

POLICY AND PROCEDURES

SECTION 1 — INTRODUCTION

Basis of Cooperation

The company Megasource Trading Ltd (hereafter MAMA Network or the company) has a contract with several different partners for customer acquisition to their portals. The specific MAMA Network customer acquisition system is characterized by the fact that independent sales representatives (hereafter Members or Active Members) recruit participants to MAMA Network and customers for the online portals that MAMA Network has a contract for customer acquisition. In this connection the system is based on the MAMA Network compensation plan. This plan regulates the tasks of the Members according to their functional position in the organization which is structured according to the principles of the so-called Multi-Level-Marketing system. Furthermore the plan regulates the performance criteria a Member must meet in order to reach the individual functional positions in the organization as well as the compensation paid for the successful performance of the contractual tasks.

1.1 — Policies and Shared Compensation Program Incorporated into Member Agreement

These Policies and Procedures, in their present form and as amended at the sole discretion of Megasource Trading Ltd (hereafter “MAMA Network” or the “Company”), are incorporated into, and form an integral part of, the MAMA Network Member Agreement. Throughout these Policies, when the term “Agreement” is used, it collectively refers to the MAMA Network Member Application and Agreement, these Policies and Procedures, the Shared Compensation Program, and the MAMA Network Registration Form (if applicable). These documents are incorporated by reference into the MAMA Network Member Agreement (all in their current form and as amended by MAMA Network). Other agreements have to be made in writing. This requirement can only be changed in writing as well. It is the responsibility of each Member (hereafter “Member”) to read, understand, adhere to, and ensure that he or she is aware of and operating under the most current version of these Policies and Procedures.

The Agreement constitutes the entire contract between MAMA Network and the Member. Any promises, representations, offers, or other communications not expressly set forth in the Agreement are of no force and effect.

1.2 — Purpose of Policies

MAMA Network is a marketing company that has a contract with several different partners for customer acquisition to their portals. Based on these contracts MAMA Network is able to offer to its Members an Business Opportunity to become active and achieve some income from customers they acquire to MAMA Network partners. It is important to understand that your success and the success of your fellow Members is dependent upon the integrity of the men and women who market our products and services. To clearly define the relationship that exists between Members and MAMA Network, and to explicitly set a standard for acceptable business conduct, MAMA Network has established the Agreement.

MAMA Network Members are required to comply with all of the Terms and Conditions set forth in the Agreement which MAMA Network may amend at its sole discretion from time to time, as well as all federal, state, provincial, territorial, and local laws governing their MAMA Network business and their conduct. Because you may be unfamiliar with many of these standards of practice, it is very important that you read and abide by the Agreement. Please review the information in this manual carefully. It explains and governs the relationship between you, as an independent contractor and the Company. If you have any questions regarding any policy or rule, do not hesitate to seek an answer from your Sponsor or from MAMA Network.

1.3 — Changes to the Agreement

Because federal, state, provincial, territorial and local laws, as well as the business environment, periodically change, MAMA Network reserves the right to amend the Agreement and its prices in its sole and absolute discretion. By signing/accepting the Member Application and Agreement, a Member agrees to abide by all amendments or modifications that MAMA Network elects to make. Amendments shall be effective upon notice to all Members that the Agreement has been modified. Notification of amendments shall be published in official MAMA Network materials. The Company shall provide or make available to all Members a complete copy of the amended provisions by one or more of the following methods: (1) posting on the Company's official web site; (2) electronic mail (e-mail); (3) fax-on-demand; (4) voice mail system broadcast; (5) inclusion in Company periodicals; (6) inclusion in product orders or bonus payments; or (7) special mailings. The continuation of a Member's MAMA Network business or a Member's acceptance of bonuses or commissions constitutes acceptance of any and all amendments if the Member doesn't object to the changing by writing 15 days beginning with receipt of the changing-information.

1.4 — Delays

MAMA Network shall not be responsible for delays or failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, riot, war, fire, death, curtailment of a party's source of supply, or government decrees or orders.

1.5 — Policies and Provisions Severable

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid, or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect and shall be construed as if such invalid, or unenforceable provision never comprised a part of the Agreement.

1.6 — Waiver

The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a Members or a MAMA Network's business. No failure of MAMA Network to exercise any right or power under the Agreement or to insist upon strict compliance by a Member with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of MAMA Network's right to demand exact compliance with the Agreement. Waiver by MAMA Network can be effected only in writing by an authorized officer of the Company. MAMA Network's waiver of any particular breach by a Member, or MAMA Network's waiver of any particular provision of the Agreement, shall not affect or impair MAMA Network's rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Member. Nor shall any delay or omission by MAMA Network to exercise any right arising from a breach affect or impair MAMA Network's rights as to that or any subsequent breach.

The existence of any claim or cause of action of a Member against MAMA Network shall not constitute a defense to MAMA Network's enforcement of any term or provision of the Agreement.

1.7 — Limitation of Liability

To the extent permitted by law, Members agree that MAMA Network, its parent companies, directors, officers, shareholders, employees, assigns, successors, and

agents (collectively referred to as “affiliates”) shall not be liable for and Members release MAMA Network and its affiliates from, and waive all claims for, any loss of profits, indirect, direct, special or consequential damages or any other loss incurred or suffered by a Member as a result of:

- 1 The Member’s breach of the Agreement;
- 2 The improper promotion or operation of a MAMA Network business by a Member and any activities related thereto (e.g., the presentation of MAMA Network’s products, services or Shared Compensation Program, the operation of a motor vehicle, the lease of meeting or training facilities, etc.);
- 3 Any incorrect or wrong data or information provided by a Member to MAMA Network; or,
- 4 The Member’s failure to provide any information or data necessary for MAMA Network to operate its business

1.8 — All claims of members against MAMA Network fall under statute of limitation after one year.

