



# EMRIS

## Policies and Procedures

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### SECTION 1. CODE OF ETHICS

- 1.1 Emris International (“Emris or the Company”) has made a commitment to provide the finest direct sales experience backed by impeccable service to its Brand Ambassadors. In turn, the company expects Emris Brand Ambassadors to reflect that image in their relationships with Customers and fellow Brand Ambassadors.
- 1.2 As an Emris Brand Ambassador you are expected to operate your business according to the highest standards of integrity and fair practice in your role as an Emris Brand Ambassador. Failure to comply with the Code of Ethics can result in your termination as an Emris Brand Ambassador. The Code of Ethics, therefore, states:

#### **As a Brand Ambassador:**

- I will conduct my business in an honest, ethical, responsible, and professional manner at all times.
- A Brand Ambassador must show fairness, tolerance, and respect to all people associated with Emris, regardless of race, gender, social class or religion, thereby fostering a “positive atmosphere” of teamwork, good morale and community spirit.
- I will make no representations about the benefits of being a Brand Ambassador with Emris other than those contained in officially approved corporate literature and videos.
- I will provide support and encouragement to my customers to ensure that their experience with Emris is a successful one.
- I will motivate and actively work with Brand Ambassadors of my downline organization to help them build their Emris business. I understand that that this support is critical to each Brand Ambassador’s success with Emris.
- I will refrain from exaggerating my personal income or the income potential in general and will stress to Brand Ambassador prospects the level of effort and commitment required to succeed in the business.
- I will not abuse the goodwill of my association with Emris to further or promote other business interests (particularly those which may be competitive to Emris) without the prior written consent of Emris.
- I will not make disparaging remarks about other products, services, Brand Ambassadors, or companies; likewise, I will not willfully denigrate the activities or personalities of fellow Emris Brand Ambassadors.

- A Brand Ambassador shall strive to resolve business issues, including situations with upline and downline Brand Ambassador, by emphasizing tact, sensitivity, good will and taking care not to create additional problems.
- I will abide by all of the Policies and Procedures of Emris as included herein, or as may be amended from time to time.
- I will not make any payment(s) or promise to pay any prospective or existing Brand Ambassador in return for such Brand Ambassador's enrollment, continued enrollment, or team building or recruiting activities with Emris.
- I will strive to sell and promote the products of Emris in a professional manner to end user retail and preferred customers.

## SECTION 2. INTRODUCTION

- 2.1. Policies and Compensation Plan Incorporated into Brand Ambassador Agreement. These Policies and Procedures, in their present form and as amended at the sole discretion of Emris, are incorporated into, and form an integral part of, the Emris Brand Ambassador Agreement. Throughout these Policies, when the term "Agreement" is used, it collectively refers to the Emris Brand Ambassador Application and Agreement Form, these Policies and Procedures and the Emris Compensation Plan. These documents are incorporated by reference into the Emris Brand Ambassador Agreement (all in their current form and as amended by Emris).
- 2.2. Purpose of Policies. Emris is a direct sales company that markets hemp derived CBD products and other nutritional supplements through Brand Ambassadors. It is important to understand that your success and the success of your fellow Brand Ambassadors depends on the integrity of those who market our services. To clearly define the relationship that exists between Brand Ambassadors and Emris, and to explicitly set a standard for acceptable business conduct, Emris has established the Agreement. Emris Brand Ambassadors are required to comply with all of the provisions set forth in the Agreement, which Emris may amend at its sole discretion from time to time, as well as with all federal, state and local laws governing their Emris business and their conduct. Because you may be unfamiliar with many of these standards of practice, it is very important that you read and abide by the Agreement. Please review the information in this document carefully. It explains and governs the relationship between you, as an independent contractor, and the Company. If you have any questions regarding any policy or rule, do not hesitate to seek an answer from the Emris corporate office.
- 2.3. Changes to the Agreement. Because laws and the business environment periodically change, Emris reserves the right to amend the Agreement, compensation plan and its prices at its sole and absolute discretion. By signing the Brand Ambassador Agreement, a Brand Ambassador agrees to abide by all amendments or modifications that Emris elects to make. Amendments shall be effective 30 days after publication of notice of amendments in official Emris materials. The Company shall provide or make available to all Brand Ambassadors a complete copy of the amended provisions by one or more of the following methods: (a) posting on the Company's official website; (b) electronic mail (email); (c) inclusion in Company periodicals; (d) inclusion with commissions or bonus checks; or (e) special mailings. The continuation of a Brand Ambassador's Emris business or a Brand Ambassador's acceptance of bonuses or commissions constitutes acceptance of any and all amendments.

- 2.4. Delays. Emris shall not be responsible for delays or failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, riot, war, fire, death, curtailment of a party's source of supply, government decrees or orders, and acts of God.
- 2.5. Policies and Provisions Severable. If any provision of the Agreement, in its current form or as may be amended, is found to be invalid, or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect and shall be construed as if such invalid or unenforceable provision never comprised a part of the Agreement.
- 2.6. Waiver. The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of Emris to exercise any right or power under the Agreement or to insist upon strict compliance by a Brand Ambassador with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of Emris' right to demand exact compliance with the Agreement. Waiver by Emris can be affected only in writing by an authorized officer of the Company. Emris' waiver of any particular breach by a Brand Ambassador shall not affect or impair Emris' rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Brand Ambassador. Nor shall any delay or omission by Emris to exercise any right arising from a breach affect or impair Emris' rights as to that or any subsequent breach. The existence of any claim or cause of action of a Brand Ambassador against Emris shall not constitute a defense to Emris' enforcement of any term or provision of the Agreement.

