



THE ROYAL NETWORK

**STATEMENT OF  
POLICIES AND PROCEDURES**



THE ROYAL NETWORK

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# INTRODUCTION

We welcome you to The Royal Network, Inc., a Lifestyle Empowerment Company whose concept combines state of the art nutritional supplements, wealth education, business and social networking, business and personal development, marketing tools, support and resources with a direct sales network marketing business model. Our goal is to help individuals and families to empower themselves in several key areas of life.

The Royal Network, Inc. is dedicated to offering cutting edge nutritional health products with ingredients that have been scientifically proven to help your body maintain good health. To this end, we have launched our Flagship Nutritional Products, The Royalbody System™, which supports people interested in longevity Science for healthy aging, a healthy cardiovascular system, weight management and body science nutrition. The Royalbody System™ has been formulated to cleanse, detoxify, burn and block fat, as well as provide quality nutritional support.

Three products make up this cutting edge system, Kardio King™, The Royalbody Whey Protein Meal Replacement Shake and the Royal Reishi Red Mushroom Blend, known as the “King” of herbs.

With the Wealth Education side of The Company, you have available to you, beginner to advanced level Stock Market Investing Courses & Educational Training. We break down stock market psychology, methodology, terms and definitions as well as sophisticated investment strategies and complex trade orders, so detailed, that an average person who’s never traded before will understand.

We also offer our members a private online business and social networking community with empowering webinars and audios, proprietary courses, tools and resources and a quality network of positive like minded professionals, coaches, creative people and business owners.

The products, services, activities and training that we provide make The Royal Network, Inc. a viable business opportunity by extending the longevity of our Business Associates, Royal Affiliates, Preferred Customers and Retail Customers worldwide.



## **THE ROYAL NETWORK, INC. CODE OF ETHICS**

- 1. I will conduct my business in an honest and ethical manner at all times.**
- 2. I will make no representation about the benefits and savings affiliated with The Royal Network, Inc. services and products other than those contained in officially approved corporate literature, CD's, DVD's or any material referred to as a sales aid.**
- 3. I will provide support and encouragement to my customers, which include Business Associates, Affiliates, Preferred Customers and Retail Customers in my downline to ensure that their experience with The Royal Network is a successful one. I understand that it is important to provide follow-up service and support to my downline.**
- 4. I will motivate and actively work with members of my downline organization to help them build their Royal Network Businesses.**
- 5. I will refrain from exaggerating my personal income potential in general and will stress to Business Associate Candidates and Affiliate Candidates the level of effort required to succeed in business.**
- 6. I will not abuse the goodwill of my Business Associates, Affiliates, Preferred and Retail Customers with The Royal Network, Inc. to further promote other business interests, particularly those which may be competitive to the Company, without prior written consent of the Company.**
- 7. I will not make disparaging remarks about other services/products, Business Associates, Affiliates, Preferred and Retail Customers or companies; likewise, I will not willfully denigrate the activities or personalities of fellow Royal Network Business Associates, Affiliates, Preferred Customers or Retail Customers.**



# RIGHTS, POLICIES AND PROCEDURES

## The Royal Network, Inc., A Nevada Corporation

### 1. Independent Contractor (s):

Independent Contractors are hereafter referred to in these Policies and Procedures as “Business Associates” and “Affiliates.”

### 2. Business Associate Requirements:

In order to become a Business Associate, the applicant must be the age of majority in the nation, province, region, or state in which he/she resides.

To become a Business Associate, an applicant must complete an official Application and Agreement of The Royal Network, Inc. (herein also known as “Company”) on paper or electronically online. Electronic applications will be tracked and logged.

When the Business Associate’s income exceeds \$500.00, he/she will be required to sign a paper hard copy application if one is not already on file. A signed W-9 will also be required during the same period. That Application and Agreement must be accepted by the Company at its Corporate Office and notice of its acceptance received by the applicant by electronic or postal mail before additional commissions are issued.

New Business Associates are required to purchase a Business Marketing Kit for \$39.95. This sum is not a service or franchising fee, but rather is to offset costs incurred by the company in the production and distribution of the materials and tools needed for Business Associate use. No additional product purchase is ever required to be a Business Associate of the Company. No commissions are paid on the Business Marketing Kit or on sales aids. The kit includes the use of the Back Office that is associated with the Business Associate’s Replicated Website for the first year of membership.

New Business Associates may elect to purchase an initial start up package of products and services.

Business Associates are not required to purchase products and services to qualify for Royal Retail Profits and Royal Preferred Customer Commissions.

Business Associates are required to meet the qualifications outlined in the Royal Compensation Plan in order to qualify for all other bonus commissions.

Business Associates may sell The Royal Network, Inc. products and services at the Retail and Preferred Customer rate.

Business Associates can purchase The Royal Network's products and services for personal consumption, or resale at Royal Wholesale Price.

Business Associates participate in the Royal Compensation Plan and are eligible to receive the following compensation: Royal Retail Profits; Royal Preferred Customer Commissions; Royal Enroller Bonus; Royal Enroller Matching Bonus; Royal Unilevel Commissions; Royal Executive Bonuses; Royal Luxury Car Bonus; Royal Prince and Princess 1% Bonus Pool; Royal King and Queen 2% Bonus Pool and Royal Affiliate Sales.

Business Associates are required to provide Social Security or FEIN Numbers to the Company.

Business Associates are Independent Contractors and may not under any circumstances incur any debt, expense, of obligation on behalf of the Company.

The Company reserves the right to accept or reject any person, partnership, or corporation as a Business Associate.

### **3. Affiliate Requirements:**

In order to become an Affiliate, the applicant must be the age of majority in the nation, province, region, or state in which he/she resides.

To become an Affiliate, an applicant must complete an official application and Agreement of The Royal Network, Inc. on paper or electronically online. Electronic applications will be tracked and logged.

When the Affiliate's income exceeds \$500.00, he/she will be required to sign a paper hard copy application if one is not already on file. A signed W-9 will also be required during the same period. The Application and Agreement must be accepted by the Company at its Corporate Office and notice of its acceptance received by the applicant by electronic or postal mail before payment for retail sales is issued.

