

ECOMATES Policies and Procedures

These Policies and Procedures have been established to assist the Company and its Independent Business Owners in the development and success of their respective businesses. This document must be read in its entirety. *Submission of the Independent Business Owner Agreement and acceptance of any Commissions or Compensation constitutes acknowledgement on the part of the Independent Business Owner that it has read and agrees to abide by these Policies and Procedures.*

These Policies and Procedures govern the relationship between ECOMATES, LLC ("ECOMATES") or any of its affiliates, subsidiaries or related companies with any person or entity that engages in business as an Independent Business Owner or applies to become a Preferred Customer of ECOMATES product. Unless the context clearly indicates otherwise, the terms "you" and "your" refer to each Independent Business Owner or Preferred Customer that executes an Independent Business Owner/Preferred Customer Application and Agreement that is accepted by ECOMATES. The terms "we, us, our" and the "Company" refer to ECOMATES, LLC. These Policies and Procedures, in their present form and as amended from time to time at ECOMATES' discretion, are incorporated into and form a part of the ECOMATES Independent Associate Agreement and of the ECOMATES Preferred Customer Application and Agreement. All references to time frames are based on USA Eastern Time Zone (ET) unless otherwise stated. In the case of a dispute, these Policies and Procedures, as published and modified from time to time in English, shall be considered the standard for determining and resolving disputes and issues. ECOMATES reserves the right to amend the terms and conditions of these Policies and Procedures, the Compensation Plan, and the Independent Associate and Preferred Customer Applications and Agreements at any time, as it deems necessary. You will be bound by any amendments upon notification of the amendments through any of ECOMATES official channels of communication three days after the posting of such notice. Those channels of communication include, but are not limited to, posting of information to the ECOMATES Web site, e-mail to the Independent Business Owner or Preferred Customer, announcements in any official ECOMATES newsletter or other publication or mail to the Independent Business Owner or Preferred Customer at the address listed on the Independent Associate and Preferred Customer Applications and Agreements.

Section 1: Becoming an Independent Business Owner

A. An individual may Sponsor as an Independent Business Owner, distributor or consultant (hereinafter known as "IBO") by submitting to the Company a completed Independent Business Owner Agreement form and by paying 49 USD for the Support Fee. IBO Agreements may be submitted via the Company website, facsimile, mail or personal delivery. The Company reserves the right, in its sole discretion, to refuse any IBO Agreement or renewal.

B. Other than the support fee and the annual renewal administrative fee (49 USD), no product or service purchase is required to obtain and maintain an Independent Business. All additional purchases are optional. An IBO is responsible to disclose this information to all potential IBOs that it introduces into the ECOMATES Opportunity,

C. The applicant is deemed an IBO on the date the IBO Agreement is completed and accepted at the Company's corporate office. It is recommended to those who apply on the Internet that a signed copy of the IBO Agreement be stored electronically for the protection of the IBO. An applicant must become an approved IBO by the last working day of the week in order to be included in that week's Commissions and qualification computations. Upon Sponsorship, the IBO is bound by the regulations as set forth in the Contract.

D. IBO Corporation:

1. When the IBO applicant is a Corporation, the IBO Agreement must be signed by someone authorized to sign on behalf of the Corporation and must include the name of the Corporation. In addition to the IBO Agreement, the applying Corporation must submit to the Company a Partnership/Corporation form that includes a Federal Tax Identification Number.

2. With each Partnership/Corporation form submitted, the signature and tax identification number (e.g., Social Security number) of each person having a beneficial interest in the Corporation must appear on the form. Principal officers and members of the board of directors of nonprofit organizations are considered to have beneficial interest and are required to be listed on the Partnership/Corporation form. Corporations must follow the same Sponsorship procedures as other applicants, including submitting all necessary documentation by fax, mail or personal delivery. A Corporation may be asked to submit a copy of the Articles of Organization, Articles of Incorporation or any other similar business document.

E. An IBO who wishes to change its status from that of an individual to a Corporation under the same Sponsor may do so at any time, subject to applicable law, and upon completion and submission to the Company the Partnership/Corporation form. F. An applicant may elect to enroll as a Preferred Customer or may purchase product as a Retail Customer. Preferred Customers are not required to provide a tax identification number and do not qualify to earn Commissions. They are not eligible to Sponsor or Place other IBOs but they may purchase product monthly on Auto-Delivery at the discounted rate. (See Section 2 K for details on the Preferred Customer Program.) A Retail Customer is one who may elect to purchase at the retail price.

Section 2: IBO Agreement and Restrictions

A. An IBO must comply completely with all terms and conditions of the Contract.

B. An IBO must be eighteen (18) years or older at the time of Sponsorship.

C. An IBO Agreement that is incomplete or incorrect in any respect may be considered invalid.

D. An IBO is prohibited from submitting any false or inaccurate information to the Company. Sponsoring any individual as an IBO without the individual's knowledge and consent is prohibited. The Company reserves the right to immediately terminate an IBO or declare the IB void from its inception, if the Company determines that false or inaccurate information was provided.

E. An IBO must submit an IBO Agreement in its country of residence. Upon request of the Company, an IBO may be required to provide proof of residency and proof of ability to legally conduct business in the country that corresponds with the IBO Agreement.

F. An IBO must inform the Company of any changes affecting the accuracy of the IBO Agreement or the Partnership/Corporation form. Changes must be submitted on a new IBO Agreement or Partnership/Corporation Form with "Amended" checked at the top. The Company reserves the right to charge a fee to change an IBO identification number. Changes to address, telephone number, addition of person(s), or the correction of clerical error(s) will not be assessed a charge.

G. An IBO identification number will be issued upon the Company's acceptance of the IBO Agreement, and payment of any applicable fees. Social Security and Federal Tax Identification Numbers for Corporations must be provided to the Company for tax and identification purposes. All personal information will be kept strictly confidential under the Company's privacy clause.

H. The actions of any one member of the IB will be attributed at all members of the IB.

I. An IBO who has engaged in IBO activity may not have, encourage or facilitate a simultaneous beneficial interest or participate in more than one IB. A beneficial interest includes, but is not limited to, any ownership interest directly or indirectly in an IB as a shareholder, partner, trustee, beneficiary, or principal; any control or ability to control an IB; any direct or indirect receipt of income derived from an IB; familial support derived from an IB and any other similar interests pertaining to an IB. Spouses are considered as part of a beneficial interest.