### **SECTION 3. BECOMING A BRAND AMBASSADOR**

- 3.1. Requirements to Become a Brand Ambassador. To become an Emris Brand Ambassador, each applicant must:
  - 3.1.1. Be at least 18 years of age;
  - 3.1.2. Reside in the markets where Emris does business in and are officially opened by the Company (USA and South Africa as of 7-17-19);
  - 3.1.3. Have a valid Social Security or Tax ID number;
  - 3.1.4. Submit an accepted Emris Brand Ambassador Application and Agreement.

The Company reserves the right to reject any applications for a new Brand Ambassador or applications for renewal.

- 3.2. Form of Application. For a potential new Brand Ambassador to enroll, he or she may enroll through either the Emris website or the replicated website of another Brand Ambassador. Enrollment is done through the acceptance of the web-enrollment and Brand Ambassador Agreement, as the new Brand Ambassador must accept the "electronic signature." This electronic signature signifies the acceptance of the terms and conditions of the Brand Ambassador Agreement. Please note that such electronic signature constitutes a legally binding agreement between you and Emris.

- 3.3. Availability of Documents to Emris. Emris reserves the right to require signed paperwork for any account, regardless of origin.
- 3.3.1. If requested by the Emris, the signed Brand Ambassador Agreement should be sent within seven (7) days of electronic receipt.
- 3.4. Signed documents, including but not limited to, personal Brand Ambassador agreements, are legally binding contracts which must not be altered, tampered with, or changed in any manner after the affixture of a signature. False or misleading information, forged signatures, or alterations to any document (including business registration forms) made after a document has been signed may lead to sanctions up to and including involuntary termination of the Brand Ambassador's business.
- 3.5. Brand Ambassador Benefits. Once a Brand Ambassador Application and Agreement has been accepted by Emris, the following benefits are available to the new Brand Ambassador.
- 3.5.1. Brand Ambassadors that enroll in Emris are allowed to:
- 3.5.1.1. Sell Emris products to retail customers and receive profit from these sales;
  - 3.5.1.2. Receive periodic Emris literature and other Emris communications;
  - 3.5.1.3. Build a network of Brand Ambassadors and participate in the Emris Compensation Plan.

#### **SECTION 4. OPERATING AN EMRIS INTERNATIONAL BUSINESS**

- 4.1. Adherence to the Emris Compensation Plan. Brand Ambassadors must adhere to the terms of the Emris Compensation Plan as set forth in official Emris literature. Brand Ambassadors shall not offer the Emris opportunity through, or in combination with, any other system, program or method of marketing other than that specifically set forth in official Emris literature. Brand Ambassadors shall not require or encourage other current or prospective customers or Brand Ambassadors to participate in Emris in any manner that varies from the program as set forth in official Emris literature. Brand Ambassadors shall not require or encourage other current or prospective customers or Brand Ambassadors to execute any agreement or contract other than official Emris agreements and contracts in order to become an Emris Brand Ambassador. Similarly, Brand Ambassadors shall not require or encourage other current or prospective customers or Brand Ambassadors to make any purchase from, or payment to, any individual or other entity to participate in the Emris Compensation Plan other than those purchases or payments identified as recommended or required in official Emris literature.
- 4.2. Bonus Buying Prohibited. Bonus buying is strictly and absolutely prohibited. "Bonus buying" includes:
- 4.2.1. The enrollment of individuals without their knowledge and agreement and/or without execution of a Brand Ambassador Application;
  - 4.2.2. The fraudulent enrollment of an individual as a Brand Ambassador or merchant;

- 4.2.3. The enrollment or attempted enrollment of non-existent individuals as Brand Ambassadors or merchants;
- 4.2.4. The use of a credit card by or on behalf of a Brand Ambassador or merchant when the Brand Ambassador or customer is not the account holder of such credit card;
- 4.2.5. Purchasing Emris products on behalf of another Brand Ambassador, or under another Brand Ambassador's ID number, to qualify for commissions or bonuses.
- 4.3. Prices Subject to Change. The prices of Emris products are subject to change without notice.
- 4.4. Business Entities. A Partnership, LLC or Corporation may hold a Brand Ambassador business upon completion of the Brand Ambassador Application form, and providing on that form in the appropriate space, a Federal tax ID number. An individual may not participate in a position; however, all must be under the same business name. The person signing the application on behalf of a business entity must have the authority of said entity for entering into the transaction. In addition, by signing for as a business entity, you certify that no person with an interest of debt or equity in the business has had an interest in a Brand Ambassador business in Emris within six (6) months of the date of signature.
- 4.4.1 Business and Tax-Exempt Entities. A Partnership, LLC, DBA (Doing Business As) 501c3 (or Tax-Exempt Entities), or Corporation may hold a Brand Ambassador business upon completion of the Brand Ambassador Application form, and providing on that form in the appropriate space, a Federal tax ID number. There may only be one entity for all purposes. An individual may not participate in a position; however, all must be under the same business name. The person signing the application on behalf of a business entity must have the authority of said entity for entering into the transaction. In addition, by signing for as a business entity, you certify that no person with an interest of debt or equity in the business the members are responsible for ensuring that the partnership agreement, articles of incorporation, or Limited Liability Company documentation complies with applicable state laws. A fee of \$50, made payable to Emris, is required to cover administrative costs. Emris will determine on a case-by-case basis whether the new business entity will be authorized.
- 4.5. Changes to an Emris Business
- 4.5.1. General. Each Brand Ambassador must immediately notify Emris of all changes to the information contained in his or her Brand Ambassador Application and Agreement. Brand Ambassadors may modify their existing Brand Ambassador Agreement Form by submitting a written request and appropriate supporting documentation.
- 4.5.2. Change of Sponsor. To protect the integrity of all marketing organizations and safeguard the hard work of all Brand Ambassadors, Emris does not allow changes in sponsorship for active Brand Ambassadors. Maintaining the integrity of sponsorship is critical for the success of every Brand Ambassador and marketing organization. Accordingly, the transfer of an Emris business from one sponsor to another is not permitted.