1.9 — Acceptance of the Investor Bonus

By accepting these Policies and Procedures a Member simultaneously agrees to receive so called Investor Bonus which is due when a certain stage in a Compensation Program is achieved. The Investor

SECTION 2 — BECOMING A MEMBER

2.1 — New Member Enrollment

Applicants enroll as a Trial Members at the MAMA Network Web Site of his or her Sponsor. Online enrollments shall be effective upon the Applicant’s proper completion of the online Application and Agreement and MAMA Network’s acceptance of the application.

2.2 — Member Benefits

Once a Member Application and Agreement has been accepted by MAMA Network, the usage of the Business model with Compensation Program and the Agreement are made available. These benefits may include the right to:

- 1 Purchase MAMA Network products (if available) and services at the Member price.

- 2 Market and promote MAMA Network products (if available) and services via the Member's personalized MAMA Network Web Site, and profit from these sales.
- 3 Participate in the Shared Compensation Program (receive bonuses and commissions, if eligible. By this agreement Member accept that part of the commissions and bonuses can be paid in form which intended use is set by MAMA Network).
- 4 Sponsor other individuals (Members) into the MAMA Network business and thereby, build a Team and progress through the Shared Compensation Program.
- 5 Receive periodic MAMA Network literature and other MAMA Network communications.
- 6 Participate in MAMA Network-sponsored support, service, training, motivational and recognition functions, upon payment of appropriate charges, if applicable; and
- 7 Participate in promotional and incentive contests and programs sponsored by MAMA Network for its Members.

SECTION 3 — OPERATING A MAMA BUSINESS

3.1 — Adherence to the MAMA Network Marketing Plan

Members must adhere to the terms of the MAMA Network Marketing Plan as set forth in official MAMA Network literature. Members shall not offer the MAMA Network opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official MAMA Network literature. Members shall not require or encourage other current or prospective Members to participate in MAMA Network in any manner that varies from the program as set forth in official MAMA Network literature. Members shall not require or encourage other current or prospective Members to execute any agreement or contract other than official MAMA Network agreements and contracts in order to become a MAMA Network Member. Similarly, Members shall not require or encourage other current or prospective Members to make any purchase from, or payment to, any individual or other entity to participate in the Shared Compensation Program other than those purchases or payments identified as recommended or required in official MAMA Network literature.

3.2 — Advertising

3.2.1 – In General

All Members shall safeguard and promote the good reputation of MAMA Network and its products (if available) and services. The marketing and promotion of MAMA Network, the MAMA Network opportunity, the Compensation Program, and MAMA Network partners and their services shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

To promote both the products (if available) and services, and the tremendous opportunity MAMA Network offers, Members must use the sales aids and support materials produced by MAMA Network. The rationale behind this requirement is simple. MAMA Network has carefully designed its products, services, Compensation Program, and promotional materials to ensure that each aspect of MAMA Network is fair, truthful, substantiated, and complies with the vast and complex legal requirements of federal, state, and provincial laws. If MAMA Network Members were allowed to develop their own sales aids and promotional materials (which includes Internet advertising), notwithstanding their integrity and good intentions, the likelihood that they would unintentionally violate any number of statutes or regulations affecting a MAMA Network business is almost certain. These violations, although they may be relatively few in number, would jeopardise the MAMA Network opportunity for all Members.

Accordingly, Members must not produce their own literature, advertisements, sales aids and promotional materials, or Internet web pages.

3.2.2 – Spamming and Unsolicited Faxes

Except as provided in this section, Members may not use or transmit unsolicited faxes, mass e-mail distribution, unsolicited e-mail, or “spamming” relative to the operation of their MAMA Network businesses. The terms “unsolicited faxes” and “unsolicited e-mail” mean the transmission via telephone facsimile or electronic mail, respectively, of any material or information advertising or promoting MAMA Network, its products (if available), services, its Compensation Program or any other aspect of the Company which is transmitted to any person, except that these terms do not include a fax or e-mail: (a) to any person with that person's prior express invitation or permission; or (b) to any person with whom the Member has an established business or personal relationship. The term “established business or personal relationship” means a prior or existing relationship formed by a voluntary two-way communication between a Member and a person, on the basis of: (a) an inquiry, application, purchase or transaction by the person regarding products offered by such Member; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.

3.2.3 – Telemarketing

Members agree that they shall not engage in telemarketing relative to the operation of their MAMA Network businesses. The term “telemarketing” means the placing of one or more telephone calls to an individual or entity to induce the purchase of a MAMA Network product (if available) or service, or to recruit them for the MAMA Network opportunity. “Cold calls” made to prospective customers or Members that promote either MAMA Network’s products (if available) or services or the MAMA Network opportunity constitute telemarketing and are prohibited.

Notwithstanding the foregoing, a Member may place telephone call(s) to a prospective customer or Member (a “prospect”) under the following limited situations:

- 1 If the Member has an established business relationship with the prospect. An “established business relationship” is a relationship between a Member and a prospect based on:
 - ← The prospect’s purchase, rental, or lease of goods or services from the Member within the eighteen (18) months immediately preceding the date of a telephone call to induce the prospect’s purchase of a product or service; or
 - ← A financial transaction between the prospect and the Member within the eighteen (18) months immediately preceding the date of such a call.
- 2 The prospect’s personal inquiry or application regarding a product or service offered by the Member, within the three (3) months immediately preceding the date of such a call.
- 3 If the Member receives written and signed permission from the prospect authorizing the Member to call. The authorization must specify the telephone number(s) which the Member is authorized to call.
- 4 Members may call family members, personal friends, and acquaintances. An “acquaintance” is someone with whom a Member has at least a recent first-hand relationship (i.e., the Member recently personally met him or her). Bear in mind, however, that if a Member makes a habit of “card collecting” everyone he or she meets and subsequently calling them, the Federal Trade Commission or state authority may consider this a form of telemarketing that is not subject to this exemption. Thus, if Members engage in calling “acquaintances,” the Member must make such calls on an occasional basis only and not as a routine practice.

