate may cancel the Agreement at any time and for any reason. **iProsper reserves the right to elect not to renew affiliate's Agreement at its option upon 30 days' prior written notice. Such notice must be given at least 30 days prior to the anniversary date of the date of enrollment.**

**iProsper reserves the right to terminate all Agreements upon 30 days' notice if the Company elects to: (1) cease business operations; (2) dissolve as a business entity; or (3) terminate distribution of its products and/or services via direct selling channels.**

**A participant in this multilevel marketing program has a right to cancel at any time, regardless of reason.** Cancellation must be submitted in writing to the company at its principal business address or via the Back office.

**14. General Conduct. Affiliates** shall safeguard and promote the good reputation of iProsper and its products, and must avoid all illegal, deceptive, misleading, unethical, or immoral conduct or practices. Affiliates agree that they shall exhibit high moral character in their personal and professional conduct.

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Affiliates shall not engage in any conduct that may damage the Company's goodwill or reputation. While it is impossible to specify all misconduct that would be contrary to this provision, and the following list is not a limitation on the standards of conduct to which Affiliates must adhere pursuant to this section, the following standards specifically apply to affiliates' activities:

- Deceptive conduct is always prohibited. Affiliates must ensure that their statements are truthful, fair, accurate, and are not misleading.
- If the Agreement is cancelled for any reason, the affiliate must discontinue using the iProsper name, and all other iProsper intellectual property, and all derivatives of such intellectual property, in postings on all social media, websites, or other promotional material.
- Affiliates may not represent or imply that any state or federal government official, agency, or body has approved or endorses iProsper, its program, or products.
- Affiliates must not engage in any illegal, fraudulent, deceptive, or manipulative conduct in their business or their personal lives that, in the Company's sole discretion, could damage the Company's reputation or the culture that exists within the field sales force.

**15. Social Media.** In addition to meeting all other requirements specified in these Terms & Policies, should affiliates utilize any form of social media in connection with their iProsper business, including but not limited to blogs, Facebook, Twitter, Instagram, LinkedIn, YouTube, or Pinterest, the affiliate agrees to each of the following:

- Affiliates are responsible for the content of all material that they produce and all of their postings on any social media site, as well as **all** postings on any social media account that they own, operate, or control.
- Affiliates shall not make any social media postings, or link to or from any postings or other material that is sexually explicit, obscene, pornographic, offensive, profane, hateful, threatening, harmful, defamatory, libelous, harassing, or discriminatory (whether based on race, ethnicity, national origin, creed, religion, gender, gender identity, sexual orientation, physical or mental disability, or otherwise), is graphically violent, is solicitous of any unlawful behavior, that engages in personal attacks on any individual, group, or entity, or is in violation of any intellectual property rights of the Company or any third party.
- No product sales or enrollments may occur on or through any social media site. To process sales or enrollments, a social media posting must link only to the 's iProsper replicated website, iProsper's corporate website or an official iProsper corporate social media page.
- It is each affiliate's responsibility to follow the social media site's terms of use.
- Affiliates shall respect the privacy of other social media users. Affiliates shall not engage in abusive social media practices including but not limited to harvesting or trolling for connections, shaming, or bullying others.

**16. Web Sites and Mobile Apps.** Affiliate may create personal external websites or mobile applications to promote their iProsper business or iProsper's products and services. iProsper products may only be sold or promoted, and new iProsper Affiliates may be enrolled only, at: (i) the official iProsper website, (ii) iProsper-supplied replicated websites, and (iii) official iProsper mobile apps (if applicable).

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Prohibited online forums include, but are not limited to, affiliates' personal websites, online retailers (e.g., Amazon) online auctions (e.g., eBay), and classified listings (e.g., Craigslist). Notwithstanding the foregoing, an affiliate may create personal external websites or mobile applications to promote their iProsper business and iProsper products, but such external websites/applications must comply with the following (references to websites below including mobile applications)

- The website may not take or process product or service orders or product or service sales.
- The website may not process enrollments.
- The website must be directed to the affiliate's iProsper replicated website to process sales and/or enrollments.
- The website must clearly and conspicuously identify who is operating the external website and must clearly and conspicuously disclose that he/she is an iProsper affiliate, and that the website is not iProsper's corporate website.
- Websites that do not identify who is the promoter of the site and/or that he/she is promoting iProsper's products or the iProsper opportunity (so called "blind" websites), are not permitted.
- The website must comply with all applicable provisions of these Terms & Policies.
- Prior to going live with an external website, the affiliate must submit a beta version of the site to the Company for review and receive the Company's written authorization to use the website. Following approval, any amendments to the website must also be submitted to the Company and receive written approval before going live.