4.5.2.1. Exception. A request for a change in sponsor, due to Emris error, will be accepted within 4 business days of completion of the application.

4.5.3. Cancellation and Re-application. A Brand Ambassador may legitimately change organizations by:

4.5.3.1. Voluntarily cancelling his or her Emris Agreement and remaining inactive (i.e., no purchases of Emris products for resale; no sales of Emris products; no sponsoring; and no attendance at any Emris functions, participation in any other form of Brand Ambassador activity, or operation of any other Emris business) for six (6) full calendar months.

Following the six (6) calendar month period of inactivity, the former Brand Ambassador may reapply under a new sponsor. However, the former Brand Ambassador will permanently lose any and all right to their former Brand Ambassador downline organization.

#### 4.6. Unauthorized Claims and Actions

4.6.1. Indemnification. A Brand Ambassador is fully responsible for all of his or her verbal and written statements made regarding Emris products, services, and the Compensation Plan that are not expressly contained in official Emris materials. Brand Ambassadors agree to indemnify Emris and Emris' directors, officers, employees and agents and hold them harmless from any and all liability, including judgments, civil penalties, refunds, attorney fees, court costs or lost business incurred by Emris as a result of the Brand Ambassador's unauthorized representations or actions. This provision shall survive the termination of the Brand Ambassador Agreement.

4.6.2. Income Claims. In their enthusiasm to enroll prospective Brand Ambassadors, some Brand Ambassadors are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of network marketing. This is counterproductive because new Brand Ambassadors may become disappointed very quickly if their results are not as extensive or as rapid as the results others have achieved.

Moreover, the Federal Trade Commission and all states have laws or regulations that regulate or even prohibit certain types of income claims and testimonials made by persons engaged in network marketing. While Brand Ambassadors may believe it beneficial to provide copies of checks, or to disclose the earnings of themselves or others, such approaches have legal consequences that can negatively impact Emris as well as the Brand Ambassador making the claim unless appropriate disclosures required by law are also made contemporaneously with the income claim or earnings representation. Because Brand Ambassadors do not have the data necessary to comply with the legal requirements for making income claims, a Brand Ambassador may NOT make income projections, income claims or disclose his or her Emris income (including the showing of checks, copies of checks, bank statements or tax records).

4.6.3. Health Claims. No Brand Ambassador shall make any unauthorized health claims regarding any product's ability to cure, diagnose, or treat any known illness, affliction, or health condition.

#### 4.7. Conduct at Emris Events

- 4.7.1. No Selling or Recruiting at Emris Events. Selling and recruiting at Emris events is not permitted. These activities take away from the primary focus of the event and can negatively reflect on the professional image of Emris as a company. You may, however, offer a business card and/or catalog.
- 4.7.2. No Selling or Recruiting for other Companies at Emris Events. Emris Brand Ambassadors shall not sell any products or recruit for any business during Emris events. This restriction most specifically applies to sales and recruitment efforts for any other direct sales or marketing program, regardless of the product category, including those that do not compete with Emris' product line.

#### 4.8. Conflicts of Interest

- 4.8.1. Non-compete Policy. Emris Brand Ambassadors are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively "network marketing"), with the exception of those products in the same generic category as an Emris product that is deemed to be competing. Once a Brand Ambassador reaches the rank of Director, they will no longer be permitted to participate in any other competing Direct Selling company.
- 4.8.2. Brand Ambassadors may not display Emris products with any other products or services in a fashion that might in any way confuse or mislead a prospective customer, merchant or Brand Ambassador into believing there is a relationship between the Emris and non-Emris products or services.
- 4.8.3. Non-solicitation. During the term of this Agreement, Brand Ambassadors may not recruit other Emris Brand Ambassadors or Merchants or customers for any other network marketing business. Following the cancellation of this Agreement, and for a period of one year thereafter, a former Brand Ambassador may not recruit any Emris Brand Ambassador or customer for another network marketing business, with the exception of a Brand Ambassador who is personally sponsored by the former Brand Ambassador. The Brand Ambassadors and Emris 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, the Brand Ambassadors and Emris agree that this non-solicitation provision shall apply to all markets in which Emris conducts business.

The term "recruit" means actual or attempted solicitation, enrollment, encouragement or effort to influence in any other way, either directly or through a third party, another Emris Brand Ambassador or customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity. This conduct constitutes recruiting even if the Brand Ambassador's actions are in response to an inquiry made by another Brand Ambassador or customer.