In addition, Members shall not use automatic telephone dialing systems relative to the operation of their MAMA Network businesses. The term “automatic telephone dialing system” means equipment which has the capacity to: (a) store or produce telephone numbers to be called, using a random or sequential number generator; and (b) to dial such numbers.

3.2.4 – Web Sites

Members are not permitted to develop their own web sites or web pages that promote, directly or indirectly, the MAMA Network opportunity or any MAMA Network partners products or services. No Member may independently design a web site that uses the names, logos, or product descriptions of MAMA Network or otherwise promotes (directly or indirectly) MAMA Network partners products or services or the MAMA Network opportunity. Nor may a Member use "blind" ads on the Internet that make product or income claims which are ultimately associated with MAMA Network products (if available), services, the MAMA Network opportunity, or the Shared Compensation Program. The use of any other Internet web site or web page (including without limitation auction sites such as eBay) to in any way promote the sale of MAMA Network products (if available), services, the MAMA Network opportunity, or the Compensation Program is a breach of the Agreement and may result in any of the disciplinary sanctions set forth in Section 8.1.

3.2.5 – Domain Names

Members may not use or attempt to register any of MAMA Network's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, for any Internet domain name. Nor may Members incorporate or attempt to incorporate any of MAMA Network's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, into any electronic mail address.

3.2.6 – Trademarks and Copyrights

MAMA Network will not allow the use of its trade names, trademarks, designs, or symbols by any person, including a MAMA Network Member, without its prior, written permission. Members may not produce for sale or distribution any recorded Company events and speeches without written permission from MAMA Network nor may Members reproduce for sale or for personal use any recording of Company-produced audio or video tape presentations.

3.2.7 – Media and Media Inquiries

Members must not attempt to respond to media inquiries regarding MAMA Network, its products (if available) or services. All inquiries by any type of media must be immediately referred to MAMA Network's Marketing Department. This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image.

3.2.8 – Release

By entering into the Agreement, Member authorizes MAMA Network to use his or her name and/or likeness in advertising or promotional materials and waives all claims for remuneration for such use. If the Member disagrees MAMA Network will not disadvantage him/her.

3.3 – Bonus Buying

“Bonus buying” includes: (a) the enrollment of individuals or entities without the knowledge of and/or execution of a Member Application and Agreement by such individuals or entities; (b) the fraudulent enrollment of an individual or entity as a Member; (c) the enrollment or attempted enrollment of non-existent individuals or entities as Members (“phantoms”); or (d) the use of a credit card by or on behalf of a Member when the Member is not the account holder of such credit card. Bonus buying constitutes a material breach of these Policies and Procedures, and is strictly and absolutely prohibited.

3.4 – Business Entities

A corporation, limited liability company, partnership or trust (collectively referred to in this section as a “Business Entity”) may apply to be a MAMA Network Member by completing a Application and Agreement. Any compensation earned will be held in a Pending State until the proper documentation is received.

3.5 – Changes to the MAMA Network Business

3.5.1 - Change of Sponsor

To protect the integrity of all Teams and safeguard the hard work of all Members, MAMA Network strongly discourages changes in sponsorship. Maintaining the integrity of sponsorship is critical for the success of every Member and Team. Accordingly, the transfer of a MAMA Network business from one sponsor to another is rarely permitted.

Requests for change of sponsorship must be submitted in writing to the Member Support Department, and must include the reason for the transfer. Transfers will only be considered in the following two (2) circumstances:

- 1 In cases involving fraudulent inducement or unethical sponsoring, a Member may request that he or she be transferred to another organization with his or her entire Team intact. All requests for transfer alleging fraudulent enrollment practices shall be evaluated on a case by case basis.
- 2 The Member seeking to transfer submits a properly completed and fully executed Sponsorship Transfer Form that includes the written approval of his or her immediate upline active Sponsor/Member. Photocopied or facsimile signatures are acceptable. The Member who requests the transfer must submit a fee of \$69.00 for administrative charges and data processing. Members in the Team will not be moved with the transferring Member unless all of the requirements of this paragraph are met. Transferring Members must allow thirty (30) days after the receipt of the Sponsorship Transfer Forms by MAMA Network for processing and verifying change requests.

3.5.2 - Cancellation and Re-application

A Member may legitimately change his or her Sponsor by voluntarily canceling his or her MAMA Network business and remaining inactive (i.e., no customer acquiring, no sponsoring, no attendance at any MAMA Network functions, participation in any other form of Member activity, or operation of any other MAMA Network business) for six (6) full calendar months. Following the six month period of inactivity, the former Member may reapply under a new sponsor. MAMA Network will consider waiving the six month waiting period under exceptional circumstances. Such requests for waiver must be submitted to MAMA Network in writing.

3.6 — Unauthorized Claims and Actions

3.6.1 - Indemnification

A Member is fully responsible for all of his or her verbal and written statements made regarding MAMA Network partners products , services, and the Compensation Program which are not expressly contained in official MAMA Network materials. Members agree to indemnify MAMA Network and MAMA Network's directors, officers, employees, and agents, and hold them harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by MAMA

Network as a result of the Member's unauthorized representations or actions. This provision shall survive the termination of the Agreement.

3.6.2 - Income Claims

In their enthusiasm to enroll prospective Members, some Members are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of the MAMA Network opportunity. This is counter-productive because new Members may become disappointed very quickly if their results are not as extensive or as rapid as the results others have achieved. At MAMA Network, we firmly believe that the MAMA Network income potential is great enough to be highly attractive, without reporting the earnings of others.

