



# POLICIES AND PROCEDURES

FOR ALL PURETRIM PROMOTERS

I. General	
II. Purpose of Policies & Procedures	1
A. Ethics Compliance and Applicable Laws	1
B. Changes to Application, Terms and Conditions, Policies and Procedures and Sales Team Organization	
D. Provisions Severable	2
E. Company Ownership of Sales Team, Sales Team Organization and Customer Information F. Limited Use of Sales Team Information by Promoters (Sales Team Organization); Prohibition of Use on Termination, Resignation or Suspension	
G. Prohibition Against Soliciting Promoters and Customers	
H. Prohibition Against Reverse Engineering of Company Products	2
I. Limited Use "License" of PureTrim Sales Team Organization Software and Other Company Materials J. Prohibition on Using Company Email System, etc	
K. Spamming Prohibited	3
L. Prohibited Promoter Interaction with PureTrim Employees	
III. Confidential Information/Non-Disclosure	
IV. Ethical Guidelines	
V. Indemnity Agreement	
VI. Application Process	4
VII. Eligibility Requirements	4
A. Minimum Age Requirement	4
B. Tax Identification Numbers Required	
C. Proniotion against Multiple Promoterships  D. Partnerships, Corporations and Trusts	
E. No Product Purchase Required	4
F. Company Contact	
H. Independent Health Food Stores	
VIII. Changes in Promotership Status	
A. Marriage	
B. Death	
C. Divorce	
E. Sales or Transfers Prohibited	5
F. Promoter Information Changes	
IX. Promoter Information and Responsibilities	5
A. Tax Reporting	
C. Promoter Identification Cards Required	6
D. Buyer's Right to Cancel	
F. Representations Made by Promoters	
G. Income Claims	
H. Prohibition against Transferring/Shipping PureTrim Products across U.S. / Canadian Border I. Disciplinary Actions	
X. Having a Sponsor	
A. Being a Sponsor	
B. Non-competition with the Company; Company Right to Change Business Model	
C. Prohibition Against Selling/Sponsoring Products in Other Countries	
XI. Inventory	
A. Inventory Loading Prohibited	
B. Labeling, Packaging, or Tampering with Products	8
C. Pricing and Availability	
E. Credit Card Usage By Promoters	
XII. Product Orders	8
A. Ordering Procedures	8
B. Payment Processing	
XIII. AutoShip Program	
A. The AutoShip Program	
C. Agreement	
D. Payment Procedures	9
E. Online Health Store & PureTrim Promoter Office Access F. Cancellation of an Online Health Store	

XIV. Customer and Retail Customer Product Guarantee	9
XV. Retail Customer Program	9
A. Definition of a Retail Customer	9
B. Sales Verification	
C. Retail Sales Receipts  D. Retail Returns	
XVI. Customer Program	9
A. Definition of a Customer	
B. Constant Contact	
C. Free Customer Shipping Program	
XVII. Return Policy  A. Return Authorization	
A. Return Authorization  B. Customer Returns	
C. Errors in Customer Shipment	10
D. Promoter Returns  E. Promoter Buy-Back Policy	
F. Commission & Bonus Reversals (All Returns); Disputes as to Commissions Paid	11
G. Other Reasons for Returns	11
XVIII. Bonuses, Advancements, & Retail Sales Commissions	
A. Wholesale Sales Volume	
C. Promotions	
D. Performance Bonuses	
F. Rank Promotion Requirements	
H. Maintaining your Qualifications and Rank under The PureTrim Direct Sales Profit Plan	12
I. No Account Manipulation	
J. Adjustments to Promoter Commission Checks K. Commission Checks	
XIX. Publicity Specifications	13
A. Governmental Representations	
B. Privacy Policy	13
C. Trademarks, Logos, Product Names, Domain Names and Other Company Intellectual Property:	13
E. Literature and Sales Aids	13
F. Television and Radio	
H. Personal Appearances	
I. Telephone	
J. Faxes	14
L. Trade Shows and Fairs	
M. Inquiries from the Media	
O. Adverse Event Reporting	
P. Emails, Voice Mails and Text Messages/Updates from Company	
XX. Conduct and Obligations	
A. Adherence to Policies & Procedures	
C. Disciplinary Measures	
D. Suspension	
E. Termination	
G. Notice	
XXI. Insurance	15
XXII. Non-Performance Clause	15
XXIII. Non-Waiver of Policies & Procedures	16
XXIV. Amendments	16
XXV. Governing Law	16
XXVI. Dispute Resolution, Agreement to Arbitrate, and Class Action Prohibition	16
XXVII. Promoter Feedback	16

### I. General

This "PureTrim Promoter Agreement/PureTrim Policies and Procedures" (the "Policies & Procedures"), is a primary legal document that along with the other documents that comprise the "Agreement," as defined below, sets out the legal and business relationship between each PureTrim Promoter ("Promoter" or "you") with PureTrim, a division of Awareness Corporation (the "Company").

PureTrim Promoters are independent contractors. They are not employees of the Company. The Agreement between the Company and its Promoters does not create an employer-employee relationship. PureTrim Promoters are issued IRS Form 1099's as independent contractors, if US. Citizens. Independent Promoters agree, when they become Promoters for the Company that they will not be treated as employees when they agree to Distribute PureTrim products, for federal or state tax purposes. They will not be treated as employees for purposes of the Federal Unemployment Tax Act, the Federal Insurance Contributions Act, the Social Security Act, the State Unemployment Act or the State Employment Security Act. Promoters agree that they are independent contractors during the term of their business relationship with the Company.

Each Promoter is responsible for reading, understanding and fully complying with all of the terms and conditions of the Policies & Procedures, and as may be changed, amended or modified (collectively, "changed" and "changes") from time to time, regardless of whether the Company the Company provides notice of changes. The Company may make such changes to the Policies & Procedures, as it deems necessary. When the Company makes changes to the Policies and Procedures and posts them on the Company website, each Promoter is immediately and automatically bound by such changes and is deemed to have received actual legal notice of such changes immediately on their posting online.

Promoters therefore should familiarize themselves and are required to fully comply with all of the current Company Policies & Procedures. It is the responsibility of each Promoter to frequently read and understand the Policies & Procedures to ensure compliance under the most current version. Each Promoter is also responsible for ensuring that his or her sponsored Promoters read and understand the most current version of the Policies & Procedures.

The Company requires each and every Promoter of the Company to adhere to all relevant statutes, laws, regulations, and ordinances and each provision of this Agreement. Company reserves the right to take any and all actions that are deemed necessary to determine and ensure compliance by each Promoter with these Policies & Procedures.

As used in the Policies & Procedures, the following terms have the following meanings:

- "Sales Team": the Promoters directly under you. All Promoters for whom you
  are the sponsor are in your Sales Team.
- 2. "Upline": the Promoters directly above you in your Sales Team Organization. Your sponsor is in your Upline.
- 3. "Sponsor": the person you have chosen or is assigned to you (if you have not chosen one) to be your "sponsor" as defined in these Policies & Procedures.
- "Company Products": the products offered for marketing and sale by the Company.

### II. Purpose of Policies & Procedures

These Policies & Procedures in their present form and as changed from time to time, is incorporated into, and forms an integral part of the agreement between the Company and each Promoter. Whenever the term "Agreement" is used in these Policies & Procedures, it refers collectively to the following documents: the Promoter Application, the Terms & Conditions, the Policies & Procedures, and the Direct Sales Profit Plan. These documents are incorporated by reference into the Agreement all in their current form, as amended from time to time by the Company.

You hereby acknowledge and agree that your submission to the Company of a Promoter Application, either by facsimile, email, online, or through the postal services, or by any other means, shall constitute conclusive evidence of your unconditional acceptance of the terms and conditions of the Agreement and your agreement to be bound by all of such terms and conditions.

Each new version of the Policies & Procedures completely replaces and extinguishes the prior version. By clicking "I Agree" in the Terms and Conditions section of the Promoter Agreement, or by placing any product orders with the Company, or receiving any payment under any Company compensation plan, or by using any Company software or web site, you are agreeing to be bound by all terms and conditions of each new version of the Policies & Procedures while you are an PureTrim

Promoter. Promoters shall be bound by all of the terms and conditions of the version of the Policies and Procedures that is posted online at the time of the termination, suspension or resignation of the Promoter.

The voluntary or involuntary termination of a Promoter's Promotership with the Company results in the automatic and immediate termination of this Agreement, and the termination of this Agreement results in the automatic and immediate termination of a Promoter's Promotership with the Company.

### A. Ethics Compliance and Applicable Laws

The Company requires its Promoters to conduct themselves with the highest ethics and integrity. Each Promoter hereby warrants and represents that he or she has never been convicted of a felony, charged with any crime involving moral turpitude or acts of dishonesty, or violated any court order, or was found by a court of competent jurisdiction to have engaged in fraud, in a deceptive or unfair trade practice, or in false advertising. If a question arises regarding the propriety of a Promoter's current or past conduct, which conduct might reflect negatively on the Company or present a potential danger to other Promoters or the Company, the Company shall be notified immediately so that appropriate action in the sole discretion of the Company may be taken

Each Promoter shall abide by all federal, state, county and local laws, regulations and ordinances and shall conduct the Company business with the utmost integrity and honesty. The making of false or misleading statements regarding the Company, or its products, services, employees, or officers or regarding other Promoters shall be grounds for immediate termination by the Company of the relationship between the Company and the Promoter, and the Company shall be entitled to all remedies available to it in law and in equity available to it from the breach by a Promoter of this condition.

# B. Changes to Application, Terms and Conditions, Policies and Procedures and Sales Team Organization

Because federal, state, international, and local laws, as well as the business environment, periodically change, the Company reserves the right, in its sole and absolute discretion, to change the Agreement from time to time. All changes to the Agreement shall be deemed effective as of the moment of the posting of the changed version on the Company website. Notification of changes may be posted on the Company web site (at www.PureTrim.com) for immediate access by all Promoters and prospective Promoters. The Company, however, is not obligated to notify Promoters of any such changes or the postings thereof, and therefore each change shall be effective when posted even if the Company does not notify you of the change.

You acknowledge and agree to the Company's right to change the Agreement, acknowledge your responsibility to regularly and carefully monitor the Agreement as posted on the Company website, and agree to be bound by all changes to the Agreement. Continued activity in the Company by a Promoter after the Company has posted any change or notice of change, or the acceptance of any compensation under any Company Program, including bonuses or commissions, or by using any Company software or web site, also constitutes actual notice and acceptance of any and all changes.

Company reserves the right to change, alter, modify and/or delete the existing Sales Teams or uplines of Individual Promoters for any reason it deems sufficient under the circumstances. Company may make such changes without notification to any Promoters and without notification to and Promoters that may be affected by such changes. Promoters herein acknowledge and agree to waive any claim against Company for the making of such changes. Promoters acknowledge that they have no ownership interest in any Sales Teams or uplines under these Policies and Procedures.

### C. Delays

The Company shall not be responsible for any delays or failures in performance of its duties under the Agreement caused directly or indirectly by circumstances beyond the reasonable control of the Company, such as but not limited to, third party delays (such as delays by product manufacturers in making or delivering product), product recalls, transportation or other shipping or delivery delays, strikes, labor unrest, civil disturbance, war, fire, floods, death, natural disasters, computer errors or failure, the negligence or intentional acts of persons not within the Company's control, curtailment of source of supply or company's inability to obtain raw materials, product or packaging, and governmental decrees or orders.

You acknowledge and agree that the Company accordingly does not guarantee and shall have no liability of any kind for any delays in shipping or delivering products or making compensation payments, commencing new marketing programs, giving

approvals, or completing any other performance. You hereby waive all rights to commence or maintain any legal action against the Company for any delays in regard to the Company's business, regardless of duration or cause of such delays, and despite whatever economic losses or damages to you or other Promoters result from such delays.

### D. Provisions Severable

If any provision of the Agreement, in its current form or as it may be changed, 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. A court of competent jurisdiction shall have the right and authority to strike any such invalid portion and to construe and enforce the remaining provisions.

# E. Company Ownership of Sales Team, Sales Team Organization and Customer Information

All Promoters acknowledge Company's sole and exclusive ownership of all of the identities, addresses, telephone numbers, email addresses and all other contact and personal information of all Promoters and Customers in all Sales Teams (collectively, "Sales Team Information"), and that all such Sales Team Information is proprietary and confidential to the Company. Each Promoter waives his or her right to claim any rights of any kind in any Sales Team Information, including the waiver of his or her right to use any Sales Team Information for contacting Promoters or Customers for any purpose other than approved PureTrim business.

Promoters further acknowledge that any internet or other access to their Sales Team Organization history, signups, or reports is not guaranteed by Company. Company may, for any reason it deems sufficient, limit, restrict, modify or terminate Promoters' access to Company Sales Team Organization reports or data.

The sole exceptions to the foregoing is that a Promoter has the right to contact any Promoter or Customer that was identified to PureTrim in the initial Application by a new Promoter as being a "pre-existing personal contact" of that Promoter prior to his or her joining PureTrim, or, in the case of Promoters who have submitted an Application prior to the effective date of this version of the Policies & Procedures can prove that any such person was a friend, family Promoter or prior Customer of that Promoter (collectively, a "Pre-existing Contact").

# F. Limited Use of Sales Team Information by Promoters (Sales Team Organization); Prohibition of Use on Termination, Resignation or Suspension

Promoters have no rights of any kind in any Sales Team Information except as provided in this Agreement. Specifically, Promoters are only granted a limited, non-exclusive, revocable license and permission to use the Company's proprietary Sales Team Information solely during the duration of their business relationship with Company and only for Company-related business. This limited license and permission terminates immediately with the voluntary or involuntary termination of a Promoter or upon suspension of that Promoter.

Promoters do not have the right to maintain or store any Sales Team Information in any computer or other electronic, print or other media, or to make copies of any pages of any online "office" made available by the Company to the Promoter. In no event may any terminated Promoter (whether voluntarily or involuntarily terminated) or any Customer have or take possession or custody of, or use for any purpose any Sales Team Information. Promoters who are terminated or who resign the Company shall destroy any and all copies of any materials, whether in print, electronic record, other format or media, that contain any Sales Team Information upon such Promoter's voluntary or involuntary termination from the Company.

