

BUSINESS OPPORTUNITY DISCLOSURE



From: inCruises® Founder and CEO, Michael “Hutch” Hutchison

To: inCruises Partners

Re: IMPORTANT DISCLOSURE ABOUT OUR BUSINESS OPPORTUNITY

inCruises is proud to be part of the Direct Selling Industry. Direct Selling is about direct contact with your customers, being your own boss and having your own business. You can work independently or with a team. You can work from home and create the work/life balance that's just right for you and your family.

The World Federation of Direct Selling Associations (WFDSA) defines direct selling as **“a dynamic, vibrant, rapidly expanding channel of distribution for the marketing of products and services directly to consumers.”** Basically, direct selling cuts out the middleman in the sales process. Direct selling also offers people the opportunity to:

- Work full or part-time, from anywhere
- Own a business with little (or no) capital investment
- Earn income based on personal effort
- Socialize with others
- Be recognized for accomplishments
- Control their own schedule based on personal or family needs

According to the WFDSA, more than 91 million independent sales Partners are part of the global direct selling industry, accounting for more than \$154 billion USD in annual retail sales. Direct selling is a legitimate and lawful method of marketing that has been tested and proven over time. We adhere to the Code of Ethics of the Direct Selling Association (DSA).

We carefully chose to market our services through a direct selling model after exhaustive research into the benefits, costs and flexibility of multiple marketing channels. We strongly believe that our chosen model gives us the greatest opportunity to grow our brand and reach millions worldwide. That being said, we are aware that the direct selling advantages do not come without some level of controversy, as well as additional risks that we need to carefully monitor.

inCruises, first and foremost, cares about consumer protection and has thoughtfully created a product offering that provides great value to our Members. We have Seller of Travel (SOT) registrations and bonds in every state where they are required. We have worked with industry experts and attorneys to make sure our offer meets or exceeds every legal standard.

Our travel law firm of record is:

Ment Law Group
225 Asylum Street, 15th Floor
Hartford, CT 06103
www.mentlaw.com

We chose Ment Law Group because they are **“good people”** with over 30 years experience in travel industry related law and are widely recognized as some of the preeminent experts in the field.

We strive to meet the highest standards when it comes to providing great customer service and will deal with customer complaints quickly and consistent with our policies, guarantees and procedures.

inCruises is also committed to providing and promoting a transparent, well-managed, fully compliant, legitimate business opportunity to our Independent Business Partners. As part of this commitment, we will adhere to every State and Federal regulation in the U.S. and with the laws of any Country or Territory where we operate as it related to direct selling and marketing of our business opportunity.

Our direct selling law firm of record is:

Reese Poyfair Richards, PLLC
1275 East Fort Union Boulevard Suite 115
Cottonwood Heights, UT 84047
<http://www.mlmlaw.com/>

We chose Reese Poyfair Richards, PLLC because they too are **“good people”** and have represented over 2,000 direct selling companies.

Thank you for the privilege of serving you and your families. I trust I have answered some of your concerns.



Michael Hutch

Michael “Hutch” Hutchison
Co-Founder & Co-CEO

NETWORK MARKETING OPERATING STANDARDS

This guide was prepared using the knowledge, feedback and legal opinions of various industry experts and attorneys. Our intent is to clearly illustrate how inCruises complies with any and ALL important standards of a lawful direct selling business using a network marketing model.

We do this because, unfortunately, there are times where illegitimate business opportunities (pyramid schemes or scams) can easily be confused with legitimate Direct Selling or Network Marketing Companies. There are clear distinctions between the two. Using the chart below, we showcase how our company has gone to great lengths to ensure we transparently provide a compliant and legitimate business opportunity for all our Independent Business Partners.

STANDARDS	HOW WE COMPLY
<p>There should be a clear difference between a Customer of the product or service being marketed and the Representative promoting and making sales of the products and services.</p>	<p>inCruises makes a clear differentiation between our customers (<i>we call them Members</i>) and our representatives (<i>we call them Partners</i>). Anyone can become a Member and that does not automatically make them a Partner. The same is true vice-versa. Some of our Members choose not to become Partners and some of our Partners choose not to be Members. There are costs and processes that are clearly different and separated to ensure there is no confusion.</p>
<p>There should be no required purchase of products or services by the Representatives to enter, advance or qualify for higher positions in the company.</p>	<p>inCruises does not require any Partner to purchase an inCruises Membership to enter the business or qualify for any commission or bonus. We clearly state this in our presentations and in our compensation plan document. We do, of course, want our Partners to buy a membership IF they believe they can benefit from our offer.</p>
<p>There should be no compensation for recruiting or sponsoring of new Representatives. Commissions should only be paid from the sales of products and services to consumers.</p>	<p>inCruises does not pay commissions or bonuses for the recruitment of new Partners. Any fees paid by new Partners are non-commissionable. Commissions and bonuses are paid only when a Partner completes a Membership Product sale.</p>
<p>There should be the requirements of enough sales by Representatives to ensure the right behavior of true customer acquisition and not just qualification based on auto-consumption.</p>	<p>inCruises requires that Partners maintain a minimum of 5 active Member sales and that at least one directly referred Partner also has 5 active Member sales in order to receive recurring compensation on all direct and indirect membership sales. This is required to ensure that our Partners learn to market our Membership Product and can consequently teach others to do the same.</p>