While Members may believe it beneficial to provide copies of commission payments, or to disclose the earnings of themselves or others, such approaches have legal consequences that can negatively impact MAMA Network as well as the Member making the claim unless appropriate disclosures required by law are also made contemporaneously with the income claim or earnings representation. Because MAMA Network Members do not have the data necessary to comply with the legal requirements for making income claims, a Member, when presenting or discussing the MAMA Network opportunity or Compensation Program to a prospective Member, may not make income projections, income claims, or disclose his or her MAMA Network income (including the showing of commission payments, bank statements, or tax records).

Hypothetical income examples that are used to explain the operation of the Compensation Program, and which are based solely on mathematical projections, may be made to prospective Members, so long as the Member who uses such hypothetical examples 1) makes clear to the prospective Member(s) that such earnings are hypothetical; and 2) provides each prospective Member with a current copy of MAMA Network's official income disclosure statement.

3.7 — Expositions and Trade Shows

3.7.1 – Trade Shows, Expositions and Other Forums

Members may display MAMA Network products at trade shows and professional expositions only with prior MAMA Network corporate approval. Before submitting a deposit to the event promoter, Members must contact the Marketing Department in writing for approval. Any requests to participate in future events must again be submitted to the Marketing Department. MAMA Network further reserves the right to

refuse authorization to participate at any function which it does not deem a suitable forum for the promotion of its MAMA Network opportunity. Approval will not be given for swap meets, garage sales, flea markets or farmer's markets as these events are not conducive to the professional image MAMA Network wishes to portray.

3.8 — Conflicts of Interest

3.8.1 - Nonsolicitation

MAMA Network Members are free to participate in other direct selling opportunities (including relationship marketing, network marketing, and multilevel marketing). However, during the term of this Agreement, Members may not recruit other MAMA Network Members for any other direct selling business. Exception to the above are those individuals/members personally introduced/sponsored from a member to the MAMA Network opportunity.

Members must not sell, or attempt to sell, any competing non-MAMA Network partners products or services to MAMA Network Members. Any product or services in the same generic category as a MAMA Network partner product or service is deemed to be competing.

Members may not display MAMA Network partners products or services with any other products or services in a fashion that might in any way confuse or mislead a prospective customer or Member into believing there is a relationship between the MAMA Network and non-MAMA Network products (if available) or services. Members may not offer the MAMA Network opportunity, products (if available) or services to prospective or existing customers or Members in conjunction with any non-MAMA Network program, opportunity, product or service. Members may not offer any non-MAMA Network opportunity, products or services at any MAMA Network-related meeting, seminar or convention, or immediately following such event.

3.9 — Cross-Sponsoring

Actual or attempted cross sponsoring is strictly prohibited. "Cross sponsoring" is defined as the enrollment of an individual who or entity that already has a current Agreement on file with MAMA Network, or who has had such an agreement within the preceding six calendar months, within a different line of sponsorship. The use of a spouse's or relative's name, trade names, DBAs, assumed names, corporations, partnerships, trusts, federal ID numbers, or fictitious ID numbers to circumvent this policy is prohibited. Members shall not demean, discredit or defame other MAMA Network Members in an attempt to entice another Member to become part of the first Member's

Team. This policy shall not prohibit the transfer of a MAMA Network business in accordance with Section 3.22 or Section 3.5.

3.10 — Errors or Questions

If a Member has questions about or believes any errors have been made regarding commissions, bonuses, Team Activity Reports, or charges, the Member must notify MAMA Network in writing within 30 days of the date of the purported error or incident in question. MAMA Network will not be responsible for any errors, omissions or problems not reported to it within 30 days. If this wasn't caused by wilful intent or gross negligence.

3.11 — Governmental Approval or Endorsement

Neither federal/national nor state regulatory agencies or officials approve or endorse any direct selling companies or programs. Therefore, Members shall not represent or imply that MAMA Network or its Compensation Program have been "approved," "endorsed" or otherwise sanctioned by any government agency.

3.12 — Independent Contractor Status

Members are independent contractors, and are not purchasers of a franchise or a business opportunity. The agreement between MAMA Network and its Members does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Member. A MEMBER SHALL NOT BE TREATED AS AN EMPLOYEE FOR HIS OR HER SERVICES OR FOR FEDERAL/NATIONAL OR STATE TAX PURPOSES. All Members are responsible for paying local, state, and federal/National taxes due from all compensation earned as a Member of the Company. MAMA Network is not responsible for withholding, and shall not withhold or deduct from a Member's bonuses and commissions, if any, taxes of any kind, unless withholding becomes legally required. The Member has no authority (expressed or implied), to bind the Company to any obligation. Members are not authorized to and will not incur any debt, expense, obligation, or open any checking account on behalf of, for, or in the name of MAMA Network. Each Member agrees that he or she shall control the manner and means by which he or she operates his or her MAMA Network business, and shall establish his or her own goals, hours, and methods of sale, subject to compliance with these Policies and Procedures and applicable law.

Each Member shall be solely responsible for paying all expenses incurred, including but not limited to travel, food, lodging, secretarial, office, long distance telephone, and other expenses. He bears his own business risk.

The name of MAMA Network and other names as may be adopted by MAMA Network are proprietary trade names, trademarks and service marks of MAMA Network. As such, these marks are of great value to MAMA Network and are supplied to Members for their use only in an expressly authorized manner. Use of MAMA Network name on any item not produced by the Company is prohibited except as follows:

Member's Name

Independent MAMA Network Member

All Members may list themselves as an “Independent MAMA Network Member” in the white or yellow pages of the telephone directory under their own name. No Member may place telephone directory display ads using MAMA Network's name or logo. Members may not answer the telephone by saying “MAMA Network”, “MAMA Network Incorporated”, or in any other manner that would lead the caller to believe that he or she has reached corporate offices of MAMA Network.