1. Any person who should be listed on the Partnership/Corporation form of a Corporation is considered to have a beneficial interest in the IB existing in the name of that Corporation. If a participant of the Corporation wishes to become an IBO, the person must be added to the IB previously formed with that Corporation.

2. A Corporation is considered to have a beneficial interest in the IB existing in the name of any person listed on its Partnership/Corporation form. To become an IBO, the Corporation must be added to the IBO Agreement previously formed with that listed person.

3. No Corporation may become an IBO if any person who should be listed on the Corporation's Partnership/Corporation form is already an IBO under another IB.

J. Any person who has engaged in IBO Activity may not at any time acquire an interest in or merge with a pre-existing IB.

K. Preferred Customer Program

1. The Preferred Customer Program is for a person who wishes to purchase ECOMATES products at discounted rate, enrolls in the Auto-Delivery program (see Sect. 9) and has submitted an Auto-Delivery Agreement form, but does not want to participate in the Compensation Plan. You become a Preferred Customer when the Preferred Customer Application and Agreement is received and accepted by ECOMATES.

2. As a Preferred Customer you are permitted to purchase ECOMATES products for your personal or family use. You are not permitted to resell products or make purchases to enable others to resell ECOMATES products. You will not participate in the ECOMATES Compensation Plan available only to ECOMATES Independent Business Owners. As a Preferred Customer you are not required to provide ECOMATES with your date of birth, Social Security or Tax ID Number.

3. A Preferred Customer may elect to become an Independent Business Owner and have their Preferred Customer position converted into an Independent Business Owner Position by completing and submitting an Independent Business Owner Application and Agreement and by paying the applicable fees. Preferred Customers are placed in the binary structure and upon converting to IBO status will be will become eligible to accumulate volume and earn future compensation based upon the ECOMATES Compensation Plan. No bonus or commissions will be paid on volume generated before the conversion to IBO status.

4. The IBO who is the Sponsoring sponsor of a Preferred Customer is eligible to earn the price difference between wholesale and purchase price, paid weekly, Commissions or Volume on purchases made by their personally Sponsored Preferred Customers as defined in the ECOMATES Compensation Plan. Active consultants may also earn Personal Volume on purchases made by Preferred Customers or Associates referred through their personally Sponsored Preferred Customers websites.

L. Contacting IBO Customers, IBOs, Testing Facilities, Company Vendors

ECOMATES respects, values, and protects all of its IBOs', Customers', testing facilities' and company vendor relationships. As such, an IBO may not contact any other IBO that is not their personally enrolled IBO, any other IBOs' customer, any Company vendors, testing laboratories and/or facilities, or contacts for any reason whatsoever. Contacting non-personally enrolled IBOs, non-personally enrolled customers, or any company vendors, testing laboratories and facilities, or contacts constitutes a breach of these Policies and Procedures and may result in irreparable harm to the company, and therefore may result in immediate termination of the offending IBO. If an IBO prospect contacts any ECOMATES customers, company vendors, testing labs and facilities, or contacts, then that prospective IBO will not be permitted to enroll in the ECOMATES program.

M. Approaching Large, High Profile Customers

Before an IBO may approach a large commercial customer, including but not limited to municipalities, state or local governments, large commercial fleet companies (i.e. UPS, Fed Ex), they must first register with the Company prior to approaching such a prospective customer. The Company, at its sole discretion, may grant approval for approaching a large, high profile customer.

Section 3: IBO Status as an Independent Contractor

A. An IBO is an independent contractor. An IBO is not an agent, employee, partner, or joint venture with the Company and is prohibited from representing itself as such. An IBO has no authority to bind the Company to any obligation. The Company does not dictate IBO hours, expenditures, or plans, etc. No printed or verbal representations may be made stating or implying otherwise. An IBO may establish its own selling or marketing methods inasmuch as they abide by all Company Policies. An IBO is responsible for its own business decisions and expenditures.

B. An IBO is responsible for paying its own self-employment taxes, federal income taxes and other taxes as required by law. An IBO is personally responsible for compliance with all federal, state, and local laws and regulations.

C. An IBO must represent the Company products, services, and opportunity ethically and professionally.

1. No representation or sales offer may be made relating to products and services which are not accurate and truthful as to price, grade, quality, performance, and availability.

2. No misstatement or misrepresentation of any kind may be made by the IBO.

D. An IBO may not rely upon the Company or any of its divisions to provide legal, tax, financial, or other professional advice.

E. An IBO may not claim to have a unique relationship with, advantage with, or access to Company executives or employees that all other IBOs do not have.

Section 4: Renewal and Termination

A. An IB extends for one (1) year from the acceptance date. For each subsequent year, a renewal of the IB is required. The Company assesses a renewal administrative fee of 49 USD per IB. The fee is to provide IBOs with the necessary support materials and information on products and services, Company programs, Policies and Procedures, and related matters. The IBO may elect to have the Company automatically debit the

renewal administrative fee from the method of payment identified on the IBO Agreement. The IBO must notify the Company at least thirty (30) days prior to the anniversary date of Sponsorship if renewal is not desired to avoid the automatic renewal. Failure to collect this fee immediately does not waive the Company's right to collect. If the renewal fee is not collected, it will be assumed by the Company that the IBO is no longer involved in participation in the ECOMATES Commissions program and will be converted to a Retail Customer. This will result in the loss of the Downline organization previously relied upon as an IBO.

B. An IBO may terminate at any time and for any reason by submitting a written notice to the Company of intent to terminate. The written notice must be signed by all participants of the IB. Termination becomes effective as of the date the notice is received by the Company. Certain obligations regarding confidentiality of information, and otherwise as specified, survive the termination of the Contract.

C. An IBO who chooses to terminate its IB is eligible to reapply to be an IBO six (6) months after the date of termination (one [1] year if the previously held position was of EcoExec Level or above). During this six (6) month period, the former IBO is not permitted to participate in any IBO Activity or in the building or development of a Downline Organization. The six (6) month waiting period will begin after the Company receives a termination notice in writing from the terminating IBO.

1. Anyone with a beneficial interest in the terminating IB will be subject to the same six (6) month restriction that applies to a terminating IBO.