STANDARDS	HOW WE COMPLY
There should be policies and procedures to ensure that Representatives are not auto-buying the required personal sales number or volume to qualify for commissions and bonuses.	inCruises discourages the auto-buying behavior simply for qualification of additional commissions and bonuses by requiring more than one or two sales to do so. Partners are only allowed to buy one membership for themselves and are required to produce and maintain 5 customer sales and teach their teams to do the same to qualify for recurring compensation and bonuses.
There should be strict rules to prohibit inventory loading.	inCruises does not allow any kind of inventory loading by nature of our simple membership program.
There should be incentives and/or requirements for recruiting or sponsoring Representatives to provide assistance and mentoring to new Representatives.	inCruises provides financial incentives to encourage and reward leaders for helping their Partners to achieve certain goals. Additionally, we promote a strong leadership culture of training, helping and mentoring to ensure the success of the newest Partners.
There should be no buying into positions and /or levels by representatives of the company in order to earn higher commission amounts or bonuses of customer sales in their sales structure.	inCruises does not allow anyone to buy into a position. In fact, we have an ATTAINED rank and a PAID AT rank. By attaining a certain level does not mean you can sit back and just earn compensation from your team. You must remain active as a leader and maintain those production levels to be PAID AT the level you have attained.
There should be proper disclosure at all times of the earnings potential of the opportunity.	<p>inCruises uses proper disclaimers each time we explain our compensation program. We adhere to a zero-tolerance policy when it comes to projecting income potential.</p> <p>Access the current income disclosure here: https://www.incruises.com/disclosure</p>
There should be a complete prohibition of hypothetical earning projections, and the company should ensure compliance by all Representatives to the same.	<p>inCruises does not permit any Partner to make income claims. We strictly prohibit:</p> <ul style="list-style-type: none"> • Showing your actual earnings to promote the business opportunity. • Projecting or explaining how much money you could potentially earn if you join. • Manipulation or fabrication of business presentations not authorized by us to illustrate in any capacity our business opportunity and earnings potential.
There should be NO inducement to get potential customers to buy the product or services of the company based on the potential of getting your money back or not paying for the product by referring others.	We do offer a great program that waives your monthly fees if a Partner signs up and maintains five directly referred Members. You must pay an activation fee to become a Partner, so we strictly discourage using this program in relation to the promotion of the Membership Product. Most of our Members will not refer five other Members.

STANDARDS	HOW WE COMPLY
<p>There should be no unreasonably high entrance fees, training fees, franchise fees, fees for promotional materials or other fees related solely to the right to participate in the direct selling business opportunity.</p>	<p>inCruises offers an Independent Partner Program like no other in the marketplace. We provide great tools and training. We do charge an activation fee and semi-annual renewal fee to remain as a Partner. This fee is reasonably priced. In fact, we believe it offers great value to our Partners. One feature alone (our unlimited email marketing system) could easily cost you \$30 to \$50 per month if purchased elsewhere.</p>
<p>There should be policies and procedures to ensure that Independent Partners represent the product or service truthfully and that all features, guarantees, refund policies and terms are properly explained to the end consumer.</p>	<p>inCruises has created a Policies and Procedures Manual that outlines the proper and improper ways to market our membership and opportunity. We also prominently display our refund policy on our site and require acceptance with our terms to make any purchases. Additionally, we have set up systems to monitor and properly deal with any violators.</p>
<p>There should be complaint handling procedures to ensure prompt resolution of all complaints</p>	<p>inCruises regards customer protection and providing great customer service with the highest level of corporate citizenship and responsibility. We promptly and fairly deal with any and all complaints or disputes. We answer 100% of our customers' requests, questions and complaints within 24 hours during regular business hours, and within 48 hours during holidays and weekends. In 90%+ of the cases, we will resolve issues and technical support tickets within 6 hours.</p>