- 4.8.4. Downline Activity (Genealogy) Reports. Downline Activity Reports made available for Brand Ambassador access and viewing at Emris' official website, are considered

confidential. Brand Ambassador access to their Downline Activity Reports is password protected. All Downline Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets belonging to Emris. Downline Activity Reports are provided to Brand Ambassadors in the strictest of confidence and are made available to Brand Ambassadors for the sole purpose of assisting Brand Ambassadors in working with their respective Downline Organizations in the development of their Emris business. Brand Ambassadors should use their Downline Activity Reports to assist, motivate and train their Downline Brand Ambassadors. The Brand Ambassador and Emris agree that, but for this agreement of confidentiality and nondisclosure, Emris would not provide Downline Activity Reports to the Brand Ambassador. A Brand Ambassador shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- Directly or indirectly disclose any information contained in any Downline Activity Report to any third party;
- Directly or indirectly disclose the password or other access code to his or her Downline Activity Report;
- Use the information to compete with Emris or for any purpose other than promoting his or her Emris business;
- Recruit or solicit any Brand Ambassador or Customer of Emris listed on any report or in any manner attempt to influence or induce any Brand Ambassador or customer of Emris to alter their business relationship with Emris;
- Use or disclose to any person, partnership, association, corporation or other entity any information contained in any Downline Activity Report.
- Upon demand by the Company, any current or former Brand Ambassador will return the original and all copies of Downline Activity Reports to the Company.

During the term of the Emris Brand Agreement and for a period of five (5) years after your termination or the Agreement's expiration, you shall not:

- Use the information in the Downline Activity Reports to compete with Emris or for any purpose other than promoting his or her Emris business;
- Use or disclose to any person or entity any confidential information contained in the Downline Activity Reports, including the replication of the genealogy in another network marketing company.

4.9. Restrictions on the Disclosure of Account Information. This policy is to ensure that all Customers and Brand Ambassadors understand and adhere to the basic principles of confidentiality. Emris will not share non-public personal information or financial information about current or former Customers or Brand Ambassadors with third parties, except as permitted or required by laws and regulations, court orders, or to serve the Customers' or Brand Ambassadors' interests or to enforce its rights or obligations under these Policies, the Brand Ambassador Agreement, or with written permission from the account holder on file.

- 4.10. Detrimental Conduct. A Brand Ambassador must not engage in conduct that is detrimental, disruptive, or injurious to Emris or other Brand Ambassadors.
- 4.11. Cross-Sponsoring. Actual or attempted cross-sponsoring is strictly prohibited. “Cross-sponsoring” is defined as the enrollment of an or entity that already has a current Customer, Merchant or Brand Ambassador Agreement on file with Emris, or who has had such an agreement within the preceding 6 calendar months, within a different line of sponsorship. The use of a spouse or relative’s name, trade names, assumed names or fictitious ID numbers to circumvent this policy is prohibited. Brand Ambassadors shall not demean, discredit or defame other Emris Brand Ambassadors in an attempt to entice another Brand Ambassador to become part of the first Brand Ambassador’s marketing organization. If a prohibited organization transfer occurs, Emris shall take disciplinary action against the Brand Ambassador(s) who engaged, acquiesced and/or knowingly participated in the improper cross-sponsoring. However, it shall be entirely within Emris’ discretion where in the genealogical structure, the cross-sponsored organization in question shall be placed or otherwise distributed.

Because equities often exist in favor of both upline organizations, Brand Ambassadors WAIVE ANY AND ALL CLAIMS AND CAUSES OF ACTION AGAINST THE COMPANY FOR ITS DECISION REGARDING THE FINAL DISPOSITION OR PLACEMENT OF THE CROSSSPONSORED ORGANIZATION.

- 4.12. Errors or Questions. If a Brand Ambassador has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports, or charges, the Brand Ambassador must notify the Brand Ambassador Support Department at Emris’ headquarters in Tampa, Florida, in writing, within 15 days of the date of the purported error or incident in question. Emris will not be responsible for any errors, omissions or problems not reported to the Company within 15 days.
- 4.13. Sales Aids To promote both the products and services, and the tremendous opportunity that Emris offers, Brand Ambassadors must use the sales aids and support materials produced by Emris. The rationale behind this requirement is simple. Emris has carefully designed its products, product labels, Compensation Plan and promotional materials to ensure that each aspect of how Emris represents itself is fair, truthful, substantiated, and complies with the vast and complex legal requirements of federal and state laws. If Emris Brand Ambassadors were allowed to develop their own sales aids, clothing, brochures and other promotional materials, notwithstanding their integrity and good intentions, the likelihood that they would unintentionally violate any number of statutes or regulations affecting an Emris business is almost certain. These violations, although they may be relatively few in number, would jeopardize the Emris business opportunity for all Brand Ambassadors.

Accordingly, Brand Ambassadors must submit all written sales aids, lead generation systems, promotional materials, advertisements, and other literature to the Emris for approval to [compliance@emrisinternational.com](mailto:compliance@emrisinternational.com). Unless the Brand Ambassador receives specific written approval to use such tools, sales aids, materials, the request shall be deemed denied. Independently produced websites are not permitted unless approved by Emris FIRST.