Under no circumstances shall a Promoter have a right to contact any PureTrim Promoters following the voluntary or involuntary termination of the Promoter from the Company. You hereby acknowledge and agree that any unauthorized possession or use of any Sales Team Information by You following your voluntary or involuntary termination shall be deemed, inter alia, intentional trade secret misappropriation and conversion, and that any unauthorized contact of any Promoter or Customer by You shall be deemed, inter alia, unfair competition with the Company as well as an intentional tortious interference with the Company's business relationships with its Promoters and Customers.

Additionally, under no circumstances shall a "former" Promoter have the right to direct another Person or entity to contact any PureTrim Promoters for any commercial purpose. Any action or activity by a "former" Promoter to cause another person or entity to contact PureTrim Promoters for any reason shall be a violation of these

Policies and Procedures and a violation of the confidentiality provisions contained herein

You agree that any such violation shall entitle the Company to be awarded immediate injunctive relief against such unlawful activity, without the necessity of the Company's having to post a bond, in federal or state court, and to obtain all other available legal and equitable remedies. You hereby acknowledge that your engaging in any of unauthorized activities described in this subparagraph shall cause damage and immediate irreparable harm to the Company. All of the terms and conditions of this subparagraph shall survive the termination of this Agreement for any reason.

### G. Prohibition Against Soliciting Promoters and Customers

Promoters are prohibited from soliciting or communicating with any other Promoters or Customer of PureTrim products for any commercial purpose for a period of three (3) years following the involuntary or voluntary termination of their Promoterships, unless such person(s) contacted were "Pre-existing contacts" as defined in this Agreement. Further, Promoters are expressly prohibited while an PureTrim Promoter and thereafter from contacting any Sales Team Promoters for purposes of soliciting them to buy or sell other companies' products or services or to recruit for or notify them about participation in any other business or marketing program whether or not for a business that is competitive with Company, and regardless of the type of product or service offered.

You hereby acknowledge and agree that any violation by You of any of these prohibitions shall be deemed, inter alia, intentional trade secret misappropriation and conversion, and unfair competition with the Company as well as an intentional tortious interference with the Company's business relationships with its Promoters and Customers. You agree that any such violation shall entitle the Company to be awarded immediate injunctive relief against such unlawful activity, without the necessity of the Company's having to post a bond, in federal or state court, and to obtain all other available legal and equitable remedies. You hereby acknowledge that your engaging in any of unauthorized activities described in this subparagraph shall cause damage and immediate irreparable harm to the Company. All of the terms and conditions of this subparagraph shall survive the termination of this Agreement for any reason.

### H. Prohibition Against Reverse Engineering of Company Products

Promoters acknowledge and agree that the recipes and formulations of Company Products are valuable trade secrets of the Company. Accordingly, you acknowledge and agree that you shall not reverse engineer, directly or indirectly, any Company product. You also hereby acknowledge that your engaging in any of unauthorized activities described in this subparagraph shall cause damage and immediate irreparable harm to the Company. All of the terms and conditions of this subparagraph shall survive the termination of this Agreement for any reason.

# I. Limited Use "License" of PureTrim Sales Team Organization Software and Other Company Materials

The Company's software programs, all Sales Team Organization and other reports, all Company website content and software, and all Company marketing, promotional and other business-related materials, in whatever media or form, and any and all other materials that are "original works of authorship" as defined under US and international copyright laws now or later in existence, are all protected by Copyright and other laws throughout the world ("Company Materials"). Promoters have no rights of any kind in such Company Materials except as permitted under this Agreement, namely the limited, non-exclusive, revocable license and permission to use such Company Materials for Company-related business during the time the Promoter is an authorized Promoter. The foregoing license and permission terminates immediately upon the voluntary or involuntary termination of this Agreement for any reason.

No Promoter can use the Company electronic offices ("Promoter Offices") or other software unless he or she has first registered with the Company to use and access such software. All information contained or entered into the Company's software or hosted system, including into any Promoter Office, shall become the sole and exclusive property of Company, including all Sales Team Information. You acknowledge and agree that all Company Materials are the sole and exclusive property of the Company. You acknowledge and agree that no Promoter has the right to enter any Sales Team Information or other Company information or Company Materials into any software program, database, server or other media other than Company supplied media, namely, the Promoter's Promoter Office entered though a Company website. You shall use your best efforts to protect and keep confidential any and all Sales Team Information and other Company proprietary information and trade secrets used by you, and your employees, and/or agents and your Sales Team

Promoters, and you further agree that you shall never use Company Materials for any non-Company related purpose.

You further acknowledge and agree that for every violation or breach of the terms of this paragraph, as well as for breaches of Paragraphs F, G, H, J and K of these Policies & Procedures, the Company shall be entitled to liquidated damages of \$10,000.00 in any civil proceeding commenced by the Company under this Paragraph in addition to all other remedies available to the Company. You agree that this amount is fair and reasonable, and is not a penalty. You also agree that all of the terms and conditions of this subparagraph shall survive the termination of this Agreement for any reason.

### J. Prohibition on Using Company Email System, etc.

Promoters shall not use the Company's email system, Promoter Office, or any other company system, software, or communication process or system to promote the products of any other company or to solicit other Promoters to sell or market any other company's products or to join another company's compensation program or for any other purpose not expressly authorized by the Company. You agree to the foregoing prohibition. You further agree that any violation of any of the foregoing terms and conditions shall entitle the Company to be awarded immediate injunctive relief against such unlawful activity, without the necessity of the Company's having to post a bond, in federal or state court, and to obtain all other available legal and equitable remedies.

You hereby acknowledge and agree that your engaging in any of unauthorized activities described in this subparagraph shall cause damage and immediate irreparable harm to the Company. All of the terms and conditions of this subparagraph shall survive the termination of this Agreement for any reason.

### K. Spamming Prohibited

The unauthorized distribution or transmission of any non-Company information or other content to any Promoter or Customer by a Promoter, or any distribution or transmission of any content or Sales Team Information or Company Material by a former Promoter to anyone, including any Promoter or Customer shall constitute illegal spamming and shall be actionable by the Company under federal or state criminal and civil anti-spam statutes and other relevant laws and shall subject the person sending such spam to all penalties available for said violations, including termination.

Company shall have the right to charge the offending Promoter or former Promoter with damages in the amount of One thousand dollars (\$1,000.00) per offense per spam message sent, in addition to the right to seek any and all other legal and equitable remedies available for such violation.

Any violation of any of the foregoing terms and conditions shall entitle the Company to be awarded immediate injunctive relief against such unlawful activity, without the necessity of the Company's having to post a bond, in federal or state court, and to obtain all other available legal and equitable remedies. You hereby acknowledge that your engaging in any of unauthorized activities described in this subparagraph shall cause damage and immediate irreparable harm to the Company. All of the terms and conditions of this subparagraph shall survive the termination of this Agreement for any reason.

### L. Prohibited Promoter Interaction with PureTrim Employees

While PureTrim desires that its Promoters and Company employees enjoy a cordial, professional relationship, it is an obligation on the part of Promoters to avoid creating any actual or potential conflict of interest between Company employees and the Company through improper gratuities or other social interaction between those employees and the Promoter. Any violation of these rules by a Promoter subjects that Promoter to immediate termination of their Promotership.

As such Promoters must refrain from:

- Providing any gratuities, courtesies or gifts in any form whatsoever to Company employees, including providing Company employees with product discounts.
- Engaging in any business activity with the employee or his/her immediate family Promoters, even if such Activity does not involve their PureTrim business.
- Engaging in non-work setting social interaction, i.e. inviting employees to parties, dinners or other social activities hosted or sponsored by the Promoter or his/her family.
- Soliciting employees, their family or friends into their PureTrim Promoter Sales Teams or as Customers.
- Offering employees employment with their PureTrim business or other family business.

- Exchanging personal information, including the employees phone numbers and/or email addresses.
- Engaging in communications with employees during non-business hours at the employee's residence.

### III. Confidential Information/Non-Disclosure

The Company will supply limited and proprietary data processing and reporting information to Promoters regarding their personal Sales Team only. The Promoter agrees that all such information, including all Sales Team Information and all Company Materials identified as being "confidential," is proprietary and confidential to the Company, and it is transmitted to the Promoter in confidence, for the sole purpose of assisting the Promoter in building his or her PureTrim business ("Company Confidential Information"). You acknowledge that the use of the term "your business" or similar terminology is a term of art and does not result in the granting to you of any rights in any Company Materials, Sales Team Information or any other Company property. You agree that you shall not disclose any Company Confidential Information, whether or not received initially from the Company, to any other person, firm, entity, or corporation, or use any Company Confidential Information for any unapproved purpose. Promoters retain no right to possess or use any such Company Confidential Information for any reason following the termination of this Agreement for any reason.

Sales Team Organization reports, Sales Team Information, Company Confidential Information and/or mailing labels are released to the Promoters only for supporting their PureTrim business during the pendency of their Promotership. Promoters agree to destroy all materials containing Company Confidential Information in their possession, custody or control, including all Sales Team Information immediately following termination of their Promoterships. You hereby agree to the terms of confidentiality in these Policies & Procedures, and agree to fully comply with your ethical obligations, which include respecting the wishes of Sales Team leaders with respect to communications with their individual Sales Team Promoters. Any Promoter found to be in violation of these rules is subject to suspension and termination. Any violation of any of the foregoing terms and conditions shall entitle the Company to be awarded immediate injunctive relief against such unlawful activity, without any necessity of the Company's posting a bond, in federal or state court, in addition to all other legal and equitable remedies. Each Promoter hereby acknowledges that his or her engaging in any of unauthorized activities described in this subparagraph shall cause damage and immediate irreparable harm to the Company. All of the terms and conditions of this subparagraph shall survive the termination of this Agreement for any reason.

### IV. Ethical Guidelines

As a Promoter of the Company Products, You agree to conduct business according to the following ethical guidelines:

- 1. I will honor the Company Promoter guarantee with all of my Customers.
- 2. I will be fair and honest in all my transactions as a Company Promoter, and will earn my bonuses and/or commissions while adhering to ethical practices which include, but are not limited to:
  - a. Customer/Promoter product orders will be placed on the account designated for that Customer/Promoter only;
  - New Promoters will be fully educated by their Sponsor on the rules governing Promotership, including the Policies and Procedures/ Terms and Conditions, and how they apply to Promoters; and
  - Promoter applications will contain accurate information regarding the New Promoter, including a valid Tax ID Number, phone number, and E-Mail address
- I will make NO representations or statements regarding the nature or efficacy for any of the Company Products if such statements are not contained in official Company literature.
- I will not make specific or potential income claims, representations, or projections.
- I will emphasize that the financial success of the Company Promoter/ Promoter depends upon that Promoter's individual effort, dedication, and the training and the supervision that a Promoter provides to his or her Sales Team.
- 6. I will be polite and respectful to everyone I contact regarding my business and the Company products, as to enhance the positive reputation of the Company.
- I will become familiar with, and abide by, the Agreement, as well as all relevant local, state, provincial and federal statutes, rules and regulations.
- 8. I will fulfill my leadership duties as a Sponsor, including training and supporting the Promoters in my Sales Team.



 I have had NO prior charges of conduct involving moral turpitude lodged against me.

In the event that an alleged violation of any of these guidelines by you is brought to the attention of the Company and is confirmed, disciplinary action may include, but, is not limited to suspension and/or subsequent termination as outlined in Section XX "Conduct and Obligations" hereof.

### V. Indemnity Agreement

Promoters shall safeguard and promote the positive reputation of the Company and its products, and shall refrain from any conduct that might be harmful to such reputations throughout the entire duration of their relationship with the Company. Promoters shall avoid all discourteous, deceptive, misleading, unethical, and immoral conduct or practices while in association with the Company and its products.

Promoters found to be engaged in such practices agree that any violation by You of any of these prohibitions shall be deemed, inter alia, an actual, implied, or constructive material breach to which Promoter liability resulting from such act(s) is to be deemed "Established" by a Court of Competent Jurisdiction. Further, the violating Promoter will be subject to disciplinary action, including termination of their Promotership and shall be liable for any and all resulting damage in excess of \$100.00 to the Company. Subject to the aforementioned terms and conditions, you agree to hold harmless and immediately indemnify the Company for any claims, damages, or liabilities arising out of the Promoter's business practices, representations, advertising, or actions, that create any liability for the Company, whether civil or criminal, including regulatory or government fines or penalties.

### **VI. Application Process**

To become a Promoter an applicant is required to complete a Promoter Application and Agreement form in its entirety. The Application and Agreement form must be filled out accurately, completely, and signed by the applicant personally. You may register to become a Promoter with the Company as follows:

By calling the Company order line (1-800-692-9273), completing a Promoter Application online through the Company web site: www.PureTrimGo.com, or simply by faxing (1-800-772-7112) or mailing in a Promoter Application to the Corporate Office at 1201 S. Alma School Rd., Suite 8550, Mesa, AZ 85210.

If there are any discrepancies between the information located in the applicant's computer file and the original Application and Agreement, the written Application and Agreement will prevail. A prospective Promoter cannot participate in the Direct Sales Profit Plan or receive any commissions or bonuses until an Application has been submitted and accepted by the Company.

As part of the application process You have the right to choose a sponsor. In doing so, certain professional courtesy rules apply. Please read Section X thoroughly regarding the right to choose your sponsor and professional courtesy. Please note that Promoters are NOT PERMITTED OR ALLOWED TO CHANGE THEIR SPONSORS OR POSITIONS IN THEIR SALES TEAM ORGANIZATION FOR ANY REASON WHATSOEVER AT ANY TIME. This applies individually, exclusively, and independently to a Promoter's Promoterships under the Direct Sales Profit Plan.

### VII. Eligibility Requirements

### A. Minimum Age Requirement

All Company Promoters must be of the legal age of majority in their state or province of residence.

### **B. Tax Identification Numbers Required**

All Promoters applying as individuals are required to submit, for tax reporting purposes, their Social Security Number (SSN) or Social Insurance Number (SIN). If a Promoter is applying as a business, the Federal Tax Identification Number (in US only) or Goods and Services Tax (GST) Number (in Canada only) must be used. If a Promoter does not supply the proper tax reporting information, including Social Security Number, Social Insurance Number, Federal Tax ID# for a business, or otherwise, their commission and rebate checks (all payments from PureTrim) will be withheld until the proper and relevant tax reporting information is provided.

Should the proper tax reporting information not be provided within 90 days by the Promoter, the Company will void all such payments and the payments shall revert back to the company. In this event the Promoter's Promotership will be cancelled and notification provided to the Promoter of such cancellation and voiding of payments.