New Affiliates may elect to purchase a Business Marketing Kit for \$39.95. This sum is not a service or franchising fee, but rather is to offset costs incurred by the company in the production and distribution of the materials and tools needed for Affiliate use. No additional product purchase is ever required to be an Affiliate of the Company. No commissions are paid on the Business Marketing Kit or on sales aids. The kit includes the use of the Back Office that is associated with the Affiliate's Replicated Website for the first year of membership.

Affiliates may sell The Royal Network, Inc. products and services at the Retail and Preferred Customer rate.

Affiliates are not required to purchase products and services to qualify for Royal Retail Profits and Royal Preferred Customer Commissions.

Affiliates participate in the Royal Compensation Plan and are eligible to receive the following compensation: Royal Retail Profits and Royal Preferred Customer Commissions. Affiliates are not eligible to receive any of the following compensation: Royal Enroller Bonus; Royal Enroller Matching Bonus; Royal Unilevel Commissions; Royal Executive Bonuses; Royal Luxury Car Bonus; Royal Prince and Princess 1% Bonus Pool; Royal King and Queen 2% Bonus Pool.

Affiliates are required to provide Social Security or FEIN Numbers to the Company.

Affiliates are Independent Contractors and may not under any circumstances incur any debt, expense, of obligation on behalf of the Company.

The Company reserves the right to accept or reject any person, partnership, or corporation as a Business Associate.

#### **4. Preferred Customers:**

In order to become a Preferred Customer, the applicant must be the age of majority in the nation, province, region, or state in which he/she resides.

Preferred Customers are not allowed to gather customers or make sales to prospective Business Associates, Preferred Customers, Retail Customers or Affiliates.

Preferred Customers may not participate in the Royal Compensation Plan and are not eligible to receive any of the following compensation: Royal Retail Profits; Royal Preferred Customer Commissions; Royal Enroller Bonus; Royal Enroller Matching Bonus; Royal Unilevel Commissions; Royal Executive Bonuses; Royal Luxury Car Bonus; Royal Prince and Princess 1% Bonus Pool; Royal King and Queen 2% Bonus Pool and Royal Affiliate Sales.

Preferred Customers have access to all products and services of The Royal Network, Inc. that are available to Retail Customers, as well as special discounts, packages and benefits The Royal Network may offer.

Preferred Customers must purchase The Royal Network, Inc. products and services at the Preferred Customer rate and must be on monthly autoship.

Preferred Customers are not required to provide Social Security or FEIN Numbers to the Company.

The Company reserves the right to accept or reject any person, partnership, or corporation as a Preferred Customer.

## **5. Retail Customers:**

Retail Customers must be the age of majority in the nation, province, region or state in which he/she resides. Retail Customers may purchase services and products of The Royal Network, Inc. on an individual bases at the retail rate. *(For Example: A Retail Customer can choose to purchase single or multiple products at the retail price and is not required to purchase products in any consecutive order.)*

Retail Customers are not bound to the autoship requirements that govern Preferred Customers.

Retail Customers are not required to provide Social Security or FEIN Numbers to the Company.

The Company reserves the right to accept or reject any person or corporation as a Retail Customer.

## **6. One Membership Per Business Associate and Household Unit**

A Business Associate may have an ownership interest in only one membership and may not operate or receive compensation from more than one membership. Individuals who are part of the same household unit may not have an interest in more than one membership.

The definition of a “Household Unit” is spouses and their dependent children who live at or do business at the same address or location. “Spouses” are defined as husbands and wives, or cohabitating couples, who wish to become Business Associates. Spouses must be enrolled jointly under one membership. Spouses may not own, operate, manage, or participate directly, or indirectly in more than one membership.

There is an exception to the one membership per Business Associate rule if two Business Associates get married, or a Business Associate receives an interest in another business through inheritance. All requests for exceptions will be reviewed on a case by case basis and must be submitted to the Company in writing. The Company reserves the right to accept or reject any request for exception for any reason.

## **7. Partnership, Corporation, DBA and Trust Requirements:**

A partnership, corporation, DBA, or Trust may hold an Independent Business Associate, or Affiliate Position upon completion of the Business Associate, or Affiliate Application Form, and providing on that form in the appropriate space a Federal Tax ID Number.

Each individual may participate in only one membership per Social Security or FEIN Number. Spouses may participate in only one membership per Social Security or FEIN Number. (See Section 6)

Business Associates and Affiliates may change status under the same sponsor with proper and complete documentation. (Example: individual to partnership, or corporation to individual status) There will be a \$25.00 charge for this action.

The person signing the application on behalf of a partnership, corporation, DBA or Trust must have the authority of the entity for entering into the transaction. In addition, by signing for an entity, you certify that no person with an interest of debt or equity in the entity has had an interest in a Business Associate's or Affiliate's Membership in The Royal Network, Inc. within six (6) months of the date of signature. The principle individual or individuals receiving the income must be disclosed in the application. If not, in the future, if conflict arises, this may be construed as a fraudulent application.

## **8. Application Procedures:**

For corporations registering as a Business Associate, or Affiliate, the Federal Employer's Identification Number (FEIN) shall be included on their application. The Company reserves the right to accept or reject any person or corporation as a Business Associate, or Affiliate.

Each The Royal Network, Inc. Business Associate, Affiliate and Preferred Customer and Affiliate certifies that the application he/she is submitting to the Company contains true and valid information. Business Associates, Affiliates and Preferred Customers are entitled to cancel the Agreement at any time and for any reason with written notice to the Company.

Business Associates, Affiliates and Preferred Customers may not transfer accounts or passwords to another individual.

Business Associates and Affiliates are Independent Contractors and may not under any circumstances; incur any debt, expense, of obligation on behalf of the Company.

## **9. Government Regulations and Independent Contractor Taxes:**

Each Business Associate or Affiliate is an Independent Contractor and shall comply with all laws of your nation, confederation, region, state, canton, or province. Each Business Associate or Affiliate shall also comply with state, local taxes and regulations governing the sale of The Royal Network, Inc. products/services. There are many tax advantages to owning your own independent business as an independent contractor. Independent Contractors are responsible for following the regulations of local, state, and federal governments in the countries in which they operate.