Emris shall not permit Brand Ambassadors to sell sales aids, training, marketing materials, to other Emris Brand Ambassadors. Therefore, Brand Ambassadors who receive written authorization from Emris to produce their own sales tools may not sell those materials to any other

Emris Brand Ambassador. Brand Ambassadors may make approved material available to other Brand Ambassadors free of charge if they wish. Brand Ambassador are prohibited from reproducing or copying written documents or marketing materials, films or sound recordings identical or deceptively similar to any materials produced by Emris.

Emris further reserves the right to rescind approval for any sales tools, promotional materials, advertisements, or other literature, and Brand Ambassadors waive all claims for damages or remuneration arising from or relating to such rescission.”

4.14. Labels, Packaging, and Displaying Products. A Brand Ambassador may not re-label, re-package, refill, or alter labels of any Emris product, or service, information, materials or program(s) in any way. Emris products and services must only be sold in their original containers from Emris. Such re-labeling or re-packaging violates federal and state laws, which may result in criminal or civil penalties or liability.

4.14.1. You agree to make no representations or claims about any products beyond those shown on product labels and/or in official Emris literature.

4.14.2. A Emris Brand Ambassador shall not cause any Emris product or service or any Emris trade name to be sold or displayed in retail establishments.

4.14.3. Emris will permit Brand Ambassadors to solicit and make Commercial Sales upon prior written approval from Emris. For the purpose of these Policies, the term “Commercial Sale” means the sale of:

4.14.3.1. Emris products that equal or exceed \$5,000 in a single order;

4.14.3.2. Products sold to a third party who intends to resell the products to an end consumer.

4.14.4. A Brand Ambassador may sell Emris products and services and display the Emris trade name at any appropriate display booth (such as trade shows) upon prior written approval from Emris.

4.14.5. Emris reserves the right to refuse authorization to participate at any function that it does not deem a suitable forum for the promotion of its products and services, or the Emris opportunity.

4.15. Use of Company Names and Protected Materials. A Brand Ambassador must safeguard and promote the good reputation of Emris and the products and services it markets. The marketing and promotion of Emris, the Emris opportunity, the Compensation Plan, and Emris products and services will be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct and practices.

4.15.1. All promotional materials supplied or created by Emris must be used in their original form and cannot be changed, amended or altered except with prior written approval from Emris.

4.15.2. The name of Emris, each of its product and service names and other names that have been adopted by Emris in connection with its business are proprietary trade names, trademarks and service marks of Emris. As such, these marks are of great value to Emris and are supplied to Brand Ambassadors for their use only in an expressly authorized manner.

4.15.3. Further procedures relating to the use of the Emris name are as follows:

4.15.3.1. All stationary (i.e., letterhead, envelopes, and business cards) bearing the Emris name or logo intended for use by the Brand Ambassador must be approved in writing by the Emris.

4.15.3.2. Brand Ambassadors may not use the name “Emris” or “Emris Corporate” in answering the telephone, creating a voice message or using an answering service, such as to give the impression to the caller that they have reached the corporate office. They may state, “Brand Ambassador of Emris.”

4.15.4. Certain photos and graphic images used by Emris in its advertising, packaging, and websites are the result of paid contracts with outside vendors that do not extend to Brand Ambassadors. If a Brand Ambassador wants to use these photos or graphic images, they must negotiate individual contracts with the vendors for a fee.

4.15.5. A Brand Ambassador shall not appear on or make use of television or radio, or make use of any other media to promote or discuss Emris or its programs, products or services without prior written permission from the Emris.

4.15.6. A Brand Ambassador may not produce for sale or distribution any Company event or speech, nor may a Brand Ambassador reproduce Emris audio or video clips for sale or for personal use without prior written permission from the Emris.

4.15.7. Emris reserves the right to rescind its prior approval of any sales aid or promotional material to comply with changing laws and regulations and may request the removal from the marketplace of such materials without financial obligation to the affected Brand Ambassador.

4.15.8. A Brand Ambassador shall not promote non- Emris products or services in conjunction with Emris products or services on the same websites, same advertisement, or on shows without prior approval from Emris.

4.16. Governmental Approval or Endorsement. Neither federal nor state regulatory agencies nor officials approve or endorse any direct selling program. Therefore, Brand Ambassadors shall not represent or imply that Emris or its Compensation Plan have been “approved,” “endorsed” or otherwise sanctioned by any government agency.

4.17. Holding Applications or Enrollments. Brand Ambassadors must not manipulate enrollments of new applicants or Merchant enrollments. All Brand Ambassador Applications and Agreements and Service orders must be sent within 72 hours from the time they are signed by a Brand Ambassador or placed by a merchant.

4.18. Identification. All Brand Ambassadors are required to provide their Social Security Number or Federal Tax Identification Number to Emris on the Brand Ambassador Application and Agreement.

Upon enrollment, the Company will provide a unique Brand Ambassador Identification Number to the Brand Ambassador by which he or she will be identified. This number will be used to place orders and track commissions and bonuses.

4.19. Income Taxes. Each Brand Ambassador is responsible for paying local, state and federal taxes on any income generated as a Brand Ambassador. If an Emris business is tax exempt, the Federal Tax Identification Number must be provided to Emris. Every year, Emris will provide IRS Form 1099 (non-employee compensation) earnings statement to each U.S. resident who (a) had earnings of over \$600 in the previous calendar year or (b) made purchases during the previous calendar year in excess of \$5,000 wholesale. Emris cannot accept a tax-exempt certificate from a Brand Ambassador who resides in a state where tax exempt status is not granted for Direct Sales businesses. Brand Ambassadors are encouraged to check with their state government before sending a form to Emris.