All year end Form 1099s and T-4s will be issued in the name of the Promoter. If the Promoter prefers that the Form be issued in an entity name, the Promoter must provide the Company corporate office with the appropriate legal documentation to support the existence and good standing of the entity and the Promoter's affiliation with the entity.

Such documentation must be submitted to PureTrim, Customer Service at 1201 S. Alma School Rd., Suite 8550, Mesa, AZ 85210 prior to the last day of the reporting calendar year end.

### C. Prohibition against Multiple Promoterships

Promoters are allowed to obtain only one Promotership per household and may only have one Promotership corresponding to their individual Tax ID or Social Security number. They may opt to hold their one Promotership as an individual or in a partnership or corporation form but may not obtain or maintain more than one Promotership at a time regardless of the form of business ownership of that Promotership. The Company reserves the right to immediately terminate all Promoterships held in violation of this rule, regardless of their form of ownership. (See the one exception to this rule prohibiting ownership of multiple Promoterships- in Section VIIIA-Marriage).

### D. Partnerships, Corporations and Trusts

If an applicant prefers to apply as a corporation or partnership, the Company must receive a copy of the articles of incorporation or partnership agreement, including the SIN/SSN and a signed Application and Agreement for each partner, shareholder, director, and/or officer involved in the corporation or partnership. The corporation or partnership must disclose all general and limited partners, directors, officers, and/or shareholders. A partner in any such entity cannot have an interest in any Sales Team other than the Sales Team of the applying corporation or partnership. All such legal documentation must be included with the original Application and Agreement. The Company in its sole discretion may request additional supporting documentation. The Application and Agreement will not be processed without the submission of all required documentation. Each partner, director, shareholder, or officer of an applicant entity must agree to be personally bound by the Agreement in its entirety.

### E. No Product Purchase Required

No product purchase is required to become a Promoter; signup is free. This includes access to the PureTrim Promoter Office and online training. This online training is an essential tool, which includes information pertaining to Company products and programs. A Promoter is responsible for reading, watching, and listening to the online training, and understanding and comprehending all literature, videos, and inserts. In order to maintain a Promoter account, each Promoter must remain active by ordering at least one (1) product within a six (6) month period. If the Promoter does not remain active, the Company reserves the right to terminate the Promotership. A Promoter may cancel his or her Promotership at any time.

### F. Company Contact

The Company shall have the absolute right to contact Promoters via email, facsimiles, postal mailings, or telephone relating to Company business. Each Promoter agrees to accept all such contacts by the Company. You acknowledge your agreement to accept all Company contacts during the duration of your PureTrim Promotership and waive your right to refuse any such contacts or to interfere with or challenge the making of such contacts with any Promoter of your Sales Team. You also waive your right to interfere with or challenge any such contacts with you if you have voluntarily terminated your Promotership without notifying the Company of your termination.

### G. Appointment Related Businesses

PureTrim allows Promoters to place PureTrim products in appointment related businesses such as:

- 1. Clinics
- 2. Doctor's Offices
- 3. Gyms
- 4. Hair Salons
- 5. Independent Health Food Stores

Promoters are required to fax in the following information relating to such placement to (800) 772-7112:

- 1. Name & address of Business
- 2. Contact person at that Business
- 3. Signature of an authorized management official of that business



- Name, address, phone numbers, & ID number of the Promoter who is responsible for making the arrangements for this location.
- 5. When it was placed.

### H. Independent Health Food Stores

In addition, to appointment related, PureTrim allows Promoters to place PureTrim Products in independent "mom and pop" type Health Food stores for the retail sale and marketing of those products. PureTrim reserves the right to prohibit placement of those products in any retail setting that is not compatible with PureTrim Company ideals, compatibility with products or marketing objectives. PureTrim believes the retail placement and sale of its products in independent "mom and pop" type Health Food stores will allow for increased exposure to PureTrim products while still preserving the individual one to one presentation of the benefits of those products to consumers. Promoters are required to fax in the same information as required in "H" section previous to this section to the following fax number as well: (800) 772-7112.

### VIII. Changes in Promotership Status

### A. Marriage

As an exception to the Prohibition against Multiple Promoterships, Section VII C, if two (2) existing Promoters marry, they may maintain their existing Promoterships providing that one spouse is not a direct sponsor of the other. In the event that one spouse is the sponsor of the other, they must merge their Promoterships by one spouse signing as co-applicant to the sponsoring spouse's Promotership. This must be accomplished within ninety (90) calendar days of the date of the marriage by submitting a copy of the marriage certificate to the Company Office and completing the process of adding the remaining spouse as a co-applicant.

### B. Death

Upon the death of a Promoter, the rights and responsibilities of that Promotership are passed on to the rightful heir. To affect the transfer of the Promotership, upon the death of a Promoter, the successor must provide the following to the Company:

- 1. A certified copy of the original death certificate;
- A certified copy of the court order or other instrument legally establishing the successor's right as the heir; and,
- A completed and executed Agreement and Promoter Application signed by the successor.

### C. Divorce

Upon the divorce of a married couple sharing a Promotership, a certified copy of the divorce decree must be provided to the Company Corporate office. The Company must be notified as to which party will assume ownership of the Promotership as determined by a court of competent jurisdiction or by settlement.

Under no circumstances will the Sales Team of divorcing spouses be divided. Similarly, under no circumstances will the Company split commission and bonus checks between divorcing/divorced spouses. The Company will recognize only one Sales Team and will issue only one commission check per Promotership per commission cycle. Commission checks shall always be issued to the same individual. In the event that parties to a divorce are unable to resolve a dispute over the disposition of commissions and ownership of the Company business, the Promotership will be terminated.

1. If a former spouse has completely relinquished all rights in the original Company business, he or she is thereafter free to become a Promoter under any Sponsor of his or her choosing. In such case the party relinquishing an interest may reapply, as required by the Policies & Procedures, as a new Promoter and shall have no rights with respect to compensation or any other benefit relating to any Promoter of the original Sales Organization.

### D. Dissolution of Corporations or Partnerships

Upon the dissolution of a corporate Promotership or a Promotership that is a partnership, the ownership of that Promotership will be transferred pursuant to the dissolution agreement among the shareholders or partners or upon receipt by the Company of an Order issued by a court of competent jurisdiction that directs how such ownership is to be allocated.

### E. Sales or Transfers Prohibited

A Promoter may not sell, assign, or otherwise delegate or transfer his or her Promotership or any Sales Team Information or other Company Confidential Information, or any Company Materials, or any Sponsor duties or responsibilities, or any other duties, obligations or performances under this Agreement, Any attempted transfer or delegation in violation of this provision shall be null and void.

### F. Promoter Information Changes

Promoters are responsible for keeping all of his/her own personal information on his/her account current, including, but not limited to, residential and business address, name, phone, email address, and fax number. Promoters are required to log into their Promoter Office and make the necessary changes to their Promoter information.

### IX. Promoter Information and Responsibilities

### A. Tax Reporting

US RESIDENTS ONLY: The Company will calculate, collect and report applicable sales tax on behalf of Promoters based on the suggested retail price and according to applicable tax rates in the taxing jurisdiction to which the products are shipped. In the event a Promoter indicates to the Company at the time an order is placed that the Promoter is purchasing products for his/her own use, the Company will calculate, collect and report applicable use tax amounts based on the discounted price the Promoter actually pays for such products. In the event a Promoter has submitted, and the Company has accepted, a current Sales Tax Exemption Certificate, sales tax will not be added to the invoice and the responsibility of collecting and remitting sales taxes to the appropriate authorities will be the responsibility of the Promoter. There will be no retroactive exemptions if the proper forms are not received before any orders are placed. This Sales Tax Exemption Certificate must be sent in directly to the Company Corporate Office.

Should a Promoter disagree with the Company's determination of taxes owed he/she must provide written notification of such dispute within thirty (30) days following receipt by the Promoter of the determination giving rise to the dispute. Such notice must be sent to the Company by certified mail, return receipt requested. The failure to follow this procedure shall result in a waiver of any right to dispute the determination. In no event shall Company be liable for any mistake relating to the determination of sales tax, other than paying, if applicable, any additional taxes owed top the proper authority or crediting to the Promoter any amount that should not have been paid as taxes.

CALIFORNIA RESIDENTS ONLY: The Company will calculate, collect and report applicable sales tax on behalf of Promoters based on the suggested retail price and according to the applicable tax rates in the tax jurisdiction where products are shipped. When products are shipped to California, PureTrim will charge applicable California sales taxes on such orders unless those Promoters placing those orders obtain a valid California General Resale Certificate and provide a copy to PureTrim for their records (prior to placing their purchase order). The Promoter obtains this Certificate from the state of California. Each ordering Promotership must have one on file with Company.

The California sales tax form is Form BOE-230, which can be printed from the following link: (http://www.boe.ca.gov/pdf/boe230.pdf) and returned from the state of California approved. Promoters must advise the Company that the purchase is exempt at the time they place the order in order for PureTrim to not charge them CA sales tax on their order and must have a verified California general resale Certificate on file with PureTrim for their Promotership.

CANADIAN RESIDENTS ONLY: GST is a tax that is applies at a rate of 5% to the supply of most goods and services in Canada. Three provinces (Nova Scotia, New Brunswick, Newfoundland and Labrador) harmonized their provincial sales tax with GST to create HST. HST applies to the same base of goods and services as GST, but at a rate of 13%. Of this, 5% is the federal tax and 8% is the provincial tax.

PureTrim products are subject to GST/HST. The Company will collect and remit all GST/HST on product purchases to the Canada Customs and Revenue Agency.

A Promoter may become GST/HST exempt if a Federal tax exemption has been granted. The Promoter must present proof of Federal tax exemption to the Company.

### B. Promotership Renewals

No Promotership Renewal Fee is required to maintain status as a Promoter; Renewal is free. Once "Renewed" (at no cost) status includes continued access to the PureTrim Promoter Office and online training. In order to maintain a Promoter account, each Promoter must remain active by ordering at least one (1) product within a six (6) month period. If the Promoter does not remain active, the Company reserves the right to terminate the Promotership. A Promoter may cancel his or her Promotership at any time.

A Promoter who fails to renew by his or her registration date will be deemed for all purposes to have voluntarily terminated his/her Company Promotership. Termination

will result in the immediate and automatic loss of all rights under this Agreement, including the loss of all rights of sponsorship, or to receive any compensation or bonuses of any kind, including any payouts or other accrued compensation or bonuses, or to contact any Promoter of his/her Sales Team. The Sales Team of the terminating Promoter will be transferred to his or her sponsor or otherwise as is decided upon by the Company in its sole discretion.

### C. Promoter Identification Cards Required

Promoter Identification Cards are required by certain residents in Canada. These applicable ID Cards may be downloaded from the "My Account" section of the PureTrim Office website at www.PureTrimOffice.com. The following Canadian resident requirements apply:

- British Columbia, Alberta, Saskatchewan and Nova Scotia: ID Cards will contain the following information, with a variation for Nova Scotia Residents:
  - a. Promoter's name
  - PureTrim's Name and Address (1201 S. Alma School Rd. Suite 8550 -Mesa, AZ 85210 - Phone: 800-692-9273 - Fax: 480-615-3497)
  - c. Authorized signature of official of PureTrim, a Division of Awareness Corporation

Note: All ID Cards must be accompanied by photo identification. All ID cards must be surrendered to PureTrim when the Promoter's Promotership is terminated.

- 1. British Columbia and Nova Scotia:
  - a. Issue, expiration date, and license number issued is also required.
- 2. Alberta:
  - a. No issue and expiration date required and no license number required.
- 3. Saskatchewan:
  - Promoter is required to apply for a license from the province of Saskatchewan if total price of average sale is over \$500.
- 4. Manitoba & New Brunswick:
  - No ID Cards required for these residents, however, sublicenses are required.
  - Promoters are to apply for individual sub-licenses under PureTrim from the Licensing Office of the applicable Provinces.

### D. Buyer's Right to Cancel

Alberta, Saskatchewan & Manitoba, NFLD, P.E.I., N.B., Ontario:

You may cancel this Agreement from the day you enter this agreement until 10 days after you receive a copy of this contract. You do not need a reason to cancel. If you do not receive the goods or Services within 30 days of the date stated in the agreement, you may cancel this agreement within one year of the contract date. You lose that right if you accept delivery after thirty days. There are other grounds for extended cancellation.

For more information, you may contact your provincial/territorial consumer affairs office. If you cancel this contract, the seller has 15 days to refund your money and any trade-in, or the cash value of the trade-in. You must then return the goods. To cancel, you must give notice of cancellation at the address on this agreement. You must give notice of cancellation by a method that will allow you to prove that you gave notice, including registered mail, fax or by personal delivery.

Preferred cancellation address: PureTrim (a division of Awareness Corporation), 1201 S. Alma School Rd. - Suite 8550 - Mesa, AZ 85210. Manitoba residents may send cancellation notices to PureTrim c/o Mark Newman, Fillmore Riley, 1700-360 Main Street, Winnipeg (Manitoba) R3c 3z3.

### E. Independent Promoters/Contractors

All the Company Promoters are independent contractors. They are not employees of the Company, partners, or agents of the Company, nor are they purchasers of a franchise or a business opportunity. The Agreement between the Company and its Promoters does not create an employer/employee relationship, agency, partnership, or joint venture, nor does this Promotership Agreement, in any way, make the Company responsible for expenses incurred in the operation of that Promoter's business. Promoters shall not be treated as employees for services or for tax purposes. The Promoter agrees to indemnify and hold harmless, the Company, from any and all liability including civil penalties, refunds, judgments, attorneys fees', court costs, or lost business incurred as a result of a Promoter's unauthorized representations. No Promoter has the authority (express or implied), to bind the Company to any obligation.

Promoters determine their own hours and methods of distribution of the Company's products. The company will not provide any direction to Independent Promoters as to when and where to sell the company's products or how to market and sell them. The company does not determine what tools or methods the Promoter uses to achieve the sale of its products or how to make a profit from the sale of its products.

### F. Representations Made by Promoters

Each Promoter will honestly and fairly represent the Company and its products and programs in all Company related activities, including the marketing and sale of Company Products and the solicitation of new Promoters. Promoters are prohibited from misstating or omitting any significant material facts about the Company, or Company Products or programs.