2. The terminated IBO, upon re-application for IBO status, will be considered as if it had never been an IBO, will be required to follow standard application procedures, and will be asked to pay the initial support fee. Prior rights to Compensation, Rank, Title, Downline Organization, or position in any former line of Sponsorship will not be retained.

D. An IBO may not encourage, entice, or otherwise assist another IBO to transfer to a different Sponsor or Place. This includes, but is not limited to, offering financial or other tangible incentives for another IBO to terminate an existing IB or go inactive and then Sponsor again under a different Place. The Company may impose penalties on any IBO that solicits or entices an existing IBO to change lines of Sponsorship.

Section 5: Sponsorship and Placement

A. All active IBOs in good standing, as determined by the Company, have the right to Sponsor and Place other individuals into the ECOMATES Opportunity. Upon acceptance by the Company, the applicant is placed in the Downline Organization of the Sponsor listed on the IBO Agreement.

B. The Sponsor listed on the IBO Agreement may receive certain bonuses for the Initial Order of the new IBO. The Sponsor has the right to place the IBO in a position other than directly beneath itself within the same Downline Organization. Once an IBO has been positioned, the direct Upline will act as Sponsor. The new IBO has the ultimate right to choose its Sponsor. In the event two IBOs claim sponsoring rights of the same IBO, the Company will not mediate such disputes and shall regard the first completed IBO Agreement received by the Company as controlling.

C. Once an applicant has submitted an IBO Agreement, other IBOs shall not attempt to convince the applicant to change Sponsor and/or Placement to another Downline Organization. All requests for modification of IBO status, including a change of Sponsor or Placement, should be submitted in writing to the Company. An IBO may request to change its Sponsor and/or Placement by submitting a written request of change to the Company. The Company will review each request and approval may be granted at the Company's discretion, according to the procedures as outlined in Section 7. Upon approval, a fee may be assessed.

D. When sharing the ECOMATES Opportunity with prospects, IBOs are required to present the program in its entirety, without omission, distortion or misrepresentation. Any additional offers or agreements made by an IBO in connection with the ECOMATES Opportunity are prohibited and may result in termination of the IBO.

E. To be a successful leader of the IBOs in its Downline Organization, a Sponsor should:

1. give regular training, sales and business development support, guidance, and encouragement to the Downline Organization. A Sponsor is encouraged to maintain an ongoing, positive, professional association with other IBOs and provide ongoing customer service to each Retail Customer and Preferred Customer the Sponsor refers to the program;
2. exercise its best efforts to ensure that all IBOs in its Downline Organization properly understand and comply with the terms and conditions of the Contract and applicable national and local laws, ordinances, and regulations;
3. provide training to ensure that product or service sales and opportunity meetings conducted by its Downline Organization are conducted in accordance with the Contract, and in accordance with any applicable laws, ordinances and regulations;
4. intervene in any disputes arising between any IBOs in its Downline Organization and attempt to resolve the dispute promptly and amicably.

F. As IBOs progress through the various levels of leadership, they will become more experienced in sales techniques and understanding of the ECOMATES Opportunity. They may be called upon to share this knowledge with lesser experienced IBOs.

Section 6: Changes in IB Status

A. An IBO may not convey, sell, assign, or otherwise transfer any right or position conveyed by the IBO Agreement to any person or entity without the express, prior written consent of the Company, which consent will not be unreasonably withheld. A request to sell must be submitted to the Company in writing.

B. To transfer an IB, the IBO must be active and in good standing with the Company. The purchaser must fulfill all qualifications of an IBO and must pay the support fee.

C. An existing IBO may not purchase or partner in another IB.

D. A transferred IBO will be assigned a new IBO identification number, but will maintain the applicable Downline Organization and the same Rank/Title that the previous IBO held before the approved transfer.

E. An IBO may delegate its responsibilities but is ultimately responsible for ensuring compliance with the Contract and applicable laws and regulations.

F. An IBO who transfers its IB will not be eligible to reapply to become an IBO for a period of no less than six (6) months after the Company has approved the transfer (one [1] year if the previously held position was of Manager Level or above).

G. An IBO must inform the Company of any changes affecting the accuracy of the IBO Agreement or Partnership/Corporation Form. Changes to an organization must be submitted on a new IBO Agreement or Partnership/Corporation Form with "Amended" checked at the top. When submitted to the Company, the document must include all of the participants in the organization and be signed by all parties.

H. Dissolution of a jointly held IB must occur in a way that does not disturb the income or interests of the Upline and Downline Organizations of the IBOs involved. When dissolving a jointly held IB, IBOs should be aware of the following:

1. after a jointly held IB is dissolved, any one of the joint owners may operate the IB, but the other joint owners must relinquish their rights to, and interests in, the IB;
2. the Company will not divide nor reassign any of the Downline Organization of the jointly held IB. The Company will not split Compensation between joint owners. I. Should one IBO marry another IBO they may elect to maintain separate IBs.

J. In the case of an IBO's death, IBO rights will be transferred to the legal successor in accordance with applicable laws. It is the responsibility of the successors to notify the Company in a timely manner of the death through a letter written to the Company by the executor of the estate or next of kin. A certified court order and death certificate must be submitted to the Company for the IB to be transferred to the legal successor. Successors in interest must comply with current program requirements and are subject to these Policies and Procedures. If the legal successor wishes to terminate the account, a written, signed statement of request to terminate must be submitted along with appropriate legal proof of death.

K. To affect a transfer of an IB due to incapacitation of an IBO, the successor must provide the following: (1) a notarized copy of an appointment as trustee; (2) a notarized copy of the trust document or other documentation establishing the trustee's right to administer the ECOMATES business; and (3) a completed IBO Agreement executed by the trustee. Should the successor elect to terminate the IB, a signed request of termination must be submitted to the Company.

Section 7: Sponsor and/or Placement Changes

A. An IBO may apply to change the Sponsor and/or Placement of itself or a personally Sponsored IBO, as long as the change keeps the IBO in the same Sponsor tree (downline). A Sponsor/Placement change may be made at any time between the date of Sponsorship and by the following Monday @ 5PM MST of the week following Sponsorship. There will be no fee assessed for this change.