4.20. Independent Contractor Status. Brand Ambassadors are independent contractors and are not purchasers of a franchise or a business opportunity. The agreement between Emris and its Brand Ambassadors does not create an employer/employee relationship, agency, partnership or joint venture between the Company and the Brand Ambassador. Brand Ambassadors shall not be treated as an employee for his or her services or for federal or state tax purposes. All Brand Ambassadors are responsible for paying local, state and federal taxes due from all compensation earned as a Brand Ambassador of the Company. The Brand Ambassador has no authority (expressed or implied) to bind the Company to any obligation. Each Brand Ambassador shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the Brand Ambassador Agreement Form, and these Policies and Procedures, and applicable laws. If required by law to declare any Emris representatives be classified as employees, Emris reserves the right to discontinue operating within the jurisdiction making such declaration.

The name of Emris and other names as may be adopted by Emris are proprietary trade names, trademarks and service marks of Emris. As such, these marks are of great value to Emris and are supplied to Brand Ambassadors for their use only in an expressly authorized manner. Use of the Emris name on any item not produced by the Company is prohibited except as follows:

Brand Ambassador's Name

Independent Emris Brand Ambassador

All Brand Ambassadors may list themselves as an "Independent Emris International Brand Ambassador" in the residential telephone directory ("white pages") under their own name. Brand Ambassadors may not place telephone directory display ads in the classified directory ("Yellow Pages") using Emris' name or logo. Brand Ambassadors have no right to use the name "Emris" not in the syntax of "Emris" on any item not produced by the company.

Brand Ambassadors may not answer the telephone by saying "Emris," "Emris Processing," or in any other manner that would lead the caller to believe that he or she has reached the corporate offices of Emris.

Advertising is not limited to print media; it also includes Social Media, internet advertising and other forms of advertising. It is prohibited for a Brand Ambassador to use an internet or email address that utilizes the trade name Emris or includes Emris in a portion of the address. It is also prohibited for a Brand Ambassador to use any website materials that reference or relate to Emris that are not authorized in writing by Emris on a website. It is also prohibited for a Brand Ambassador to place links to unauthorized websites or webpages onto a website or webpage that

has been authorized by Emris. It is also prohibited for a Brand Ambassador to use any website materials on a website that references or relates to Emris that is not authorized in writing by Emris.

#### 4.21. Insurance

4.21.1. Business Pursuits Coverage. You may wish to arrange insurance coverage for your business. Your homeowner's insurance policy may not cover business related injuries or the theft of or damage to your business. Contact your insurance agent to make sure that your business property is protected.

4.22. International Marketing. Because of critical legal product and tax considerations, Emris must limit the marketing and enrollment of Emris services and the presentation of the Emris business to prospective customers, Merchants and Brand Ambassadors located within the 50 United States of America and any other jurisdiction officially opened (South Africa) by Emris Brand Ambassadors are only authorized to do business in the countries in which Emris has announced are open for business in official Company literature.

4.23. Laws and Ordinances. Brand Ambassadors shall comply with all federal, state and local laws and regulations in the conduct of their businesses. Many cities and counties have laws regulating certain home-based businesses. In most cases these ordinances are not applicable to Brand Ambassadors because of the nature of their business. However, Brand Ambassadors must obey those laws that do apply to them. If a city or county official tells a Brand Ambassador that an ordinance applies to him or her, the Brand Ambassador shall comply with the law.

4.24. Minors. Brand Ambassadors shall not enroll or recruit individuals under the age of 18 into the Emris program. The one exception to this is if the minor has been adjudicated as an emancipated minor by a court of competent jurisdiction.

4.25. Actions of Household Members or Brand Ambassador Individuals. If any member of a Brand Ambassador's household, family, or other Brand Ambassador individual engages in any activity that, if performed by the Brand Ambassador, would violate any provision of the Agreement, such activity will be deemed a violation by the Brand Ambassador and Emris may take disciplinary action pursuant to the Statement of Policies against the Brand Ambassador.

An exception to the one-business-per-Brand Ambassador rule will be considered on a case-by-case basis if two Brand Ambassadors marry. Requests for exceptions to this policy must be submitted in writing to the Compliance Department.

4.25.1. Emris Household Restrictions. Individuals of the same family unit may each enter in to or have an interest in their own separate Emris businesses, only if each subsequent family business is placed frontline to the first family member enrolled and is compliant with the Policies and Procedures and Brand Ambassador Agreements. A "family unit" is defined as spouses and dependent children living at or doing business at the same address.

4.26. Legal Status as Brand Ambassador. Some states have recently passed legislation which further limits and identifies the requirements to maintain Independent contractor status. It is

important to know what your states laws are on this subject. Emris will take no action which may subject them to a situation whereby the Representatives shall be considered employees.

4.27. CBD Legality. Many states have specific statutes that are changing rapidly with regard to CBD products, it is important that an Emris Brand Ambassador be familiar with the specific laws regarding CBD (hemp) products in the jurisdiction in which they are selling or importing products.

4.28. Requests for Records. Any request from a Brand Ambassador for copies of invoices, agreements, Downline activity reports or other records/reports will require a fee of \$1.00 per page per copy. This fee covers the expense of mailing and time required to research files and make copies of the records.