3.13 — Insurance

You may wish to arrange insurance coverage for your business. Neither your homeowner’s insurance policy nor your automobile insurance policy covers business-related injuries, or the theft of or damage to inventory or business equipment. Contact your insurance agent to make certain that your property is protected. This can often be accomplished with a simple “Business Pursuit” endorsement attached to your present homeowner’s and automobile policies.

3.14 — Adherence to Laws and Ordinances

3.14.1 - Local Ordinances

Many cities and counties have laws regulating certain home-based businesses. In most cases these ordinances are not applicable to Members because of the nature of their business. However, Members must obey those laws that do apply to them. If a city or county official tells a Member that an ordinance applies to him or her, the Member shall be polite and cooperative, and immediately send a copy of the ordinance to the Compliance Department of MAMA Network. In most cases there are exceptions to the ordinance that may apply to MAMA Network Members.

3.14.2 - Compliance With Federal/National, State, and Local Laws

Members shall comply with all federal, national, state, and local laws and regulations in the conduct of their businesses.

3.15 — Minors

Members of MAMA Network must be old enough to enter a binding contract in the jurisdiction in which they are located, and in no event younger than 18 years of age. Members under the age of 18 are not eligible to participate in the MAMA Network business opportunity. When a MAMA Network Member turns 18, he/she is eligible to participate in the MAMA Network business opportunity.

3.16 — MAMA Network Businesses Per Member and Per Household

A Member may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in one or more MAMA Network business as long as that individual can provide a Social Security number and or Tax Identification number for each entity. No single entity may use the same Social Security number or Tax Identification number. An individual may have, operate or receive compensation from more than one MAMA Network business as long as all subsequent businesses are positioned below the initial business in the line of sponsorship. Individuals of the same family unit may enter into or have an interest in more than one MAMA Network Business. A “family unit” is defined as spouses and dependent children living at or doing business at the same address.

3.16.1 - Actions of Household Members or Affiliated Individuals

If any member of a Member’s immediate household engages in any activity which, if performed by the Member, would violate any provision of the Agreement, such activity will be deemed a violation by the Member and MAMA Network may take disciplinary action pursuant to the Statement of Policies against the Member. Similarly, if any individual associated in any way with a corporation, partnership, trust or other entity (collectively “affiliated individual”) violates the Agreement, such action(s) will be deemed a violation by the entity, and MAMA Network may take disciplinary action against the entity.

3.17 — Sale, Transfer or Assignment of MAMA Network Business

A Member may not assign any rights or delegate any duties under the Agreement without the prior written consent of MAMA Network. Any attempt to transfer or assign a MAMA Network business without the express written consent of MAMA Network will render the Agreement voidable at the option of MAMA Network. Therefore, although a

MAMA Network business is a privately owned, independently operated business, the sale, transfer or assignment of a MAMA Network business is subject to certain limitations. If a Member wishes to sell his or her MAMA Network business, he or she must receive written authorization from the Company. In order to sell, transfer or assign a MAMA Network business, the following criteria must be met:

- 1 As actual Membership agreement is between company and private person.
- 2 Protection of the existing line of sponsorship must always be maintained so that the MAMA Network business continues to be operated in that line of sponsorship.
- 3 The buyer or transferee must be (or must become) an active MAMA Network Member. If the buyer is an active MAMA Network Member, he or she must first terminate his or her MAMA Network business simultaneously with the purchase, transfer, assignment or acquisition of any interest in the new MAMA Network business. Also if the buyer is an active MAMA Network Member, he or she must be in good standing and not in violation of any of the terms of the Agreement.
- 4 Before the sale, transfer or assignment can be finalized and approved by MAMA Network, any debt obligations the selling Member has with MAMA Network must be satisfied.
- 5 The selling Member must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer or assign a MAMA Network business.

Prior to selling a MAMA Network business, the selling Member must notify MAMA Network Member Support Department of his or her intent to sell the MAMA Network business. No changes in line of sponsorship can result from the sale or transfer of a MAMA Network business.

If a Member desires to sell his or her MAMA Network distributorship, the Member's Sponsor must be given the first right and option, in writing and sent via certified mail/return receipt requested, to purchase the distributorship. If the Sponsor desires to purchase the distributorship, the purchased distributorship will merge with the Sponsor's marketing organization to create a single marketing organization.

If the Sponsor fails to notify the selling Member of his or her intention to purchase the distributorship within ten (10) business days after his or her receipt of selling Member's notice of intent to sell, the selling Member must offer (in succession beginning with the Member immediately above the seller's Sponsor) the distributorship to the first three immediate upline Members of the seller's Sponsor upon the same terms provided in the option to the seller's Sponsor. If an upline Member desires to purchase the selling Member's distributorship, the purchasing Member must first sell or resign from his or her own distributorship before purchasing another.

If each of the three upline Members fails to notify the selling Member of his or her intention to purchase the distributorship within ten (10) business days after his or her receipt of selling Member's notice of intent to sell, the selling Member may proceed with the sale to a third party willing to purchase the existing distributorship upon the same terms provided in the offer to the seller's Sponsor. The buyer, transferee or assignee must complete a Member Agreement (or Transfer Agreement if he or she is a current MAMA Network Member) and possess reasonable ability to satisfactorily perform the

obligations of a MAMA Network Member who is of the same rank or status as the selling Member.

Upon complete execution of the purchase and sale agreement, and the new Member Agreement, the parties must submit copies of the same to MAMA Network's Member Support Department for review and approval. MAMA Network reserves the right to request additional documentation that may be necessary to analyze the transaction between the buyer and seller. MAMA Network's Member Support Department will, in its sole and absolute discretion, approve or deny the sale, transfer or assignment within thirty (30) days after its receipt of all necessary documents from the parties.