**iProsper reserves the right to rescind approval for any approved external website or application, and Affiliates waive all claims against iProsper, its officers, directors, owners, employees, and agents for damages, expenses, costs, or remuneration of any other nature arising from or relating to such rescission.**

**17. Sales Tools.** All created Sales Tools including, without limitation, advertising materials, promotional materials, and all other marketing methods, must be submitted to the Company and receive written approval before they can be used or made public. Affiliates who receive written authorization from iProsper to produce and publish Sales Tools may make approved Sales Tools available to other Affiliates free of charge if they wish but may not sell the Sales Tools to other affiliates unless expressly authorized by iProsper. **iProsper reserves the right to rescind approval for any approved Sales Tools, and Affiliates waive all claims against iProsper, its officers, directors, owners, employees, and agents for damages, expenses, costs, or remuneration of any other nature arising from or relating to such rescission.**

Approved Sales Tools will be posted in the Document Library section of all affiliates' Back offices and will be made available to all Affiliates free of charge. **The Affiliate(s) who created the Sales Tools grants iProsper and other Affiliates an irrevocable and perpetual license to use the Sales Tools for iProsper business purposes at their discretion, and waives all claims, including but not limited to intellectual property right claims, and/or claims for remuneration against iProsper, its officers, directors, owners, agents, and other Affiliates for such posting and/or use of the Sales Tools. The affiliate who submitted the Sales Tool to the Company waives all claims to remuneration for such use and grants iProsper an**

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**irrevocable license to use the Sales Tools as the Company deems appropriate.**

**18. Trademarks and Copyrights.** The name “iProsper” and other names and logos as may be adopted by the Company are proprietary trade names, trademarks, and service marks of iProsper. The Company grants Affiliates a limited license to use its trademarks and trade names in promotional media for so long as the affiliate’s Agreement is in effect. Upon cancellation of an affiliate’s Agreement for any reason, the license shall expire, and the affiliate shall immediately discontinue all use of the Company’s trademarks and trade names. Under no circumstances may an affiliate use any of iProsper’s trademarks or trade names in any email address, website domain name, social media handle, social media name or address, or in any unapproved Sales Tools.

iProsper expects to produce live and recorded events as well as webinars and telephone conference calls. During these events Company executives, affiliates, and guests may appear and speak. The content of such events is copyrighted material that is owned exclusively by the Company and may be shared only with the expressed written consent of iProsper LLC management.

In addition, Company produced Sales Tools, videos, audios, podcasts, and printed material are also copyrighted. Affiliates shall not copy or make derivatives of any such materials for their personal or business use without the Company’s prior written approval.

**19. Sales Outlets.** To support the Company’s direct selling distribution channel and to protect the independent contractor relationship, Affiliates agree that they will not sell iProsper products in any retail, wholesale, warehouse, or discount establishment, or any online retail, auction, or buy- sell site (including but not limited to Amazon and eBay) without prior written approval from iProsper. Notwithstanding the foregoing, Affiliates may display and sell iProsper products at professional trade shows.

**20. Service-Related Establishments.** Affiliates may promote and sell iProsper products in service-related establishments. A service-related establishment is a business establishment whose primary revenue is earned by providing personal service rather than by selling products. Such establishments include offices of doctors, dentists, and other health professionals; health clubs or fitness centers; beauty salons; and any other business where customer use of the establishment is controlled by membership or appointment. iProsper reserves the right to make the final determination as to whether an establishment is service-related or is a proper place for the sale of its products.

**21. Change of Sponsor.** As a rule, Affiliates may not change their Sponsors (the Affiliates under whom they are enrolled). The only means by which an affiliate may legitimately change his/her Sponsor are by:

- Voluntarily canceling the Agreement in writing and remaining inactive for 6 full calendar months. Following the 6-full calendar month period of inactivity, the former affiliate may reapply under a new Sponsor. The affiliate will lose all rights to his/her former downline organization upon his/her cancellation; or

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- Submitting a written request for a change of Sponsor to the Company at [support@iprospers.life](mailto:support@iprospers.life). The affiliate requesting the transfer must also submit written and signed transfer authorization forms from his/her immediate three (3) upline affiliates.
- 22. Waiver of Claims.** In cases wherein an affiliate improperly changes his/her Sponsor, iProsper reserves the sole and exclusive right to determine the final disposition of the downline organization that was developed by the affiliate in his/her second line of sponsorship. **AFFILIATES WAIVE ANY AND ALL CLAIMS AGAINST IPROSPER, ITS OFFICERS, DIRECTORS, OWNERS, EMPLOYEES, AND AGENTS THAT RELATE TO OR ARISE FROM IPROSPER'S DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT DEVELOPS BELOW AN AFFILIATE WHO HAS IMPROPERLY CHANGED HIS/HER SPONSOR.**
- 23. Income Claims.** When presenting or discussing the iProsper opportunity or Compensation Plan to a prospective affiliate, affiliates may not make income projections, income claims, income testimonials, or disclose their iProsper income (including, but not limited to, the showing of checks, copies of checks, bank statements, or tax records), or the income of any other iProsper affiliate. Nor may Affiliates make lifestyle income claims. A lifestyle income claim is a statement or depiction that infers or states that the affiliate is able to enjoy a luxurious or successful lifestyle due to the income they earn from their iProsper business. Examples of prohibited lifestyle claims include, but are not limited to, the following types of representations:
- That affiliate (or his/her spouse) was able to quit his/her job unless factual and documented.
  - That affiliate was able to replace his/her income from a job unless factual and documented.
  - That affiliate was able to pay for a child's private school or college education due to his/her iProsper earnings, unless factual and documented.
  - That affiliate was able to acquire expensive or luxury material possessions, unless factual and documented. (e.g., homes, cars, jewelry, boats, recreational vehicles, etc.).
  - That because of his/her iProsper earnings affiliate was able to travel to exotic or expensive destinations, unless factual and documented.