### ***The Following Applies to all Independent Business Associates and Affiliates:***

Business Associates and Affiliates will not be treated as employees for federal or state tax purposes, nor for purposes of the Federal Unemployment Tax Act, State Unemployment Acts, State Employment Security Acts or State Workers Compensation Acts. Each Business Associate and Affiliate must understand and agree to pay all applicable federal and state self-employment taxes, and or local license fees that may become due as a result of activities under this Agreement.

Each Business Associate and Affiliate is required to provide on their Business Associate or Affiliate Application Form either a valid Social Security Number or Federal Tax ID Number. As the Business Associate and the Affiliate are self-employed contractors, the Company does not deduct any personal taxes from any checks that the Business Associate or the Affiliate earns. At the end of the year, The Royal Network, Inc. is obligated by law to provide the Business Associate and the Internal Revenue Service with a form 1099 reporting the Business Associate's and the Affiliate's annual income from the Company. This is required for any Business Associate and Affiliate with earnings in excess of \$600.00 for the calendar year.

## **10. Representations:**

Business Associate and Affiliate positions with The Royal Network, Inc. are a precious step to financial independence, allowing great personal freedom. This freedom has to be protected for all Business Associates and Affiliates. Business Associates and Affiliates are independent contractors fully responsible

for their own business procedures and are not to be considered purchasers of a franchise, license, agents, or employees of the Company. The Agreement between the Company and its Business Associates and Affiliates does not create an employer/employee relationship, agency, partnership or joint venture between the Company and the Business Associate or the Affiliate.

Business Associates and Affiliates must not represent themselves in any way, orally or in writing, as being agents, employees, or spokespersons of the Company. Business Associates and Affiliates have no authority to bind the Company to any obligation. Each Business Associate and each Affiliate shall hold the Company harmless for any claims, damages or liabilities arising out of the Business Associate's or the Affiliate's own business practices. The Company will take aggressive action to insure that Business Associates and Affiliates who violate this policy will be terminated and reported to the proper authorities.

Independent Business Associates and Independent Affiliates will not use Company trademarks, logos or copyrighted material without express written permission from the Company. (\*Additionally, see the paragraph "Recruiting and Advertising Material" #35.) This also applies to any Internet Activity that impinges on Company Intellectual Property.

Business Associates and Affiliates are responsible for any expenses which result from their business operations, including, but not limited to advertising, taxes, fees, legal costs and telephone expenses. The Company will not accept collect telephone calls.

The Business Associate and the Affiliate may not use the Company name on any written forms or documents (such as business cards, stationary, bank accounts, business signs) without stating Independent Business Associate or Independent Affiliate and prior approval by the Company. The Royal Network, Inc. will supply a standardized vendor online to use for all/most paper items.

The only websites allowed to use The Royal Network, Inc. trademarks, logo and materials will be on servers approved by The Royal Network, Inc. and in formats allowed by the Company.

## **11. Product or Income Claims:**

The Royal Network, Inc. Business Associates and Affiliates agree to make no false or fraudulent representations about the Company, its products/services, the compensation plan, or earnings potential. This is an exceptionally sensitive subject because of the unique and proven status of the Company's products and services. The Business Associate or Affiliate must not make any claims for Company products or products which are not supported by facts contained in official Company literature. This will be strictly enforced and the suspension of the offending Business Associate's or Affiliate's Agreement will be

immediate upon reported or observed infractions. If the violation is proved valid, your Agreement may be terminated.

## **12. Internet Spam:**

Unsolicited Commercial Email (UCE) or SPAM is absolutely prohibited on the Internet if it relates to the Company in any manner. **This is a very strict policy and may result in termination of your Business Associate or Affiliate Position.** SPAM can cause damage to the Company and all of its Independent Contractors. Fax blasting, telemarketing or automated telephone calling devices, or the calling of persons who have been listed on any national, state, or federal No-Call Registry in order to offer the Independent Business Associate Business Opportunity is also prohibited. Utilization of any of these policies may result in immediate termination to protect the rights of *ALL BUSINESS ASSOCIATES and Affiliates.*

## **13. Sponsor Responsibilities:**

Any Business Associate who sponsors other Business Associates or Affiliates must fulfill the obligation of performing a bona fide supervisory training function on behalf of those sponsored. Leaders should have ongoing contact and communications with their sales organization. Examples of such supervision may include, but are not limited to the following: newsletters, written correspondence, email, personal meetings, telephone contact, and training sessions, accompanying individuals to corporate events, or sharing Genealogy information with those sponsored.

## **14. Returns:**

Charges for Royal Packages or any products and services purchased by a Business Associate, Affiliate, Preferred Customer, or Retail Customer of the Royal Network are 100% refundable within ten (10) days of purchase. Any items returned must be in resalable condition. Returns made by Business Associates between 8 days and 60 days of physical products (or longer where required by law) will be subject to a restocking fee of 10% to put returned items back into inventory. Permission and return authorization number must be obtained from The Royal Network Inc.'s Customer Service Department before the item is returned. No refunds will be made on shipping, and the resigning Business Associate will pay shipping on the returned items. We suggest sending items via certified traceable mail.

## **15. Network Cooperation:**

It is strongly recommended that Independent Contractors belonging to different networks cooperate with each other for mutual success. There are many benefits which can be accrued from such cooperation. The Royal Network, Inc. does not restrict a Business Associate from belonging to another networking company as long as the other company is not in direct competition with The Royal Network, Inc.

Example: A Business Associate decides to work a Internet Marketing Company along with The Royal Network, Inc.; however, only personally sponsored Business Associates, Affiliates, or Customers in The Royal Network, Inc. may be given information about this business opportunity if it supports the sale of The Royal Network, Inc. products and services. If a Business Associate contacts anyone beyond his/her personally sponsored Business Associates, Affiliates, or Customers the offending Business Associate may be terminated by the Company with cause.