If the seller sells, transfers or assigns or attempts to sell, transfer or assign his or her distributorship upon terms different than those set forth in the offer to the seller's Sponsor, such transfer shall be voidable at MAMA Network's option and MAMA Network is entitled to claim for compensation. Further, if the parties fail to obtain MAMA Network's approval for the transaction, the transfer shall be voidable at MAMA Network's option. The purchaser of the existing distributorship will assume the obligations and position of the selling Member. A Member who sells his or her distributorship shall not be eligible to re-apply as a MAMA Network Member for a period of at least six (6) full calendar months after the sale.

3.18 — Separation of a MAMA Network Business

MAMA Network Members sometimes operate their MAMA Network businesses as husband-wife partnerships, regular partnerships, corporations, or trusts. At such time as a marriage may end in divorce or a corporation, partnership or trust (the latter three entities are collectively referred to herein as "entities") may dissolve, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship. If the separating parties fail to provide for the best interests of other Members and the Company, MAMA Network will involuntarily terminate the Agreement and roll-up their entire organization pursuant to Section 3.22.

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

- 1 One of the parties may, with consent of the other(s), operate the MAMA Network business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize MAMA Network to deal directly and solely with the other spouse or non-relinquishing shareholder, partner or trustee.
- 2 The parties may continue to operate the MAMA Network business jointly on a "business-as-usual" basis, whereupon all compensation paid by MAMA Network will continue to pay the original contract as usual or in the name of the entity to be divided as the parties may independently agree between themselves.

Under no circumstances will the Team of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will MAMA Network split commission and bonus payments between divorcing spouses or members of dissolving

entities. MAMA Network will recognize only one Team and will issue only one commission check per MAMA Network business per commission cycle. Commission payments shall always be issued to the same individual or entity. In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of commissions and ownership of the business, the Agreement shall be involuntarily canceled.

If a former spouse or a former entity affiliate has completely relinquished all rights in their original MAMA Network business, they are thereafter free to enroll under any sponsor of their choosing, so long as they meet the waiting period requirements set forth in Section 3.5.2. In such case, however, the former spouse or partner shall have no rights to any Members in their former Team or to any former customer. They must develop the new business in the same manner as would any other new Member.

3.19 — Sponsoring

All active Members in good standing have the right to sponsor and enroll others into MAMA Network. Each prospective Member has the ultimate right to choose his or her own Sponsor. If two Members claim to be the Sponsor of the same new Member, the Company shall regard the first application received by the Company as controlling.

3.20 — Stacking

The term “stacking” includes: (a) the failure to transmit to MAMA Network, or the holding of an Member Application and Agreement in excess of two business days after its execution; (b) the placement or manipulation of Member Applications and Agreements for the purpose of maximizing compensation pursuant to MAMA Network’s Compensation Program; or (c) providing financial assistance to new Members for the purpose of maximizing compensation pursuant to MAMA Network’s Compensation Program. Stacking constitutes a material breach of these Policies and Procedures, and is strictly and absolutely prohibited.

3.21 — Succession

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

- 1 Complete a new Next Generation Member Application and Agreement;
- 2 Comply with terms and provisions of the Agreement; and

3 Meet all of the qualifications for the deceased Member's status.

Bonus and commission payments of a MAMA Network business transferred pursuant to this section will be paid in a single payment jointly to the devisees. The devisees must provide MAMA Network with an "address of record" to which all bonus and commission payments will be sent. If the business is bequeathed to joint devisees, they must form a business entity and acquire a federal/national taxpayer Identification number. MAMA Network will issue all bonus and commission payments to the business entity.

3.22 - Transfer Upon Death of a Member

To effect a testamentary transfer of a MAMA Network business, the successor must provide the following to MAMA Network: (1) an original death certificate; (2) a notarized copy of the will or other instrument establishing the successor's right to the MAMA Network business; and (3) a completed and executed Member Application and Agreement.

3.22.1 - Transfer Upon Incapacitation of a Member

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

SECTION 4 — RESPONSIBILITIES OF MEMBERS

4.1 — Change of Address or Telephone

To ensure timely delivery of products, support materials, and commission payments, it is critically important that MAMA Network's files are current. To guarantee proper delivery, two weeks advance notice must be provided to MAMA Network on all changes.

4.2 — Continuing Development Obligations

4.2.1 - Ongoing Training

Any Member who sponsors another Member into MAMA Network must perform a bona fide assistance and training function to ensure that his or her Team is properly operating

his or her MAMA Network business. Members must have ongoing contact and communication with the Members in their Teams. Examples of such contact and communication may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, and the accompaniment of Team members to MAMA Network meetings, training sessions, and other functions. Upline Members are also responsible to motivate and train new Members in MAMA Network partners product knowledge, effective sales techniques, the Shared Compensation Program, and compliance with Company Policies and Procedures. Communication with and the training of Team members must not, however, violate Section 3.2 (regarding the development of Member-produced sales aids and promotional materials).

Members must monitor the Members in their Respective Teams to ensure that such Members do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request, every Member should be able to provide documented evidence to MAMA Network of his or her ongoing fulfillment of the responsibilities of a Sponsor.

4.2.2 - Increased Training Responsibilities

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

4.2.3 - Ongoing Sales Responsibilities

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

4.3 — Nondisparagement

MAMA Network wants to provide its independent Members with the best partners, compensation plan, and service in the industry. Accordingly, we value your constructive criticisms and comments. All such comments should be submitted in writing to the Member Support Department. Remember, to best serve you, we must hear from you! While MAMA Network welcomes constructive input, negative comments and remarks made in the field by Members about the Company, its partners, or Compensation Program serve no purpose other than to sour the enthusiasm of other MAMA Network Members. For this reason, and to set the proper example for their Team members,

Members must not disparage MAMA Network, other MAMA Network Members, MAMA Network's partners, the Compensation Program, or MAMA Network's directors, officers, or employees. The disparagement of MAMA Network, other MAMA Network Members, MAMA Network's products, the Compensation Program, or MAMA Network's directors, officers, or employees constitutes a material breach of these Policies and Procedures.