The foregoing income claims restrictions apply to in-person presentations as well as promotional materials distributed by an affiliate including social media postings.

- 24. Compensation Plan and Opportunity Claims.** When presenting or discussing the iProsper Compensation Plan and/or the iProsper opportunity, affiliates must make it clear to prospects that financial success in iProsper requires commitment, effort, and sales skill. Conversely, affiliates must never represent that one can be successful without diligently applying themselves. Examples of misrepresentations in this area include, but are not limited to:
- 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.

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- The Company does all the work for you.
- You don't have to sell anything.
- All you have to do is buy your products every month.

The above are just examples of improper representations about the Compensation Plan and the Company's program. It is important that Affiliates do not make these, or any other representations, that could lead a prospect to believe that they can be successful as an affiliate without commitment, effort, and sales skill.

**25. Media Inquiries . Affiliates** must not interact with the media regarding the iProsper business or products. All inquiries from the media, including radio, television, print, online, or any other medium, shall be directed to the iProsper marketing department.

**26. Non-solicitation.** iProsper Affiliates are free to participate in other network marketing programs. However, during the term of this Agreement and for one year following the termination or cancellation of the Agreement for any reason, an affiliate may not directly or indirectly recruit other iProsper Affiliates (except for the affiliate's personally enrolled Affiliates or persons whose relationship preceded the iProsper enrollment) for any other network marketing business. This practice is known in the industry and defined as "crossline recruiting". The term "recruit" means the direct or indirect, actual or attempted, sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, another iProsper affiliate to enroll or participate in another network marketing opportunity. Crossline recruiting of iProsper affiliates into another network marketing opportunity will not be tolerated and will result in immediate termination of the affiliate agreement.

**27. Confidential Information.** "Confidential Information" includes, but is not limited to, the identities, contact information, and/or sales information relating to iProsper affiliates, and/or customers: (a) that is contained in or derived from any affiliates' respective Back office; (b) that is derived from any reports issued by iProsper to Affiliates to assist them in operating and managing their iProsper business; and/or (c) to which a would not have access or would not have acquired but for his/her affiliation with iProsper. Confidential Information constitutes proprietary business trade secrets belonging exclusively to iProsper and is provided to Affiliates in strict confidence. Confidential Information shall not be directly or indirectly disclosed to any third party nor used for any purpose other than affiliates' use in building and managing his/her Independent iProsper business.

**28. Handling Personal Information.** If affiliate receives Personal Information from or about an affiliate, or a customer, or from or about a prospective affiliate or customer, it is the affiliates' responsibility to maintain the security of the Personal Information. The affiliate should shred or irreversibly delete the Personal Information of others once the affiliate no longer needs it. Personal Information is information that identifies or permits a person or entity to contact an individual. It includes the name, address, email address, telephone number, credit card information, social security or tax identification number, and other information associated with these details, of another person including customers and affiliates, and prospective customers.



