

**ADVOCATE/PARTNER  
POLICIES AND PROCEDURES**



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## POLICIES AND PROCEDURES

### SECTION ONE. BECOMING AN ADVOCATE

- 1.1 **Becoming an Advocate.** An applicant becomes an Advocate (“Advocate”) of the Company when the applicant’s Application and Agreement (the “Agreement”) is completed and agreed to online and processed by the Company or has been received and accepted by the Company at its corporate address in Del Mar, California. The Company reserves the right to decline any Agreement for any reason.
- 1.2 **No Payment Required.** Except as set forth above, no payment is required to become an Advocate.
- 1.3 **Legal Age.** Advocates must be of legal age in the state of their residence.
- 1.4 **Advocate Identification Number.** Each Advocate is required by federal law to obtain a Social Security number or Federal I.D. number. Each Advocate will be identified by this number or a company assigned number for purposes of his or her Company business. The Advocate Identification Number must be placed on all orders and correspondence with the Company.
- 1.5 **Corporations, Partnerships, and Trusts.** Corporations, partnerships, limited liability companies or other forms of business organizations and/or trusts (“Business Entities”) may be Advocates of the Company. The Company may request that the Agreement is accompanied by copies of:
  - 1.5.1 The formation and other governing documents of the Business Entity;
  - 1.5.2 A complete list of all shareholders, directors, officers, partners, members, managers or trustee(s) and beneficiaries of a trust, as applicable, of the Business Entity (collectively, the “Principals”);
  - 1.5.3 The tax identification number; and
  - 1.5.4 Such other information reasonably requested by the Company from time to time.

The Business Entity must provide the Company updated information concerning any change in any Principal. Each Principal of a Business Entity must agree to be and the Company will hold each personally liable to the Company and bound by the Agreement and these Policies and Procedures.
- 1.6 **Simultaneous Interests.** An Advocate may not have simultaneous beneficial interests in more than one Advocate position. For example, a shareholder of a corporation that is an Advocate may not become an Advocate individually.
- 1.7 **Fictitious and/or Assumed Names.** A person or entity may not apply as an Advocate using a fictitious or assumed name.

## **SECTION TWO. ADVOCATE STATUS**

- 2.1 **Advocate Obligations and Rights.** Advocates are authorized to sell the Company's products and services and to participate in the Company's Compensation Plan. Advocates may sponsor new Advocates.
- 2.2 **Independent Contractor Status.** Advocates are self--employed, nonexclusive, independent contractors. They are not employees or agents of the Company, and may not imply or state otherwise. Advocates will not be treated as employees with respect to any federal, state, or local statute, ordinance, rule, or regulation. Advocates have no authority to bind the Company to any obligation. The Company is not responsible for payment or co---payment of any employee benefits. Advocates are responsible for all liability, health, disability, workers' compensation and other insurance. Advocates set their own hours, pay their own expenses and determine how to conduct their Company business and are responsible for their own management decisions subject to the Agreement and the Policies and Procedures.
- 2.3 **Taxation.** As independent contractors, Advocates will not be treated as employees of the Company for federal or state tax purposes including, with respect to the Internal Revenue Code, Social Security Act, federal unemployment act or state unemployment acts. Advocates are responsible for payment of all estimated income and self---employment taxes. At the end of each calendar year, the Company will issue to each Advocate an IRS Form 1099, or other applicable documentation required by law, for non---employee compensation of an independent contractor.
- 2.4 **Legal Compliance.** Advocates must comply with all federal, state and local laws, statutes, regulations and ordinances applicable to the operation of their business.
- 2.5 **No Exclusive Territories.** No exclusive territories are granted for sales or sponsoring purposes. No geographical limitations exist on Advocates sponsoring or selling within the United States; provided, however, that the Company reserves the right not to sell products or services or contract with Advocates in specified states within the United States.
- 2.6 **Ethical Conduct.** Each Advocate must conduct his or her business with the highest standards of honesty and integrity and in a professional manner at all times. The Company prohibits an Advocate from participating in any activity that is unethical, as determined by the Company, in its sole discretion. An Advocate may not engage in any activities that may cause harm to the Company or any other Advocate of the Company.
- 2.7 **Sale of Other Products.** Advocates are not restricted from selling other companies' products or services. Advocates may not display the Company's products, promotional materials or sales aids with or in the same location as any other company's promotional materials, sales aids or products; nor may the Advocate offer the Company's opportunity in connection with any other opportunity.
- 2.8 **Solicitation Restrictions.** Company Advocates are free to participate in other direct selling, multilevel marketing, or network marketing entities, businesses, organizations, opportunities, or ventures (collectively referred to as a "network marketing business"). However, during the term of this Agreement, any renewal or extension hereof, and for a period of one year following the termination of an Advocate's Independent Advocate

Agreement, with the exception of an Advocate who is personally sponsored by the Advocate (or former Advocate, as may be applicable), an Advocate (or former Advocate) may not recruit any Company Advocate or Customer for another network marketing business. Advocates and the Company recognize that because network marketing is conducted through networks of independent contractors dispersed across the entire United States and internationally, and business is commonly conducted via the internet and telephone, an effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, Advocates and Company agree that this non-solicitation provision shall apply nationwide throughout the United States and to all international markets in which Advocates are located. This provision shall survive the termination or expiration of the Advocate Agreement.

For the purposes of this Section, the term “recruit” means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any way, either directly, indirectly, or through a third party, another Company Advocate or Customer to: (1) enroll, join, or otherwise participate in another network marketing business; or (2) terminate or alter his or her business or contractual relationship with the Company. The term “recruit” also includes the above activities in the event that the Advocate’s actions are in response to an inquiry made by another Advocate or Customer.

During the term of this Agreement, any renewal or extension hereof, and for a period of one year thereafter, an Advocate may not use any social media site on which they discuss or promote, or have discussed or promoted, the Company business or Company’s products to directly or indirectly solicit Company Advocates for another direct selling or network marketing program (collectively, “direct selling”). In furtherance of this provision, an Advocate shall not take any action that may reasonably be foreseen to result in drawing an inquiry from other Advocates relating to the Advocate’s other direct selling business activities. Violation of this provision shall constitute a violation of the non-solicitation provision in Section 4.11 (Conflicts of Interest) below.

A violation of any of the provisions in this section shall constitute unreasonable and unwarranted contractual interference between Company and its Advocates and would inflict irreparable harm on Company. In such event, Company may, at its sole discretion, impose any sanction it deems necessary and appropriate against such Advocate or such Advocate’s distributorships including termination, or seek immediate injunctive relief without the necessity of posting a bond.

2.9 **Advocate Participation in Other Network Marketing Programs.** If an Advocate is engaged in other non-Company network marketing business, it is the responsibility of the Advocate to ensure that his or her Company business is operated entirely separate and apart from any other network marketing business. To this end, the following must be adhered to:

2.9.1 Advocates must not sell, or attempt to sell, any competing non-Company programs, products or services to Company Customers or Advocates. Any program, product or services in the same generic categories as Company products or services is deemed to be competing, regardless of differences in cost, quality or other distinguishing factors. This provision does not apply where professional services are the primary source of revenues and the product sales are secondary to the provision of such services (e.g., physician’s offices, health clinics, health clubs, gyms, spas or beauty salons). However, an Advocate may sell non-competing products or services to Company Customers or Advocates who are personally-sponsored.

2.9.2 Advocates shall not display Company promotional material, sales aids, products or

services with or in the same location as, any non-Company promotional material or sales aids, products or services.

2.9.3 Advocates shall not offer the Company opportunity, products or services to prospective or existing Customers or Advocates in conjunction with any non-Company program, opportunity, product or service.

2.9.4 Any outside-of-Powur resources intended to sponsor partners and/or acquire solar customers, including lead generation programs, must be submitted to Powur for approval via [compliance@powur.com](mailto:compliance@powur.com).

2.9.5 Advocates may not offer any non-Company opportunity, products, services or opportunity at any Company-related meeting, seminar, convention, webinar, teleconference, or other function.

2.10 **International Activities.** Advocates are authorized to sell the Company's products and sponsor Advocates only in the United States. The Company's products, promotional materials and sales aids may only be shipped into or sold in the United States. Advocates may not: (i) market or sell products; (ii) sponsor or attempt to sponsor potential Advocates; or (iii) conduct any other activity for the purpose of selling Company products or promoting the Company opportunity in any country other than the United States.