4.4 — Reporting Policy Violations

Members observing a Policy violation by another Member should submit a written report of the violation directly to the attention of the MAMA Network Compliance Department. Details of the incidents such as dates, number of occurrences, persons involved, and any supporting documentation should be included in the report.

SECTION 5 — SALES REQUIREMENTS

5.1 — Product Sales

The Shared Compensation Program is based upon the sale of MAMA Network partners products and services to end consumers ("Customers/Members"). The entire bonus is based on the turnover which is generated by consumers doing their on-line shopping at MAMA Network partner companies portals. There is absolutely no requirement for our members to purchase at any time any products or services from MAMA Network partner companies.

5.2 — No Territory Restrictions

There are no exclusive territories granted to anyone. No franchise fees are required.

SECTION 6 — DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

6.1 — Disciplinary Sanctions

Violation of the Agreement, these Policies and Procedures, or any illegal, fraudulent, deceptive or unethical business conduct by a Member may result, at MAMA Network's discretion, in one or more of the following corrective measures:

- 1 Issuance of a written warning or admonition;
- 2 Requiring the Member to take immediate corrective measures;
- 3 Imposition of a fine, which may be withheld from bonus and commission payments;
- 4 Loss of rights to one or more bonus and commission payments;
- 5 Suspension of the individual's Agreement for one or more pay periods;
- 6 Involuntary termination of the offender's Agreement; and/or
- 7 Any other measure expressly allowed within any provision of the Agreement or which MAMA Network deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Member's policy violation or contractual breach.

MAMA Network may withhold from a Member all or part of the Member's bonuses and commissions during the period that MAMA Network is investigating any conduct allegedly violative of the Agreement. If a Member's business is canceled for disciplinary reasons, the Member will not be entitled to recover any commissions withheld during the investigation period as long as the real damage is not verified by legally binding decision or an amicable agreement.. In situations deemed appropriate by MAMA Network, the Company may institute legal proceedings for monetary and/or equitable relief.

6.2 — Grievances and Complaints

When a Member has a grievance or complaint with another Member regarding any practice or conduct in relationship to their respective MAMA Network businesses, the complaining Member should first report the problem to his or her Sponsor who should review the matter and try to resolve it with the other party's upline sponsor. If the matter cannot be resolved, it must be reported in writing to the Member Support Department at the Company. The Member Support Department will review the facts and attempt to resolve it. If it is not resolved, it will be referred to the Dispute Resolution Board for final review and determination.

6.3 — Dispute Resolution Board

The purpose of the Dispute Resolution Board is to: (1) review appeals of disciplinary sanctions; and (2) review matters between MAMA Network Members. After the response or settlement instituted by Member Support has been denied or otherwise remains unresolved, the Dispute Resolution Board reviews evidence, deliberates, and responds to current outstanding issues on a collective basis.

A Member may submit a written request for a telephonic or in-person hearing within seven business days from the date of: (1) the written notice by MAMA Network of disciplinary action; or (2) the written decision of Member Support regarding disputes between Members. All communication with MAMA Network and the Member seeking resolution of a dispute must be in writing. It is within the DRB's discretion whether a

claim is accepted for review. If the DRB agrees to review the matter, it shall schedule a hearing within 60 days of the receipt of the Member's written request. All evidence (e.g., documents, exhibits, etc.) that a Member desires to have considered by the DRB must be submitted to MAMA Network no later than seven business days before the date of the hearing. The Member shall bear all of the expenses related to his or her attendance and the attendance of any witnesses he or she desires to be present at the hearing. The decision of the Dispute Resolution Board will be final and subject to no further review. During the pendency of the claim before the DRB, the Member waives his or her right to pursue arbitration or any other remedy.

Following issuance of a sanction, the disciplined Member may appeal the sanction to the Dispute Resolution Board ("DRB"). Member's appeal must be in writing and received by the Company within 15 days from the date of MAMA Network's cancellation notice. If the appeal is not received by MAMA Network within the 15 day period, the sanction will be final. The Member must submit all supporting documentation with his or her appeal correspondence. If the Member files a timely appeal of cancellation, the DRB will review and reconsider the cancellation, consider any other appropriate action, and notify the Member in writing of its decision.

6.4 — Arbitration

Any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. If a Member wishes to bring an action against MAMA Network for any act or omission relating to or arising from this Agreement, such action must be brought within one year complying to provision 1.7 concerning the statute of limitation beginning with the alleged maturity of the claim or the reasonable knowledge this fact giving rise to the cause of action. Failure to bring such action within one year shall bar all claims by Member against MAMA Network for such act or omission. Member waives all claims that any other statute of limitation applies. If a Member files a claim or counterclaim against MAMA Network, he or she may only do so on an individual basis and not with any other Member or as part of a class or consolidated action. Members waive all rights to trial by jury or to any court. All arbitration proceedings shall be held in the United Kingdom, unless the laws of the country in which a Member resides expressly require the application of its laws, in which case the arbitration shall be held in the capital of that Country. The parties shall be entitled to all discovery rights allowed under the National Rules of Civil Procedure. No other aspects of the National Rules of Civil Procedure shall be applicable to an arbitration. There shall be one arbitrator, an attorney at law, who shall have expertise in business law transactions with a strong preference being an attorney knowledgeable in the direct selling industry. Each party to the arbitration shall be responsible for its own -- costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if

necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitrate shall survive any termination or expiration of the Agreement.

Nothing in these Policies and Procedures shall prevent MAMA Network from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction or other relief available to safeguard and protect MAMA Network's interest prior to, during or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

6.5 — Governing Law, Jurisdiction and Venue

Jurisdiction and venue of any matter not subject to arbitration shall reside in the United Kingdom unless the laws of the country in which a Member resides expressly require the application of its laws, in which case that country's law shall govern all issues related to jurisdiction and venue. The Federal/National Arbitration Act shall govern all matters relating to arbitration. The laws of the country shall govern all other matters relating to or arising from the Agreement unless the laws of the country in which a Member resides expressly require the application of its laws.