All Business Associates need to understand you should not send emails to your personally sponsored Business Associates, Affiliates, or Customers about any other business opportunity. This creates problems for the Company. Some may email it to your downline below personally sponsored. This is not acceptable! It leaves you open to complaints, forcing negative action by the Company.

The Royal Network, Inc. Compliance Office will insist all complaints against another Business Associate or Affiliate must be in writing and sent by mail to the Company.

## **16. Transfer of Sponsorship:**

The Royal Network, Inc. discourages the transferring from one sponsor to another. The integrity of the entire organization is based on the strength of the structure with the network. Allowing for transfers from one sponsor to another leads to strife and disaster.

The only way that a Business Associate will be allowed to transfer sponsorship lines is by sending a written resignation request to the Company, at which time the Business Associate may rejoin the network in six (6) months from the date of resignation under a new sponsor.

The transferring Business Associate, however, will not be allowed to transfer their downline or qualified position with them when they rejoin the Company under a different sponsor.

## **17. Death of a Business Associate:**

Upon the death of a Business Associate, his/her rights to commissions and marketing position, together with the Business Associate membership duties and responsibilities shall pass to the successors in interest upon written notice to the Company. The following process must be followed:

(1) In order to protect the Company from fraud, The Royal Network, Inc. requires an original certificate of death and certified copies of the will, trust, court documents or other devices before allowing the transfer of the Business Associate membership from the deceased Business Associate to the named transferee.

(2) The successor Business associate is required to execute a new The Royal Network, Inc. Business Associate Application. There will be a charge of \$150.00 for the transfer of ownership.

## **18. Sales of a Membership Position:**

As Independent Business Associates, you are free to sell or assign your Business Associate Membership for the going market price. The Business Associate must first notify The Royal Network, Inc. in writing of the intent to sell the membership. The Company charges a nominal fee of \$50.00 per sales transaction or assignment for the review process. Upon deposit of the money, the proper Company documentation will be issued to complete the following steps.

**Step One-** You must get approval from five levels of upline by using email; however, in order to protect the integrity of The Royal Network, Inc., the Company must approve any such sales agreements or transfers of interest for substance and form prior to sale.

**Step Two -** The Royal Network reserves the rights for a final review of the sale. The Company reserves the right to accept or reject the sales agreement and transfer based on the qualifications of the purchasers. Any misrepresentations by the seller or other material issues involving the sale may have detrimental results for the Company. The Company has the first right of refusal.

## **19. Retail Sales:**

Personal service and sales to customers are the foundation of The Royal Network, Inc. The entire commission structure is based upon volume of sales to customers by the individual Business Associate as well as their entire organization.

When services/products are sold, retail prices listed by the Company are suggested prices only. A Business Associate is free to sell products at any price they deem reasonable considering free market conditions.

Company services/products may only be sold by registered Business Associates and Royal Affiliates of The Royal Network, Inc. Business Associates and Royal Affiliates may sell services/products only to Retail Customers and Preferred Customers for personal use, not for resale to other consumers.

## **20. Seventy Percent (70%) Rule:**

The Royal Network, Inc. will strictly adhere to the policy that prior to honoring an order for product, Business Associates must certify that he/she has sold at retail at least 70% of any prior inventory purchased. Business Associates will be allowed by the Company to purchase a reasonable amount of products/services for personal use as well as to be used as sales samples. Such reasonable amounts of products will exceed \$500.00 without proof Business Associates have sold 70% of their present inventory. Since the Company will monitor compliance with this rule, it is important that Business Associates keeps accurate records.

It is Company policy to strictly prohibit the purchase of products/services in unreasonable amounts solely for the purpose of qualifying for commissions or advancement within the compensation plan. All such forms of front loading or stockpiling are strictly prohibited.

## **21. Retail Sales in Commercial Outlets:**

To ensure that each Business Associate and Affiliate has a fair and equal opportunity, and to encourage ongoing personal support, it is permissible for The Royal Network, Inc. products and services to be sold in any retail outlet with prior written consent of the Company. The Company will not discourage the selling of the products/services in this manner; however, the reason for notification and consent of the Company is to protect the integrity of the Business Associate Base. Sales literature may be displayed referring the consumer to the Business Associate without Company permission.

## **22. Independent Contractor Ethics:**

The Royal Network, Inc. will not permit activity that is unethical or unprofessional. The line between aggressive professional marketing efforts, unethical behavior, and harassment can be vague. The Company will intercede when such behavior is evident, and reserves the right to use its sole judgment in deciding whether certain Business Associate activities are inappropriate and if determined to be so, to act accordingly.

### **23. Delivery and Payment Method:**

The Royal Network, Inc. will not ship orders on a C.O.D. basis. All orders for services and products must be prepaid with cashiers check, money order, an approved Visa, MasterCard, American Express, Discover, or ACH. Shipment will be within (5) five working days of receipt of order, unless some unforeseen event causes a delay in shipment. It is also shipment fulfillment when products and services are uploaded in the Business Associate's, Preferred Customer's and Retail Customer's Back Office of The Royal Network, Inc's Official Company Website.

### **24. Customer Product/Services Refund Policy:**

The Royal Network, Inc. will refund any dissatisfied purchaser of any Company services/products one-hundred-percent (100%) by replacement in kind for a period of ten (10) days from the date of receipt of the product, excluding shipping charges. Payment will be made upon return of the product in resalable condition. **NO PORTION OF THE PURCHASE PRICE IS REFUNDABLE AFTER TEN (10) DAYS FROM THE DATE OF RECEIPT OF THE PRODUCT.** Each such request must bear the signature of the Independent Business Associate, Affiliate, Preferred Customer or Retail Customer making the request. Special refund provisions apply to Georgia residents who are also Royal Independent Business Associates. For details please email The Royal Network, Inc. at [support@theroyalnetwork.com](mailto:support@theroyalnetwork.com).

### **25. Refunds on Resale of Products/Services Business Associates:**

If a Business Associate resells product face to face, the Business Associate is responsible for paying out any refunds based on returns. The Business Associate is expected to conduct business in a manner consistent with the Company Policies and Procedures, including strict adherence to the Company Refund Policy. Any violation of this policy will be immediate grounds for suspension or termination of the Business Associate's or Affiliate's rights.