Promoters shall make it clear that the Company programs are <u>based upon the retail</u> sales of the Company Products, and that an individual <u>will not be successful by sponsoring others without emphasis on retail sales.</u> Each Promoter should emphasize that each Promoter operates as an independent contractor, and like any other independent business, each Promoter's success or failure depends on that Promoter's personal efforts. The Company does not guarantee its independent Promoters any particular income, profit, or success.

Promoters are not permitted to make any false or misleading claims or statements about the Company or any Company Products or programs, or any Company employees or other Promoters. Any Promoters who violate any of the foregoing prohibitions shall be fully and solely liable for any damages, fines, penalties or other civil or criminal consequences of such actions, and shall indemnify and hold harmless the Company from any and all claims, investigations, damages, fines, penalties or other monetary consequences arising from such violations. Further, You agree that any violation of the prohibitions in this paragraph can result in the termination or suspension of your Promotership in addition to any and all other remedies available to the Company for your violation.

### G. Income Claims

Each Promoter hereby acknowledges with respect to income potential or experience, whether actual or hypothetical, that Promoters shall not make any promise, guarantee, example, projection, or reference of any kind or any manner to any prospective Promoter in connection with participation in the Company Program. Further, each prospective Promoter hereby acknowledges that no one has made any promise, guaranty, example, projection, or reference of any kind or manner to the prospective Promoter with respect to the income potential or participation in the Company Program or that any individual or Entity will derive any specific income or profit as a Promoter.

In their enthusiasm to enroll prospective Promoters, Promoters may be tempted to make income claims, earnings representations, projections, or estimates to demonstrate the inherent power of the Direct Sales Profit Plan. This is counterproductive because new Promoters may become disappointed very quickly if their results are not as extensive or as rapid as the results achieved by others.

Moreover, the U.S. Federal Trade Commission and several states have laws or regulations that regulate or even prohibit certain types of income claims and testimonials. Although Promoters may believe it beneficial to provide copies of checks, or to disclose their earnings or the earnings of others, such acts have legal consequences that can negatively impact the Company as well as the Promoter making the claim, unless appropriate disclosures are made, as required by law, contemporaneously with the income claim or earnings representation. Because Promoters do not have the data necessary to comply with the legal requirements for making income claims, a Promoter, when presenting or discussing the Company Program or Direct Sales Profit Plan with a prospective Promoter, shall neither make income projections nor income claims of any kind or manner, nor disclose his or her Company income (including, but not limited to, the showing of checks, copies of checks, or bank statements), or otherwise refer to income potential of the Company business.

Accordingly, the making of income claims, examples, projections, or other references to income potential to a prospective Promoter may, in the sole and absolute discretion of the Company, result in termination of the Promotership of the violating Promoter. Such termination will result in the full forfeiture of any commissions, bonuses, or other compensation or benefits, including payouts, otherwise payable or owed to the violating Promoter, as well as all other consequences of termination.

# H. Prohibition against Transferring/Shipping PureTrim Products across U.S. / Canadian Border

PureTrim Promoters are prohibited from shipping or transferring (mailing) PureTrim Products across the United States/Canadian border as it may violate the laws of both



countries. This prohibition applies to PureTrim Promoters either shipping or mailing product across the US-Canada border.

The legal reasons for this prohibition are that PureTrim Product labels and promotional materials are different in the United States from those in Canada. Canadian and US laws are substantively different in regard to product claims, product designations, product labels based on the different treatment of PureTrim products in the US and Canada. As such, PureTrim products that are packaged and sold in Canada are not meant for U.S distribution or sale to U.S. consumers. Similarly, U.S. packaged products may not meet the Canadian Bilingual labeling requirements and are not meant to be sold in Canada.

### I. Disciplinary Actions

As a Company Promoter, you may be disciplined or terminated by the Company immediately if you violate any of the prohibitions set out in these Policies & Procedures. Grounds for such termination or other disciplinary action include, but are not limited to:

- Misrepresenting the potential earnings or income or other benefits that can be derived from a Company Promotership;
- Misrepresenting the volume of sales a person actually made or can potentially make through a Promotership
- Selling or marketing the Company to others or making false or misleading claims about the Company or any of Company Products;
- 4. Engaging in any activity prohibited under this Agreement;
- Asserting a claim to any Company property, including any claim of ownership in any Company Materials, Sales Team Information, Company Confidential Information or other Company intellectual property;
- 6. Violating any of the terms or conditions of this Agreement.
- Distributing or otherwise making representations of any kind, whether verbal or written, that imply, directly or indirectly, that employment with the Company is available.
- Making any false or misleading representation or omission of material fact in connection with the advertising, promoting, sale, or distribution of Company Products or in soliciting new Promoters;
- Failing to instruct all persons who are selling or marketing the Company
  Promoterships or products to others, to submit to the Company for prior
  approval, copies of all advertising that they plan to publish in newspapers or
  other media to recruit others into joining the Company;
- 10. Making any disparaging statements or comments regarding the Company, its products, product ingredients, management, officers, or employees.
  Disparaging comments are comments or statements that place the Company or its products, employees, officers, directors or Promoters in a negative light.
- 11. Engaging in inventory loading and/or misrepresenting to the Company that 70% of products previously purchased by the Promoter have been sold to or consumed by endusers.

CAUTION: Termination based on any of the foregoing grounds or for any reason whatsoever results in the forfeiture of all compensation, bonuses, or other benefits otherwise owed to or accrued by the terminated Promoter, and his/her waiver of any right to claim any such compensation, bonus or other benefit, and requires the immediate return to the Company of all commissions earned after the date of the first violation. The foregoing shall be in addition to any and all other consequences of termination.

### X. Having a Sponsor

Every new applicant has the right to choose who will be his or her sponsor. Professional courtesy dictates that the prospective Promoter will be sponsored by the first Promoter who presented he or she with the complete Company business opportunity. If more than one Promoter claims to be the rightful sponsor, the Company shall honor the sponsor identified in the signed original Application and Agreement first received by the Company Corporate office.

Promoters are NOT PERMITTED OR ALLOWED TO CHANGE THEIR SPONSORS OR POSITIONS IN THEIR SALES TEAM ORGANIZATION FOR ANY REASON WHATSOEVER while maintaining the same Promotership.

### A. Being a Sponsor

Promoters may sponsor others into the Company network as new Promoters. This sponsor has the responsibility of providing that person with sufficient training, support, and information about the Company's products and programs. Promoters are

required to maintain continual contact with his or her Sales Team and keep them informed about all changes and updates. Any Promoter that makes disparaging comments regarding the company, its products, or management shall have committed a terminable offense and be in violation of these Policies and Procedures.

# B. Non-competition with the Company; Company Right to Change Business Model

The Company and its Promoters share a competitive business interest in maintaining the integrity of Company Sales Teams, which was developed exclusively for the purpose of distributing products offered or marketed by the Company and compensating Promoters for marketing and selling Company Products.

Accordingly, You agree not to compete directly or indirectly with the business of the Company in the U.S. or Canada, or violate any confidentiality provisions of this Agreement in order to carry on a trade, business or profession that competes with the Company or to serve Customers or clients of Company during a one year period following the voluntary or involuntary termination of that Promoter's Promotership.

You also agree not to solicit any person whom you know or should have known is a Promoter of the Company to sell non-Company Products of any nature, or attempt to build or establish a business that would cause a detrimental effect or be at the expense of, or compete with other Company Promoters, their Company Sales Team, or the Company.

You acknowledge that violation of any portion of this provision will cause significant and irreparable harm to active Promoters and the Company, warranting an award of injunctive relief, including a temporary restraining order and/or a preliminary injunction, specific performance and damages including costs, attorneys' fees and disgorgement of all profits made as a result of such unauthorized activity. All Promoter obligations under this provision shall survive and remain enforceable following the termination of that Promoter's Promotership.

Notwithstanding the foregoing, the Company shall have the exclusive right to offer new business opportunities to all Promoters and to modify its business model. Company may engage in any direct advertising of its products and does not represent that it only markets and sells its products through Promoters.

Company, without prior written notice to Promoters, may modify, change, alter, discontinue, or terminate its compensation plan, retail, direct sale or multi-level marketing structure, program and business. Company reserves all rights to change its business model, plan or compensation structure, including the right to terminate its multi-level business. Company reserves all rights to limit Promoterships to specific geographic areas including to specific countries, revoke Promotership, and to create separate international compensation programs in other countries without offering current Promoters placement in those programs.

## C. Prohibition Against Selling/Sponsoring Products in Other Countries

The Company hereby grants the Promoter a nonexclusive right based upon the terms and conditions contained in the Agreement to purchase inventory and to promote the Company Products only in the countries in which the Company operates and in which the Promoter is authorized to work. A Promoter is allowed to sponsor new Promoters in the United States and Canada. The Company does not authorize the sponsoring of any new Promoterships in any other countries. A Promoter is not authorized to sell the Company Products in a country in which the Company is not authorized to do business. Promoters cannot sell or ship the Company Products to any countries other than the United States and Canada. Any sale or shipment to other countries shall constitute an unauthorized sale under the terms of this clause subjecting the responsible Promoter to immediate termination of his or her Company Promotership.

### D. Lead Generation Programs

The Company from time to time may operate a program that offers its Promoters the opportunity to purchase "qualified Customer leads" at a nominal cost. The Company may generate these leads through a regional and/or national lead generation program intended to expand potential consumer awareness of the Company or its products and to aid its Promoters in expanding their Company Customer base and/or Sales Teams. Regional and national TV/Radio spots sponsored by the Company may be run to offer introductory promotional product offers of Company Products to generate "hot leads" of new paying Customers that have already sampled one of its products. When appropriate, these hot leads will be made available to existing Promoters at nominal cost. Please refer to the leads portion of your Promoter Office website for additional details and terms and conditions

Additionally, the Company occasionally receives direct inquires from the general public regarding the Company Products. In these cases, the Company tries to determine, to the best of its ability, if the inquiry started through the direct efforts of a



Promoter. If no former contact can be traced, or this contact is due to the direct marketing and advertising generated by the Company corporation, or at its sole discretion for any reason, those leads may be offered by the Company to Company Executives or higher level Company Promoters on a rotating basis, for established monetary consideration from those Company Executives or higher level Company Promoters to be paid to the Company. Those Executives or higher level Company Promoters must be active for at least (3) months prior to such referral, be in close proximity to the lead, and meet any established criteria set by the Company.

In no event does any Promoter have any claim of right or entitlement to receive leads from the Company, or to receive them at a certain price, or to prevent the Company from allocating leads in a manner determined by the Company to be in the Company's best interest.

### XI. Inventory

### A. Inventory Loading Prohibited

The Company is a corporation built on the quality of its products and their use by consumers. The Company does not require Promoters to maintain an inventory of products. Promoters are not permitted to purchase product quantities in excess of that necessary for personal use, retail sales, and to service the needs of Sales Team Promoters, and any purchasing in excess of these requirements (known as "inventory loading") is strictly prohibited. Promoters are prohibited from encouraging new Promoters to purchase products for the sole purpose of qualification. They are also prohibited from encouraging Promoters to engage in inventory loading.

Any Promoter violating the Company no inventory loading policy and/or misrepresenting that seventy percent (70%) of their products previously purchased have been sold or consumer by end users and that fifty one percent (51%) of products previously purchased will be sold to consumers that are not company Promoters shall have their Promotership terminated for violation of company policy.

In order to ensure no inventory loading is occurring:

- 1. Each Promoter wishing to receive commissions under the Direct Sales Profit Plan must certify that seventy percent (70%) of products previously purchased by that Promoter have been sold to or consumed by end users, that fifty-one percent (51%) of products previously purchased will be sold to consumers that are not Company Promoters, and keep accurate records and receipts of monthly sales to specific consumers. These records will be subject to inspection by the Company upon reasonable notice. Each order placed by a Promoter constitutes the Promoter's reaffirmation to the Company of the foregoing. Each Promoter acknowledges that the Company is relying on such certification in paying such Promoter commissions.
- 2. The Company will liberally apply its buy-back policy on the voluntary termination by the Promoter of his or her Promotership, but the Company will not repurchase products or issue refunds on products certified as having been consumed or sold. Falsely representing the amount of product sold or consumed in order to advance in the Direct Sales Profit shall be grounds for termination. To discourage any Promoter from encouraging other Promoters to circumvent the inventory loading prohibition, the Company may charge back to a terminating Promoter's Upline any commissions, rebates, or bonuses paid on product returned from a terminating Promoter.

### B. Labeling, Packaging, or Tampering with Products

Promoters must not tamper with or repackage any of the Company Products. Promoters are responsible for notifying the Company immediately of any tampering with or repackaging of Company Products. Any Promoter who is aware of such tampering, but fails to communicate this to the Company, may be subject to disciplinary action in conjunction with the alleged party at fault. Promoters may not relabel or repackage any the Company Products, sales aids, or Company Materials. Promoters may not sell any of Company Products in conjunction with the sale of any non-Company products or services.

### C. Pricing and Availability

The Company reserves the right to change pricing and availability of products and sales aids without prior notice. These changes usually will be communicated through communication with sponsors. It is the responsibility of the Promoter to stay current on all updated information from their Upline and to communicate this information to their Sales Team.

### D. Company's Right to Advertise and Direct Market its Products

Company reserves the right to directly advertise and market Company Products to consumers and to provide all sales leads generated from said direct sales in

accordance with the provisions as set forth above. Promoters acknowledge that Company wishes to bring added product and company name recognition by this process and to facilitate the growth of the company and its sales, which shall benefit the company and its Promoter base. Promoters shall have no expectation that Company will only sell its products through Promoters, notwithstanding any statements made by the Company, Sponsors or other Promoters to the contrary.

### E. Credit Card Usage By Promoters

Company will accept payment for Company Products orders by approved credit cards from Promoters. Credit card payment shall only be accepted when the Promoter uses a credit card account listed under their name as "holder" of that account. Company strongly advises that Promoters not engage in the practice of "ordering" product on behalf of Customers or other Promoters. In the event of an emergency, a Promoter may place orders using Customer credit cards but only if the Promoter complies with the following procedure: The Promoter placing the order must present by facsimile to Company, prior to placing such order, a notarized statement reflecting the following:

- 1. Statement from the credit card holder that they authorize the Promoter to place orders on their behalf.
- 2. Notarized signature of the holder.
- Statement that this authorization is indefinite or that it expires on a specific date.
- Statement that the authorization is limited to under three hundred (\$300.00) dollars.