2.11 **Non-disparagement.** Company wants to provide its independent Advocates with the best products, compensation plan, and service in the industry. Accordingly, we value your constructive criticisms and comments. All such comments should be submitted in writing to Powur management at [info@powur.com](mailto:info@powur.com). Remember, to best serve you, we must hear from you! While Company welcomes constructive input, negative comments and remarks made in the field by Advocates about the Company, its products, or compensation plan serve no purpose other than to sour the enthusiasm of other Company Advocates. For this reason, and to set the proper example for team mates, Advocates must not disparage, demean, or make negative, untrue or misleading comments about Company, other Company Advocates, Company's products, the Marketing and Compensation plan, or Company's directors, officers, or employees.

### **SECTION THREE. TERM AND RENEWAL**

3.1 **Term.** Subject to the terms of Section Six, the Agreement shall have a term beginning on the date of acceptance by the Company and ending one year from the date thereof (the "Anniversary Date").

3.2 **Renewal.** The Agreement shall renew annually, and the Company has the right to decline to accept any renewal, in its sole discretion, upon payment of the then current renewal fee, if applicable, and in accordance with the then current renewal policy of the Company as set forth in the Policies and Procedures. Any Advocate not renewing by the renewal date shall be deemed to have voluntarily terminated his or her Agreement with the Company, and thereby will lose all sponsorship rights, his or her position in the Compensation Plan and all rights to commissions and bonuses. An Advocate who fails to renew his or her Agreement may not reapply under a new sponsor for six months after nonrenewal.



## **SECTION FOUR. SPONSORSHIP**

- 4.1 **Sponsoring.** Advocates may sponsor other Advocates in the United States into the Company's business. Advocates must ensure that each potential Advocate has reviewed and has had access to the current Agreement, Policies and Procedures and Compensation Plan prior to or when providing the individual an Agreement to execute. The enrollment of individuals or entities without their knowledge of and/or execution of an Agreement; or the enrollment or attempted enrollment of non-existent individuals or entities as Advocates or retail customers (phantoms) or other fraudulent enrollments are prohibited. The Company prohibits the use of monetary or other incentives, promotions, prizes or bonuses in connection with sponsoring or influencing potential Advocates or retail customers. An Advocate may not purchase or sell sponsorships nor manipulate placements for the purpose of any qualification or earning additional commission.
- 4.2 **Multiple Agreements.** If an applicant submits multiple Agreements which list different sponsors, only the first completed Agreement to be received by the Company will be considered for acceptance. The decision of the Company is final.
- 4.3 **Training Requirement.** A Sponsor must maintain an ongoing professional leadership association with Advocates in his or her organization and must fulfill the obligation of performing a bona fide supervisory, distributive or sales function in the sale or delivery of products and services.
- 4.4 **Income Claims.** Advocates must truthfully and fairly describe the Compensation Plan. No past, potential or actual income claims may be made to prospective Advocates, nor may Advocates use their own incomes as indications of the success assured to others. Income claims include statements of average or non-average earnings, statements of earning ranges, income testimonials, lifestyle claims and hypothetical claims. Commission checks may not be used as marketing materials. Advocates may not guarantee commissions or estimate expenses to prospects. Any earnings information or statements regarding income in the Compensation Plan are solely to explain the Compensation Plan and are not representations or guarantees of any earnings or income. The Company does not guarantee or imply any specific earnings or income. Individual income results may vary significantly and are based on many factors, including an Advocate's individual efforts, business experience and skills. The Company makes no warranty or representation as to the level of success, if any, Advocates may achieve by selling any product or in soliciting Advocates or retail customers.
- 4.5 **Transfer of Sponsorship.** Any transfer of a Sponsor is discouraged, requires the prior written approval of the Company (which may be withheld in its sole discretion) and is subject to the following conditions:
- a) The written consent of all affected Advocates must be submitted to the Company;
  - b) A written request for transfer explaining the exact reason for the request of transfer must be submitted to the Company;
  - c) A transfer fee of \$50.00 must be paid to the Company; and
  - d) The team of any proposed transferee will not be transferred.
- 4.6 **Waiver of Claims.** ADVOCATES WAIVE ANY AND ALL CLAIMS AGAINST THE COMPANY

THAT RELATE TO OR ARISE FROM THE COMPANY'S DECISION REGARDING THE TRANSFERS OF SPONSORSHIP OR THE TRANSFER OF ANY TEAM ORGANIZATION OF AN ADVOCATE.

- 4.7 **Sales Forces of Other Companies.** Advocates may not target the sales force of another direct sales company to become Advocates or to sell the products of the Company. Advocates may not encourage members of the sales force of another direct sales company to violate the terms of their contract with such company. Advocates bear the sole risk and sole liability for such activities, which activities are not endorsed or supported by the Company.
- 4.8 **Lead Assignment.** The Advocate Lead Program is intended to be fair and structured to reward active Advocates. However, the Company may utilize its sole discretion in making such assignments.
- 4.9 **Company Sponsorship.** Powur will sponsor some key organizations and individuals. Powur will retain the "sponsorship" and "place" these Advocates in the teams of Company leaders. Powur has the right to move these Advocates it places to other Teams at its sole discretion. Only Advocates sponsored by the Company can be moved at the discretion of the Company. If an Advocate does not want Powur to "place" any of these Advocates in his or her team subject to these conditions, the Advocate should state that in writing to [support@powur.com](mailto:support@powur.com).

## **SECTION FIVE. PROPRIETARY INFORMATION**

- 5.1 **Confidential Information.** "Confidential Information" includes, but is not limited to, Downline Genealogy Reports, the identities of Company customers and Advocates, contact information of Company customers and Advocates, Advocates' personal and group sales volumes, Advocate rank and/or achievement levels, and other financial and business information. All Confidential Information (whether oral or in written or electronic form) is proprietary information of Company and constitutes a business trade secret belonging to Company. Confidential Information is, or may be available, to Advocates in their respective back-offices. Advocate access to such Confidential Information is password protected, and is confidential and constitutes proprietary information and business trade secrets belonging to Company. Such Confidential Information is provided to Advocates in strictest confidence and is made available to Advocates for the sole purpose of assisting Advocates in working with their respective downline organizations in the development of their Company business. Advocates may not use the reports for any purpose other than for developing, managing, or operating their Company business. Where an Advocate participates in other multi-level marketing ventures, he/she is not eligible to have access to Downline Genealogy Reports. Advocates should use the Confidential Information to assist, motivate, and train their downline Advocates. The Advocate and Company agree that, but for this agreement of confidentiality and nondisclosure, Company would not provide Confidential Information to the Advocate.

To protect the Confidential Information, Advocates shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- a) Directly or indirectly disclose any Confidential Information to any third party;
- b) Directly or indirectly disclose the password or other access code to his or her back-office;
- c) Use any Confidential Information to compete with Company or for any purpose other than promoting his or her Company business;

- d) Recruit or solicit any Advocate or Customer of Company listed on any report or in the Advocate's back-office, or in any manner attempt to influence or induce any Advocate or Customer of Company, to alter their business relationship with Company; or
- e) Use or disclose to any person, partnership, association, corporation, or other entity any Confidential Information.
- f) Send emails to other Advocates or people, partners, companies affiliated with Powur who have not specifically requested that information from you.

The obligation not to disclose Confidential Information shall survive cancellation or termination of the Agreement, and shall remain effective and binding irrespective of whether an Advocate's Agreement has been terminated, or whether the Advocate is or is not otherwise affiliated with the Company. Upon nonrenewal or termination of the Agreement, Advocates must immediately discontinue all use of the Confidential Information and if requested by the Company promptly return all materials in their possession to the Company within five (5) business days of request at their own expense.

- 5.2 **Genealogy Reports.** All genealogy and team reports provided to an Advocate are proprietary to and owned by the Company. Each Advocate acknowledges that the reports may contain information concerning the Advocate, including, but not limited, to the Advocate's name, address, phone number, products purchased and sold and earnings. The Advocate, by executing the Agreement, consents to the use and dissemination by the Company of the reports and information therein and any other information concerning an Advocate collected by the Company in connection with the Company's business, including to enforce the terms of and its rights under the Agreement and to comply with applicable laws. An Advocate may not use the reports in any manner or for any purpose except in connection with Advocate's business.
- 5.3 **Vendor Confidentiality.** The Company's business relationships with its vendors, manufacturers and suppliers are confidential. Advocates must not contact, directly or indirectly, contact or speak to or communicate with any supplier or manufacturer of the Company except at a Company-sponsored event at which the supplier or manufacturer is present at the request of the Company.
- 5.4 **Copyright Restrictions.** With respect to purchases from the Company, Advocates must abide by all copyright restrictions and protections.
- 5.5 **Authorization to Use Name and Likeness.** By executing the Agreement, each Advocate grants to the Company and its affiliates and agents the absolute, perpetual and worldwide right and license to use, to record, photograph, publish, reproduce, advertise, display, edit, and sell in any manner for all purposes, his or her name, photograph, likeness, voice testimony, biographical information, image and other information related to Advocate's business with the Company (collectively the "Likeness") in marketing, promotional, advertising and training materials, whether in print, radio or television broadcasts (including cable and satellite transmissions) audio and videotapes on the Internet or in other media ("Publicity Materials") for an unlimited number of times, without compensation, in perpetuity. Each Advocate waives any right to inspect or approve any Publicity Materials including or accompanying his or her Likeness. Each Advocate further releases the Company from any liability or obligation that may arise as a result of the use of his or her Likeness, including without limitation, claims for invasion of privacy, infringement of right of publicity and defamation (including libel and slander). An Advocate may withdraw his or her authorization of any use of his or her Likeness that

has not already been publicized by providing written notice to the Company. Advocates agree that any information given by Advocate, including his or her testimonial, is true and accurate.