### **26. Charge Backs:**

If commissions have been paid to a Business Associate or Affiliate and subsequent returns on products/services occur which cause refunds to be issued to the purchaser, the commissions overpaid will be charged back against the Business Associate's, or Affiliate's next commission check and their Upline's next commission check, or the first checks with available commissions to cover the refunds.

## **27. Sales Tax:**

All The Royal Network, Inc. products and services are subject to the sales tax in the state, county, or city that levies such a tax and in which a sale occurs if the sales tax applies. This tax is calculated in the retail value of the purchase. Unless the Business Associate has filed a tax resale number with the Company, the Company will collect the appropriate tax.

## **28. Sponsorship:**

All Business Associates have the right to sponsor other Business Associates anywhere within the United States or other nations, as they become legally opened by The Royal Network, Inc. Note however, that Royal Business Associates are free to retail products/services anywhere in the world provided that they meet legal requirements such as customs in foreign countries.

Each person has the ultimate right to choose his/her own sponsor when they initially sign-up as a Business Associate, Affiliate, or Preferred Customer with The Royal Network, Inc. If two Business Associates should claim to be the sponsors of the same new Business Associate, Affiliate, or Preferred Customer The Royal Network, Inc. will acknowledge the first application received at the Corporate Headquarters.

As a general rule, it is good practice to regard the first Business Associate who meaningfully worked with a prospective Business Associate, Affiliate or Preferred Customer as having first claim to sponsorship. Basic trends of common sense and consideration should govern. Cross-sponsorship and cross recruiting are strictly prohibited within Company marketing organizations. In regard to any dispute, The Royal Network, Inc. reserves the right to make the final decision.

## **29. Propriety Nature of Downline Reports:**

Downline reports are available to Business Associates in the Back Office of their replicated websites. It is also available to Affiliates who have purchased the Business Marketing Kit for \$39.95. (See Sections 2 and 3) The Business Associate and Affiliate agree that such information is proprietary and confidential to both the Company and the individual Business Associate and Affiliate and is made available to them in confidence.

The following applies: The Business Associate and the Affiliate agree that he/she will not disclose such information to any third party directly or indirectly, nor use the information to compete with The Royal Network, Inc. directly or indirectly. The Business Associate, Affiliate and the Company agree that, but for this agreement of confidentiality and nondisclosure, the Company

would not provide the above confidential information to the Business Associate or to the Affiliate.

### **30. Annual Renewal and Other Fees:**

Business Associates are required to renew their The Royal Network, Inc. Business Marketing Kit Website on the anniversary of the date that they became a Business Associate. Affiliates who have elected to purchase the Business Marketing Kit must also renew their Business Marketing Kit Website on the anniversary of their sign-up as an Affiliate. The annual automatic renewal fee is \$39.95 and will be automatically charged on the anniversary of the sign-up date as stated in the Terms and Agreement and in these Policies and Procedures.

Other Fees are as follows: There will be a \$3.00 charge for each commission check issued which is deducted from the check amount total at the time of issue. If a re-issue is necessary, there is a 20 day waiting period and a \$3.00 charge for a replacement check and a \$35.00 stop payment fee. Business Associates may request their checks to be sent overnight; however, the shipping fee and a special \$10.00 handling fee must be paid by the Business Associate making the request. Commissions earnings to Business Associates must be \$4.00 and above for checks to be processed. (Example: If the amount due to a Business Associate is \$4.00, then the \$3.00 processing fee will be deducted from the \$4.00 and the balance of \$1.00 will be mailed to the Business Associate  $\$4.00 - \$3.00 = \$1.00$ .)

### **31. Business Associate Change of Address:**

Business Associates, Affiliates and Preferred Customers must report any change of address by sending written or e-mail notice to The Royal Network, Inc.'s Corporate Office. It is the Business Associate's, Affiliate's and Preferred Customer's responsibility to make sure the address has been changed.

### **32. Resignation:**

Business Associates and Affiliates have the right to terminate their Agreement at any time and for any reason without penalty by giving written notice to the Company at its Corporate Office.

Upon receipt of written notice, all rights to commissions, position, and wholesale purchases cease, and the Business Associate or Affiliate is no longer entitled to advertise, sell, or promote The Royal Network, Inc. products and services. The former Business Associate's or Affiliate's downline shall be transferred to his/her sponsor.

The resigning Business Associate or Affiliate is not eligible to be sponsored into The Royal Network, Inc. again for a period of six months following the termination.

### **33. Sanctions and Enforcement Action:**

Sanctions will not be employed lightly, nor will the Company be arbitrary or unfair in their use. It is important to remember however, that a Business Associate and Affiliate who violate these policies and procedures jeopardizes the integrity and standing of all Business Associates and Affiliates. The Company reserves the right to revoke by termination, the status of Business Associates and Affiliates or place violators on probation or suspension for a period which may delay their eligibility for advancement in the marketing plan. It is for the benefit of everyone that each Business Associate and Affiliate abides by the letter and spirit of these policies and procedures.

### **34. Termination or Suspension:**

The Royal Network, Inc. reserves the right to terminate any Business Associate, or Royal Affiliate at any time, or suspend said Business Associate or Affiliate for a probationary period, when it is determined that the Business Associate or Affiliate has violated the provisions of the Business Associate or Affiliate Agreement. This includes the provisions of these rights and procedures as they now exist or may be amended, or the provisions of applicable laws and standards of fair dealing. Good communication is vital on the part of the Company and the Business Associates and Affiliates.

In the case of one Business Associate or Affiliate making a complaint against another Business Associate or Affiliate, the complaint shall be sent to The Royal Network, Inc. Corporate Office in writing and signed in ink. No phone or email complaints will be accepted.

Normally, the first warning of a violation of policies or procedures shall be in a phone call to the Business Associate or Affiliate. This phone call will be documented and filed in the Corporate Office in the appropriate files.

