



## **International Development Policies and Procedures Updated 03/16/10**

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 future markets.

Max currently operates very substantial businesses in the US, Canada, Philippines and now New Zealand. Max also has plans to open in Australia. It is our goal to perfect our current processes and procedures to better serve you in these markets. This includes Customer Service, Max Leadership Support account management, enrollment processes, Associate reporting, etc. This will ensure the greatest return on our combined efforts as we develop these markets and ready Max for additional international expansion.

Success, therefore, in North America and our open markets 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 multibillion-dollar company and reach our goal to pay \$1 billion 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.

### **Key Issues and Recommendations as you Build your Max Businesses**

1. National governments and local regulators may be monitoring Max's business activities, as well as yours, and are prosecuting companies that are violating laws and regulations. We are viewed as one entity and Associate behavior and corporate behavior are considered the same thing. We must therefore protect Max at all costs because your income depends on it.
2. Max International intends to "walk the talk" of its Max Code. 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 all international expansion activities.
4. 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.
5. 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 regarding 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.

6. 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 Unopened Markets**

It takes significant investment to legally register the company and 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 significantly delay or even jeopardize the company’s ability to open targeted markets in today’s regulatory environment.

New markets will be officially announced by Max corporate once fundamental preparations have been made. This will include exhaustive work behind the scenes with product approvals, etc., long before we engage field leaders in the market opening planning process.

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.

## **International Expansion Policies & Procedures**

A. Importing or facilitating the importation or the selling, gifting or distribution of Max International products is prohibited. This now applies to any Associate or company engaged in exporting Max product and paying commissions from the U.S., Canada, Philippines, New Zealand or Australia.

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 of an unopened country to the opportunity, a specific sponsor, or specific line of sponsorship is prohibited.

D. Associates may not sign up citizens or residents of unopened countries in an open country or use 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. Associates are prohibited from accepting money or other consideration, or to be involved in any financial transaction with any potential Associate, either personally or through an agent, for purposes relating to sales or distribution of company products, opportunity, etc. This includes renting, leasing or purchasing facilities related to promoting sales, distribution 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 web sites promoting sales, distribution or other activities in 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 sales opportunity or otherwise relating to products of Max International LLC.

## 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 ten-day (10) 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 ten (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 the 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 multibillion-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.

In addition, we have worked hard to build a solid reputation for Max International and our products. 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.

An excellent reputation takes determination, sound judgment, and concerted effort by everyone representing the company, including company executives and staff, as well as sales Associates. We are committed to preserving and expanding the reputation we have all worked so hard to create.