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- 29. Bonus Buying/Inventory Loading.** Bonus buying and inventory loading is strictly prohibited. Bonus buying and inventory loading is the purchase of, or subscription to, iProsper products and services for any reason other than affiliates' bona fide use of the product or service for personal or family use, or any mechanism or artifice to qualify for rank advancement or maintenance, incentives, prizes, commissions, or bonuses that are not driven by bona fide product and service purchases by end user consumers for actual use. For example, the purchase of an iProsper product or service by affiliate in order to qualify for a rank advancement or bonus or commission qualification is a form of bonus buying and inventory loading and is strictly prohibited unless a bona fide use of the product exists.
- 30. Limitations on affiliate and Household Businesses.** An individual may own, operate, control, or have an interest in, only one iProsper business, and there may be no more than two iProsper businesses per household, unless the affiliates have no relationship other than sharing the property. If there are two iProsper businesses in a household and those affiliates are related by blood, family intent or marriage, one of the businesses in the household must be the immediate Sponsor of the other. A "household" is defined as all individuals including dependent children who are living at the same residential address as a family or in a family-like setting. Dependent children attending school away from home are considered part of the household.
- 31. Actions of Third Parties.** If a third party acting on behalf of, or with the active or passive assistance or knowledge of affiliate engages in conduct that would be a violation of the Agreement, the conduct of the third-party may be imputed to the affiliate. "Knowledge" of misconduct is not limited to actual knowledge. If affiliate engages in acts or omissions that the affiliate knows will enable a third party to violate this Agreement if such action was taken by the affiliate, the affiliate shall be deemed to have knowledge of the violation.
- 32. Negative Comments/Non-disparagement.** Negative comments in the field serve only to sour the enthusiasm of other affiliates. Therefore, Affiliates must not disparage, libel, slander, demean, or make negative or critical comments to third parties or other Affiliates about iProsper, its owners, officers, directors, management, employees, other iProsper affiliates, or the Compensation Plan. Disputes or disagreements between any affiliate and iProsper shall be resolved through the dispute resolution process, and the Company and Affiliates agree specifically not to demean, discredit, or criticize one another on the Internet or any other public forum. Complaints and concerns about iProsper should be directed to the Service Department ( [support@iProsper.live](mailto:support@iProsper.live) )
- 33. Product and Service Sales.** The iProsper Compensation Plan is based on the sale of iProsper products and services to end consumers. Affiliates must fulfill personal and downline organization retail sales 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. Applicable personal and downline sales volume requirements are set forth in the iProsper Compensation Plan.
- 34. Adjustment to Bonuses and Commissions.** Compensation stemming from the sale of iProsper products and services is fully earned when the applicable refund, repurchase, and chargeback periods applicable to such sales have all expired. If the Company issues a refund to the buyer of an iProsper

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product or service, or a chargeback occurs, the compensation attributable to the refunded or charged back product(s) or service(s) will be recovered by the Company from the Affiliates who were paid commissions or bonuses based on the original sales of such products and services. Such unearned compensation will be deducted, in the month in which the refund is issued or the chargeback occurs and continuing every pay period thereafter until the commissions and bonuses are fully recovered from the selling affiliate and upline affiliates who received bonuses and commissions on the sales of the refunded or charged back products or services.

iProsper reserves the right to withhold or reduce any affiliate's compensation as it deems necessary to comply with any garnishment or court order directing iProsper to retain, hold, or redirect such compensation to a third party.

- 35. Refund Policies.** If you have any questions on refund policies, please contact the Customer Support Department at ( [support@iProsper.live](mailto:support@iProsper.live) ) -
- 36. Return of Sales Tools by Affiliates Upon Cancellation or Termination.** Within 30 days from the cancellation or termination of affiliate's Agreement, the affiliate may return Sales Tools that they personally purchased from iProsper during the 12-month period preceding the date of cancellation or termination for a refund so long as the goods are in currently marketable condition. (The one-year limitation shall not apply to residents of Louisiana, Maryland, Massachusetts and Wyoming and Puerto Rico). Upon the Company's timely receipt of returned goods and confirmation that they are in currently marketable condition, the affiliate will be reimbursed 90% of the net cost of the original purchase price(s). Shipping and handling charges will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. Goods are in "currently marketable condition" if they are unopened and unused and packaging and labeling has not been altered or damaged. Merchandise that is clearly identified at the time of sale as nonreturnable, closeout, discontinued, or as a seasonal item is not in currently marketable condition. Back office and replicated website fees are not refundable except as may be required under applicable state law.
- 37. Montana Residents:** A Montana resident may cancel his or her Agreement within 15 days from the date on which this application is submitted and is entitled to a full refund for the enrollment fee and for any other consideration he/she paid within such time period to participate in the program.
- 38. Louisiana, Massachusetts, and Wyoming Residents:** If a resident of Louisiana, Massachusetts, or Wyoming cancels the Agreement, upon receipt of a written request from such canceling, iProsper will refund 90% of the costs incurred by such canceling to participate in the program during the one-year period immediately preceding the date of the cancellation.
- 39. Maryland Residents:** An affiliate who resides in Maryland may cancel the contract for any reason within 3 months after the date of receipt of goods or services first ordered; upon cancellation, the Company shall repurchase the goods; and the repurchase price shall be at least 90% of the original price paid by the affiliate.
- 40. Other Purchase Cancellation Rights.** Customers, and newly enrolled Affiliates have three business

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days within which to cancel their initial purchase or subscription and obtain a full refund. Residents of Alaska have five business days and residents of North Dakota age 65 and over have 15 days to cancel and receive a full refund. An explanation of these rights is contained on the sales receipt or the iProsper website.