B. Sponsorship or Placement changes must be submitted to the company in writing for review by the Committee. Change requests will be evaluated and the initiating IBO will be notified in writing of the decision. ECOMATES reserves the right to decline any Sponsorship or Placement change request and will provide the reason for any such rejection. All Sponsor or Placement changes, once approved of and made by the Company will become final. No other changes involving the IBO will be permitted. Changes will be effective in the Commission period in which the change has become approved and finalized. Once an IBO has been a part of a commission run, no placement/ sponsor changes involving that IBO will be permitted.

C. A fee of 40 USD will be charged for each Sponsor and/or Placement change request submitted. This fee will be charged even if the request is rejected for any reason (e.g., prior move, volume threshold restrictions, etc.) Most often, because of the need to maintain the integrity of the Downline Organizations, a Sponsor and/or Placement change request may not be feasible. The Company will reject any such requests.

Section 8: Ordering Product

A. An individual may purchase product as a Retail Customer, a Preferred Customer through the Auto-Delivery program, or as an IBO. An IBO may also elect to purchase through the Auto-Delivery program.

B. All purchases of product inventory, sales aids, or other services are optional. IBOs have no specific inventory requirements. An IBO must use its own judgment in determining inventory needs based upon reasonably projected retail sales and personal use. There is no minimum order. The Company reserves the right to verify IBO resale of product inventory and inspect documentation of retail sales.

C. Any order of ten thousand PV or more must be pre-approved by the Company. D. Orders are placed over the Internet or on a will call order via the Internet at the ECOMATES distribution center.

1. Payment must be the exact amount of the order and may be made by credit card and direct debit.

2. An IBO is prohibited from using another individual's credit card without the card owner's specific, prior, written approval.

3. Orders are not shipped until they are paid in full. Shipping and handling costs are calculated according to delivery location and amount of product ordered.

E. All orders must be received by 11:59 p.m. MT on the Saturday of the week in order to qualify for the week's activities. 1. All orders must be accompanied by proper payment including all applicable shipping and handling fees and sales tax.

F. Where Will Call service is available an IBO may pick up the order at the warehouse. The Company will cancel the product order that has been marked for "Will Call pick-up" if the product has not been picked up by the IBO within seven (7) days of the scheduled pick-up date or by the last day of the month, whichever is first.

G. IBOs are independent contractors and may establish their own price for reselling products or services; however, certain laws prohibit selling under cost. An IBO is responsible to adhere to all local statutes and laws.

H. It is the responsibility of the IBO to verify that an order is complete. Shipping discrepancies must be reported in IBO's back office, within ten (10) business days of receipt of the order. Failure to report this information may result in forfeiture of any missing or damaged items.

I. The Company shall have the exclusive right to set a suggested retail price and wholesale price of the product. Factors such as costs of production, market conditions, competitive pricing and access to the markets are considered when determining the price. From time to time, changes will occur in the price of the products. The Company maintains the right to change product or service prices without prior notice.

J. Bonus and Commission Buying and Stacking. "Bonus buying" includes (a) the Sponsorship of individuals or entities without the knowledge of and/or execution of an IBO Application and Agreement by such individuals or entities; (b) the fraudulent Sponsorship of an individual or entity as an IBO or customer; (c) the Sponsorship or attempted Sponsorship of nonexistent individuals or entities as an IBO or customer (phantoms); (d) the use of a credit card by or on behalf of an IBO or customer when the IBO or customer is not the account holder of such credit card; or (e) the exercising of a controlling interest in an IBO or customer account other than your own for the purpose of achieving a rank or being awarded a bonus within the Compensation plan of ECOMATES.

The term "stacking" includes: (a) the failure to transmit to ECOMATES, or the holding of an IBO Application and Agreement in excess of two (2) business days after its execution; (b) the placement or manipulation of an IBO Applications and Agreements for the purpose of maximizing bonuses and commissions pursuant to ECOMATES's Compensation plan; (c) providing financial assistance to new IBOs for the purpose of maximizing bonuses and commissions pursuant to ECOMATES's Compensation plan; (d) buying products or

drop shipping through another IBO account to increase the payout of your distributorship; or (e) the return of any qualifying product after rank is determined and paid.

Bonus buying and stacking are material breaches of these Policies and Procedures and are strictly and absolutely prohibited. Each circumstance of bonus buying or stacking that is brought to the attention of a ECOMATES employee will be brought before an appropriate committee to determine the course of action to be taken, which may include but is not limited to: (a) the termination of the controlling IBO account; (b) the retraction or refusal to recognize current IBO rank; (c) the retraction or refusal to pay any bonuses or Reward increases as a result of bonus buying or stacking as defined above; or (d) the retraction or refusal to pay any Compensation or bonuses in whole or in part until the effects of discovered bonus buying or stacking are made right, as deemed so by the appropriate committee. Any and all actions in regard to bonus buying or stacking are left to the discretion of the said committee comprising of the appropriate Founders, Executives, Directors, or any other ECOMATES employee as deemed necessary by ECOMATES.

Section 9: Auto-Delivery Program

A. An IBO or Preferred Customer may elect to participate in the Auto-Delivery program, establishing monthly delivery of a standing product order. An Auto-Delivery program may be established upon Sponsorship by electronically submitting an Auto-Delivery Agreement, indicating the amount and type of product to be shipped each month through the IBO's personal Back Office. Product is delivered monthly to assist the IBO with personal consumption and inventory needs as well as qualification and bonus requirements.

B. Payments will be verified prior to processing product orders and Auto-Delivery orders. In the event authorization is declined, the Company may attempt to contact the IBO and reattempt to obtain authorization. If authorization is not obtained by the end of the month, the order will be considered "unprocessed." The Company will not be held responsible for volume shortfalls.

C. Auto-Delivery purchases marked for "Will Call" cannot be picked up prior to the scheduled Auto-Delivery date. All AMOR purchases not picked up within seven (7) days, or before the end of the month, will be canceled.

D. In order for an IBO to terminate its Auto-Delivery, a electronic request (including the date, the IBO's name, identification number and the authorizing signature of the IBO whose information is to be changed) must be received by the Company. Changes to the Auto-Delivery settings must be submitted through the IBO's personal Back Office. Such requests include, but are not limited to, changing the product order, shipping address, the payment method, etc.