## **SECTION SIX. RESIGNATION/TERMINATION**

### **6.1 Voluntary Resignation.**

- a) An Advocate may voluntarily terminate his or her Agreement status by failing to renew the Agreement or by sending a written notice of resignation or termination to the Company. Voluntary resignation is effective upon receipt of such notice by the Company.
- b) An Advocate who resigns or terminates his or her Advocate status may reapply as an Advocate no sooner than six (6) months after resignation. When an Advocate voluntarily terminates the Agreement, the Advocate's sales network shall automatically roll up to the first Support Team active Advocate.

### **6.2 Suspension.**

An Advocate may be suspended for violating the terms of his or her Agreement, which includes these Policies and Procedures, the Compensation Plan and other documents produced by the Company. When a decision is made to suspend an Advocate, the Company will inform the Advocate in writing that the suspension has occurred effective as of the date of the written notification, the reason for the suspension and the steps necessary to remove such suspension (if any). The suspension notice will be sent to the Advocate's address on file with the Company pursuant to the notice provisions contained in these Policies and Procedures. Such suspension may or may not lead to termination of the Agreement as determined by the Company in its sole discretion. The Company may take certain action during the suspension period, including, but not limited to, the following:

- a) Prohibiting the Advocate from holding himself or herself out as an Advocate of the Company or using any of the Company's Proprietary Marks (as defined in Section 8.1) and/or copyrighted materials;
- b) Withholding commissions and bonuses due the Advocate during the suspension period;
- c) Prohibiting the Advocate from purchasing services and products from the Company; and/or
- d) Prohibiting the Advocate from sponsoring new Advocates, contacting current Advocates or attending meetings of Advocates.

If the Company, in its sole discretion, determines that the violation which caused the suspension is continuing, has not or cannot satisfactory been resolved or a new violation involving the suspended Advocate has occurred, the suspended Advocate may be terminated.

- ### **6.3 Termination.** An Advocate may be terminated for violating the terms of his or her Agreement, which includes these Policies and Procedures, the Compensation Plan and other documents produced by the Company. The Company may terminate immediately upon written notice if an Advocate violates this Agreement. The Company expressly

reserves the right to terminate the Agreement upon 30 days written notice in the event it elects to cease: (i) business operations; or (ii) the marketing and distribution of its products or service via direct selling or network marketing. The Company may terminate a violating Advocate without placing the Advocate on suspension, as determined in the Company's sole discretion. When the decision is made to terminate an Advocate, the Company will inform the Advocate in writing at the address in the Advocate's file that the termination has occurred effective as of the date of the written notification.

6.4 **Reconsideration.** If an Advocate has his or her termination reconsidered, the Company must receive the request for reconsideration in writing within 10 days from the date of notice of termination. If no request for reconsideration is received within the 10 day period, the termination will automatically be deemed final. If an Advocate files a timely notice of request for reconsideration, the Company will review the request for reconsideration and notify the Advocate of its decision within 10 days after receipt of the request for reconsideration. The decision of the Company will be final and subject to no further review. In the event the termination is not rescinded, the termination will remain effective as of the date stated in the original termination notice.

6.5 **Effect of Expiration, Nonrenewal and Termination.** Immediately upon expiration, nonrenewal or termination of the Agreement, the affected Advocate:

- a) Must remove and permanently discontinue the use of the Proprietary Marks, copyrighted materials and any signs, labels, stationery or advertising referring to or relating to any Company products, services or program;
- b) Must cease representing himself or herself as an Advocate of the Company;
- c) Loses all rights to his or her position in the genealogy and Compensation Plan and to all future commissions and earnings resulting therefrom; and
- d) Must take all action reasonably required by the Company relating to the protection of its Confidential Information and intellectual property.

The Company has the right to offset any amounts owed by an Advocate to the Company including, without limitation, any indemnity obligation incurred pursuant to Section 12.1, from commissions or other compensation due to the Advocate.

6.6 **Reapplication.** The acceptance of any reapplication of a terminated Advocate or the application of any family member of a family household of a terminated Advocate shall be made in the sole discretion of the Company and may be denied.

6.7 **State Laws.** Where state laws on termination are inconsistent with this termination policy, the applicable state law shall apply.

## **SECTION SEVEN. TRANSFERABILITY**

7.1 **Transfer of Business.** An Advocate may not sell, assign, merge or transfer (each a "transfer" for purposes of these Policies and Procedures) his or her Agreement and related Advocate position (or any rights thereto) without the prior written approval of the Company and compliance with the terms of this Section 7.

7.2 **Acquisition of Business.** Except as set forth herein, any Advocate desiring to acquire an interest in another Advocate's business must first terminate his or her Agreement and wait six (6) months before becoming eligible for such a transfer. All such transactions

must be fully disclosed and must be approved in writing by the Company in advance. Notwithstanding the foregoing, an Advocate may transfer his or her Advocate position to his or her sponsor. In such event, the sponsor's position and the transferring Advocate's position shall be merged into one position.

7.3 **Right of First Refusal.** The Company possesses the right of first refusal with respect to any transfer of any Agreement and the related Advocate position. An Advocate wishing to transfer his or her Agreement and related Advocate position must first provide the Company with the right and option to make such a purchase or receive such transfer in writing on the same terms and conditions as any outstanding or intended offer. The Company will advise the Advocate within 10 business days after receipt of such notice of its decision to accept or reject the offer. If the Company fails to respond within the 10 day period or declines such offer, the Advocate may make the same offer or accept any outstanding offer which is on the same terms and conditions as the offer to the Company to any person or entity who is not an Advocate, married to or a dependent of an Advocate or who has any interest in an Advocate, and who is approved by the Company.

7.4 **Conditions to Transferability.** Any transfer is subject to the following conditions:

- a) The selling Advocate must provide the Company with a copy of all documents which detail the transfer, including, without limitation, the name of the purchaser, the purchase price and terms of purchase and payment;
- b) A transfer fee of \$50.00 must accompany the transfer documents;
- c) The documents must contain a covenant made by the selling Advocate for the benefit of the proposed purchaser not to compete with the purchaser or attempt to divert any existing Advocates from the Company's business for a period of one (1) year from the date of the sale or transfer; and
- d) Upon a sale, transfer or assignment being approved in writing by the Company, the purchaser must assume the position of the selling Advocate and must execute a current Agreement and all such other documents as reasonably be required by the Company.

The Company reserves the right, in its sole discretion, to stipulate additional terms and conditions prior to approval of any proposed sale or transfer. The Company reserves the right to disapprove any sale or transfer, in its sole discretion.

7.5 **Circumvention of Policies.** If it is determined, in the Company's sole discretion, that an Advocate position was transferred in an effort to circumvent compliance with the Agreement, the Policies and Procedures or the Compensation Plan, the transfer will be declared null and void. The Advocate position will revert back to the transferring Advocate, who will be treated as if the transfer had never occurred from the reversion day forward. If necessary, and in the Company's sole discretion, appropriate action, including, without limitation, termination, may be taken against the transferring Advocate to ensure compliance with the Agreement and the Policies and Procedures.

7.6 **Succession.** Notwithstanding any other provision of this Section 7, upon the death of an Advocate, the Advocate's position will pass to his or her successors in interest as provided by law. However, the Company will not recognize such a transfer until the successor in interest has executed a current Agreement and submitted certified copies of

the death certificate, will, trust, or other instrument required by the Company. The successor will thereafter be entitled to all the rights and be subject to all the obligations of an Advocate of the Company.

- 7.7 **Reentry.** Any Advocate who transfers his or her distributorship must wait for six (6) months after the effective date of such transfer before becoming eligible to reapply to become an Advocate.
- 7.8 **Divorce.** When a couple sharing an Advocate position divorces or separates, the Company will continue to pay commission checks in the same manner as before the divorce or separation until it receives written notice signed by both parties or a court decree which specifies how future commission checks should be paid.
- 7.9 **Dissolution.** In the event that a Business Entity which is an Advocate desires to dissolve, the Company shall continue to pay commissions according to the status quo as existed prior to the dissolution proceeding unless the Company receives written notice signed by all equity owners of the Business Entity which authorizes the Company to transfer and assign the Agreement and pay commissions in a different manner as a result of the dissolution. No Advocate position of a Business Entity will be divided upon dissolution.