### XII. Product Orders

### A. Ordering Procedures

- 1. Orders may be placed:
  - a. Online, through the Company web site: www.PureTrim.com.
  - b. Online, through the Promoter Office web site: www.PureTrimOffice.com.
  - c. By calling the Company order line (1-800-692-9273)
- Only orders accompanied by complete and accurate payment information will be processed. If payment is not received at the time of ordering, the order will not be processed.
- 3. Each order must specify only one shipping address.
- 4. The Company reserves the right to make a 10% adjustment to any miscalculated order made by the Promoter on all bank or credit orders.
- 5. No orders will be processed until full payment has been received. Additional monies owing due to underpayment may be made directly through Customer Service by an acceptable form of bank or credit card. In the case of an overpayment, a credit will be issued to Promoter's method of original payment.
- It is the obligation of each Promoter to ensure that the order has been placed correctly. Company has no liability or responsibility for the consequences or liabilities for any delays in processing caused by an improper or incomplete or incorrect order.

### **B. Payment Processing**

- Promoters may make payment through an acceptable form of bankcard/credit card. All payments must be made payable to "PureTrim". The Company will not accept any form of money orders, checks, cashiers checks, or cash.
- Orders placed by telephone and paid by bankcard will be recorded for the security of the Promoter, and to insure verification of receipt and accuracy of the orders.

### XIII. AutoShip Program

### A. The AutoShip Program

- Any Promoter can use the AutoShip Program. If you commit to one product or more, and are a Direct Promoter or above, you will qualify for the full Retail Profit Rebate/Discount of 35%.
- 2. Shipping and processing of AutoShip orders takes approximately five (5) calendar days from the selected process date in most instances. Company is not responsible for delay in such orders. Company will provide a free online health store including providing monthly maintenance and hosting as long as Promoter actively participates in the AutoShip program by placing and paying for a valid AutoShip order for product every month.



Changes to an existing AutoShip order must be made at least three (3) days prior to it's normal processing date.

### B. Enrollment

To enroll in the AutoShip program, sign up via logging into your PureTrim Office (www.PureTrimOffice.com), or call 1-800-692-9273. Product will be automatically shipped on a standing order basis to the enrolled Promoter regularly each month. The cost is automatically charged to a bankcard or debited from a bank account, which has been designated by the Promoter. The Company will automatically administer all monthly paperwork, processing, and shipping charges to the designated bankcard.

### C. Agreement

AutoShip agreements DO NOT under any circumstances supersede the Policies & Procedures established by the Company. The AutoShip agreement will be terminated or suspended immediately and without notice if a Promoter is found in violation of the Policies & Procedures. If an AutoShip agreement is terminated by the Company, the Promoter must receive written approval from the Company to establish another standing order under this program.

### D. Payment Procedures

For any challenges with bankcard orders, an attempt to process the order will be made once a day for five (5) consecutive calendar days using the bankcard information the Promoter provides. During this time, the Company will attempt to contact the Promoter via email. If the Promoter does not update the payment information on file for the order, on the sixth day, the AutoShip order will be cancelled without notice.

### E. Online Health Store & PureTrim Promoter Office Access

As a benefit of Promotership, Promoter may sign up for a Company Online Health Store. Online Health Store sites are subject to periodic review for content, verbiage and may be reviewed and updated at the company's discretion.

Promoters have no right to the use of an Online Health Store or Promoter Office, nor does Company guarantee the use or access to any Online Health Store or Promoter Office. Company, at its sole discretion may discontinue, limit, restrict or eliminate a Promoter's Online Health Store or Promoter Office for any reason it deems sufficient and without prior notification. Promoters acknowledge their use of an Online Health Store is at their own risk, and Company does not warrant the functionality, performance or benefit of the use of an Online Health Store. Promoters agree that their use of the Online Health Store is not warranted by Company and disclaim any right to seek lost income, or loss of benefits, profits or revenues from the use of an Online Health Store.

### F. Cancellation of an Online Health Store

Promoter may discontinue their Online Health Store at anytime by calling Customer Service and requesting cancellation. The Online Health Store will be cancelled in the month following the initial request for cancellation and no further monthly maintenance and services charges will be charged to Promoter. There are no prorated refunds of the maintenance and service fee.

# XIV. Customer and Retail Customer Product Guarantee

The Company is confident in the quality of its products and believes strongly that its products will improve the health of others. It is because of this confidence that the Company provides a 100% money-back guarantee to consumers who try the Company Products. Payments for promotional items and sales aids are nonrefundable and non-returnable, and therefore are not subject to a money back guarantee.

### XV. Retail Customer Program

### A. Definition of a Retail Customer

A Retail Customer is one who purchases product directly from a Promoter.

### **B. Sales Verification**

All Promoters are required to keep a complete record of their retail sales, which may be audited upon notice by the Company. Each time a Promoter places an order, the Promoter warrants that he/she is in compliance with the Policies & Procedures, including, but not limited to, certifying by each order that seventy percent (70%) of products previously purchased by the Promoter have been sold or consumed by end users of the product.

### C. Retail Sales Receipts

The Company requires each Promoter to provide Retail Customers with a written receipt for product purchased, a copy which must become part of the personal record keeping by Promoters; and therefore, subject to an internal audit by the Company at any time. Promoter must keep receipts for 18 months.

### D. Retail Returns

As a Retail Customer, if you are dissatisfied in any way with our products, the products may be returned directly to the Promoter from whom the product was purchased. In the event of replacement of product purchases by Company based on errors committed by Company (such as shipping the wrong product, etc.) the Company will pay the shipping expense.

In the event that Customer or Promoter's errors are responsible for the problem, Company will not reimburse or pay shipping costs. The following are the return and refund quidelines and procedures:

- A request for return with the Promoter must be processed within thirty (30) calendar days of the date of purchase.
- Any unused portion of the product, including empty or nearly empty bottles, must be returned to the Promoter.
- 3. Upon confirmation of return to the Promoter, a full refund of the product purchase price and the taxes paid will be refunded directly by the Promoter. The Company is not responsible for monitoring the retail return or for any monies due the Retail Customer. The return arrangements are to be originated and completed exclusively between the Retail Customer and the Promoter. Shipping and handling costs are nonrefundable.
- The returned order must include the original packing slip, which was included at the time of shipment from the warehouse.
- If the return requirements are not met, or the appropriate documentation as set out is not included with the returned product, the Promoter will not process the return for a refund.

### XVI. Customer Program

### A. Definition of a Customer

The purpose of the Customer program is to help you provide service to your established Retail Customers. Once your Customers have become established and are satisfied with the products, they may register for the Customer Program. The Customer may sign up for the Customer program by calling Customer Service directly, by registering through the Company web site, or by registering directly through the Online Health Store of their Upline. Customers will receive their own Promoter ID#.

### **B. Constant Contact**

Promoters are responsible for continuing communication with their Customers, as they will depend on you as their sponsor for all updates, program enhancements, and procedural guideline changes that may be implemented. It is your duty as their sponsor to keep them informed. Please refer to Section X.A - Being a Sponsor.

### C. Free Customer Shipping Program

Promoters may participate in the PureTrim free Customer shipping program for Customers on AutoShip. Promoters may directly activate or deactivate the "free shipping" status for their Customers in their PureTrim Office.

Promoters can offer free shipping for AutoShip Customers with AutoShip orders of \$99 or more, and/or Retail Customers with retail orders of \$149 or more. Each of these features can be activated or deactivated separately.

Free shipping will be available during the Customer's AutoShip registration period as long as those Customers maintain \$99 or more in their monthly AutoShip.

Promoters who offer this free shipping feature to their Customers will have the shipping costs for those product purchases deducted from their retail bonus earned from those placed AutoShip orders. Promoters who offer this free shipping feature will be responsible for the shipping costs on those orders even though the retail bonus might be split.

Additionally once the free shipping feature is activated for an AutoShip Customer, the Promoter is bound to provide free shipping for the life of that Customer's AutoShip account and the Promoter is obligated and bound to provide free shipping to that Customer. The free AutoShip shipping option cannot be disengaged or changed thereafter as to that Customer.



In the event that this Promoter resigns or is terminated as a Promoter, the free shipping designation for their Customers shall remain intact, with their upline sponsor being offered these Customers to accept or decline as their PC Customer. Those upline sponsors may accept or decline those Customers but only can accept them with the continuing obligation to provide those Customers with free shipping as AutoShip Customers for the life of their accounts.

Promoters shall have three choices in shipping to AutoShip registered Customers:

- 1. No free shipping for Customer AutoShip.
- 2. Free shipping for new Customer AutoShip exclusively and
- 3. Free shipping for both new and existing AutoShip Customers.

As you know, Promoters can opt to offer free shipping to Customers and advertise that feature on their PureTrim Online Health Stores.

In the event that one of your Customers places an order or joins AutoShip on another Promoter's Online Health Store, the free shipping to that Customer will have to be honored by you as the original sponsor. In the event that the "advertising" Promoter offers free shipping and you, the original sponsor does not; the free shipping must be honored by the original sponsor. This is necessary to insure compliance with consumer laws as they apply to the purchasing Customer.

### XVII. Return Policy

### A. Return Authorization

Before returning anything to the Company, it is absolutely necessary to obtain a return authorization number (RA#). To get this RA#, call Customer Service and ask for one. Any merchandise returned without an RA# will be refused. This RA# must appear in bold print on the outside of all packages being returned. Make sure that the shipping documentation does not cover this number. As a safeguard, it is best to conspicuously print the RA# in several different places on the package(s) ensuring that the number is visible by the warehouse personnel.

### **B. Customer Returns**

All returns will be at the Customer's expense, and must be sent prepaid by a method of shipment, which can be traced by a tracking number. If there is a discrepancy in a return shipment, the Customer will be responsible for investigating the shipment by means of the tracking number and providing proof of acceptance by the warehouse before the Company will authorize a refund of the product. The Company will not accept any C.O.D. or postage due packages.

The following are the return and refund guidelines and procedures:

- A request for return can be processed within thirty (30) calendar days of the date of purchase.
- Any unused portion of the product, including empty or nearly empty bottles, must be returned with the order at the Customer's expense.
- 3. Upon confirmation of return to the warehouse, a full refund of the product purchase price and the taxes paid will be refunded to the bankcard used for the original purchase. No refunds will be given for the original shipping and handling costs. Shipping and handling costs are nonrefundable.
- 4. The returned order must include the original packing slip. The order must be returned to the warehouse address listed on the packing slip, and must include a letter setting out the detailed reason for return.
- 5. If the return requirements are not met, or the appropriate documentation as set out is not included with the returned product, the Company will not process the return for a refund. The Customer will be notified and will have fifteen (15) calendar days from the date of such notification to either provide the omitted information in writing to the Company, or alternatively, to arrange to have the product returned to their ship to address at the Customer's expense. If the Customer fails to provide an appropriate response within fifteen (15) calendar days of notification, no refund will be processed and the Company will dispose of the returned product.
- The Company is not responsible for the risks involved in return shipments. The Company assumes no liability for returned shipments until such time as our warehouse signs them for.

### C. Errors in Customer Shipment

If an incorrect shipment is sent to a Customer, in which the Company warehouse is responsible for the error, including but not limited to damaged product, and/or incorrectly shipped product, the following guidelines apply:

- 100% refund of the order, including product, taxes, shipping, and handling fees.
- The returned order must also include the original packing slip, and the order must be returned to the warehouse address listed on the packing slip.
- The cost of returning the erroneous order to the warehouse will be at the expense of the Company.

### D. Promoter Returns

Product purchased for retail sales may be returned directly to the Company warehouse. (i.e. sent to address noted on packing slip). The following are the return guidelines and procedures:

A request for return can be issued only if made within thirty (30) calendar days from the original date of purchase.

- Returns will be compensated by replacement products ("RPs") of equivalent value shipped directly to the Promoter from the Company warehouse.
- Promoter must provide copies of original receipts and packing lists with any request for return of any product to the warehouse. The RP equivalent value is based upon actual price paid for the original product order.
- 3. All requests for returns with the products being returned must be shipped to the Company prepaid by a method of shipment traceable by a tracking number. If there is a discrepancy in a return shipment, the Promoter will be responsible for investigating the shipment by means of the tracking number and providing proof of acceptance by the warehouse before the Company will authorize a replacement of the product. The Company will not accept any C.O.D. or postage due packages.

### E. Promoter Buy-Back Policy

(See Inventory Section XIA)

Any Promoter who terminates his/her Promotership and wishes to return any unused Company products for a refund may do so through the Company Buy-Back program. If the Promoter has purchased products for inventory during the term of his/her Promotership contract, any remaining unused products in the possession of the Promoter shall be eligible for repurchase by the Company, less commissions and relates

To initiate a Buy-Back request, a Promoter must first make notification of termination by contacting Customer Service and verbally requesting termination of their Promotership. Within thirty (30) calendar days of this verbal notification of intent to terminate, the Company must receive a notarized confirmation letter of his or her termination. The termination letter must include the following:

- The Promoter's name and the names of any other parties who are party to the contract;
- 2. Social Insurance or Social Security Number of each party to the contract;
- Specific reason for resignation;
- A list of all items to be returned, the quantities of each item, and the original sale order number(s);
- Each party listed on the Promotership must sign the letter and all signatures
  must be notarized. Each party must individually acknowledge that the parties
  listed on the Promotership are terminating their Promoter Promotership with
  the Company;
- 6. Once the Company has received the Buy-Back letter, the Promoter will be contacted directly by Customer Service and an RA# will be provided to the Promoter. This RA# must appear in bold print on the outside of all packages being returned. All returns must be received within fifteen (15) calendar days after the RA# has been issued. Products that are returned without this RA# will be refused. Make sure that the shipping documentation does not cover this number. As a safeguard, it is best to conspicuously print the RA# in several different places on the package(s) ensuring that the number is visible by the warehouse. All returns will be at the Promoter's expense, and must be sent prepaid by a method of shipment that can be traced by a tracking number. If there is a discrepancy in a return shipment, the Customer will be responsible for investigating the shipment by means of the tracking number and providing proof of acceptance by the Warehouse before the Company will authorize a refund of the product. The Company will not accept any C.O.D. or postage due packages.

# F. Commission & Bonus Reversals (All Returns); Disputes as to Commissions Paid

Any dispute Promoters have with the Company regarding commission payments must be noticed in writing to Company within (30) thirty days of the Promoter's receipt of the commission check from Company. Such notice must include an explanation of the details of the dispute, including calculations showing why the commission payment is disputed. Should Promoter fail to notify company in writing of the dispute, or fails to notify the Company within the thirty day period, he/she waives all right to dispute the amount of commissions owed and waives any right to dispute the amount paid. Any Promoter who resigns or is terminated by Company for violations of these Policies & Procedures waives all rights to dispute prior commission or bonus payments made by Company.