4.29. Sale, Transfer or Assignment of Emris Business

4.29.1. Although an Emris business is a privately owned, independently operated business, the sale, transfer or assignment of an Emris business, and the sale, transfer or assignment of an interest in a Business Entity that owns or operates an Emris Brand Ambassador business, is subject to certain limitations. If a Brand Ambassador wishes to sell his or her Emris business, or interest in a Business Entity that owns or operates an Emris business, the following criteria must be met:

- The selling Brand Ambassador must offer Emris the right of first refusal to purchase the business on the same terms as agreed upon with a third-party buyer. Emris shall have fifteen (15) days from the date of receipt of the written offer from the seller to exercise its right of first refusal.
- The buyer or transferee must become a qualified Brand Ambassador. Before the sale, transfer or assignment can be finalized and approved by Emris, any debt obligations the selling party has with Emris must be satisfied.
- The selling party must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer or assign an Emris Brand Ambassador business.

Prior to selling a Business Entity interest, the selling party must notify Emris' Compliance Department in writing and advise of his or her intent to sell Emris' business or Business Entity interest. The selling party must also receive written approval from the Compliance Department before proceeding with the sale.

- The sale is at the discretion of Emris International.

4.30. Separation of an Emris Brand Ambassador Business. In the event of a dissolution of marriage of an Emris Brand Ambassador, and a spouse, arrangements must be made to assure that any division of the business assets is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship. If the separating parties fail to provide for the best interests of other Brand Ambassadors and the Company, Emris may be forced to involuntarily terminate the Brand Ambassador Agreement. Emris will make no arrangements without court approval or direction.

4.30.1. During the pendency of a divorce or dissolution, the Company shall treat the business according to the status quo as existed prior to the filing of the divorce or dissolution. Under no circumstances will the Downline Organization of divorcing spouses be divided. Similarly, under no circumstances will Emris split commission and bonus checks between divorcing spouses. Emris will recognize only one Downline Organization and will issue only one commission check per Emris business per commission cycle. Commission checks shall always be issued to the individual whose name appears on the Brand Ambassador Agreement. Emris will in no case be liable or responsible for any error in payment to either party to the divorce.

4.31. Marketing and Promotion Consistent with Public Interest. The marketing and promotion of Emris, the Emris sales opportunity, the Compensation Plan, and Emris products and services shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

4.32. Sponsoring. All active Brand Ambassadors in good standing have the right to sponsor and enroll others into Emris. Each prospective Brand Ambassador has the ultimate right to choose his or her own sponsor. If two Brand Ambassadors claim to be the sponsor of the same new Brand Ambassador, the Company shall regard the first application received by the Company as controlling. Emris will not allow Brand Ambassadors to engage in unethical sponsoring activities.

Unethical sponsoring activities include, but are not limited to, enticing, bidding or engaging in unhealthy competition in trying to acquire a prospect or new Distributor from another Distributor or influencing another Distributor to transfer to a different sponsor.

4.32.1. Allegations of unethical sponsoring must be reported in writing to Emris within the first 4 business days of enrollment. If the reports are substantiated, Emris may transfer the Distributor or the Distributor's downline to another sponsor, Placement or organization without approval from the current up-line Sponsor or Placement Distributor. Emris remains the final authority in such cases.

Emris prohibits the act of "Stacking." Stacking is the unauthorized manipulation of the Emris compensation system and/or the marketing plan in order to trigger commissions or cause a promotion off a downline Distributor in an unearned manner. One example of stacking occurs when a Sponsor places participants under an inactive downline without his or her knowledge in order to trigger unearned qualification for commissioning. Stacking is unethical and unacceptable behavior, and as such, it is a punishable offense with measures up to and including the termination of the businesses of all individuals and/or entities found to be directly involved.

Should Distributors engage in solicitation and/or enticement of members of another direct sales Emris to sell or distribute Emris products and services to, they bear the risk of being sued by the other direct sales Emris. If any lawsuit, arbitration, or mediation is brought against a Distributor alleging that they engaged in inappropriate recruiting activity of another Emris's sales force or Customers, Emris will not pay any of Distributor's defense costs or legal fees, nor will Emris indemnify the Distributor for any judgment, award, or settlement.

4.33. Telemarketing. The Federal Trade Commission and the Federal Communications Commission each have laws that restrict telemarketing practices.

Both federal agencies (as well as a number of states) have “do not call” regulations as part of their telemarketing laws. While you may not consider yourself a “telemarketer” in the traditional sense of the word, these regulations broadly define the term “telemarketer” and “telemarketing” so that your inadvertent action of calling someone whose telephone number is listed on the federal “do not call” registry could cause you to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties (up to \$11,000.00 per violation).