## **SECTION EIGHT. TRADEMARKS, LITERATURE, AND ADVERTISING**

- 8.1 **Trademarks.** The Company's name, trademarks and service marks and copyrighted materials (the "Proprietary Marks") are owned by the Company and/or its affiliates. The use of the Proprietary Marks and copyrighted materials by Advocates must be approved in writing by the Company prior to use and must be in strict compliance with these Policies and Procedures. Any right to use the Company's Proprietary Marks and copyrighted materials by an Advocate is non-exclusive, and that the Company has the right and sole discretion to grant others the right to use such Proprietary Marks and copyrighted materials. Any and all goodwill associated with the Proprietary Marks and copyrighted materials (including goodwill arising from an Advocate's use) inures directly and exclusively to the benefit of the Company and is the property of the Company. On expiration or termination of this Agreement, no monetary amount shall be attributable to any goodwill associated with any Advocate's use of the Proprietary Marks or copyrighted materials.
- 8.2 **Advertising and Promotional Materials.** Only promotional, advertising and training materials produced by the Company or approved in advance in writing by the Company may be used to advertise or promote the Company's business or to sell products and services of the Company, whether written, recorded or online. The Company owns all copyrights in all promotional and advertising materials produced by the Company. The Company's literature and materials may not be duplicated or reprinted without the prior written permission of the Company. The Company prohibits Advocates from translating any Company materials from English into other languages. Advocates may not advertise under the "help wanted" section of any newspaper or other directory, nor may any advertisement state or imply that the Advocate is seeking to employ or hire an individual or that the Advocate is an agent or recruiter for the Company. Advocates may not sell promotional, training or marketing materials produced by them or third parties to any other Advocate, even if they do not contain the Company's Proprietary Marks.
- 8.3 **Electronic Advertising.** Advocates may advertise or promote their business or the

Company's business, products, services or marketing plan or use the Company's Proprietary Marks or copyrighted materials in electronic media or transmission, including on the Internet, via web sites or otherwise only in accordance with the terms of these Policies and Procedures and other guidelines developed by the Company from time to time. Advocates are not permitted to use the Company's Proprietary Marks, copyrighted materials, name or any variation thereof in domain names or in their business name or email address. The Company shall have the right to require the owner of a violating domain name to transfer the domain name to the Company immediately at no cost to the Company, in addition to the Company's other rights and remedies. Each Advocate agrees to immediately reassign to the Company any registration of the Company's name and other Proprietary Marks in violation of this section.

8.4 **Social Media Sites.** Advocates may join social networking sites, online forums, discussion groups, blogs, and other forms of internet communication to leverage the power of the Company brand and to communicate the benefits of the Company's products. Social networks include such sites as Facebook, LinkedIn, Twitter, etc. Social media sites may not be used to sell the Company's products. Advocates must clearly identify the Advocate as an independent Advocate in any profiles an Advocate generates. When an Advocate participates in those communities, the Advocate must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. The determination of what is inappropriate is made at the Company's sole discretion. Advocates who use social networking sites must also comply with the rules associated with that particular website or network and all applicable laws and regulations. Advocates shall not: (i) make any specific income claim or commitment to any amount of income that others may realize as Advocate; (ii) make any guarantee of success; or (iii) suggest that a specific amount of inventory must be purchased at the time of enrollment. Advocates are personally responsible for their postings and all other online activity that relates to the Company. If Advocates use the trademarks, trade names, service marks, copyrights, or intellectual property of any third party in any posting, it is solely their responsibility to ensure that they have received the proper authority and consent to use such intellectual property.

8.5 **Advocate Website.** If an Advocate desires to utilize an Internet web page to promote his or her business, he or she may do so through any Company replicated website program or through his or her own website in accordance with these Policies and Procedures and such other guidelines developed by the Company from time to time.

8.6 **Electronic Communication and Guidelines.** Advocates shall not make offers or solicitations in the guise of research, surveys or informal communication, when the real intent is to sell products or services or sponsor Advocates. Advocate permitted websites that promote the Company's products or income opportunity, or any other relationship with the Company must maintain the confidentiality of retail customers and site users by complying with the privacy laws in each jurisdiction from which they receive consumer information. Advocates must post in a prominent location a "Privacy Statement" that informs retail customers whether or not personal information is being collected about them and how such information will be used. Advocates may not sell, trade or use retail customers or site user information, except in connection with the Company's products or the Company's income opportunity. Advocates sharing personal information collected on--line shall provide retail customers with an opportunity to prohibit the dissemination of such information, and if any retail customer requests that



his or her personal information not be shared, Advocates shall refrain from sharing such information. Advocates shall provide retail customers the option to terminate any further communication between the Advocate and the retail customers. If any retail customer requests that an Advocate cease communication, the Advocate shall immediately stop communicating upon such request. Advocates may not distribute content by use of distribution lists or to any person who has not given specific permission to receive such content. Spamming or distribution of unsolicited e-mails to persons with whom he or she they have no prior or existing personal or business relationship is prohibited. Advocates must comply with all laws, rules and regulations regarding electronic communications including, without limitation, the federal CAN SPAM Act. Advocates may not post, publish or distribute content that is unlawful, harassing, libelous, defamatory, slanderous, abusive, threatening, harmful, vulgar or obscene, as determined by the Company in its sole discretion, or which could give rise to civil liability or otherwise violates any applicable local, state, national or international law or regulation. All communications shall respect the rights, opinions and sensitivities of others. Advocates may not use third parties' trademarks, trade names, or product names (or any variations thereon) in domain names (URLs), the titles for any pages within websites (including, but not limited to home pages), email addresses or Meta tags, unless they have obtained prior written consent from the owner. Advocates may not use any misleading or deceptive tactics (as determined by the Company, in its sole and absolute judgment) in order to improve their index preference with search engines. Advocates may not sell, offer, barter or facilitate the sale of the Company's products on websites where an auction is the mode of selling/buying. An Advocate may not employ or contract with others to violate this policy.

- 8.7 **Use of the Company's Name.** Advocates may use the name of the Company only in the following format:

**Mary Jones  
Independent  
Advocate**

- 8.8 **Stationary and Business Cards.** Provided they follow the Company's written guidelines, Advocates may create their own stationary, business cards or letterhead graphics if the Company's Proprietary Marks or copyrighted materials are used. Only the approved graphics and wording are permitted.

- 8.9 **Telephone, Yellow and White Page Listing.** Advocates are not permitted to use the Company's Proprietary Marks in advertising their telephone and telecopy numbers in the white or yellow page sections of telephone books or on the Internet. If approval is granted for an "800" listing, it must be stated in the following manner:

**Mary Jones  
Independent  
Advocate**

- 8.10 **Telephone Answering.** An Advocate may not answer the telephone by saying "Powur," or in any other manner that would lead the caller to believe that he or she has reached the corporate offices of the Company.

- 8.11 **Imprinted Checks.** Advocates are not permitted to use the Company trade name or any of its Proprietary Marks on their business or personal checking accounts. However,

Advocates may imprint their business checks as being a “Powur Independent Advocate.”

- 8.12 **Media Interviews.** Advocates are prohibited from granting radio, television, newspaper, tabloid, internet, or magazine interviews, or using public appearances, public speaking engagements, or making any type of statement to the public media to publicize the Company, its products or their businesses, without the express prior written approval of the Company. All media inquiries should be referred to the Company’s corporate office.
- 8.13 **Endorsements.** No endorsements by a Company officer or any third party may be asserted, except as expressly communicated in Company literature and communications. Federal and state regulatory agencies do not approve or endorse direct selling programs and Advocates may not represent or imply, directly or indirectly, that the Company’s programs, products or services have been approved or endorsed by any governmental agency.
- 8.14 **Recordings.** Advocates may not produce or reproduce for sale or personal use products sold by the Company or any company---produced literature, audio or video material, presentations, events or speeches, including conference calls. Video and/or audio taping of Company meetings and conference calls strictly is prohibited. Still photography is allowable at the discretion of the meeting host.
- 8.15 **Re-packaging Prohibited.** Advocates may not re---package products or materials of the Company.
- 8.16 **Independent Communications.** Advocates, as independent contractors, are encouraged to distribute information and direction to their respective teams. However, Advocates must identify and distinguish between personal communications and the official communications of the Company.