### 41. Cancellation or Termination of the Agreement; Disciplinary Sanctions.

- **Voluntary Cancellation.** A participant in this network-marketing plan has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the Company at its principal business address or by cancelling his/her business through his/her Back office. The written notice must include the affiliates' signature, printed name, address, and I.D. Number. An affiliate may also voluntarily cancel the Agreement by failing to pay the monthly Replicated Website fee or by withdrawing consent to contract electronically.
- **Suspension or Cancellation for Non-Payment.** An affiliate's failure to pay the monthly website hosting fees when due may result, at the company's discretion, in the suspension or termination of the Agreement. In the event any such fees remain unpaid for 60 days, the Agreement shall be automatically terminated.
- **Involuntary Cancellation/Termination; Disciplinary Sanctions.** Violation of any term of the Agreement, any illegal, fraudulent, deceptive, or unethical business conduct, or any act or omission by an affiliate that the Company reasonably believes may damage its reputation or goodwill, may result in the suspension or termination of this Agreement, and/or any other disciplinary measure that iProsper deems appropriate to address the misconduct. In situations deemed appropriate by iProsper, the Company may institute legal proceedings for monetary and/or equitable relief, subject to the Dispute Resolution Policy at Policy 50.
- **Effect of Cancellation.** So long as affiliate remains active and complies with the terms of the Agreement, iProsper shall pay commissions to such 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 Marketing Organization).

An affiliate whose business is cancelled for any reason will lose all rights, benefits, and privileges. This includes the right to represent yourself as an Independent iProsper affiliate, to sell iProsper products and services and the right to receive commissions, bonuses, or other income resulting from his/her own sales and the sales and other activities of the affiliate and the affiliate's former downline sales organization. There is no whole or partial refund back office fees, replicated website fees, or renewal fees if affiliate's business is cancelled.

An affiliate whose Agreement is canceled shall receive commissions and bonuses only for the last full pay period he or she was active prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation). The affiliate will also be entitled to

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commissions on business submitted before the cancellation date as long as that business is brought to completion and/or installation. This provision does not apply to downline sales.

- 42. Indemnification.** Each affiliate agrees to indemnify iProsper for any and all costs, expenses, consumer reimbursements, fines, sanctions, damages, settlements, or payments of any other nature that iProsper incurs resulting from or relating to any act or omission by the affiliate that is illegal, fraudulent, deceptive, negligent, unethical, or in violation of the Agreement. iProsper may elect to exercise its indemnification rights through withholding any compensation due to the affiliate. This right of setoff shall not constitute iProsper's exclusive means of recovering or collecting funds due iProsper pursuant to its right to indemnification.
- 43. Business Transfers. Affiliates** in good standing who wish to sell or transfer their business must receive iProsper's prior written approval before the business may be transferred. A business that is on disciplinary probation, suspension, or under disciplinary investigation is not in good standing and may not be transferred unless and until the disciplinary matter is resolved. Requests to transfer a business must be submitted in writing to the Customer Support Department at [support@iProsper.live](mailto:support@iProsper.live). The request to transfer will be denied if the business is not in good standing or if there is another reasonable reason for denying the request. Prior to transferring a business to a third party, the affiliate must allow iProsper to review and approve the sale to a qualified person or entity. Approval may be denied if person or entity is not in good standing in the community. Approval will not be unjustly withheld. The Company shall have ten days to review and approve sale.
- 44. Transfer Upon an affiliate's Death.** Upon the death of an affiliate, the affiliate's iProsper business may be passed to his/her heirs. Prior to such transfer, the beneficiary of the business must provide iProsper with certified letters testamentary or letters of administration and written instructions of the executor of the estate, or an order of the court, that provides direction on the proper disposition of the business. The beneficiary must also execute and submit to the Company an iProsper Agreement within 30 days from the date on which the business is transferred by the estate to the beneficiary or the business will be cancelled. Because iProsper cannot divide commissions among multiple beneficiaries or transferees, the beneficiaries or transferees must form a business entity (corporation, LLC, partnership, etc.) and submit an iProsper Agreement in the name of the business entity. Upon the completion of these requirements, iProsper will transfer the business and issue commissions to the individual beneficiary or business entity.
- 45. Divorce of an affiliate.** iProsper is not able to divide commissions among multiple parties, nor is it able to divide a downline organization. Consequently, in divorce cases, any settlement or divorce decree must award the business in its entirety to one party. iProsper will recognize as the owner of the business the former spouse to whom the business is awarded pursuant to a legally binding settlement agreement or decree of the court. The former spouse who receives the iProsper business must also execute and submit an iProsper Agreement within 30 days from the date on which the divorce becomes final or the business will be cancelled.
- 46. Dissolution of a Business Entity.** If a business entity that operates an iProsper business dissolves, the

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owners of the business entity must instruct the Company on the identity of the proper party who is to receive the business. The iProsper business must be awarded to a single individual or entity that was previously recognized by the Company as an owner of the business entity; the Company cannot divide the business among multiple parties or issue separate commission payments. The recipient of the iProsper business must also execute and submit an iProsper Agreement to the Company within 30 days from the date of the dissolution of the business entity or the Agreement will be cancelled. If the business entity wishes to sell or transfer its iProsper business to an individual or entity who was not previously recognized by the Company as an owner of the business entity, it must do so pursuant to policy 43.