E. Upon cancellation of Auto-Delivery, an IBO may return the most recent shipment, provided that the shipment is not older than ninety (90) days (see Section 12). Simply returning product or refusing shipment is insufficient to cancel an Auto-Delivery. The IBO must electronically submit a cancellation request in their Back Office. The cancellation notice must be received five (5) days prior to the next scheduled processing date.

Section 10: Automatic Withdrawal

A. Upon establishing an Auto-Delivery, the IBO authorizes the Company each month to automatically debit its checking account or credit card, as indicated on the IBO Agreement, for the amount of the order. The IBO

bank information must be provided in the IBO's Back Office to facilitate the debiting of the appropriate checking or savings account. These recurring charges may be changed or canceled at any time by notifying the Company in writing. Usage of a bank account or credit card belonging to another individual for Auto-Delivery withdrawal is forbidden.

B. Any payment that is not supported by sufficient funds or that is returned uncollected constitutes a breach of the Contract. The Company will assess a handling fee of 20 USD for all checks returned for insufficient funds.

1. The IBO is responsible to maintain adequate funds in the account used for product payment. When there are not sufficient funds, the IBO is responsible for all bank charges as well as a Company handling fee. The bank may charge an insufficient funds fee for each unsuccessful attempt. The Company will then debit the secondary payment provided. A hold will be placed on the product or the shipment will be canceled if payment cannot be authorized. If the product has already been shipped, the IBO will be expected to use an alternate means of payment for the product. If payment is still not received, the Company may proceed with collection measures and stop the future shipment of orders.
2. Any uncollected amount may be deducted from present or future Commissions. All outstanding payments must be resolved by the last business day of the four week period for the Volume of the sales to be included in the computation of Commissions for that period.
3. Any notice of insufficient funds that is not resolved in a timely manner is grounds for disciplinary action.
4. If more than one person is listed on the IBO Agreement, all persons will be held jointly and severally liable for the outstanding amount.

Section 11: Sales Requirements

A. The ECOMATES Compensation Plan is based on the ultimate sale of product to customers. IBOs must satisfy personal and group volume requirements, as well as other requirements as outlined in the Contract, in order to qualify for Commissions, bonuses and rank advancement within the Compensation Plan.

B. An IBO must fulfill all requirements associated with its Rank as specified in the Compensation Plan. These qualifications include Product Volume (PV), or all purchases made by the IBO, and Group Volume (GV) requirements which include the total PV of all IBOs in a Downline Organization.

C. The Company does not permit ordering of product in excess of the IBO's actual immediate needs for resale or personal use. At the time of each order, an IBO must have sold or consumed at least 70% of previous inventory purchased from the Company before reordering. An IBO that receives Commissions and orders additional product agrees to retain documentation that demonstrates compliance with this policy and must be able to certify to such if requested by the Company or by any regulatory agency.

D. At the time of sale, an IBO is required to provide the retail purchaser with two (2) copies of an official sales receipt. The receipt should be dated, show the name and address of the seller, include a complete list of products sold, their prices, and explain the buyer's right to cancel. Under U.S. federal law, the buyer has the right to cancel within three business days for a complete refund. An IBO must orally inform the buyer of these cancellation rights and any other consumer protection rights afforded by federal and state law.

E. The Company is required to charge sales tax on all purchases made by IBOs and Preferred Customers. The amount of tax is calculated based on the retail price and the IBO's local tax rate based on the shipping address. An IBO may register as a withholding agent and in doing so must submit to the Company a "Sales and Use Tax Exemption Certificate" or equivalent document pertaining to the jurisdiction in which they reside to be considered tax exempt. Accordingly, the IBO will be responsible to collect and remit all taxes as required by law in the jurisdiction in which it resides.

Section 12: Return Policy

A. Before returning any product to the Company, a customer or IBO must contact the Company customer service department and obtain a Returned Merchandise Authorization (RMA) number, as described below. Initial product purchases ("Initial Order") of unopened product may be returned within 30 days of receipt for a full refund credited to the original form of payment (less shipping & handling).

B. All product purchased outside the Initial Order may be returned up to thirty (30) days for a refund of 90%. All returned product must be in unopened and in resalable condition. The IBO must follow the return procedures as outlined herein.

C. All shipping and handling costs for the return of product will be borne solely by the IBO. In no event shall the Company refund shipping expenses for the delivery of the returned product. Any damage or loss that occurs to returned product during shipping will be the responsibility of the IBO. Should the product arrive to the Company damaged (thereby rendering it nonresalable), the Company will reject the shipment. It is recommended that a reliable, traceable courier service be used for shipping.

D. If any product from a qualifying purchase is returned, the balance of the qualifying amount for the month must be repurchased in order to remain qualified with sufficient volume. Large orders of 2000 PV or more cannot be returned.

E. Compensation which have previously been paid on returned product will be retracted by deducting the earned amount from any future commission payments. IBOs are subject to adjustments of commissions paid on product returned by IBOs in their Downline Organization.

F. In order for an IBO to obtain a refund for returned Product, the Distributor must do the following:

1. contact the Company to obtain a Return Merchandise Authorization number. This number is valid for thirty (30) days and should be clearly written, along with the IBO's return address, on the outside of the package being returned;
2. be able to provide verification of the original orders, receipts, or proofs of purchase; and 3. ship the product, prepaid, to the Company in a protective container or carton.

G. Product returned to the Company without prior authorization will not qualify for a refund and will be returned to the IBO at the IBO's expense.

H. Sales Tools may be returned to the Company for a 90% refund provided they are in resalable condition, as condition will be determined by the Company. The IBO fee paid upon Sponsorship is non-refundable.

I. The Company reserves the right to reject repeated returns or replacements.

J. Product produced by the Company should not be consumed if the seal is broken or tampered with in any way. Product that is determined to be defective will be promptly replaced without charge. The IBO will not be

responsible for shipping charges incurred in the return of defective product. The Company must be contacted within ten (10) days of receipt of the damaged product.

K. A Retail Customer may return product to the IBO who is then responsible for issuing a refund to the Customer.

Section 13: Compensation Payments

A. An IBO must be active and in good standing in order to qualify for commissions and bonuses. So long as the IBO complies with the terms of the Contract, the IBO is eligible to receive Commissions in accordance with the Compensation Plan.

B. IBOs will be issued weekly payments. Please refer to attachment for a more detailed study of the ECOMATES Compensation Plan.