Occasionally mistakes occur on New Promoter signups or orders placed in that the new Promoter signs up at the Company website or orders product directly from the Company websites without informing the company as to their sponsorship. The Company is not responsible for Customers or Promoters that signup or order product from Company websites and cannot retroactively make changes in commission/retail profits based on such errors on the part of the Customer or new Promoters who fail to access sponsoring Promoter websites without the company's knowledge.

Company will correct such errors and make all efforts to place Customers and new Promoter signups under their correct Sponsors where practicable but will not be able to retroactively correct Promoter commissions/profits. Company will make such corrective calculations from the point that they are notified that such "sponsoring errors" have occurred.

### G. Other Reasons for Returns

- 1. Damaged Shipments: Occasionally, products will become damaged during shipping. The Promoter must take responsibility to verify the condition of each item upon receipt of each order, and must refuse to accept damaged goods. If a damaged shipment is left at the door, or if a Promoter discovers damages to the shipment after the fact, the Promoter must notify Customer Service of damaged shipments no later than five (5) calendar days from the date of delivery of the damaged order. No damaged products will be replaced unless an RA# accompanies the request for replacement.
- 2. Receipt of Shipment: The Promoter should contact Customer Service if an order has not been received within a customary amount of time after an order has been placed. Customer Service will put a trace on the order and assign a case number. The Company will consider a shipment received if the Promoter does not notify Customer Service that the order has not been received within thirty (30) calendar days from the date the order was placed. There will be no refund or replacement of the order if Customer Service did not receive such notification and an RA# was not assigned, or if the notification was not received within 30 days from the date of the order.
- 3. Order Discrepancies: The Promoter should inspect each shipment immediately upon receipt, prior to signing acknowledgment of receipt. If any items are missing from the order, which are not marked as backordered on the shipper's delivery ticket, or if there are any mistakes with the contents of the shipment, the Promoter must immediately report the discrepancies to Customer Service. Notification must be made within fifteen (15) calendar days of the order delivery to Customer Service in order to arrange for a refund and/or replacement. No product switches or exchanges are allowed on replacements.

# XVIII. Bonuses, Advancements, & Retail Sales Commissions

Promoters can earn money by selling PureTrim® products to retail consumers. Promoter Commissions are earned exclusively by retailing PureTrim products to consumers (Customers). PROMOTERS <u>CANNOT</u> EARN COMMISSIONS SIMPLY BY RECRUITING OR SPONSORING SOMEONE UNDER THE DIRECT SALES PROFIT PLAN. Promoters enjoy setting their own schedules and choosing how and when they want to sell PureTrim products to others either in person or online.

### A. Wholesale Sales Volume

Wholesale Sales Volume is the commissionable sales volume credited for a product sale. The Wholesale price for each product is listed on all Product and Sales Aids Order Forms. Wholesale Sales Volume is the volume used when calculating Commissions/Royalty Bonuses or to meet monthly qualifications.

### **B. Wholesale Volume Reversals**

Wholesale Volume is credited for the amount of product purchased during a calendar month. If product is returned, the Wholesale Volume for the returned product will be

reversed and deducted from the following month's commission check of the Promoter making the return, as well as that Promoter's Upline.

### C. Promotions

Promotions to various levels of qualification may occur from time to time, based upon the performance of each Promoter. The assessments for these promotional levels are made at the end of every month. If the qualifying Wholesale Product Volume is not purchased before the last day of the month, the Promoter will not be promoted until the last day of the following month.

### D. Performance Bonuses

- 1. Retail Profit Rebate/Discount: You can earn a Maximum of 35% Retail Profit on all Company Products. Under the Direct Sales Profit Plan you will receive a Retail Profit Rebate for 10%, 25% or a maximum of 35% depending on your Promoter position, your monthly commission check, on all qualifying product purchases which ultimately determine your monthly qualifications. This gives every Promoter an equal chance at creating a successful income regardless if they build a network of Promoters or not, based on the sale of the Company's products.
- 2. Customer Program: This program allows the average person to create an excellent income by retailing PureTrim products. A Promoter can make the same retail profit while allowing their Customers to order directly from the company for all of their product. You can earn a maximum of 35% Retail Profit on all your Customers as long as you meet all requirements, i.e. AutoShip, see AutoShip qualifications.
- Wholesale Product Profits: There are three (3) Retail Profit Rebate levels: 10%, 25%, & 35%. Sign up for FREE and begin receiving a 10% Retail Profit Rebate on all of your product orders. You become a Direct Promoter by ordering a total of \$400 (purchase \$400 of PureTrim product, in your country's currency, in one calendar month). On your next order your Retail Profit Rebate increases to 25%. When you join AutoShip, you become an Executive Promoter, your Retail Profit Rebate increases to 35% and you receive your free Online Health Store. When you personally sponsor new Promoters' product sales, you earn the differences in your Retail Profit Rebate levels, which would be 10% or 25% (of retail) on all product your new Promoter purchases until they reach the Executive Promoter status. Promoters that have reached the level of Executive Promoter or higher will receive a 35% Retail Profit Rebate on product purchases if they have an active AutoShip product order consummated during the prior commission period. AutoShip orders must include product purchases that have volume. If a Promoter fails to meet this requirement their Retail Profit Rebate rate will be at 25%. Promoters must receive a consummated AutoShip order in order to be eligible for this increased Retail Profit Rebate (35%) rate. Company reserves the right, in its sole discretion, to reduce the Retail Profit Rebate rate should it determine that Promoter is attempting to delay or unfairly abuse the AutoShip or order process and only give the Promoter the reduced Retail Profit Rebate rate. Commissions are paid in the country's currency in which the order was placed. You must become an Executive Promoter BEFORE your Sales Team if you want to receive the Wholesale Product Profits.
- 4. Royalty Bonuses: Royalty Bonuses are paid on the Wholesale Product Sales Volumes generated by each level. A level is a Promoter or above to the next Promoter or above. You earn a percentage (5%) of all the wholesale sales volume they generate in product sales.
- 5. Level Structure: Levels begin and end with each Promoter or above. Everyone below you, until we reach another Promoter or above, is a part of that Level. As you move up in the company, you have more Levels below you, and you make more money in Royalty Bonuses! Once you become a 1-Star Promoter you earn a Royalty Bonus on the product sales of every Promoter you have personally sponsored, and the people they have sponsored, and so on, up to 10 levels deep, on product sales, based on your rank.
- 6. Monthly Royalty Bonus Qualifications: From 1-Star Promoter all the way up to President's Club, maintain an AutoShip order of \$199 or more, plus 3 active, monthly AutoShip product Customers. OR maintain an AutoShip order of \$349 or more OR maintain a personal order of \$399 or more each calendar month if not on AutoShip. Additionally, in order to qualify for this bonus, the Promoter must maintain five (5) active retail Customers each month and produce receipts if audited. Please see section XV.C, page 9, Retail Sales Receipts.
- 7. Fast Start Bonus: Earn a one-time bonus of \$100 on the order of every person you sign up who becomes a Direct Promoter!
- 8. All-Star Matching Bonus: Earn a \$700 bonus on the orders of 7 Direct Promoters that you sign up during your first 30 days from signup.



- 10% Wholesale Bonus: Earn the 10% difference between your non-AutoShip Direct Promoter's Rebate Level (25%) and your own (35%), on their product purchases. If you are 1-Star or above, you will also earn a 5% Royalty Bonus.
- You must be an active Executive Promoter or above to qualify for the All-Star Matching Bonus, Fast Start Bonus, or 10% Wholesale Bonus.
- 11. Luxury Car Bonus: When you reach 2 Star Promoter, you become eligible for the Luxury Car Bonus: Company pays a generous bonus towards your monthly payment on a luxurious new car (Choose from BMW, Mercedes, Porsche, Lexus, or Cadillac)! Rewards are as follows and are based on meeting the wholesale sales requirement:

Rank	We Pay Monthly	Requirement
2-Star Promoter	\$150	\$12,000
3-Star Promoter	\$300	\$28,000
4-Star Promoter	\$400	\$70,000
5-Star Promoter	\$750	\$175,000
President's Club	\$1,500	\$350,000

You must be a 2-Star Promoter or above, and qualified for Monthly Royalty Bonuses. Wholesale Sales are calculated within your Payline 5% Volume, up to 6 levels deep. Car Bonus is paid according to actual active rank.

12. Gold Bonus: When you reach 3-Star Promoter, you become eligible for the Gold Bonus! When you graduate to the next rank, you make an additional Gold Bonus for each rank advancement, all the way up to 3%, 10 levels deep, as a President's club Promoter. You must be a 3-Star Promoter or above, with an AutoShip order of \$299 or more, plus 10 monthly AutoShip Customers (\$99 or more) to qualify for this Gold Bonus.

There are no guarantees regarding income. Commissions are based on the retail sale of products to consumers. The success or failure of each Promoter, like any other independent business, depends on each Promoter's own skills and efforts. Company makes no representations regarding your success or level of income to be obtained from this Direct Sales Profit Plan.

In order for Promoters to be eligible to receive any PureTrim Commission, including Sales Team Commissions they must purchase a minimum of one (1) PureTrim product in the qualifying commission month period. Sales aids do not qualify. Promoters who fail to do so will not be considered "Active" under the PureTrim Direct Sales Profit Plan and will lose all eligibility to receive commission payments, based on product sales.

### F. Rank Promotion Requirements

All Promoters on the Rank Chart below must be active and qualified for Royalty Bonuses to count towards your advancement.

To be considered active, a Promoter must have at least one product order per month, or have an AutoShip order process and ship each month.

- Promoter: Sign up for FREE, receive your digital Promoter Success Kit, and become a Promoter!
- Direct Promoter: Order a total of \$400 or more of product in one calendar month. On your next order, you will begin receiving your 25% Retail Profit Rebate. This does not include sales aids.
- Executive Promoter: Join the AutoShip program with one or more PureTrim Products and begin receiving your 35% Retail Profit Rebate.
- 4. 1-Star Promoter: 2 or more personally sponsored Executive Promoters.
- 2-Star Promoter: 2 or more 1-Star Promoters, in separate Sales Teams, within your first 2 levels.
- 6. 3-Star Promoter: 3 or more 2-Star Promoters, in separate Sales Teams, within your first 2 levels.
- 4-Star Promoter: 4 or more 3-Star Promoters, in separate Sales Teams, within your first 2 levels.
- 5-Star Promoter: 5 or more 4-Star Promoters, in separate Sales Teams, within your first 2 levels.
- 9. President's Club: 5 or more 5-Star Promoters, in separate Sales Teams, within your first 2 levels.

### G. Rank Maintenance Requirements

- 1. Promoter to Executive Promoter: Order a minimum of one product a month.
- 1-Star Promoter to Presidents Club: From 1-Star Promoter all the way up to President's Club, maintain an AutoShip order of \$199 or more, plus 3 active monthly AutoShip Customers. OR maintain an AutoShip order of \$349 or more

OR maintain a personal order of \$399 or more each calendar month if you are not on AutoShio.

# H. Maintaining your Qualifications and Rank under The PureTrim Direct Sales Profit Plan

To maintain your qualifications, your personally sponsored Promoters must remain active If they become inactive for a period of more than 3 months, and you no longer have the required number of qualifying Promoters for that level, you will drop down to the previous qualification level. Inactive is defined as not meeting personal product volume qualifications.

Ranking advancement and rank achievements under the PureTrim Direct Sales Profit Plan are subject to continuous qualification events as listed and posted in the PureTrim Direct Sales Profit Plan. Failure to maintain all qualifications once a rank is reached shall result in a "roll back" of rank if those qualifications are not subsequently maintained.

Failure to maintain and meet all qualifications for a 3-month period will result in a loss of rank with a roll back to prior ranking. A Promoter's failure to sustain their rank with active and qualified Promoters shall result in a loss of rank.

### I. No Account Manipulation

Company reserves the right, in its sole discretion, to adjust or disallow all commissions including all monthly level bonuses and qualifications by a Promoter in the event it determines the Promoter created false or multiple retail AutoShip accounts solely for the purpose of manipulation of the Company Direct Sales Profit Plan.

In order to utilize qualifying Customer accounts eligible to support level bonuses, all Customer accounts must reflect real, unique identifiable individual consumers and must be actual Retail Customers.

Only one Customer account can be generated per household and multiple accounts from the same household will not be allowable or accepted by the company for bonus qualification or payouts to Promoters under the Company Direct Sales Profit Plan.

Promoters cannot use multiple AutoShip Customers from the same household or family, and must prove qualifying Customers are real unique individual retail consumers in order to qualify for monthly level bonuses, including the Gold Bonus.

### J. Adjustments to Promoter Commission Checks

You agree that adjustments will be made to your commission checks for any processing fees, unpaid balances, returned product, product order chargebacks or debts owed for other PureTrim services.

Additionally, when a Promoter returns product to PureTrim for a refund or is repurchased by PureTrim for any reason and/or following the resignation or termination of a PureTrim Promoter, the bonuses and commissions attributable to the returned or repurchased product(s) will be deducted from any future commission checks owed to that Promoter and including that of the Promoter's upline. Any other debt, product returns, chargebacks, or penalties attributable to a Promoter may be offset against that Promoter's commission checks and the amount owed to a Promoter or to the Promoter's upline.

In addition, if Promoter fails to properly provide his or her Social Security Number, Federal Tax Identification Number or Canadian tax number to PureTrim, PureTrim will deduct the necessary back-up withholdings from that Promoter's commission checks, rebates or bonuses as required by law.

### K. Commission Checks

Promoters must achieve a minimum of \$20.00 in earned commissions before the Company generates a check. Until this minimum commission threshold is met, no commission check will be sent to the Promoter.

Promoters must achieve/accrue the \$20 minimum in earned commissions within one year from their PureTrim Promoter signup anniversary date (the date they first signed up as Promoters). Should a Promoter not reach that \$20 minimum within that one year period, the Promoter's accrued commissions shall be considered null and void and not be eligible for payment under the terms of these Policies and Procedures.

Promoters must negotiate (meaning process or cash) commission, rebate, or bonus checks within six months (6) from the date of issuance. If a check is not cashed within six months (6), it will be void and no check will be reissued by the Company.