## **SECTION NINE. PAYMENT OF COMMISSIONS**

- 9.1 **Basis for Commissions.** Commissions and other compensation cannot be paid until a completed Agreement has been received and accepted by the Company. Commissions are paid only on the sale of the Company services and products. No commissions are paid on the purchase of training or sales material or for sponsoring Advocates. In order to receive commissions on products and services sold, the Company must have received and accepted an Agreement prior to the end of the month in which the sale is made.
- 9.2 **Commission Payments.** Commissions are paid to “qualified” Advocates as defined within the Compensation Plan. Advocates should consult the Compensation Plan for a detailed explanation of the benefits, commission structure and requirements of the Compensation Plan. At its sole discretion, the Company may elect to pay commissions and other forms of compensation into an “ewallet” account for the benefit of Advocates.
- 9.3 **Fees.** From time to time, the Company or its third---party administrator may charge fees for various services it provides, including fees for processing and issuing commission and bonus payments. Please check the Company’s website and other Company materials for specific information concerning such fees. These fees may be deducted from commission payments.
- 9.4 **Commission and Override Payment Date.** Payment dates are the fifteenth day of the

month following the sale of the products for commissions, bonuses and overrides. Should the payment day fall on a legal holiday or weekend, commissions and override checks will then be mailed on the next regularly scheduled business day.

- 9.5 **Errors or Questions.** If an Advocate has questions about or believes any errors have been made regarding commissions or charges, the Advocate must notify the Company in writing within 30 days of the date of the purported error or incident in question. The Company will not be responsible for any errors, omissions or problems not reported to the Company within 30 days.
- 9.6 **Offset of Commissions.** Any commission or bonus earned and paid on products or services refunded is the obligation of and must be repaid to the Company by Advocates earning such commissions. The Company has the right to offset such amounts against future commissions and other compensation or refund paid or owed to such Advocates who received commissions.
- 9.7 **Retail Sales Rule.** In order to qualify for commissions, an Advocate must make retail sales in the calendar period in which commissions are earned.
- 9.8 **70 % Rule.** In order to receive commissions and overrides an Advocate must certify with each product order that the Advocates has sold or used at least 70% of all products previously purchased.
- 9.9 **Calendar Period.** A business month refers to the time period opening on the first day of the month and extending up until order entry closes on the last business day of the month. The Company's offices are open Monday through Friday with the exception of Christmas, New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and the day after Thanksgiving (should these holidays fall Monday to Friday).

## **SECTION TEN. PURCHASE AND SALE OF PRODUCTS**

- 10.1 **Sales Presentations.** At sales presentations, Advocates shall truthfully identify themselves, their products, and the purpose of their business to prospective customers. Advocates may not use any misleading, deceptive, or unfair sales practices. Explanation and demonstration of products offered shall be accurate and complete including, but not limited to, with regard to price, terms of payment, refund rights, guarantees, and after--sales services and delivery. Personal or telephone contacts shall be made in a reasonable manner and during reasonable hours to avoid intrusiveness and in accordance with applicable laws. Advocates must immediately discontinue a demonstration or sales presentation upon the request of the retail customer. Advocates shall not directly or by implication, denigrate any other company or product. Advocates shall refrain from using comparisons which are likely to mislead and which are incompatible to the principles of fair competition. Points of comparison shall not be unfairly selected and shall be based on facts which can be substantiated. Advocates shall not abuse the trust of retail customers, shall respect the lack of commercial experience of retail customers and shall not exploit a retail customer's age, illness, lack of understanding or lack of language expertise.
- 10.2 **Privacy.** Advocates must comply with all applicable privacy and data security laws, including security breach notification laws. Advocates must take appropriate steps to safeguard and protect all private information, including, without limitation, credit card

and social security numbers, provided by a retail customer, prospective retail customer or other Advocates. Advocates must hold such information in strict confidence. Advocates are responsible for the secure handling and storage of all documents that may contain such private information. Advocates must adopt, implement, and maintain appropriate administrative, technical, and physical safeguards to protect against anticipated threats or hazards to the security of confidential information and customer data. Appropriate safeguards may include, but are not limited to: (i) encrypting data before electronically transmitting it; (ii) storing records in a secure location; (iii) password--protecting computer files, or (iv) shredding paper files containing confidential information or customer data. Advocates should retain documents containing such information for only as long as necessary to complete the transaction. Advocates should dispose of any paper or electronic record containing customer data and other confidential information after use by taking all reasonable steps to destroy the information by: (A) shredding; (B) permanently erasing and deleting; or (C) otherwise modifying the customer data and other confidential information in those records to make it unreadable, un-reconstructible, and indecipherable through any means.

- 10.3 **Product Claims/Representations.** Advocates must be truthful in the representation of the Company's products. Advocates may make no claim, representation or warranty concerning any product or service of the Company, except those expressly approved in writing by the Company or contained in Company materials. Advocates may make no diagnostic therapeutic, curative or exaggerated claims. Advocates may make no representations that the products diagnose, cure, treat, heal or prevent any disease or illness. No personal testimonials regarding the beneficial properties of any product offered by the Company may be made except those found in official Company materials.
- 10.4 **Product/Service Warranty Disclaimer.** EXCEPT AS EXPRESSLY MADE BY THE COMPANY IN WRITING, THE COMPANY MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, WORKMANSHIP, NON--- INFRINGEMENT OR ANY OTHER WARRANTY ARISING BY LAW, STATUTE, USAGE OF TRADE OR COURSE OF DEALING CONCERNING ANY PRODUCT OR SERVICE PURCHASED FROM OR THROUGH THE COMPANY. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, ALL PRODUCTS AND SERVICES OF THE COMPANY ARE PROVIDED "AS IS," "WITH ALL FAULTS," AND "AS AVAILABLE." THE COMPANY DOES NOT WARRANT THAT ITS PRODUCTS OR SERVICES WILL BE COMPATIBLE WITH ANY HARDWARE OR SOFTWARE SYSTEMS OR THAT ON---LINE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE. THE COMPANY DOES NOT WARRANT THAT ANY WEBSITE OPERATED, SPONSORED OR HOSTED BY THE COMPANY OR ANY OF ITS AFFILIATES WILL BE UNINTERRUPTED OR FREE FROM ERROR. THE COMPANY IS NOT RESPONSIBLE FOR INTERRUPTED, INACCESSIBLE OR UNAVAILABLE NETWORKS, SERVER, SATELLITES AND/OR SERVICE PROVIDERS; OR FOR MISCOMMUNICATIONS, FAILED, JUMBLED, SCRAMBLED, DELAYED OR MISDIRECTED COMPUTER, TELEPHONE OR CABLE TRANSMISSIONS; OR FOR ANY TECHNICAL MALFUNCTIONS, FAILURES OR DIFFICULTIES.
- 10.5 **Inventory Loading/Bonus Buying Prohibited.** The success of the Company depends on retail sales to the ultimate consumer, therefore, all forms of stockpiling of products are prohibited. The Company recognizes that Advocates may wish to purchase certain products for their own use and/or for retail sale. However, the Company strictly prohibits the purchase of products in unreasonable amounts and prohibits the purchase of products or services only or primarily to qualify or earn for compensation or to achieve a specific rank. Furthermore, the Company prohibits bonus buying. Bonus buying is any

- mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions or bonuses that is not driven by bona fide product or service purchases by end user consumers and includes, but is not limited to, (i) purchasing products through a straw man, nonexistent person or Business Entity or other artifice; (ii) the enrollment of individuals or Business Entities without their knowledge of and/or execution of an Agreement by such individuals or Business Entities; (iii) the fraudulent enrollment of an individual or entity as an Advocate or customer; (iv) the purchasing of products, services or other items on behalf of another Advocate or customer or under another Advocate's or customer's I.D. number to qualify for commissions or bonuses; or (v) the use of a credit card by or on behalf of an Advocate or customer when the Advocate or customer is not the account holder of such credit card. The Company retains the right to limit the amount of purchases an Advocate may make if it believes, in its sole discretion, that those purchases are made solely for compensation or qualification purposes instead of for resale or business building. The Company may revoke a rank advancement if it was earned in violation of this policy.
- 10.6 **Bulk Orders.** The Company may, in its sole discretion, give written authorization to Advocates who operate separate unrelated businesses and have a resale certificate for such businesses to purchase products in larger than normal quantities for resale at their businesses.
- 10.7 **Purchase for Others.** An Advocate shall not use another person's credit card when placing orders or place an order for a retail customer using the Advocate's credit card. The purchase of products on behalf of another Advocate or retail customer or through another Advocate's or retail customer's ID number is prohibited. No Advocate may advance money or promise reimbursement to a prospect in order to solicit them to purchase products. An Advocate may not purchase or sell a retail customer from or to any other Advocate for any reason.
- 10.8 **Retail Pricing.** Although the Company provides a suggested retail price as a guideline, Advocates may sell products at whatever retail price they and their retail customers agree upon.
- 10.9 **Price and Promotions.** Advocates may not advertise any of the Company's products at a price less than the highest Company---published price of the Company's products plus shipping and applicable taxes. No special enticing advertising is allowed, including, but not limited to, offers of free Advocate enrollment, free shipping, or other such offers that grant advantages beyond those available through the Company.
- 10.10 **Price Changes.** Prices for the Company's products, services and literature are subject to change without prior notice.
- 10.11 **Receipts.** Advocates must provide all retail purchasers of the Company's products with written receipts in compliance with applicable law.
- 10.12 **Holding Applications or Orders.** Advocates must not manipulate enrollments of new applicants or purchases of products. All Agreements and product orders must be promptly submitted to the Company.
- 10.13 **Place of Sale.** The integrity of the Company's marketing plan is built upon person---to---person, one---on---one, and in---home presentation methods of sale. Except as expressly