C. An IBO receives no bonuses or commissions for sponsoring other IBOs.

D. A new IBO's primary source of business income is derived from selling the products at the retail price. The retail profit is the difference between the retail price and the wholesale price of the product, less shipping costs.

E. An IBO is neither guaranteed a specific income nor assured any level of profit or success. An IBO's profit and success can come only through the successful sale of products or services and the sales of other IBOs within the IBO's Downline Organization. All success is based primarily on the efforts of the IBO.

F. If an IBO believes any errors have been made regarding commissions, bonuses or charges, the IBO must notify the Company within thirty (30) days of the error or incident in question. The Company will not be responsible for any errors, omissions or problems not reported within this time period.

G. Manipulation of the ECOMATES Compensation Plan is not permitted and will result in disciplinary action.

H. Volume from orders or sales cannot be transferred from one IBO to another or transferred from one Commissions period to another.

I. Bonuses and Commissions are paid in the name of the Corporation listed on the IBO Agreement. When no Corporation is listed, Compensation Plan payments are made to the first name listed on the IBO Agreement.

J. An IBO authorizes the Company to deduct fees, fines, and/or penalties from the Commissions of the IBO as deemed appropriate in accordance with Section 14 for violation of Policies and Procedures or of any part of the IBO Agreement at the sole discretion of the Company.

K. In the event that a Commissions check must be reissued to an IBO, the Company will charge the IBO a fee of 25 USD. There is no charge for checks reissued due to Company error.

L. ECOMATES has the right to alter or change the ECOMATES Compensation Plan as deemed necessary and proper.

Section 14: Disciplinary Proceedings

A. An IBO's rights relational to the Contract are dependent on its compliance and continued performance in accordance with the terms of this Contract. Violation of any term of the Contract will result in the withdrawal of the IBO's rights. The Company reserves the right to determine when a policy violation has occurred and to discipline, terminate or exercise any other disciplinary action as deemed appropriate. In the event of a violation, the Company may take one or more of the following corrective measures:

1. monitor the IBO's activities for a specific period of time to ensure compliance with all Policies;
2. issue a written notification of the violation and of the Company's intent to discontinue rights and proceed with further disciplinary action;
3. request that the IBO take immediate corrective measures and offer additional assurances that the IBO will remain in compliance;
4. deny privileges to the IBO that would otherwise be granted such as participation and/or promotion in the ECOMATES Compensation Plan, the ability to Sponsor or Place other IBOs, the ordering of products and services, and the participation in Company sponsored events;
5. exact a fine with the amount at the discretion of the Company dependent on the severity of the breach of Contract;
6. adjustment of the IBO status or the reassignment of part or of all of the Downline Organization;
7. termination of the IBO. Upon termination, the IBO must immediately cease to represent itself as an IBO of the Company.

B. While an alleged violation is being investigated, the Company reserves the right to suspend the rights of the IBO which may include withholding Commissions and bonuses, and limiting Sponsorship rights. The Company may request additional information from the IBO in relation to the alleged violation. The Company will then make a decision based on the information available and presented.

C. The Company will evaluate each violation on a case-by-case basis and will make an appropriate decision based on all information available. Disciplinary actions may not be the same for similar violations. The Company will promptly notify the IBO of its decision. The IBO reserves the right to appeal the decision.

D. An IBO terminated per Company decision must wait one (1) year prior to submitting a formal written appeal to reapply for an IBO.

E. The Company may attribute to the IBO the noncompliant activity of any participant in the IBO, including all those listed on the Partnership/Corporation form and all remedies will be applied to all members of the IBO.

F. Reports of policy violations must be brought to the attention of the Company within ninety (90) days of the initiation of the alleged policy violation. Policy violations reported after that time period will not be reviewed so as not to disrupt the ongoing business activities of IBOs. All reports of policy violations must be submitted to the Company in writing.

Section 15: Advertising and Retail

A. IBOs shall not repackage, alter or re-label any product.

B. All IBO printed material, websites or other promotional materials must include the title "Independent Business Owner". Such identification must accompany any business title. When wishing to utilize a Company logo, IBOs must use the designated Independent Business Owner logo.

C. IBOs may not use the Company's trademarks, or any confusingly similar variations of its marks, in a manner that is likely to cause confusion, mistake, or deception as to the source of the products or services advertised.

1. An IBO may not use the Company's trademarks or any confusingly similar variation of its trademarks in a business name, e-mail address, internet domain name or sub-domain name, telephone number, or in any other address or title, except in the sub-domain of the replicated websites provided by the Company, without prior approval from the Company. This provision also includes the body of the website or other promotional material. Any IBO wishing to use such trademark must sign a waiver granting the Company jurisdiction over the trademark and authority to recoup the trademark at the discretion of the Company. These provisions survive the termination of the Contract.

2. IBOs may not use the Company's trademarks on non-approved Sales Tools. No IBO, below the rank of Blue Diamond may promote and offer for sale promotional items or sales tools generally or specifically to other IBOs. The Company may waive this limitation, at its sole discretion. Such waiver must be in writing.

D. The Company maintains an official corporate website and makes available a replicated website for all IBOs. Those websites link directly to the corporate website and facilitate the Sponsorship of other IBOs. Any IBO wishing to create its own website must sign a waiver granting the Company jurisdiction over the name and use of the trademark and granting authority to recoup the website and/or domain name at the discretion of the Company. These provisions survive the termination of the Contract.

E. The Company privacy policy applies to all websites and, in accordance, all personal information gathered from the website must be protected from being sold or used by any other party.

F. An IBO may not sell or facilitate the sale of product on internet websites where an auction is the mode of selling or buying (e.g., eBay). An IBO may not use a third party to place product on auction websites. The provisions of this section survive termination of the Contract.

G. An IBO may advertise by means of newspaper advertisements, phone book listings or e-mail advertisements. All such advertisements must include "Independent Business Owner". All advertisements sent via e-mail, telephone, or facsimile must comply with all anti-spamming laws for the state or country where the intended recipient resides. The IBO is under obligation to research and comply with all laws concerning unsolicited commercial e-mail. Under United States law, it is unlawful "to use any telephone, facsimile machine, computer, or other device to send an unsolicited advertisement. Electronic mail advertisement means any e-mail message, the principal purpose of which is to promote, directly or indirectly, the sale or other distribution of goods or services to the recipient." (CAN-SPAM Act of 2003.)