A second violation will be sent in writing by certified mail (including common carrier) to the Business Associate or Affiliate. Suspension of payment of earnings from the compensation plan to the Business Associate may occur at this time. Affiliates may lose their ability to market The Royal Network, Inc.'s products/services at the retail level.

At the third violation, the Company will ask the offending Business Associate if they want to sell their downline in the next 30 days. This can be done by phone or certified mail (including common carrier) at which time the Business Associate will have 30 days to complete the action. An exception to this or other paragraphs above is if the Business Associate has committed violations

that bring attention from regulatory authorities (FTC, SEC, or AG) and the Company has to immediately terminate the Business Associate to preserve the integrity of the Company. The offending Affiliate will no longer be allowed to sell any of The Royal Network Inc.'s products/services.

If none of the above is viable to dispute resolution, the Company may terminate the Business Associate or Affiliate. Upon such a termination, the Company shall notify the Business Associate or Affiliate by certified mail at the latest address listed with the Company. The terminated Business Associate or Affiliate agree to immediately cease representing himself/herself as a Royal Business Associate or the Affiliate and will never be allowed to return to the position of Business Associate or Affiliate with The Royal Network, Inc. Where applicable state law on termination of a Business Associate is inconsistent with Company policy, such state law termination procedures shall be in force.

If the Business Associate or Affiliate wishes to appeal the termination, The Royal Network, Inc. must receive the appeal in writing with fifteen (15) days from the date of mailing of the Company's termination letter. If the appeal is not received within the 15-day period, the termination will be automatically deemed final. If the Business Associate or Affiliate files a timely appeal of termination, The Royal Network, Inc. will review and reconsider the termination, consider any other appropriate action, and notify the Business Associate or Affiliate of its decision in writing within thirty (30) days. The decision of the Company will be final and subject to no further review. In the event the termination is not rescinded, the termination will be effective as of the date of the Company's original termination notice.

Upon termination of a Business Associate's or Affiliate's membership, all rights to commission which include any of the following: Royal Retail Profits; Royal Preferred Customer Sales Commissions; Royal Enroller Sales Bonus; Royal Enroller Matching Sales Bonus; Royal Enroller Matching Sales Bonus Pool; Royal Unilevel Sales Commission; Royal Prince and Princess 1% Sales Bonus Pool; Royal King and Queen 2% Sales Bonus Pool, as well as wholesale purchasing rights cease. The terminated Business Associate's organization shall be transferred to his/her sponsor. The terminated Business Associate will not be eligible for future sponsorship. The terminated Affiliate will no longer be eligible to receive retail and preferred customer compensation or to sell any products/service of The Royal Network, Inc. The terminated Affiliate's organization shall be transferred to his/her sponsor.

### **35. Recruiting and Advertising Material:**

Because Business Associates and Affiliates are Independent Contractors, they may promote their business in any legal and ethical manner, and may advertise without Company approval, provided that they do not use the corporate name, logo or trademarks.

All intellectual property rights for services/products of the Company, to include patents, copyright, trade secrets, trademarks, service marks, trade name and other intellectual property rights shall remain the exclusive property of The Royal, Network Inc.

Any advertisement that utilizes the Company name, logo or trademarks must be approved by the Company prior to the advertisement. The ad must also state that the individual placing the ad is an Independent Business Associate or Independent Affiliate. Business Associates and Affiliates agree to grant to the Company unlimited, perpetual and royalty-free rights to any materials submitted by the Business Associate or Affiliate.

Business Associates and Affiliates are prohibited from answering the phone in any manner that would give callers reason to believe that they have reached the Corporate Office of The Royal Network, Inc. Telephone and Yellow Page Ads will expressly contain the term “Independent Business Associate” or “Independent Affiliate” in at least 10-point type.

The Company strictly prohibits Business Associates and Affiliates from utilizing websites to advertise the services/products or opportunity, other than official Company sponsored and/or approved and maintained websites.

### **36. Amendments:**

The Royal Network, Inc. expressly reserves the right to alter or amend all prices, products availability and/or formulation, policies and procedures, compensation plan and all Business Associate, Affiliate and Preferred Customer agenda. Such amendments are automatically incorporated as part of the Agreement between the Company and the Business Associate, Affiliate and Preferred Customer when published in official Company literature or by electronic communication to include email and website postings.

### **37. Waiver:**

The Company never gives up its right to insist on compliance with these rules or with the applicable laws governing the conduct of a business. This is true in all cases, both specifically expressed and implied, unless an officer of the Company who is authorized to bind the Company in contracts or agreements specifies in writing that the Company waives any of these provisions.

### **38. Invalidity of Any Paragraph:**

Should any portion of these rights and procedures of the Business Associate, Affiliate or Preferred Customer Application and Agreement, or any other instruments referred to herein or issued by the Company be declared invalid by

a court of competent jurisdiction, the balance of such rules, applications, or instruments shall remain in full force and effect.

### **39. Governing Laws:**

These rules are reasonably related to the laws of your nation, confederation, region, state, canton, or province and shall be governed in all respects thereby. The parties agree that jurisdiction and venue shall lie with the place of acceptance of the Business Associate, Affiliate, or Preferred Customer, Application, which shall in all cases, be in the city of YOUR CITY, and the county of YOUR COUNTY, in the state of YOUR STATE. Any claims or disputes between parties to this Agreement shall be subject to binding arbitration in YOUR STATE, USA, by the rules of the American Arbitration Association. Residents of Louisiana may choose Louisiana law and arbitrate in New Orleans, Louisiana. This also applies to Invoice orders of Retail Customers of The Royal Network, Inc.

### **40. Arbitration and Mediation Resources:**

National Academy of Arbitrators NAARB [www.naarb.com](http://www.naarb.com)  
National Mediation Board NMB [www.nmb.com](http://www.nmb.com)

### **41. Notices and Mail to The Company:**

Any notices or mail to The Royal Network, Inc. should be sent to the corporate office at 230 South Main Street, Mullins, South Carolina 29574.

### **42. Royal Terminology:**

See Pages 24-31 for a list of Royal Terms, as well as policies and information related to the terms.