All commission checks paid to Promoters reflect a Check processing fee in the amount of \$3.99 for any commission check paid out to Promoters both in the U.S. and Canada. This fee is to cover the costs of processing and creating such checks. Company reserves the right to raise these check processing fees based on the costs



incurred in making and processing such checks. In the event of lost, stolen, or missing commission checks, Promoter will be charged a \$25.00 "Stop Check" Fee to cover the reissuance of a commission check in the event a commission check is reissued and Company has not received the original check back.

### XIX. Publicity Specifications

### A. Governmental Representations

Promoters shall not state or imply that the Company programs or products have been approved or endorsed by any government agency. Federal and State regulatory agencies have not given approval or endorsement to any direct selling programs.

### **B. Privacy Policy**

All Customer names and personal information shall be subject to the Company's Privacy Policy Statement as posted on its websites.

1. Canadian Privacy Act requirements (PIPEDA). All Promoters of PureTrim shall adhere to the Canadian privacy act requirements effective Jan 1, 2004. Failure to adhere to such requirements is a terminable offense. Promoters upon determining that their Customers or Promoter signups are residents of Canada must obtain consent from those individuals to take and utilize their personal information and direct them to PureTrim's privacy policy as stated on the PureTrim website. Promoters are personally responsible to meet all requirements of this Act and only utilize personal information they obtain from Customers or signup Promoters in their Sales Team in conformance with PIPEDA's requirements. Promoters agree to indemnify and hold PureTrim harmless from any and all penalties or fines imposed by regulatory bodies in the event that they violate PIPEDA or any other privacy act requirements.

# C. Trademarks, Logos, Product Names, Domain Names and Other Company Intellectual Property:

All Company trademarks, product names, logos, slogans, domain names, Sales Team Information, Confidential Information and Company Materials (collectively, "Company Intellectual Property") are owned exclusively by the Company. Promoters may not use the Company Intellectual Property or any purpose other than as permitted in these Policies & Procedures. Promoters may not directly or indirectly obtain or attempt to obtain legal rights in any Company Intellectual Property. Promoters also are not permitted to use any Company trademark (including the PureTrim name, logo or any Company Product name) as part of any domain name, company name, or advertising slogan.

Promoters also are not permitted under any circumstances to engage in Pay-Per-Click (PPC) advertising with any search engines such as Google or Yahoo or other internet related website using any company protected search term.

Promoters may not pay for search terms containing the Company name, Company product name, slogan, company trademarked names, or any trademarked, copyrighted or protected intellectual property of the Company under any circumstances. Violation of this policy shall be grounds for immediate termination of PureTrim Promoterships.

Upon termination of a Promoter's Promotership, all rights to use any Company Intellectual Property automatically are terminated simultaneously with termination of the Promotership. Accordingly, upon such termination, you will immediately and permanently discontinue the use of all trademarks and names, together with all literature, signs, labels, posters, stationary or advertising materials and Company Materials related to the Company, its products and its marketing programs. The failure to discontinue all uses of Company Intellectual Property shall cause the Company immediate irreparable harm, and is inter alia trademark infringement and copyright infringement giving rise to the Company's right to an immediate injunction without the necessity for the posting of a bond by the Company, in addition to all other remedies available to the Company.

### D. Advertising

The Company encourages Promoters to advertise and promote the Company's Products and marketing opportunities. However, it is critically important that all Promoters comply with all Company advertising guidelines contained in these Policies & Procedures or as otherwise established by the Company. Failure to comply can result in damage to the reputation of the Company and its products and could result in undesirable publicity and possible legal actions. In order to protect the Company and its Promoters, the Company reserves the right to terminate Promoters who are in violation of these advertising provisions. Violation of these provisions shall cause the Company immediate irreparable harm, giving rise to the Company's right to an

immediate injunction without the necessity for the posting of a bond by the Company, in addition to all other remedies available to the Company.

All advertising and promotion of the Company and Company Products, as well as all advertising and promotion that compares Company Products with other products, requires the prior written permission of Company prior to a Promoters' placing of any advertising in any media outlet including hard print ads, internet ads or TV or radio advertisements. For purposes of this provision, content on a website constitutes "advertising or promotion."

All advertising and promotional materials you want to use, including any press releases or other publicity material, must be submitted to the Company Corporate Office for review no less than sixty (60) days prior to their planned use. You agree to make any changes to the advertising or promotional material requested by the Company, or, if the Company does not approve the materials, you agree not to use them. All submissions for review must be sent with a cover letter identifying that the materials are advertising materials being submitted for review along with an explanation of when, where and how the materials will be used. If the Company does not notify you in writing of the results of its review within sixty (60) days from the date if receipt by the Company of the materials submitted, the materials are deemed unacceptable and cannot be used.

### E. Literature and Sales Aids

Promoters are prohibited from using, distributing or selling any Company Materials, including all marketing and sales materials in any media (print, audio, video, etc.) that (a) has not been authorized by the Company for use, distribution or sale, (b) is outdated, or (c) contains Confidential Information. All Company Materials whether printed, on a website, or in audio, video, CD-ROM or other media, are copyrighted and may not be reproduced in whole or in part by Promoters or any other person. Promoters shall destroy any stale, outdated or discontinued (collectively, "outdated") Company Materials. Promoters can use only current, authorized sales aids. Company can at any time, determine that a sales aid or promotional literature or other Company Material is no longer available for use, distribution or sale by Promoters. Once the Company no longer provides a sales aid or promotional product on its website or through its Promoter services, that sales aid or promotional product is considered outdated.

Nothing in Company's sales aids or other Company Materials are implied terms or amendments to this Agreement, nor shall they be deemed as or relied on by Promoters as representations or terms of agreement that bind the Company.

### F. Television and Radio

Sections XIX.D and XIX.F govern the use of television and radio advertisements or promotions. Promoters are prohibited from using TV, cable TV, or radio to advertise or promote the Company or any Company Products without the prior written approval of the Company.

### G. Internet/World Wide Web Pages

The Company requires that anyone who wishes to establish a website (or a single web page, or a social networking site, such as Facebook, MySpace, Twitter, etc.) displaying the Company Products, Company Intellectual Property or Company Materials, or any portions thereof, must contact Customer Service for an authorized Company hosted Promoter website. Promoters are prohibited from using any website or web pages that are not Company hosted Promoter websites. Violation of this policy is immediate grounds for termination. Promoters may not place or purchase as key words or AdWords any Company Product names, the Company name, any names incorporating any Company Product names, or the Company name into any Internet search engine (such as Google or Yahoo! Search) without the prior written permission of the Company. Promoters may not acquire, register or use domain names that include the name of any Company Products or the Company name without the prior written permission of the company. The Company is under no obligation to permit any Promoter to use any Company product name or the Company name for any purpose described in this paragraph.

Promoters may not engage in "spamming" which is defined as the unauthorized transmission of email messages or materials to persons without their prior permission. Any form of spamming activity is a violation of the Company policy and will subject the person or persons responsible to suspension or termination of their Promotership. Spamming may be a criminal offense in some states and will not be tolerated.

The Company reserves the right to terminate any Promotership of a Promoter who violates any of the foregoing terms and conditions or Company policies. Violation of any of these terms and conditions or Company policies shall cause the Company immediate irreparable harm, giving rise to the Company's right to an immediate injunction without the necessity for the posting of a bond by the Company, in addition to all other remedies available to the Company.

### H. Personal Appearances

Appearances by any Company Promoters on TV, cable TV, or radio are prohibited without the prior written approval of the Company.

### I. Telephone

The Company prohibits Promoters from answering the telephone in any manner that would imply or lead callers to believe they have reached the corporate offices of the Company. Promoters should therefore refrain from answering the phone with phrases such as "PureTrim" or "This is (name) with PureTrim".

The approved telephone listing for all telephone publications is "The PureTrim Independent Promoter (name)." Any Promoter found in violation of this policy is subject to immediate termination.

### J. Faxes

Promoters may not send unsolicited facsimile transmissions regarding the Company or its Products to any persons, businesses, or entities. Any sending of such faxes is a violation of Company policy and will subject the person or persons responsible to suspension or termination of their Promotership.

### K. Telephone Solicitation

The Company name and Company Materials may not be used in automatic calling devices or "boiler room" operations to solicit potential Promoters or Customers, and in some states any unsolicited telephone calls may be prohibited under Federal or State "Do not Call Rules" or equivalent laws, and therefore are prohibited under these Policies & Procedures. Any violation of any such laws, rules or regulations by a Promoter is a ground for immediate termination of his/her Promotership, in addition to all other remedies available to the Company for this violation. A Promoter who has violated any such rules, laws or regulations shall indemnify and hold harmless the Company from any claims, damages, fines or penalties arising or resulting from such violation.

### L. Trade Shows and Fairs

Each Promoter is responsible for contacting the appropriate local authorities regarding any required sales license, permits, or forms with regard to participation in the event. If a license, permit, or special form is required, a copy must be sent to the Company Corporate Office for the permanent records.

To set up an exhibit at any event, you must secure prior written permission from the Company. Your request to attend a fair or exhibit must be sent in writing to Customer Service, along with a complete outline of any presentation you may be giving and/or a copy of the promotional materials intended for such use. This request must be received at least twenty-one (21) calendar days prior to the event. When permission is granted, such permission is granted for one event only. Permission does not carry over to the same event on another date. The Company grants permission for only one (1) Promoter to display the Company Products at each event. If two (2) Promoters apply for permission to represent the Company at the same event, preliminary permission will be granted to each Promoter. Final approval will be given to the first Promoter who provides the Company with a copy of the booth space contract showing proof of payment. If both Promoters provide such proof of payment simultaneously, the permission to represent the Company will be given to the most senior of the Promoters.

Promoters are encouraged to cooperate with each other for such events, but the Company remains the final authority on approval of attendance at events where the Company Products are represented.

All materials planned for use at such trade show or exhibit must be approved by the Company in advance of their use. No unauthorized materials may be used by a Promoter at such trade show or exhibit.

### M. Inquiries from the Media

In order to ensure accuracy and consistency in the information given to the media, Promoters receiving any inquiry from the media regarding the Company, its products, employees, or marketing programs must not make any statements and must immediately refer the inquiring parties to the Company Corporate office. Promoters are prohibited from acting as a spokesperson or representative of the Company for the media. All public relations matters should be redirected to the Corporate Office at (800)-692-9273 or faxed to (800)-772-7112.

### N. Medical Claims and Product Testimonials

No claims as to the therapeutic or curative properties about Company Products may be made, except those officially approved by the Company. In particular, no Promoter

may make any claim that the Company's products are useful in the treatment or cure of any disease. Medical claims regarding the Company Products are strictly prohibited. Promoters should recommend to any Customer who is currently under a physician's care or medical treatment to seek the advice of their physician before altering their nutritional regimen.

In no event should Promoters give advice or instruct purchasers as to how to use the Company Products (i.e.: amount of dosage, length of use etc.). Customers are to be instructed to use Company Products only in accordance with the Company materials and package usage instructions. Independent instructions or advice given to Customers by Promoters or those affiliated with the Promoters are violations of Company policy and these Policies & Procedures and will be grounds for immediate disciplinary action, up to and including termination.

You hereby agree to indemnify the Company and hold it harmless from any and all liability including judgments, civil penalties, refunds, attorneys' fees, court costs, fines, penalties and lost business incurred by the Company as a result of the Promoter's unauthorized representations or actions of any kind or nature whatsoever.

Any violation of any of the foregoing terms and conditions shall entitle the Company to be awarded immediate injunctive relief against such unlawful activity, without any necessity of posting a bond, in federal or state court, in addition to all other legal and equitable remedies. Each Promoter hereby acknowledges that his or her engaging in any of such unauthorized activities shall cause damage and immediate irreparable harm to the Company. All of the terms and conditions of this subparagraph shall survive the termination of this Agreement for any reason.

### O. Adverse Event Reporting

Beginning December 22nd 2007, the FDA is requiring all dietary supplement manufacturers to provide notice to it of any adverse event that a U.S. consumer has after taking one of its products. PureTrim will comply with that requirement by submitting product "Adverse Events" from U.S. product consumers through the FDA MedWatch program. (Note: this only applies to U.S. consumers, not Canadian consumers). Should you be contacted by a consumer that lives in the United States and they report any "adverse event" after taking one of PureTrim's products please direct that consumer to contact PureTrim at 1-800-692-9273 so that PureTrim can report that event through the MedWatch notification system. Please do not report any "adverse event" directly. Doing so is a violation of these Policies and Procedures.

### P. Emails, Voice Mails and Text Messages/Updates from Company

As a Company Promoter you hereby agree to receive email messages from Company from time to time on various topics relating to your business.

You additionally agree to receive "Voice Blasts" (automated voice Messages) and/or phone calls from Company alerting you to important news and offers from the Company.

You also agree to receive Text Messages and Text updates from Company alerting you to important company news and offers. Text messages received by you may be subject to standard text messaging Rates and can result in charges to your text messaging account. Your mobile or wireless device carrier may charge you for each text message received. Additionally text messages received may count towards a monthly quota as any other messages do and standard text messaging rates may apply. If you have any questions about your text plan or data plan, it is best to contact your wireless provider. Under no circumstances will Company, its agents or affiliates be responsible for any text messaging or wireless service charges incurred by you or a person that had access to your mobile phone or wireless device, or for any overcharge or billing error by or any billing disputes with your participating carrier.

By becoming a Company Promoter (Promoter) you hereby specifically agree to receive these emails, automated or non-automated voice messages and phone calls and text messages to the appropriate email addresses/phone numbers that you provide to the Company.

When you sign up as a Promoter, you agree that it is important for the Company to update you in these ways and waive any right to bring any complaint or action against the Company for such practices.

### XX. Conduct and Obligations

### A. Adherence to Policies & Procedures

Company Promoters shall monitor the activities of their Sales Team to help ensure that the Policies & Procedures are being followed. A Promoter must promptly and accurately report any possible violations to Customer Service. Sponsors are obligated as part of their role as Sponsors to regularly and effectively engage in such monitoring.



