



## **International Development Letter to Field Leaders 11/06/08**

The company is excited and motivated to partner with you to accomplish our international objectives. Ultimately, Max plans to operate in all major markets around the world. In this letter, we'll outline important elements that generate success abroad for all of us. First is the importance of markets we already operate in. Second are the markets Max is currently developing. Third are future markets.

Max currently operates very substantial businesses in the US and Canada. It is our goal to perfect our current processes and procedures to better serve you in these markets. This includes Customer Service, Associate Support, enrollment processes, Associate reporting, etc. This will ensure the greatest return on our combined efforts as we develop the US and Canada and ready Max for international expansion.

Success therefore in North America should be paramount. Energy at corporate and in the field must be focused to ensure this. If you plan to have a robust global business, it starts in your home markets. We strongly recommend you target local ethnic groups and help them reach higher levels of achievement as they learn our products, programs and processes.

To open international markets in a long term, sustainable way, there are many complicated steps required to put infrastructure and processes in place to adequately serve the needs of your teams. It is important that all Associates follow corporate policies to ensure Max International can execute our expansion plans.

In order for Max to be a multi-billion dollar company and reach our goal to pay a billion dollars in commissions, we need to be disciplined in all markets to accomplish these goals. This requires Max International to become more vigilant in protecting the future for itself and our Associates. There are many areas where the international regulatory environment has changed in all major markets. This in turn changes how Max must operate.

### **Here are key issues that concern all of us right now:**

1. Country governments and local regulators may be monitoring all of yours and Max's business activities and are prosecuting companies that are violating laws and regulations. We are viewed as one entity and Associate behavior and corporate behavior is considered the same thing. We must therefore protect Max at all costs because your incomes depend on it.
2. Max International intends to "walk the talk" of its Credo statement. Because Max is thinking long term, we will respect and honor the laws and regulations of all international markets.
3. We must therefore move forward with "rational exuberance," which means a logical, duplicable approach to international expansion.

### **Additional Rules that Govern Australia, Philippines and Indonesia**

- A. The company is proceeding with the registrations and other requirements needed to open these countries properly. Max corporate will keep you and your upline leaders updated on our progress through the Max Advisory Council.
- B. Although we are working to get product registration in a timely manner in these countries, Max does not control local time tables for these procedures. Therefore, we recommend you counsel with your upline as to what would be appropriate for you to do at your current level of involvement and success with the company. Also, it is important to set proper expectations for your contacts.
- C. If you plan to participate in any of these markets, we strongly recommend you have significant cash flow from your domestic business to support the expense of international expansion. In many cases Associates have wasted months of time, money and energy with little or no return pursuing foreign markets and lost

domestic opportunities that could have yielded better results. International expansion requires expertise, tenacity and perseverance over the long run in order to be successful. Therefore it is vital to think globally, but not neglect your local markets.

- D. Remember, when opening any market there can be no medical or income claims of any kind. Additionally in Max, there are no preferred lines or special arrangements with the company as regards lines of sponsorship or affiliation. Also, it is your responsibility as a leader to spread the integrity and intent of these guidelines to all of your contacts.
- E. It is also critical to follow existing policies and procedures that you agreed to when you became a Max Associate. Marketing restrictions can be found in section 3.19 under the "International Marketing" heading.

## **Rules that Govern All Other Markets**

It takes significant investment to legally register the company, products, build local infrastructure, open warehouses, and hire support employees and management personnel. The gray area of the pre-selling of products and opportunities frustrates the international development process and may jeopardize the company's ability to open targeted markets in today's regulatory environment.

Therefore, here are the new and additional policies, procedures and penalties that will govern your agreement going forward as it applies to international markets Max may enter. Again, this does not apply to Australia, Philippines and Indonesia.

## **International Expansion Policies & Procedures**

- A. Importing or facilitating the importation of the selling, gifting or distributing Max International products is prohibited. This now applies to any company engaged in exporting Max product and paying commissions from the US or Canada.
- B. Placing any advertisement or distributing any promotional materials of the company, products or opportunity is prohibited.
- C. Soliciting or negotiating any agreement for the purpose of committing a citizen or resident an unopened country to the opportunity, a specific sponsor, or specific line of sponsorship is prohibited.
- D. Furthermore, Associates may not sign up citizens or residents of unopened countries in an open country or by using existing agreements or forms from an authorized country unless the citizen or resident of an unopened country has, at the time of the sign up, permanent residence and the legal authorization to work in the authorized country. It is the sponsoring Associate's responsibility to ensure compliance with residency and work authorization requirements.
- E. Membership or participation in or ownership of a corporation, partnership or other legal entity in the authorized country by itself does not fulfill residency or legal authorization of work requirements. If a participant fails to provide verification of residency and work authorization when requested by the company, the company may at its election, declare the Associate agreement void from its inception.
- F. It is prohibited to accept money or other consideration, or being involved in any financial transaction with any potential Associate, either personally or through an agent, for purposes relating to company products, opportunity, etc. This includes renting, leasing or purchasing facilities related to promoting or conducting company related business.
- G. Associates are prohibited from conducting, organizing, or participating in meetings in an authorized country with citizens or residents from an unopened country.
- H. Prohibited activities also include product meetings, web meetings, conference calls and no web sites promoting unauthorized countries.
- I. Associates are further prohibited from traveling to unauthorized countries for the purpose of having a private or group meeting of any kind regarding the opportunity or products of Max International.

## Penalties and Disciplinary Procedures

The following penalties and disciplinary procedures noted below not only apply to the rules outlined above, but also to the policies and procedures you agreed to when you became a Max Associate.

- A. The first violation of any of these policies is a (10) ten day letter sent certified mail. You will be told of the policy violation in writing and given a link to a complete copy of our policies and procedures on the web that you agreed to when you signed up. You have (10) days to respond to this letter. Accounts may be suspended if no response is given.
- B. If a second violation occurs of any policy, a second certified letter will be sent detailing the violation. The penalty will be a loss of two months commissions beginning three weeks after the date of second letter from the Compliance Department.
- C. On the third violation, your agreement with the company will be terminated.
- D. These policies and penalties will apply to all Associates regardless of pin level or longevity with the company. It is our goal at Max to become a multi-billion dollar organization. It is our hope that every leader will cooperate and be helpful in getting this information into the field, but also help us police these policies to ensure the long term viability of Max around the world.

Your reputation and long term success is not a trivial matter to us. The vision and focus of the founders, executive team and the entire Max organization is to make Max a household name around the world in 50 plus markets. Therefore, your participation, energy and drive must be safeguarded as we expand. We thank you in advance for your help in this critical area of our business.