H. General promotions of the Company product and opportunity are allowed inasmuch as they promote the product in a legal manner and as long as the "Independent Business Owner" logo is used.

1. When using a promotional recording, the speaker must, at the beginning of the recording, identify itself as an Independent Business Owner.

2. An IBO may not answer the phone "ECOMATES".

I. The Company's literature and media are copyrighted by the Company and may not be duplicated without written consent.

J. The IBO is responsible for any verbal and written statements made regarding the Company that are not expressly contained in writing in the current IBO Agreement, or advertising or promotional materials supplied directly by the Company. The IBO must indemnify and hold the Company harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs or lost business that may incur as a result of any unauthorized representation made.

K. An IBO may not offer or promote any non- Company plans, products, incentives, opportunities, or non-approved Sales Tools in conjunction with the promotion of Company products or opportunities.

L. At Company-sponsored events, IBOs may not sell or promote non-Company products or services, or use any form of promotion deemed inappropriate by the Company.

M. Company products may be sold at tradeshow events as long as the product is not sold or displayed with other non-Company products.

N. An IBO may not advertise Company products at less than wholesale price. Additionally, no bulk pricing or special enticement advertising is allowed. This includes but is not limited to offers of free membership, free shipping or other such offers that grant advantages beyond those available through any IBO's official, replicated website.

O. An IBO may not use a celebrity endorsement without written approval from the Company and the specific, prior, written approval of the endorsing celebrity for each use of the celebrity's name.

P. An IBO may not sell Products or promote the business opportunity through retail establishments. An IBO is also prohibited from selling Products to any person who the IBO knows, or has reason to suspect, will ultimately sell those Products through retail establishments.

Q. An IBO may conduct ECOMATES IBO Activity through service-related establishments under approved conditions. The following conditions apply for approved IBO Business in a service related establishment:

1. no product banners or other Sales Tools may be displayed to the general public in a manner that would attract the public into the service-related establishment, and
2. the IBO provides ongoing support to its Customers from the establishment. The Company alone has total discretion whether an establishment is a service-related establishment and a proper place for the sale of products.

R. All media inquiries must be immediately referred to the Company. Any IBO that violates this rule is subject to immediate termination.

S. All IBOs sharing a testimonial or life experience relating to the product or Company must confirm that the experience is true and accurate to the best of their personal knowledge.

Section 16: Claims

A. An IBO must represent the Company products, services, and opportunity ethically and professionally at all times. An IBO may not make false statements or misrepresentations of any kind:

1. No representation or sales offer may be made relating to products and services which are not accurate and truthful as to price, grade, quality, performance, and availability.

2. No statements may be made regarding actual, implied, or potential income figures. Income guarantees of any kind are prohibited. Unreasonable, misleading, or unrepresentative earnings claims may not be made. Exhibiting actual, copied, or representative Commission checks in the promotion of the product or the ECOMATES Opportunity is prohibited.

B. An IBO will not make any misleading, unfair, inaccurate, or disparaging comparisons, claims, representations, or statements with regards to the Company; its products, services, or commercial activities; other persons or IBOs; or other companies (including competitors), and their products, services or other commercial activities.

C. IBOs may make only product claims and representations found in the literature distributed by the Company.

D. No IBO may imply that the promotion, operation, or organization of the Company has been approved, sanctioned, or endorsed by any governmental regulatory authority. No IBO should claim or imply that any product is approved by the EPA.

Section 17: Confidentiality- Proprietary Information

A. All information provided by an applicant on an IBO Agreement will be used solely for the purposes of appointing that applicant an IBO and for related activities of that IBO.

B. All information held by the Company with reference to Downline Organizations or Upline IBOs, including IBO names and contact information, is the confidential, proprietary property of the Company and all IBOs are required to treat it as such. The IBO maintains no ownership with reference to this information and/or data. Contact information will be available for business use only and will not be provided to any other party. It may not be sold, disseminated, or provided to any other party. Improper and unauthorized use of confidential information by an IBO may be cause for termination and/or any other legal remedy available to the Company. Should an IBO violate the terms of this confidentiality agreement, the IBO will be subject to all legal remedies available to the Company, including, but not limited to, damages in a minimum amount of three (3) times the total compensation earned by the IBO in the preceding year prior to the time of the breach as liquidated damages; protective or restraining orders; or actual damages proven at the time of trial. The Company reserves the right to further limit the access of personal information of IBOs.

C. An IBO authorizes the Company to disclose its provided contact information to Upline Sponsors. The information may be used only for IBO business. Accordingly, the IBO understands and agrees:

1. that the information is provided for the exclusive and limited use of the IBO to facilitate the training, support and servicing of the IBO's Downline Organization for furtherance of Company-related business only;
2. that it will not disclose such information to a third party directly or indirectly (including other IBOs) and doing so constitutes misuse, misappropriation, and a violation of the IBO's Contract;
3. not to use the information to compete with the Company directly or indirectly;
4. that this information is, and remains, the property of the Company.

D. Violation of this confidentiality requirement is grounds for immediate termination of its IB and may require injunctive relief as an appropriate remedy under applicable law. These obligations survive the termination of an IBO.

Section 18: Unauthorized Territorial Expansion

- A. An IBO is not permitted to operate in any country or market that is not officially announced by the Company as open for business. This includes shipping or importing products, sales tools or services into an unauthorized country, unless the product is designated for personal use.
- B. An IBO has no authority to take any steps in any country or other political jurisdiction to introduce or further the Company's business. This includes conducting sales, Sponsorship or training meetings, Sponsoring or attempting to Sponsor potential Customers or IBOs, or conducting any other activity for the purpose of selling ECOMATES Company products or promoting the ECOMATES Opportunity. An IBO may not export or sell directly or indirectly to others who will ultimately export products and services to any unauthorized country.
- C. The Company recognizes no exclusive territories. IBOs will not be limited from conducting business in any state, country, or jurisdiction declared officially opened by the Company and within which the IBO is legally qualified to do business. A listing of the countries opened for business will be placed on the Company website www.ecomates.com. The Company reserves the right to refuse shipment into any country or jurisdiction that is not opened by the Company.
- D. An IBO has no authority to take any steps in any country to register or reserve Company names, trademarks, or trade names; to secure approval for products or business practices; or to establish business or governmental contacts of any kind on behalf of the Company. An IBO agrees to assign immediately any registration of Company names, trademarks, service marks or trade names registered or reserved in violation of this section to the Company.
- E. Each country has rules and procedures unique to that country. IBOs must follow the rules established for legal operation in the country in which they reside or in which they conduct business.