SECTION 7 — ORDERING

7.1 — Purchasing MAMA Network/Affiliate Products

Each Member should purchase sales aids (if available) from the MAMA Network website. If a Member purchases products from any other source, the purchasing Member will not receive the personal sales volume that is associated with that purchase.

7.2 — General Order Policies

MAMA Network maintains no minimum order requirements. Orders for products (if available) and sales aids may be combined.

7.3 — Confirmation of Order

A Member and/or recipient of an order must confirm promptly that the product received matches the product listed on the shipping invoice, and is free of damage. Failure to notify MAMA Network or Affiliate of any shipping discrepancy or damage within thirty days of shipment will cancel a Member's right to request a correction unless the damage appeared later.

SECTION 8 — PAYMENT AND SHIPPING

8.1 — Deposits

All sales (if available) to members are made online via the MAMA Network Website.

8.2 — Restrictions on Third Party Use of Credit Cards and Account Access

Member shall not permit other Members to use his or her credit card, or permit debits to their banking accounts, to enroll or to make purchases from the Company.

8.3 — Charge backs

Charge backs issued by any MAMA Network Member for a purchase from MAMA Network or any of our affiliates is grounds for termination.

SECTION 9 — INACTIVITY AND CANCELLATION

9.1 — Effect of Cancellation

So long as a Member remains active and complies with the terms of the Agreement and these Policies and Procedures, MAMA Network shall pay commissions to such Member in accordance with the Shared Compensation Program. A Member's bonuses and commissions constitute the entire consideration for the Member's efforts in generating

sales and all activities related to generating sales (including building a Team). Following a Member's non-renewal of his or her Agreement, cancellation for inactivity, or voluntary or involuntary cancellation of his or her Agreement (all of these methods are collectively referred to as "cancellation"), the former Member shall have no right, title, claim or interest to the Team which he or she operated, or any commission or bonus from the sales generated by the organization.

The MAMA Network Website of a Member whose Agreement is canceled will be permanently deactivated and the former Member will permanently lose all rights under this Agreement. This includes the right to sell MAMA Network's partners products and services via an MAMA Network's partners Website and the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the Member's former Team. In the event of cancellation, Members agree to waive all rights they may have, including but not limited to property rights, to their former Team and to any bonuses, commissions, or other remuneration derived from the sales and other activities from his or her former Team.

The former Member shall not hold himself or herself out as a MAMA Network Member. A Member 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).

9.2 — Cancellation Due to Inactivity

It is the Member's responsibility to lead his or her Team with the proper example in personal production of sales to end consumers. Without this proper example and leadership, the Member will lose his or her right to receive commissions from sales generated through his or her Team. Therefore, Members who personally produce less than the activity requirement for any pay period will not receive a commission for the sales generated through their Team for that pay period.

9.3 — Involuntary Cancellation

A Member's violation of any of the terms of the Agreement, including any amendments that may be made by MAMA Network in its sole discretion, may result in any of the sanctions listed in Section 6.1, including the involuntary cancellation of his or her Agreement. Cancellation shall be effective on the date on which written notice is mailed, return receipt requested, to the Member's last known address, or when the Member receives actual notice of cancellation, whichever occurs first.

MAMA Network expressly reserves the right to terminate all Agreements upon thirty (30) days written notice in the event that it elects to: (1) cease business operations; (2)

dissolve as a corporate entity; or (3) terminate distribution of its products and services via relationship marketing.

9.4 — Voluntary Cancellation

A participant in this relationship marketing plan has a right to cancel at any time, regardless of reason with notice of 14 days. Cancellation must be submitted in writing to the Company at its principal business address. The written notice must include the Member's signature, printed name, address, user name and Member I.D. Number.

SECTION 10 — DEFINITIONS

Trial Member

A Member who has filled an on-line Application and Agreement and entered into a MAMA Network.

Active Member

A Member who satisfies the minimum Personal Sales Volume requirements, as set forth in the Shared Compensation Program, to ensure that he or she is eligible to receive bonuses and commissions.

Agreement

The contract between the Company and each Member includes the Member Application and Agreement, the MAMA Network Policies and Procedures, the Shared Compensation Program, and the Business Entity Registration Form (where appropriate), all in their current form and as amended by MAMA Network in its sole discretion. These documents are collectively referred to as the "Agreement."

Cancel

The termination of a Member's business. Cancellation may be either voluntary, involuntary, through non-renewal or inactivity.

Commissionable Products/Services

All MAMA Network products and services on which commissions and bonuses are paid.

Company

The term “Company” as it is used throughout the Agreement means Megasource Trading Ltd (MAMA Network).

End Consumer

Person who purchases MAMA Network partners products and services for personal use and not for resale. Also referred to as “Customer” or “Retail Customer”.

Immediate Household

Heads of household and dependent family members residing in the same house.

Recruit

For purposes of MAMA Network’s Conflict of Interest Policy (Section 3.8), the term “recruit” means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly or through a third party, another MAMA Network Member to enroll or participate in another direct selling opportunity. This conduct constitutes recruiting even if the Member’s actions are in response to an inquiry made by another Member.

Sponsor

A Member who enrolls another Member into the Company/Community, and is as such on the applicant’s Member Application and Agreement. The act of enrolling others and training them to become Members is called “sponsoring.”

Team Activity Report

Detailed reporting generated by MAMA Network in the Member’s Business Management Software that provides critical data relating to the identities of Members, sales information, and enrollment activity of each Member’s Team. This report contains confidential and trade secret information which is proprietary to MAMA Network.

Upline

This term refers to the Member or Members above a particular Member in a sponsorship line up to the Company. Conversely stated, it is the line of sponsors that links any particular Member to the Company.