**THE ROYAL NETWORK**

## **ROYAL TERMINOLOGY**

### **ROYAL COMPENSATION PLAN**

The pay plan used by The Company that outlines the requirements and benefits of the compensation structure for Business Associates. The Compensation Plan can be found on the Company Website at [www.theroyalnetwork.com](http://www.theroyalnetwork.com), on the Opportunity Webpage under the heading of Compensation Details and Compensation Summary.

### **ROYAL RETAIL CUSTOMER**

Royal Retail Customers purchase The Royal Network's products and services from Royal Business Associates and Royal Affiliates at Royal Retail Price.

There is no cost to become a Royal Retail Customer.

### **ROYAL PREFERRED CUSTOMER**

Royal Preferred Customers purchase The Royal Network's products and services on Autoship from Royal Business Associates at Royal Preferred Customer Price.

There is no cost to become a Royal Preferred Customer.

Preferred Customers you personally place on Autoship count for both your Personal Sales Volume and your Group Volume qualification. This is a grand benefit so that you can include your family and friends that don't want to engage in the business opportunity. The Preferred Customers pay the wholesale price and you will receive 10%, plus 2%-15% in the Unilevel depending on which level your Preferred Customer is on in your Unilevel. That means you can collect 12%-25% each month!

### **ROYAL BUSINESS ASSOCIATE**

Royal Business Associates are the individuals, businesses and organizations who participate in the direct sales network marketing program The Royal Network offers.

The cost to become a Royal Business Associate is \$39.95.

Royal Business Associates can refer Royal Retail Customers, Royal Preferred Customers and Royal Business Associates to The Royal Network and when products and services are purchased generate one time and residual income.

Royal Business Associates can also refer Royal Affiliates to The Royal Network and generate one time and residual income when products and services are purchased by the Royal Retail Customers of the Royal Affiliates they refer.

In addition, Royal Business Associates can purchase The Royal Network's products and services for personal consumption, or resale at Royal Wholesale Price.

### **ACTIVE ROYAL BUSINESS ASSOCIATE**

Active Royal Business Associates are Royal Business Associates who are qualified with the minimum Personal Sales Volume (PSV) required to receive Royal Enroller Bonuses and Royal Unilevel Commissions.

### **ROYAL AFFILIATE**

Royal Affiliates are the individuals, businesses and organizations who participate in the direct sales affiliate program The Royal Network offers.

Royal Affiliates can refer Royal Retail Customers and Royal Preferred Customers to The Royal Network and when products and services are purchased generate one time and residual income.

Royal Affiliates do not participate in the multi-level marketing program and cannot generate income from the sales of Royal Affiliates and Royal Business Associates.

### **ROYAL ENROLLER ORGANIZATION**

Royal Enroller Organization is a term used to identify a Business Associate's sales organization based on direct enrollment.

### **ROYAL UNILEVEL ORGANIZATION**

Royal Unilevel Organization is a term used to identify a Business Associate's sales organization based on the Business Associate's Royal Unilevel structure from their position down. The Royal Unilevel Organization may also be called the Business Associate's "Royal Downline."

## **ROYAL ENROLLER**

Royal Enroller is a term used to identify the individual, business, or organization who personally enrolls a Royal Retail Customer, Royal Preferred Customer, Royal Business Associate, or Royal Affiliate.

## **ROYAL UPLINE ENROLLER**

Royal Upline Enroller is a term used to identify the Royal Business Associate who personally enrolls another Royal Business Associate as it relates to the Royal Enroller Matching Sales Bonus Genealogy.

## **ROYAL UPLINE**

Royal Upline is a term used to identify the single line genealogy of Business Associates above a Business Associate's Position.

## **ROYAL DIRECT UPLINE**

Royal Direct Upline is a term used to identify the Royal Business Associate directly above another Royal Business Associate in the Royal Upline.

**Example:** You are a Royal Business Associate. You personally enroll Bill as a Royal Business Associate and place Bill underneath Warren another Royal Business Associate in your Royal Unilevel sales organization. You are Bill's Royal Enroller. Warren would be Bill's Royal Direct Upline.

## **PLACEMENT**

Placement is a term used to describe the opportunity Business Associates have to place Retail Customers, Preferred Customers, Business Associates & Affiliates, on any level of their Royal Unilevel Organization that they are qualified for. Personal Enrollees are automatically placed on a Business Associate's first level. All changes in placement must take place within the first 30 days of enrollment.

## **ROYAL RANKS & TITLES**

The Royal Network has nine (9) Royal Ranks for Royal Business Associates. From the highest rank of achievement to the lowest rank of achievement the nine (9) Royal Ranks are as follows:

- Royal Presidential Executive
- Royal International Executive
- Royal National Executive

- Royal Executive
- Royal National Director
- Royal Regional Director
- Royal Local Director
- Royal Director
- Royal Manager

In order to move up the ranks and open up more levels in the Royal Unilevel structure of the Royal Compensation Plan, a Royal Business Associate must meet certain sales volume qualifications each month.

A Royal Business Associate's "Rank" is the highest rank they achieve as a Royal Business Associate. A Royal Business Associate's "Paid as Rank" is the rank they qualify for each month to receive certain sales commissions and bonuses.

### **ROYAL JEWEL RECOGNITION**

The Royal Network also has nine (9) Royal Jewel Recognition Titles to match each of the nine (9) Royal Ranks of Achievement. From the highest level of recognition to the lowest level of recognition the 9 Royal Titles are as follows:

- Blue Diamond
- Diamond
- Emerald
- Ruby
- Sapphire
- Amethyst
- Garnet
- Topaz
- Crystal

### **PERSONAL SALES VOLUME (PSV)**

Personal Sales Volume (PSV) is the number of Personal Sales Volume points you have to sell or consume each month to collect sales and bonus commissions. Your PSV also includes the monthly sales of your Royal Customers who do not participate in the Royal Compensation Plan.

**Example:** You are a Royal Business Associate on \$120.00 Autoship with 1 Royal Preferred Customer on \$80.00 Autoship. Your Personal Sales Volume = 200 PSV.

Royal Unilevel Sales Commissions, Bonuses, Promotions and Qualifications are calculated based on PSV, BV & GV.