- 47. Inducing Affiliates to Violate the Agreement.** Affiliates shall not directly or indirectly induce, encourage, or assist another to violate the Agreement.
- 48. Reporting Errors.** If an affiliate believes that iProsper has made an error in their compensation, the structure or organization of their genealogy, or any other error that impacts the affiliate's income, they must report it to the Company in writing within 60 days from the date on which the mistake occurred. While iProsper shall use its best efforts to correct errors reported more than 60 days after the date of the error, iProsper shall not be responsible to make changes or remunerate Affiliates for losses for mistakes that are reported more than 60 days after the mistake occurs.
- 49. International Activities.** Affiliates may not sell iProsper products or conduct business activities of any nature in any foreign country that the Company has not announced is officially open for business.
- 50. Dispute Resolution: Informal Negotiation, Non-Binding Mediation, and Binding Confidential Arbitration.** If a dispute between affiliate and iProsper arises from or relates to the Agreement, the business operated by the and/or the Company, the rights and obligations of either party, or the opportunity offered by the Company, the dispute shall, except as otherwise specifically provided herein, be resolved according to the three-step procedure of (a) informal negotiation; (b) non-binding mediation; and (c) confidential binding arbitration. **EXCEPT AS SPECIFICALLY SET FORTH BELOW, THE PARTIES AGREE TO RESOLVE THE DISPUTE THROUGH BINDING ARBITRATION AND WAIVE CLAIMS TO A TRIAL BEFORE ANY COURT OR JURY.** The following shall apply to all proceedings under this dispute resolution provision:
- Any claim a party has against the other must be brought within one year of the date on which the act or omission giving rise to the claim occurred. In cases in which informal negotiation is required, once informal negotiation is requested in writing the one-year limitation of actions provisions in this provision shall be tolled until the completion of the mediation phase of this provision and for ten calendar days thereafter.
  - At no time prior to the negotiation and mediation procedures below are completed shall either party initiate arbitration or litigation related to this Agreement or the business except as may be specified otherwise in this dispute resolution provision.
  - All offers, promises, conduct and statements, whether oral or written, made in the course of the negotiation and/or mediation by any of the parties, their agents, employees, experts and attorneys

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are confidential, privileged and inadmissible for any purpose, including impeachment, in arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the negotiation and/or mediation.

- Informal negotiations and mediation shall occur in Phoenix, Arizona unless the parties mutually agree on another forum. Informal negotiations shall take place telephonically or by video conference if either party requests such.
- Each party shall be responsible for its own attorney's fees, expert, professional and witness fees incurred in pursuing any claim, regardless of the forum.
- If affiliate has exercised their right to opt-out of arbitration, the litigation shall be brought before the federal or state courts residing in Maricopa County, Arizona
- If arbitration is filed all arbitration proceedings shall be filed and held in Phoenix, Arizona.
- A dispute relating to whether the dispute between the Company and affiliate is subject to arbitration shall be decided through arbitration.

**50.1 Step 1 - Informal Negotiation.** The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement or the Company's business promptly by negotiation between the aggrieved affiliate(s) and executives of the Company who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for administration of this Agreement. A party may, at its election, choose to be accompanied in such negotiation by an attorney. If one party elects to have its attorney present, the other party must also agree to have its attorney present if that party has retained counsel.

To institute the negotiation process, either party may give the other party written notice of any dispute not resolved in the normal course of business. Within 10 days after delivery of the notice, the receiving party shall submit to the other a written response. The notice and response shall include with reasonable particularity (a) a statement of each party's position and a summary of arguments supporting that position, and (b) the name and title of the executive and attorney who will accompany that party (if applicable), or the name of the affiliate and their attorney (if applicable) who will accompany them in the negotiation. Within 20 days after delivery of the notice, the parties and the attorneys (as applicable) of both parties shall meet at a mutually acceptable time and place. Such meeting may occur telephonically or by video conference if one party requests that the meeting be held telephonically or by video conference.

Unless otherwise agreed in writing by the negotiating parties, mediation may be commenced one business day following the close of the negotiation phase described above. The negotiation phase is "closed" when one party notifies the other in writing that it considers the negotiation "closed." Such closure shall not preclude continuing or later negotiations if desired by both parties.

**50.2 Step 2 – Mediation.** If the parties are unsuccessful in resolving their dispute through good faith negotiation, they shall seek to resolve the dispute through mediation. If a party elects to pursue mediation, the party shall submit a written request for mediation to the other party within 10 calendar days after the negotiation phase is completed. The parties shall have 10 calendar days following such

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request to select a mutually acceptable mediator. If the parties cannot agree on a mutually acceptable mediator, they shall apply to JAMS to have a neutral mediator appointed.

Mediation shall be conducted within 20 calendar days from the date on which the mediator is selected or appointed or as otherwise agreed upon by the parties and the mediator if the mediator is not available within 20 days.

Unless otherwise agreed upon by the parties, the mediation shall be closed no later than 30 calendar days following the completion of the meeting between the mediator and the parties.