permitted herein, Advocates may not promote or sell products or services to or through, directly or indirectly, any retail store or other fixed retail location, including but not limited to drugstores, pharmacies, supermarkets, health food stores, flea markets, swap meets, shopping mall booths and the like. An Advocate may sell products through retail establishments that require membership or appointment and the products are demonstrated in person by a third party. Advocates may participate at exhibits, tradeshow or other public events/conferences by filling out a tradeshow request form and obtaining prior written approval by the Company.

- 10.14 **Telemarketing/Faxes.** The use of automatic dialing machines or boiler room telemarketing operations or unsolicited telephone calls or facsimiles or broadcast fax services in connection with the sale of products and/or services of the Company is not permitted. Advocates must comply with all federal, state and local laws governing telephone solicitation and/or transmittal of faxes.
- 10.15 **Sales Tax.** To ensure compliance with the sales and use tax requirement of each state, unless required otherwise by state law, the Company will collect and remit all applicable sales and use taxes on its products, promotional materials, sales aids and services sold to Advocates. The applicable rate of tax due shall be based on the address to which the product and/or material is shipped. SolarCity will collect any applicable tax on its products.
- 10.16 **Ordering Methods.** All orders submitted to the Company shall have the Advocate Identification Number placed on it to assist the Company in crediting the appropriate Advocate.
- 10.17 **Payment Options.** Purchases may be paid by money order, cashier's check, bank wire transfer, credit card, fax check, or automatic bank draft/check withdrawal at the Company's discretion. Advocates should not copy or retain any credit or banking information of a retail customer or another Advocate. Advocates and retail customers are responsible for paying the costs of any returned checks plus an administrative fee charged by the Company, which fee may change at any time based on past payment history of the retail customer. If an underpayment is made, the order will not be processed until the full amount is received by the Company. If an overpayment is made, the Company will process the order and issue a refund check with the order. Orders will not be processed if cancellation of a credit card is made.
- 10.18 **Shipping and Handling Policy.** Payment for products and services shall be made at the time of order. At an Advocate's option, the product may be shipped to a customer's designated location or to the Advocate for hand delivery.
- 10.19 **Product Delivery.** Upon clearance of payment, the products, services, promotional materials and sales aids ordered will be shipped, subject to availability.
- 10.20 **Back Order Policy.** The Company will expeditiously ship all products, and materials currently in stock. Any out-of-stock items (unless discontinued) will be placed on back order and be distributed upon the Company's receiving additional inventory. An Advocate will be charged and granted commissions on back order items once they are shipped unless notified of the discontinuance of such product. Back orders may be cancelled prior to shipment upon an Advocate's request. An Advocate may deduct the amount of this credit from the payment of his or her next order.

- 10.21 **Damaged Goods.** The shipping company is responsible for any damage that occurs after it takes physical custody of the products. An Advocate or a retail customer who receives damaged goods shipped directly from the Company should follow this procedure:
- a) Accept delivery;
  - b) Before the driver leaves, document on the delivery receipt the number of boxes which seem to be damaged and have the driver acknowledge the damage in writing;
  - c) Save the damaged products or boxes for inspection by the shipping agent;
  - d) Make an appointment with the shipping company to have the damaged goods inspected; and
  - e) File a claim with the shipping company.
- 10.22 **Shipping Loss.** In the event an Advocate or a retail customer does not receive a product order on a timely basis from the Company, the individual should contact the Sales Department at the Company. If the Advocate or the retail customer knows the identity of the shipper of the product, he or she may contact the shipper directly and inquire about the delivery date. The Company is not responsible for any product after it is transferred to the shipper.
- 10.23 **Inaccurate Delivery.** At times a product may be shipped in error by the Company. Unordered merchandise shipped because of the Company's error may be returned at the Company's expense provided the following steps are taken:
- a) The Advocate or retail customer notifies the Company within five days of receipt of the order;
  - b) A copy of the shipping or packing slip must be enclosed with the proper forms required by the Company completed and executed by the Advocate or retail customer; and
  - c) Products must be returned in original containers and must be packed properly to prevent damage in return shipment.
- 10.24 **Refused Shipments.** Should an Advocate refuse delivery on any order he or she has placed with the Company and such product is subsequently returned to the Company, the Company shall have the right to place the Advocate in suspension pending resolution of the refusal of delivery. Neither an Advocate nor a retail customer shall refuse any shipment from the Company unless prior approval of the Company has been obtained. If the Company determines that a valid reason exists for refusing shipment, it will instruct the Advocate or retail customer on the proper procedure for a return.
- 10.25 **Third Party Services.** The Company, from time to time, may provide Advocates information regarding services available to Advocates provided by unaffiliated third parties with respect to commission processing, debit and credit cards, banking and merchant accounts and other transactions. In no event shall the Company be liable for the failure of an Advocate to obtain or qualify for such services, the use or misuse of information provided by Advocate to such third party or the suspension or termination of such services or the withholding of funds by such third party.

## 10.26 Energy Services.

10.26.1 **Marketing Energy Services.** When enrolling retail customers, Advocates must provide to them all costs and options involved with the service and the disclosures required by the Company, its affiliates and regulatory body. It is important to help retail customers understand their energy needs and then to help them choose the best service for their needs. When enrolling retail customers Advocates must disclose the Company's policies regarding credit verification and deposit options, if applicable, and TPV and quality control phone calls.

10.26.2 **Slamming.** Transferring a retail customer's energy service from the current service provider to a new energy provider without the retail customer's knowledge or authorization is expressly prohibited. Advocates may avoid slamming by verifying the information against new retail customers' current energy bill for each paper form submitted to switch his or her service to confirm that the retail customer's name and phone number matches the name and other details on the energy bill and confirming that the person completing the switch has authority to act on behalf of the person whose name appears on the energy bill.

10.26.3 **Service Transfer or Delay.** The Company is not responsible for any delay in transfer of service due to any of the following: (i) the improper LOA (letter of authorization) or energy service agreement is not on file with the Company or it is incomplete, incorrectly filled out or not executed; (ii) the service address is not in the Company's or its affiliates' service or billing area; (iii) there is an incorrect or missing retail customer premise ID meter number and/or other pertinent retail customer information; or (iv) either TPV (if required) and/or quality control of a retail customer is incomplete or unsuccessful.

10.26.4 **Unauthorized Contact.** Under no circumstances is an Advocate permitted to directly contact any energy or other carrier/supplier or service provider with whom the Company or its affiliates' contracts without receiving prior written authorization from the Company. Advocates may not directly contact regulatory agencies or any other retail provider on behalf of the Company or in connection with the Company's business.

## **SECTION ELEVEN. REFUND AND RETURN POLICIES**

11.1 **Retail Customer Returns.** Associates and retail customers must abide by and use the refund policies of SolarCity, the manufacturer of the Company's product.

11.2 **Refunds Upon Termination.** An Advocate who terminates his or her business relationship with the Company has the right to return for repurchase on commercially reasonable terms currently marketable inventory, including product, Company-produced promotional materials, sales aids and kits in possession of the Advocate purchased by the Advocate for resale within 12 months of the date of termination. For purposes hereof, "reasonable commercial terms" shall mean the repurchase of currently marketable inventory within 12 months from the Advocate's date of purchase at not less than 90% of the Advocate's original net cost less appropriate set-offs and legal claims, if any. In addition, for purposes of this section, products shall not be considered "currently marketable" if returned for repurchase after the product's or sales aids' commercially reasonable usable or shelf life period has passed; nor shall products or



sales aids be considered “currently marketable” if the Company clearly discloses to the Advocate prior to purchase that the products or sales aids are seasonal, discontinued, or special promotions and are not subject to the repurchase obligation. The cost of the Company’s training certification is not refundable after an Advocate has been certified.