## **BONUS VOLUME (BV)**

Bonus Volume (BV) is the number of Bonus Volume points assigned to the wholesale dollar amount of a Royal product or service.

**Example:** \$120.00 Wholesale = 120 BV

## **GROUP VOLUME (GV)**

Group Volume (GV) is the sales volume (BV) of your entire Royal Business Associate Sales Organization. Your Group Volume (GV) also includes your Personal Sales Volume (PSV) which includes your Customer Sales Volume.

Group Volume controls your promotions to higher Ranks and automatically gives you more levels of pay by attaining a higher Rank and Title. By counting all levels, you get a "Rank boost!" Remember, you only collect money on the levels that you are qualified by Rank and Title to be paid on.

**Example:** You are a Royal Business Associate on \$120.00 Auto-Subscribe with 1 Royal Preferred Customer on \$80.00 Auto-Subscribe. Your Personal Sales Volume would be 200 PSV. You also have 1,000 BV of sales volume in your sales organization. Your Group Volume (GV) = 1,200.

## **QUALIFICATIONS**

All successful direct sales compensation plans have Personal Sales Volume (PSV) requirements that increase as your Rank increases. (See Royal Compensation Plan)

## **AUTOSHIP**

Autoship is a monthly service that automatically charges your credit card, debit card or bank account so you receive your Royal products and services every month, and/or your pay from weekly or monthly commissions. Remember to check your Royal Back Office each month to make sure your personal Autoship and the Autoships of your Royal Preferred Customers and Business Associates are active.

## **ROYAL RETAIL PROFITS (RRP)**

Royal Retail Profits are the retail profits and sales commissions Royal Business Associates and Royal Affiliates earn when The Royal Network's products and services are purchased at Royal Retail Price by Royal Retail Customers.

Royal Retail Profits from Internet sales are paid weekly.

## **ROYAL PREFERRED CUSTOMER COMMISSIONS (RPCC)**

Royal Preferred Customer Commissions are the sales commissions Royal Business Associates earn when The Royal Network's products and services are purchased on Autoship, or at Royal Preferred Customer Price by Royal Preferred Customers.

Royal Preferred Customer Commissions are paid weekly.

## **ROYAL ENROLLER BONUS (REB)**

This is the **20%-40%** fast start sales bonus commission paid to an active qualified Royal Enroller with the "Paid as Rank" of Royal Manager and above, on the **INITIAL SALE** of certain "**Royal Product Packages**" and the **WEEKLY & MONTHLY SALES** of certain "**Royal Products & Services**" to a Royal Retail Customer, Preferred Customer, or Business Associate.

Royal Enroller Bonuses are paid weekly beginning one week after the Royal Retail Customer, Preferred Customer, or Business Associate's order is placed.

## **ROYAL ENROLLER MATCHING BONUS (REMB)**

This is the **5%-10%** fast start matching sales bonus commission paid to an active qualified Royal Upline Enroller, with the "Paid as Rank" of Royal Director and above, on the **INITIAL SALE** of any "**Royal Product Package**" to a new Royal Retail Customer, Preferred Customer, or Business Associate.

Royal Enroller Matching Bonuses are paid weekly beginning one week after the Royal Retail Customer, Preferred Customer, or Business Associate's order is placed.

## **ROYAL UNILEVEL COMMISSIONS (RUC)**

Royal Unilevel Commissions are the 5%-15% sales commissions and override bonuses Royal Business Associates earn when products and services with 1 or more (BV) that are purchased at Retail, on Autoship, or Royal Wholesale Price from The Royal Network and paid out through the Royal Unilevel structure.

Royal Unilevel Commissions are calculated using PSV, BV & GV.

Royal Unilevel Commissions are paid monthly.

### **ROYAL EXECUTIVE GENERATION BONUSES (REGB)**

Royal Executive Generation Bonuses are the 2%-3% sales commissions and override bonuses Royal Business Associates who have reached the Royal Executive ranks earn when products and services with 1 or more (BV) that are purchased at Retail, on Autoship, or Royal Wholesale Price from The Royal Network and paid out through the Royal Unilevel structure. (See Royal Compensation Plan)

Royal Unilevel Commissions are calculated using PSV, BV & GV.

Royal Executive Generation Bonuses are paid monthly.

### **ROYAL LUXURY CAR BONUS (REGB)**

The Royal Luxury Car Bonus is a special \$750.00-\$1,500.00 bonus paid to Royal Business Associates who maintain the rank of Royal National Executive or higher. (See Royal Compensation Plan)

The Royal Luxury Car Bonus is paid monthly.

### **ROYAL PRINCE & PRINCESS SALES BONUS POOL (RPPBP)**

The Royal Prince & Princess Bonus Pool is 1% of the Gross BV Sales of The Royal Network. Royal Business Associates who maintain the rank of Royal International Executive collect a share of the pool when they have 500,000 in Group Volume (GV) in their the Royal Unilevel structure.

The Royal Prince & Princess Bonus Pool is paid quarterly.

### **ROYAL KING & QUEEN BONUS POOL (RKQBP)**

The Royal King & Queen Bonus Pool is 2% of the Gross BV Sales of The Royal Network. Royal Business Associates who maintain the rank of Royal Presidential Executive collect a share of the pool when they have 750,000 in Group Volume (GV) in their the Royal Unilevel structure.

The Royal King & Queen Bonus Pool is paid quarterly.

### **ROYALTY CHECKS**

Royalty Checks are the weekly, monthly, quarterly and annual sales commissions and bonus checks earned by Royal Business Associates and Royal Affiliates.

The Royalty Check period for weekly sales commissions and bonuses is from Saturday 12:00 AM EST to Friday 11:59 PM EST. Royalty Checks are calculated and sent out by Friday of the following week.

Monthly sales commissions and bonuses for the previous month are calculated on the 10<sup>th</sup> of the current month and Royalty Checks are sent out on or around the 15th of the current month.

Quarterly sales commissions and bonuses for the previous quarter are calculated on the 10<sup>th</sup> of the first month of the current quarter and Royalty Checks are sent out on or around the 15th of the current month.