**50.3 Step 3 – Binding Confidential Arbitration.** If the parties do not successfully resolve their dispute through the negotiation and mediation procedures above, the dispute shall be resolved through binding confidential arbitration in accordance with the terms of this Dispute Resolution Policy.

The arbitration shall be filed with and administered by JAMS in accordance with its Comprehensive Rules and Procedures, which are available on JAMS' website at <http://www.jamsadr.com/rulesclauses/xpqGC.aspx?xpST=RulesClauses>. Copies of JAMS Rules and Procedures will also be emailed to Affiliates upon request to the iProsper Customer Support Department ([support@iProsper.live](mailto:support@iProsper.live)). Notwithstanding the rules of JAMS, unless otherwise stipulated by the Parties, 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 hearing shall commence no later than 365 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.
- An Arbitrator's Award will consist of a written statement stating the disposition of each claim. The award will also provide a concise written statement of the essential findings and conclusions on which the award is based.
- Any dispute relating to whether the dispute is subject to arbitration shall be decided through arbitration.

**50.4 Arbitration Opt-Out.** An affiliate who does not wish to be subject to this Arbitration provision may opt-out by notifying iProsper in writing of his/her desire to opt-out of this Arbitration provision within 30 days of the 's execution of the Agreement. The opt- out notice shall be sent via email to [support@iProsperLLC.com](mailto:support@iProsperLLC.com). If an affiliate opts-out of arbitration, jurisdiction-and venue for the dispute shall be in Phoenix, Arizona, and the dispute shall be governed by the laws of the State of Arizona, without regard to principles of conflicts of laws.

**50.5 Actions Not Subject to Arbitration.** Once the Parties have exhausted efforts to resolve their dispute through the informal negotiation and mediation procedures listed above, any remaining

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disputes and claims that arise from, or relate to, the agreement between affiliate and iProsper, the iProsper business, and/or the relationship between iProsper and affiliate, shall be arbitrated pursuant to the arbitration provision in this policy. Notwithstanding the foregoing, the following claims may be, but need not be, resolved through confidential binding arbitration:

- Claims by Affiliates who have properly opted out of the arbitration provision.
- Claims that are within the jurisdictional limit of the small claims court in jurisdiction in which the affiliate resides.
- Claims seeking only Public Equitable Relief that is authorized by state or federal statute and such relief is not available through arbitration.

**50.6 Confidentiality.** Disputes shall remain confidential between the Company and the affiliate in question. With the exception of discussing the claims with bona fide witnesses to the dispute and the party's legal counsel, neither party nor its agents shall verbally or in writing discuss, publish, or otherwise disseminate any information relating to the dispute. This includes, but is not limited to, discussing claims, allegations, merits, evidence, positions, pleadings, testimony, rulings, awards, orders, issues, or any other aspect of the dispute with or to any third party. A prohibited disclosure can be via any medium including, but not limited to, verbal disclosure, disclosure via the internet, social media, or blog platform. Prohibited disclosures include those made prior to, during, or after any phase of the dispute resolution process. The only exceptions to this confidentiality provision are contained in this dispute resolution policy. Notwithstanding this confidentiality obligation, it shall not be a violation of this confidentiality provision if the Company discloses the final resolution of the dispute and/or any disciplinary measures taken by the Company to the Sponsor and upline of the affiliate with whom it had the dispute.

**50.7 Liquidated Damages for Breach of the Confidentiality Obligation.** If a Party violates its confidentiality obligations under this arbitration provision, the nonbreaching party shall incur significant damages to its reputation and goodwill that shall not be readily calculable. Therefore, if a Party, its attorneys, agents, or a proxy of a party breaches the confidentiality provision of this dispute resolution provision, the following shall apply:

- The non-breaching party shall be entitled to liquidated damages in the amount of \$10,000.00 per violation, or \$50,000 per violation if the disclosure is published on the internet, including but not limited to disclosure on any website or on any social media forum. Every disclosure of each claim, allegation, pleading, or other prohibited disclosure shall constitute a separate violation. Notwithstanding this confidentiality and liquidated damage provision, nothing herein shall limit the right or ability of a Party to disclose evidence, claims or allegations relating to the dispute to any individual who is, or who may be, a bona fide witness to the dispute. **The Parties agree that this liquidated damage amount is reasonable and waive all claims and defenses that it constitutes a penalty; AND**
- **Breach of the confidentiality provision by disseminating or publishing information described in subparagraph 50.6. above through any form of mass media (including but not limited to posting on the Internet or on any social media platform) by a party, a party's agent, or a party's proxy shall constitute an act of wanton and gross bad faith, and shall constitute a waiver of the beaching**



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**party's right to pursue the claim(s) and/or defense(s) against the non-breaching party, and shall entitle the non-breaching party to a default judgment against the breaching party.**

**50.8 Emergency Relief.** Notwithstanding the foregoing, nothing in the Agreement shall prevent either party from applying to and obtaining from any court to which the parties have consented to jurisdiction as set forth in the Agreement a temporary restraining order, preliminary or permanent injunction, or other equitable relief to safeguard and protect its intellectual property rights, trade secrets, and/or confidential information. The parties agree that any violation of the Non solicitation provisions (policy 26) or Confidential Information provisions (policy 27) of these Terms & Policies shall entitle iProsper to emergency and permanent equitable relief because: (a) there shall be no adequate remedy at law; (b) iProsper shall suffer immediate and irreparable harm should such policies be breached; and (c) if emergency and permanent equitable relief is not granted, the injury to iProsper shall outweigh the potential harm if emergency and/or permanent equitable relief is granted.