- 11.3 **Termination Refund Procedure.** A written request must be submitted, stating the reason for the return of inventory and/or sales materials, and accompanied by proof of payment and a copy of the purchase order form or packing slip. The Company will instruct the Advocate where to ship the product for inventory and verification. Upon receipt and inspection of the return, the Company will process the appropriate refund. The Advocate must pay the cost of return freight
- 11.4 **Offset of Commissions Upon Refund.** All commissions, overrides and/or bonuses paid to a terminated Advocate and his or her Support Team as a result of any product returned must be repaid to the Company from Advocates receiving such commissions, overrides and/or bonuses. The Company may deduct such amounts from any commissions or other amounts owed to such Advocates.
- 11.5 **Right to Cancel.** A purchaser has the right to cancel a purchase within a minimum of three days from the date of the sale and receive a full refund. **Two copies of the Company’s order form must be given to the purchaser with every sale.** In addition, Advocates must orally inform the purchaser of the three---day right to cancel at the time the buyer purchases the products.
- 11.6 **Returns for Residents of Certain States.** Where any state may require a different buy back policy than the Company’s, that state’s buyback policy will apply. The following only applies to Advocates who are residents of the states listed below and are in addition to any refund policy set forth in Section 11:
- a) **In Georgia:** The Company will repurchase all unencumbered products, sales aids, literature, and promotional items which are in a reasonably resalable or reusable condition and which were acquired by the Advocate from the Company. The repurchase shall be at a price not less than 90% of the original net cost to the Advocate of the goods being returned. For purposes of this paragraph, “original net cost” means the amount actually paid by the Advocate for the goods, less any consideration received by the Advocate for purchase of the goods that is attributable to the specific goods being returned. Goods shall be deemed “resalable or reusable” if the goods are in an unused, commercially resalable condition at the time the goods are returned to the Company. Goods which are no longer marketed by the Company shall be deemed “resalable or reusable” if the goods are in an unused, commercially resalable condition and are returned to the Company within one year from the date the Company discontinued marketing the goods; provided, however, that goods which are no longer marketed shall be deemed not “resalable or reusable” if the goods are sold to Advocate as non---returnable, discontinued, or seasonal items and the non---returnable, discontinued, or seasonal nature of the goods was clearly disclosed to the Advocate seeking to return the goods prior to the purchase of the goods by the Advocate.
  - b) **In Maryland:** The Company will repurchase products that are in resalable condition at the price actually paid by the Advocate for the products being returned

- within three months of purchase.
- c) **In Massachusetts and Wyoming:** The Company will (i) repurchase all unencumbered products in a resalable condition then in the possession of the Advocate at a price of not less than 90% of the original net cost to the Advocate returning such goods taking into account any sales made by or through such Advocate prior to notification to the Company of the election to cancel, (ii) repay 90% of the original net cost of any services provided to Advocate, and (iii) refund 90% of any other consideration Advocate paid to the Company in order to participate in the marketing program.
  - d) **In Puerto Rico:** The Company will (i) repurchase all unencumbered products in a resalable condition then in the possession of the Advocate at a price of not less than 90% of the original net cost to the Advocate returning such goods, (ii) repay 90% of the original net cost of any services provided to Advocate, and (iii) refund 90% of any other consideration Advocate paid to the Company in order to participate in the marketing program.
  - e) **In Louisiana:** The Company will repurchase all or part of any product that is in a resalable condition (i) at 90% of the original net cost to the Advocate, and (ii) repay 90% of the original net cost of any services provided to Advocate, and (iii) refund 90% of any other consideration Advocate paid to the Company in order to participate in the marketing program.
  - f) **In Montana:** Advocates who are residents of Montana who cancel their participation in the Company within 15 days are entitled to a 100% refund of any consideration given to participate in the Company. Upon the request of a Montanan Advocate who decides to terminate participation in the Company, the Company will repurchase, at not less than 90% of the amount paid by the Advocate, any currently marketable goods or services sold to the resident within 12 months of the request that have not been resold or consumed by the resident. If disclosed to the Montanan Advocate at the time of purchase, goods or services are not considered currently marketable if the goods have been consumed or the services rendered or if the goods or services are seasonal, discontinued, or special promotional items. Sales plan or operation promotional materials, sales aids, and sales kits are subject to this refund provision if they are a required purchase for the Montanan Advocate or if the Advocate has received or may receive a financial benefit from their purchase.

## **SECTION TWELVE. DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS**

12.1 **Disciplinary Sanctions.** Violation of the Agreement, these Policies and Procedures, violation of any common law duty, including but not limited to any applicable duty of loyalty, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by an Advocate that, in the sole discretion of the Company may damage its reputation or goodwill (such damaging act or omission need not be related to the Advocate's Powur business), may result, at the Company's discretion, in one or more of the following corrective measures:

- a) Issuance of a written warning or admonition;
- b) Requiring the Advocate to take immediate corrective measures;
- c) Imposition of a fine, which may be withheld from bonus and commission checks;
- d) Loss of rights to one or more bonus and commission checks;
- e) the Company may withhold from an Advocate all or part of the Advocate's bonuses and commissions during the period that the Company is investigating any conduct

allegedly violative of the Agreement. If an Advocate's business is canceled for disciplinary reasons, the Advocate will not be entitled to recover any commissions withheld during the investigation period;

- f) Suspension of the individual's Advocate Agreement for one or more pay periods;
- g) Permanent or temporary loss of, or reduction in, the current and/or lifetime rank of an Advocate (which may subsequently be re-earned by the Advocate);
- h) Transfer or removal of some or all of an Advocate's downline Advocates from the offending Advocate's downline organization.
- i) Involuntary termination of the offender's Advocate Agreement;
- j) Suspension and/or termination of the offending Advocate's Powur website or website access;
- k) Any other measure expressly allowed within any provision of the Agreement or which the Company deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Advocate's policy violation or contractual breach;
- l) In situations deemed appropriate by the Company, the Company may institute legal proceedings for monetary and/or equitable relief.

12.2 **Grievances and Complaints** When an Advocate has a grievance or complaint with another Advocate regarding any practice or conduct in relationship to their respective Powur businesses, the complaining Advocate should first report the problem to his or her Sponsor who should review the matter and try to resolve it with the other party's upline sponsor. If the matter involves interpretation or violation of Company policy, it must be reported in writing to the Advocate Services Department at the Company. The Advocate Services Department will review the facts and attempt to resolve it.

12.3 **Mediation** Prior to instituting an arbitration, the parties shall meet in good faith and attempt to resolve any dispute arising from or relating to the Agreement through non-binding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. The mediation shall occur within 60 days from the date on which the mediator is appointed. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least 10 days in advance of the mediation. Each party shall pay its own attorneys' fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in the City of San Diego, California, and shall last no more than two business days.

12.4 **Arbitration** If mediation is unsuccessful, **any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration. The Parties waive all rights to trial by jury or to any court.** The arbitration shall be filed with, and administered by, the American Arbitration Association ("AAA") or JAMS Endispute ("JAMS") under their respective rules and procedures. The *Commercial Arbitration Rules and Mediation Procedures* of the AAA are available on the AAA's website at [www.adr.org](http://www.adr.org). The ***Streamlined Arbitration Rules & Procedures*** are available on the JAMS website at [www.jamsadr.com](http://www.jamsadr.com). Copies of AAA's *Commercial Arbitration Rules and Mediation Procedures* or JAM's ***Streamlined Arbitration Rules & Procedures*** will also be emailed to Advocates upon request to the Company's Compliance Department ([compliance@powur.com](mailto:compliance@powur.com)).

Notwithstanding the rules of the AAA or JAMS, the following shall apply to all Arbitration actions:

- a) The Federal Rules of Evidence shall apply in all cases;

- b) The Parties shall be entitled to all discovery rights permitted by the Federal Rules of Civil Procedure;
- c) The Parties shall be entitled to bring motions under Rules 12 and/or 56 of the Federal Rules of Civil Procedure;
- d) The arbitration shall occur within 180 days from the date on which the arbitrator is appointed, and shall last no more than five business days;
- e) The Parties shall be allotted equal time to present their respective cases, including cross-examinations.

All arbitration proceedings shall be held in San Diego, California. There shall be one arbitrator selected from the panel that the Alternate Dispute Resolution service provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. The arbitration shall occur within 180 days from the date on which the arbitration is filed, and shall last no more than five business days. The parties shall be allotted equal time to present their respective cases. The decision of the arbitrator shall be final and binding on the parties and may if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitrate shall survive the cancellation or termination of the Agreement.