### **B. Violations of Policies & Procedures**

The Company actively defends its good name and reputation. Thus, the Company reserves the right to take quick and decisive action in governing and enforcing these Policies & Procedures. Any Promoter who is found to be in violation of any rules, stipulations, laws, or, policies are subject to the disciplinary actions outlined in these Policies & Procedures. If a violation is brought to the attention of the Company, and sufficiently substantiated, it will be documented into that Promoter's records. Depending on the severity of the violation, disciplinary action may include, but is not limited to, suspension and termination. Should a Promoter be found by the Company to be in violation of these Policies & Procedures, the Company will notify the Promoter as of the date of such violation. All commissions, bonuses, or any compensation or benefits owed by Company to the Promoter shall be forfeited by the Promoter upon such suspension or termination, and the right to receive same shall be waived, and Company may bring legal action against the Promoter to seek repayment of all commissions, bonuses or any monies paid to the Promoter from date of violation until the date of termination or suspension of the Promoter. Company may disable a Promoters' access to the Promoter Office and to all Company websites and databases for any reason it deems necessary and for any reason during investigation of a Promoter's violations or alleged violations of Company policies.

If a Promoter is suspended because of a violation or misconduct, that Promoter will lose all rights to any commissions, bonuses, payouts and other benefits during the suspension period. That Promoter is also prohibited from purchasing or selling any of the Company Products or sales aids during the suspension period. The Company reserves the right to set the length of the suspension. A Promoter that repeats an offense or has more than two (2) suspensions will automatically be terminated.

### C. Disciplinary Measures

If a violation is brought to the attention of the Company, and sufficiently substantiated, it will be documented into that Promoter's records. Depending on the severity of the violation, disciplinary actions may include, but are not limited to, suspension and subsequent termination.

### D. Suspension

If a Promoter is suspended by company for any reason, including for any violation or misconduct, that Promoter will lose all rights to earn or receive or keep any monetary commissions, bonuses, and payouts that have been earned or which otherwise accrued at any time prior to the suspension and during the suspension period. That Promoter is also prohibited from purchasing, marketing or selling any Company Products or using any Company Materials during the suspension period. The Company reserves the right to determine the length of the suspension. A Promoter that repeats an offense or has more than two (2) suspensions will automatically be terminated and lose all rights to his or her Sales Team and possible commissions and horuses.

Suspension during investigation of Promoter violations: In the event that Company believes that a Promoter has violated the Policies & Procedures or the Agreement, the Company may suspend all privileges afforded to that Promoter during the pendency of the Company's investigation of those violations. During such investigation and investigatory suspension period, the Company shall be entitled to terminate Promoter's online access to all Company software, websites, Promoter Office, Sales Team Organization, email, voicemail, and retail sites and also may freeze all of that Promoter's commission, bonus or other compensation payments.

Formal Suspension of Promoter: Should Company suspend the Promoter pursuant to any other provisions of these Policies & Procedures or the Agreement, Company may suspend all Promoter privileges pending reinstatement or permanently upon termination. Company shall be entitled to suspend the Promoter's access to all company software, websites, Promoter Office Sales Team Organization, email, voicemail, retail sites, and the suspended Promoter shall forfeit all rights to receive or keep any commissions, bonuses or payouts generated or owed to Promoter during the period of "formal" suspension up until reinstatement by company or termination.

### E. Termination

Upon determination by the Company that a Promoter has violated any provision or policy of these Policies & Procedures or Agreement, and has determined that the violation warrants termination, the Company may terminate the Promoter and may pursue all available legal and equitable remedies against him/her. When a decision is made to terminate a Promoter, the Company will send a notice via the most efficient, reasonable method to the Promoter. A Promoter who is terminated by the Company shall upon demand by the Company, repay, return or compensate the Company for all commissions, benefit program, prizes, inventories, bonuses or other compensation received by the Promoter from the Company from the date of the earliest violation up to and including the date of termination, as well as pay to the Company any other

damages, fines or penalties resulting to the Company from such conduct, and to reimburse the Company for any legal fees expended in connection with the violation(s) and all resulting consequences of the violation(s).

Once notice of termination by the Company has been given, the Promoter immediately shall cease representing himself/herself as a Company Promoter and shall cease all activities relating to his/her Promotership. If a Promoter wishes to appeal the termination, the Company must receive written notice of the request for an appeal within fourteen (14) calendar days of the date of the Company's termination letter. If the appeal is not received within the fourteen (14) day period, the termination automatically will be deemed final. If a timely appeal is received, the Company will review and reconsider the termination, consider any other appropriate action, and notify the Promoter of its decision. The decision of the Company will be final, binding and not subject to further review. Any Promoter who seeks an appeal waives his/her right to challenge the Company's decision by arbitration, in a court of law, or otherwise.

### F. Voluntary Termination ("Resignation")

Any Promoter who wishes to voluntarily terminate his/her Promotership must contact Customer Service to notify the Company of the termination. Promoters have the right to terminate their Promotership at any time for any reason. The Company must receive a notarized letter stating the reasons for resignation, the Promoter's name, and his/her social insurance or social security number. When a Promoter voluntarily resigns with the Company it is treated as an involuntary termination in that all of the terms and conditions in this Agreement applicable to termination shall immediately become operative, including the termination of all licenses granted for the use of Company Materials, Sales Team Information and other Company Intellectual Property. A terminating Promoter forfeits all rights to receive and waives his/her rights to seek all unpaid earned or otherwise accrued commissions, overrides, rebates, bonuses, awards, or any compensation whatsoever from the Company. Promoter fees are not refundable.

### G. Notice

All notices to be given regarding disciplinary actions as outlined in these Policies & Procedures, shall be deemed properly delivered by depositing the notice in the mail, addressed to the name of the Promoter, and sent to the last known address in our computer files. The Company may also arrange for delivery by a known courier or service, or send the notice via facsimile transmission followed by a confirmation copy sent by mail. All notices shall be deemed given if sent by mail and five (5) calendar days have passed from the date of the postmark, sent by courier and two (2) calendar days have passed from the shipping date, or same day if delivered by hand or upon confirmation of transmission by facsimile.

### XXI. Insurance

The Company carries full product liability insurance as protection against claims arising from possible defects in its products. This coverage does not apply if unauthorized representations or claims are made by the Promoter involved, or if any repackaging or modification of the products has been done. Also, this does not protect the Promoter against risk that his or her inventory may be damaged after receipt. Each Promoter should consult an insurance professional to obtain the proper insurance to meet his or her individual and/or business needs.

### XXII. Non-Performance Clause

The Company and any Promoter shall not be held responsible for any delays or failures in performances under this Agreement, where performance is made commercially impracticable due to circumstances beyond the party's control. This includes without limitation, computer failure, strikes, labor difficulties, war, fire, death, natural disasters, curtailment of the party's usual source of supply, governmental decrees or orders, or other such "Acts of God." The Company disclaims all liability for any losses resulting from any such delay or failure, and you waive the right to assert any claims against the Company relating to such delays or failure. Further, the Company's maximum liability for any claims asserted by a Promoter for a non-waived claim is the total amount of money paid to the Company by the Promoter within the six months preceding the assertion of the claim.

The Company does not owe any implied contractual duties under this Agreement, and disclaims all liability with respect to any duties implied by law or otherwise, and you waive the right to assert any such claims.



### XXIII. Non-Waiver of Policies & Procedures

Failure of the Company to exercise any rights stated in the Policies & Procedures, Direct Sales Profit Plan, or Promoter Application and Agreement, shall not constitute a waiver of the Company's right to demand exact compliance therewith by all Promoters. Waiver by the Company of any provision of the Policies & Procedures or any Promoter Agreement shall not constitute a waiver of any prior, concurrent, or subsequent breach by the Promoter, and is only effective if in writing and issued by an authorized executive of the Company.

### XXIV. Amendments

In order to maintain a viable marketing program and to comply with changes in Federal, State, or Local laws, and economic conditions, the Company reserves the right, in its sole and absolute discretion, to amend, from time to time, these Policies & Procedures, its wholesale or suggested retail prices, product availability and formulation, and compensation plan as it deems appropriate. Any amendments to the Policies & Procedures shall be effective upon the date of their posting on the Company website, whether or not a Notice of Amendment is posted. Each Promoter is responsible for learning updated information pertaining to the Company and for dissemination of that information to their Sales Team.

Continued activity in the Promotership after the Company has posted any Amendment or Notice of Amendment, or acceptance of bonuses or commissions, constitutes actual notice and acceptance of any and all Amendments. Further, each order placed by a Promoter shall constitute a reaffirmation of his or her agreement to be bound by and comply with the then current Policies & Procedures and the Agreement Promoters are bound to the current Policies regardless of their inability or lack of knowledge as to Amendments.

### XXV. Governing Law

The Policies & Procedures, Direct Sales Profit Plan, and Application and Agreement are reasonably related to the laws of the USA and Canada, and shall be governed, constructed, controlled, and enforced in all respects in accordance with Arizona law, without regard to Arizona's conflict of laws principles. The parties agree that sole and exclusive jurisdiction and venue for any disputes arising between them shall lie within the State of Arizona, Maricopa County.

# XXVI. Dispute Resolution, Agreement to Arbitrate, and Class Action Prohibition

If a dispute arises relating to any relationship between or among the Company, its officers, employees, Promoters, or vendors or arising out of any product or service provided by the Company, the parties agree to attempt in good faith to resolve any such dispute in an amicable and mutually satisfactory manner.

In the event such efforts are unsuccessful, either Party may serve a notice of mediation/arbitration on the other Party. Notice of Mediation/Arbitration shall be personally delivered or sent by prepaid registered airmail or air courier, and shall be effective on the receipt thereof. Proof of receipt shall be sufficient if signed by an officer or responsible official of the Party to whom it is addressed. The Notice of Mediation/Arbitration shall be dated, and without prejudice to any right under the Rules permitting subsequent modifications, and shall specify the claims or issues that are to be addressed in the mediation/arbitration.

The mediation must be held in Mesa, Arizona or elsewhere in the greater Phoenix metropolitan area by a mediator knowledgeable about multi-level marketing businesses. The parties shall agree on a mediator and shall equally share the costs of the mediation. The mediation must take place within two weeks following the receipt of notice of mediation. If differences cannot be resolved by mediation, the Parties agree that, in order to promote to the fullest extent reasonably possible a mutually amicable resolution of the dispute in a timely, efficient and cost-effective manner, they hereby waive their respective rights to a trial by jury and agree to settle the dispute by submitting the same to binding arbitration in accordance with the commercial rules of the American Arbitration Association ("A.A.A."), except that all Parties shall be entitled to all discovery rights allowed under the Federal Rules of Civil Procedure as those rules exist in the United States Federal Court for the District of Arizona.

The Parties shall attempt to select a mutually agreeable mediator/arbitrator from A.A.A.'s Panel of Mediators/Arbitrators. If no agreement is reached within fifteen (15) calendar days of the first written notice of intent to mediate/arbitrate, the current Director of Professional Services for A.A.A. in Arizona shall serve as the mediator/arbitrator.

The Arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. 1 et. seq., and the judgment upon the award rendered by the arbitrator may be entered by a court of competent jurisdiction thereof. If a Promoter files a claim or counterclaim against the Company, he or she may only do so on an individual basis and not with any other Promoter or as part of a class or consolidated action. Either Party may elect to participate in the arbitration telephonically. Arizona law, without regard to Arizona's conflict of law principles shall govern any substantive or procedural right other than the enforceability of the arbitration agreement.

The Parties further expressly agree:

- The arbitrator shall reach his decision only by applying strict rules of law to the facts:
- The arbitration shall be conducted in the English language, in Maricopa County, Arizona;
- 3. The Party in whose favor the arbitration award is rendered shall be entitled to recover costs and expenses of the arbitration; including, but not limited to, attorneys' fees and the cost and expense of administering the arbitration proceedings, as well as any cost and attorneys' fee incurred in executing on or enforcing the arbitration award; and
- 4. The arbitration award shall be issued in Maricopa Cty., Arizona U.S.A.

Except as provided in the following sentences, no Party shall be entitled to commence or maintain any action in a court of law upon any matter in dispute until such matter shall have been submitted and determined as provided herein and then only for the enforcement of such arbitration award. Provided that, notwithstanding this dispute resolution policy, either Party may apply to a court of competent jurisdiction in Maricopa County, Arizona to seek injunctive relief before or after the pendency of any arbitration proceeding. The institution of any action for injunctive relief shall not constitute a waiver of the right or obligation of any party to submit any claim seeking relief other than injunctive relief.

Claims covered by this Mandatory Agreement to arbitrate include, without limitation:

- 1. Any disputes regarding your Promotership with PureTrim of any kind of nature;
- Any disputes involving your commissions or payment of commissions or rebates from PureTrim;
- 3. Any disputes involving your purchase or use of PureTrim products or any results from the use of those products.

NO ARBITRATOR OR COURT MAY ORDER ,PERMIT OR CERTIFY A CLASS ACTION, REPRESENTATIVE ACTION, PRIVATE ATTORNEY GENERAL LITIGATION OR CONSOLIDATED ARBITRATION IN CONNECTION WITH THIS AGREEMENT TO ARBITRATE. NO ARBITRATOR OR COURT MAY ORDER OR PERMIT A JOINDER OF PARTIES IN CONNECTION WITH THIS AGREEMENT TO ARBITRATE.

BY ACCEPTING THIS ARBITRATION AGREEMENT, YOU AGREE TO WAIVE THE RIGHT TO INITIATE OR PARTICIPATE IN A CLASS ACTION, REPRESENTATIVE ACTION, PRIVATE ATTORNEY GENERAL LITIGATION OR CONSOLIDATED ARBITRATION RELATED TO THIS AGREEMENT OR YOUR PROMOTERSHIP WITH PURETRIM AND/OR PURCHASE OF PRODUCTS FROM PURETRIM AND/OR PARTICIPATION IN THE DIRECT SALES COMPENSATION PROGRAM WITH PURETRIM.

The arbitrator will be required to follow relevant law and applicable judicial precedent to arrive at a decision and shall be Empowered to grant whatever relief would be available in court. You and we both agree that the transactions subject to this agreement to arbitrate involve interstate commerce.

### XXVII. Promoter Feedback

The Company respects and appreciates the cooperation of their Promoters and requests any information regarding violations and any investigations be relayed to Customer Service. If you notice any violation, breach, or misrepresentation of any of these Policies & Procedures, please call Customer Service immediately at (800)-692-9273 or contact Customer Service at the following email address: Customer Service Pure Trim.com.



1201 South Alma School Road - Suite 8550 Mesa, Arizona 85210 Customer Service: (800) 692-9273

Customer Service Fax: (800) 772-7112

www.PureTrim.com

6500C/6500U 4/22/20