Section 19: General Business Information

- A. An IBO shall comply with all country, federal, state and municipal laws relating to its business and shall not engage in any unlawful or illegal trade practices or business activity. An IBO shall conduct its business in a manner that reflects the highest standards of honesty, integrity and responsibility towards others.
- B. An IBO must conduct all activity in the best interests of the Company. Any personal disputes between IBOs must be resolved quickly and in the best interests of the Company.
- C. An IBO is responsible for its own actions, including all statements both written and verbal, in relation to the Company and the IBO. The IBO agrees to indemnify and hold the Company harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs and other business loss incurred by the Company as a result of the IBO's non-compliance with regulations as outlined in this Contract. This provision survives termination of the IBO.
- D. Each IBO shall defend and hold the Company harmless from any claim, damages, or liability arising out of an IBO's business or advertising, or resulting from statements that may be illegal and or claims not approved by the Company.
- E. The terms of the Contract, as set forth herein, shall be deemed severable. The invalidity or unenforceability of any provision shall not affect the validity or enforceability of any other provisions.

F. An IBO may not solicit legal, financial, or other professional advice of the Company or its employees. Company employees cannot be held responsible for any advice given as it is the responsibility of the IBO to build and manage its own business.

G. When an IBO has a grievance or complaint with another IBO relating to their respective businesses, the complaining IBO should first report the problem to the Sponsor who will review and attempt to resolve the matter. If the matter cannot be resolved, the problem should be reported in writing to the Company. The Company will review all information and attempt to resolve the problem as appropriate.

H. The Company and an IBO may, upon mutual written agreement, resolve any breach of this Contract by binding arbitration. The IBO waives all rights to trial by jury or to any court. The arbitration proceedings shall take place in accordance with the existing rules of the American Arbitration Association.

I. Any waiver by the Company of any breach of this Contract must be in writing and signed by an authorized Company officer. Waiver by the Company of any breach of the Contract by an IBO shall not operate or be construed as a waiver of any subsequent breach.

Section 20: Definitions

Auto-Delivery: An optional program that authorizes the Company to automatically ship product to an IBO on a recurring monthly (every four weeks) basis. Participants qualify for additional bonuses.

Authorized Country: Any country designated in writing as officially open for business to all IBOs.

IBO Commissions: Compensation paid by the Company to an IBO based on the Volume of products sold by an IBO and its Downline Organization. To be eligible for any Compensation, an IBO must have achieved the monthly requirements currently in effect as detailed in the Compensation Plan and must be in good standing with the Company.

Company: As used throughout Contract to mean ECOMATES, LLC.

IBO Contract: The agreement between an IBO and the Company composed of these Policies and Procedures, the Compensation Plan, IBO Agreement, Partnership/Corporation form, and other international agreements. The Contract is the complete and only agreement between the Company and an IBO.

Corporation: Any type of business association authorized under the laws of the jurisdiction in which it was organized. This includes, but is not limited to, legally formed: corporations, partnerships, trusts, and limited liability companies.

Downline Organization: An organization comprised of IBOs who have been personally sponsored or Sponsored by those in a direct chain of Sponsorship to any particular IBO.

Sponsor: An IBO who personally brings another IBO into the company. The Sponsor may receive bonuses for any new IBO it Sponsors and may qualify for additional bonuses as outlined in the Compensation Plan.

ECOMATES Opportunity: The possibility for success and advancement through participation in the Compensation Plan to build an independent business.

Group Volume (GV): An accumulation of all commissionable Volume in a Downline Organization. Used in the qualification of an IBO.

IBO Activity: Actions deemed by the Company, in its sole discretion, to be a meaningful promotion of the Company's business. Includes, but is not limited to, signing an IBO Agreement, purchasing products from or

returning products to the Company, selling or displaying product, sponsoring new IBOs, and hosting or presenting in a Company-related meeting.

IBO Agreement: The agreement submitted by an applicant to become a IBO. In accepting the IBO Agreement, an applicant certifies that it has read and will abide by the terms and conditions of the Contract.

IBO Sponsor Initial Order: The first purchase with PV made by any IBO Sponsoring with the Company.

Independent Business (IB): The entity created when an IBO is Sponsored. This may consist of more than one IBO.

Independent Business Owner: A Person who has entered into the Contract with the Company. An IBO is authorized to purchase and retail Company products and services, recruit other IBOs, and participate in the Compensation Plan, as qualified. If more than one individual is listed on the IBO Agreement, then "IBO" may refer to all individuals collectively, with each individually retaining all IBO rights and obligations.

Member: An individual or entity who, through paying a support fee, is eligible to purchase product at the wholesale price. ECOMATES Compensation Plan: The specific plan utilized by the Company that details the requirements and benefits of the ECOMATES Compensation structure for IBOs.

Product Volume (PV): Volume consisting of the purchases made by the individual IBO and any Preferred Customers the IBO has personally Sponsored. An IBO is not paid Compensation on its PV. PV is strictly used for personal qualification requirements within the Compensation plan.

ECOMATES Policies and Procedures: The policies governing how an IBO is to conduct its business as set forth in this document and defining all rights and relationship of the parties.

Preferred Customer: An individual who receives product monthly through the Auto-Delivery program. A Preferred Customer is not required to provide a tax identification number and therefore is not eligible to Sponsor or Place other IBOs.

Rank: The current Level of the IBO according to the Compensation Plan. The Rank of an IBO fluctuates, contingent on qualification, and determines Compensation for the IBO.

Retail Customer: An individual who purchases product directly from an IBO. Sponsor: Any IBO standing as the Upline to other IBOs directly underneath it in the Sponsor IBO Downline Organization.

Title: The highest level achieved in accordance with the requirements of the Compensation Plan.

Upline: The single line of Placement and/or Sponsorship extending up from the IBO to the Company.

Volume: A value assigned to an item for Compensation purposes.

Wholesale: The price the Company charges IBO Customers for products.