The parties and the arbitrator shall maintain the confidentiality of the entire arbitration process and shall not disclose to any person not directly involved in the arbitration process:

- a) The substance of, or basis for, the controversy, dispute, or claim;
- b) The content of any testimony or other evidence presented at an arbitration hearing or obtained through discovery in arbitration;
- c) The terms or amount of any arbitration award;
- d) The rulings of the arbitrator on the procedural and/or substantive issues involved in the case.

Notwithstanding the foregoing, nothing in these Policies and Procedures shall prevent either party from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction or other relief available to safeguard and protect its intellectual property rights, and/or to enforce its rights under the non-solicitation provision of the Agreement.

**12.5 Governing Law, Jurisdiction, and Venue** Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in San Diego County, State of California. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of Delaware shall govern all other matters relating to or arising from the Agreement.

**12.5.1 Louisiana Residents** Notwithstanding the foregoing, and the arbitration provision in Section 9.4, residents of the State of Louisiana shall be entitled to bring an action against the Company in their home forum and pursuant to Louisiana law.

## **SECTION THIRTEEN. GENERAL PROVISIONS**

**13.1 Indemnity Agreement.** By accepting the Agreement, each Advocate agrees to indemnify and hold harmless the Company, its partners, members, managers, shareholders, officers, directors, employees, agents and successors in interest from and against any claim, demand, liability, loss, cost or expense including, but not limited to, court costs and attorneys' fees, asserted against or suffered or incurred by any of them, directly or indirectly, arising out of or in any way related to or connected with allegedly or otherwise, the Advocate's (i) activities as an Advocate; (ii) breach of the terms of the

Agreement or these Policies and Procedures; and/or (iii) violation of or failure to comply with any applicable federal, state or local law or regulation.

- 13.2 **No Liability.** The Company is not responsible for interrupted, inaccessible or unavailable networks, servers, satellites, Internet service providers, websites, or other connections; or for miscommunications, failed, jumbled, scrambled, delayed, or misdirected computer, telephone or cable transmissions; or for any technician malfunctions, failures or difficulties. To the extent permitted by law, the Company shall not be liable for and each Advocate releases the Company from, and waives all claims for any loss of profits, indirect, direct, special or consequential damages or any other loss incurred or suffered by an Advocate as a result of (i) the breach by an Advocate of the Agreement and/or the terms and conditions of the Policies and Procedures; (ii) the operation of the Advocate's business; or (iii) the failure to provide any information or data necessary for the Company to operate its business, including, without limitation, the enrollment and acceptance of an Advocate into the Compensation Plan or the payment of commissions and bonuses.
- 13.3 **Recordkeeping.** The Company encourages all its Advocates to keep complete and accurate records of all their business dealings.
- 13.4 **Force Majeure.** The Company shall not be responsible for delays or failure in performance caused by circumstances beyond a party's control, such as acts of terrorism, natural disasters, strikes, labor difficulties, fire, war, acts or omissions of third parties, disruptions in communication systems, government decrees or orders or curtailment of a party's usual source of supply. THE COMPANY IS NOT RESPONSIBLE OR LIABLE FOR MAINTAINING ANY ADVOCATE OR CUSTOMER DATA OR FOR THE DELETION, CORRUPTION, DESTRUCTION, DAMAGE, LOSS OR FAILURE OF ANY ADVOCATE OR CUSTOMER DATA OR FOR ANY THIRD PARTY ACCESS TO ANY ADVOCATE OR CUSTOMER DATA.
- 13.5 **Violations.** It is the obligation of every Advocate to abide by and maintain the integrity of the Policies and Procedures. If an Advocate observes another Advocate committing a violation, he or she should discuss the violation directly with the violating Advocate. If the Advocate wishes to report such violation to the Company, he or she must follow the Company's reporting procedures.
- 13.6 **Amendments.** The Company reserves the right to amend the Agreement, Policies and Procedures, its retail prices, product and service availability and type and the Compensation Plan at any time as it deems appropriate. Amendments will be communicated to Advocates through official Company publications, including posting on the website or by electronic e-mail. Amendments are effective and binding on all Advocates five days after publication. An Advocate's continued purchasing of products or accepting of commissions shall be deemed acceptance of the amendments. In the event of any conflict between the original documents or policies and any such amendment, the amendment will control.
- 13.7 **Non-Waiver Provision.** No failure of the Company to exercise any power under these Policies and Procedures or to insist upon strict compliance by an Advocate with any obligation or provision herein, and no custom or practice of the parties at variance with these Policies and Procedures, shall constitute a waiver of the Company's right to demand exact compliance with these Policies and Procedures. The Company's waiver of any particular default by an Advocate shall not affect or impair the Company's rights with

respect to any subsequent default, nor shall it affect in any way the rights or obligations of any other Advocate. No delay or omissions by the Company to exercise any right arising from a default affect or impair the Company's rights as to that or any subsequent default. Waiver by the Company can occur only in writing by an authorized officer of the Company.

- 13.8 **Arbitration.** Certain disputes with respect to this Agreement and these Policies and Procedures will be subject to arbitration policies set forth in Section 12 of the Agreement.
- 13.9 **No Class Action.** In consideration of the right to become an Advocate, each Advocate expressly waives and disclaims any right to bring any claim or action in any and all forums as a class action. No Advocate may serve as the class representative or as a member of a class in litigation or in any other proceeding adverse to the Company or any of its affiliates or any other Advocate.
- 13.10 **Entire Agreement.** The Policies and Procedures and the Compensation Plan, as amended from time to time, are incorporated into the Agreement and constitute the entire agreement of the parties regarding their business relationship.
- 13.11 **Severability.** If under any applicable law or rule of any applicable jurisdiction, any provision of the Agreement is held to be invalid or unenforceable, the remainder of the Agreement will be interpreted as best to effect the intent of the parties hereto. The remaining provisions of the Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from the Agreement.
- 13.12 **Limitation of Damages.** TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE COMPANY AND ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES AND OTHER REPRESENTATIVES SHALL NOT BE LIABLE FOR, AND ADVOCATES HEREBY RELEASE THE FOREGOING FROM, AND WAIVE ANY CLAIM FOR DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS, LOSS OF PROFITS OR LITIGATION) WHICH MAY ARISE OUT OF ANY CLAIM WHATSOEVER RELATING TO (I) THE COMPANY'S PERFORMANCE, NON---PERFORMANCE, ACT OR OMISSION WITH RESPECT TO THE BUSINESS RELATIONSHIP, (II) USE OR MISUSE OF ITS PRODUCTS OR SERVICES, (III) THE BREACH BY AN ADVOCATE OF THE AGREEMENT OR ANY APPLICABLE LAW OR THE OPERATION OF THE ADVOCATE'S BUSINESS, (IV) ANY INCORRECT OR WRONG DATA OR INFORMATION PROVIDED BY THE ADVOCATE OR ANY LOST OR INCORRECT DATA BY THE COMPANY, OR (V) OTHER MATTERS BETWEEN ANY ADVOCATE AND THE COMPANY, WHETHER BASED ON BREACH OF CONTRACT, BREACH OF WARRANTY, TORT (INCLUDING, WITHOUT LIMITATION, NEGLIGENCE) OR STRICT LIABILITY, OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. Furthermore, it is agreed that any damages to an Advocate shall not exceed, and is hereby expressly limited to, the amount of unsold programs, services and/or products of the Company owned by the Advocate and any commissions owed to the Advocate.
- 13.13 **Notice.** Any communication, notice or demand of any kind whatsoever, which either the Advocate or the Company may be required or may desire to give or to serve upon the other shall be in writing and delivered either (i) by electronic communication (whether by email or telecopy, (ii) personally or by same day local courier services or overnight express delivery services; or (iii) by registered or certified mail, postage pre---paid, return receipt requested, or by personal service or overnight courier service. Notices delivered personally, by overnight express delivery service or by local courier service shall be

deemed given as of actual receipt. Mailed notices shall be deemed given three Business Days after mailing. "Business Day" means any Monday through Friday other than any such day which, in the State of California, is a legal holiday or a day on which banking institutions are authorized or required by law or regulation to close. Any such communication, notice or demand shall be deemed to have been given or served on the date personally received by personal service or overnight courier service, on the date of confirmed dispatch if by electronic communication, or on the date shown on the return receipt or the other evidence if delivery is by mail. Any party may change its address for notice by giving written notice to the other in the manner provided in this Section.

- 13.14 **Survival.** Any provision of the Policies, which, by its terms, is intended to survive termination or expiration of the Agreement, shall so survive, including, without limitation, the arbitration, non-competition, non-solicitation, trade secrets and confidential information covenants contained in the Policies.
- 13.15 **Offset.** The Company shall have the right to offset any amounts owed by an Advocate to the Company (including, without limitation, fees charged in connection with the payment of commissions and amounts owed as a result of product refunds) against the amount of any commissions or bonuses owed to the Advocate.