**50.9 Disputes Not Subject to the Informal Negotiation and/or Mediation Steps.** A party need not go through the informal negotiation or mediation steps described above in the following situations:

- **Action to Enforce Arbitration Award or Order.** Either party may bring an action to enforce an arbitration award or order in a court properly vested with jurisdiction including, but not limited to, an order for emergency relief.
- **Petitions for Emergency Relief.** If a party deems it necessary to seek emergency relief to protect its interests, it may seek emergency relief as set forth in this dispute resolution provision without engaging in the negotiation or mediation process set forth above. Notwithstanding the foregoing, the parties are encouraged, but not required, to engage in negotiation and or mediation concurrently with any pending request for emergency relief.
- **Public Equitable Relief.** If public equitable relief is authorized by federal or state statute, an action may be brought before a court properly vested with jurisdiction over the parties so long as: (a) the relief sought is limited to public equitable relief that is authorized by federal or state statute; and (b) the public equitable relief is unavailable through arbitration proceedings.
- **Disciplinary Sanctions.** The Company shall not be required to engage in the three- step dispute resolution process prior to imposing disciplinary sanctions for violation of the Agreement.

**50.10 Remedies.** Remedies available to you under U.S. federal laws, and the state and local laws of your state, shall remain available to you in any arbitration proceeding.

**51. Class Action Waiver.** All disputes, whether pursued through arbitration or before the courts, that arise from or relate to the Agreement, that arise from or relate to the iProsper business, or that arise from or relate to the relationship between the parties, shall be brought and proceed on an individual basis. **The parties waive their rights to pursue any action against the other party and/or their respective owners, officers, directors, and agents, on a class or consolidated basis.** You may opt out of this class action waiver if you wish by submitting written notice to the Company of your desire to opt out within 30 days from the date on which you enroll as an affiliate. The submission of such waiver does not affect your status as an iProsper affiliate. Submit your written opt-out notice to [support@iProsper.live](mailto:support@iProsper.live).

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- 52. Governing Law.** The Federal Arbitration Act shall govern all matters relating to arbitration. Except as is otherwise specifically referenced in these Terms & Policies, the law of the State of Arizona without regard to principles of conflicts of laws, shall govern all other matters relating to or arising from the Agreement, the business, the relationship between the parties, or any other claim between the Parties. Notwithstanding the foregoing, if a dispute is brought in a small claims court properly vested with jurisdiction, the law of the state in which the small claims court resides shall apply.
- 53. Damages for Wrongful Termination.** In any case which arises from or relates to the wrongful termination of affiliate's Agreement and/or independent business, the parties agree that damages will be extremely difficult to ascertain. Therefore, the parties stipulate that if the involuntary termination of an affiliate's Agreement and/or loss of their independent business is proven and held to be wrongful under any theory of law, affiliate's sole remedy shall be liquidated damages calculated as follows:
- For Affiliates earning up to \$10,000.00 in the 12 calendar months prior to termination, liquidated damages shall be in the amount of the gross compensation that he/she earned pursuant to the iProsper Compensation Plan in the twelve (12) months immediately preceding the termination.
  - For Affiliates earning between \$10,000.01 and \$20,000.00 during the 12 calendar months prior to termination, liquidated damages shall be in the amount of the gross compensation that he/she earned pursuant to the iProsper Compensation Plan in the twenty-four (24) months immediately preceding the termination.
  - For Affiliates earning more than \$20,000.00 in the 12 calendar months prior to termination, liquidated damages shall be in the amount of the gross compensation that he/she earned pursuant to the iProsper Compensation Plan in the thirty-six (36) months immediately preceding the termination.
- 54. Damage Waiver.** In any action arising from or relating to the Agreement, the parties waive all claims for incidental and/or consequential damages, even if the other party has been apprised of the likelihood of such damage. The parties further waive all claims to exemplary and punitive damages. Nothing in this provision or this Agreement shall restrict or limit a party's right to recover liquidated damages as set forth in these Terms & Policies.
- 55. Louisiana Residents.** The dispute resolution provisions in these Policies shall apply to Louisiana residents with the exception that any litigation or arbitration between the Company and a Louisiana resident may be brought in the 's home forum and pursuant to Louisiana law.