Therefore, Brand Ambassadors must not engage in telemarketing relative to the operation of their Emris businesses. The term “telemarketing” means the placing of one or more telephone calls to an individual or entity to induce the purchase of an Emris product or service, or to recruit them for the Emris opportunity. “Cold calls” made to prospective customers or Brand Ambassadors that promote either Emris’ products or services or the Emris opportunity constitute telemarketing and are prohibited. However, a telephone call(s) placed to a prospective customer or Brand Ambassador (a “prospect”) is permissible under the following situations:

- If the Brand Ambassador has an established business relationship with the prospect. An “established business relationship” is a relationship between a Brand Ambassador and a prospect based on the prospect’s purchase, rental or lease of goods or services from the Brand Ambassador, or a financial transaction between the prospect and the Brand Ambassador, within the 18 months immediately preceding the date of a telephone call to induce the prospect’s purchase of a product or service.
- The prospect’s personal inquiry or application regarding a product or service offered by the Brand Ambassador within the 3 months immediately preceding the date of such a call.
- If the Brand Ambassador receives written and signed permission from the prospect authorizing the Brand Ambassador to call. The authorization must specify the telephone number(s) that the Brand Ambassador is authorized to call.
- You may call family members, personal friends and acquaintances. An “acquaintance” is someone with whom you have at least a recent first-hand relationship (i.e., you have recently personally met him or her). Bear in mind, however, that if you make a habit of “card collecting” with everyone you meet and subsequently calling them, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if you engage in calling “acquaintances,” you must make such calls on an occasional basis only and not make this a routine practice.

In addition, Brand Ambassadors shall not use automatic telephone dialing systems relative to the operation of their Emris businesses. The term “automatic telephone dialing system” means equipment which has the capacity to (a) store or produce telephone numbers to be called using a random or sequential number generator and (b) to dial such numbers.

4.34. Intellectual Property. Brand Ambassadors may not use the Emris logo or other intellectual property without the written consent of Emris. If a Brand Ambassador wishes to use marketing materials, all requests must be sent to support@emrisinternational.

4.35. Internet and Third Party Website Restrictions. A Brand Ambassador may not use or attempt to register any of Emris's trade names, trademarks, service names, service marks, product names,

URLs, advertising phrases, Emris's name or any derivative thereof, for any purpose including, but not limited to, Internet domain names (URL), third party websites, e-mail addresses, web pages, or blogs.

A Brand Ambassador may not sell Emris products, services or offer the business opportunity using "online auctions," such as eBay®.

All Brand Ambassadors may have one (1) approved website. This is the Brand Ambassador's replicated website ("Replicated Website") hosted by Emris servers. No Brand Ambassador may develop their own third party websites.

Social Media sites may be used to sell or offer to sell Emris products or services. PROFILES A BRAND AMBASSADOR GENERATES IN ANY SOCIAL COMMUNITY WHERE EMRIS IS DISCUSSED OR MENTIONED MUST CLEARLY IDENTIFY THE BRAND AMBASSADOR AS AN EMRIS BRAND AMBASSADOR, and when a Brand Ambassador participates in those communities, they must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. The determination of what is in appropriate is at Emris's sole discretion, and offending Brand Ambassadors will be subject to disciplinary action. Banner ads and images used on these sites must be current and must come from Emris approved library. If a link is provided, it must link to the posting Brand Ambassador's Replicated Website.

Anonymous postings or use of an alias on any Social Media site is prohibited, and offending Brand Ambassadors will be subject to disciplinary action.

Brand Ambassadors may not use blog spam, spamdexing or any other mass-replicated methods to leave blog comments. Comments Brand Ambassadors create or leave must be useful, unique, relevant and specific to the blog's article.

Brand Ambassadors must disclose their full name on all Social Media postings, and conspicuously identify themselves as a Brand Ambassador for Emris. Anonymous postings or use of an alias is prohibited.

Postings that are false, misleading, or deceptive are prohibited. This includes, but is not limited to, false or deceptive postings relating to Emris sales opportunity, Emris's products and services, and/or your biographical information and credentials.

Brand Ambassadors are personally responsible for their postings and all other online activity that relates to Emris. Therefore, even if a Brand Ambassador does not own or operate a blog or Social Media site, if a Brand Ambassador posts to any such site that relates to Emris or which can be traced to Emris, the Brand Ambassador is responsible for the posting. Brand Ambassadors are also responsible for postings which occur on any blog or Social Media site that the Brand Ambassador owns, operates, or controls.

As a Brand Ambassador, it is important to not converse with any person who places a negative post against you, other Brand Ambassadors, or Emris. Report negative posts to Emris Compliance Department. Responding to such negative posts often simply fuels a discussion with someone carrying a grudge that does not hold themselves to the same high standards as Emris, and therefore damages the reputation and goodwill of Emris.

The distinction between a Social Media site and a website may not be clear-cut, because some Social Media sites are particularly robust, Emris therefore reserves the sole and exclusive right to classify certain Social Media sites as third-party websites and require that Brand Ambassadors using, or who wish to use, must get prior permission from Emris.

If your Emris business is cancelled for any reason, you must discontinue using Emris name, and all of Emris's trademarks, trade names, service marks, and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all Social Media sites that you utilize. If you post on any Social Media site on which you have previously identified yourself as a Brand Ambassador of Emris, you must conspicuously disclose that you are no longer a Brand Ambassador.

Failure to comply with these Policies for conducting business online may result in the Brand Ambassador losing their right to advertise and market Emris products, services and Emris's business opportunity online in addition to any other disciplinary action available under these Policies.

- 4.36. Advertising and Promotional Materials. No special enticement advertising is allowed. This includes, but is not limited to, offers of a free Emris business, free shipping, or other such offers that grant advantages beyond those available through Emris.

Advertising and all forms of communications must adhere to principles of honesty and propriety. All advertising, including, but not limited to, print, Internet, computer bulletin boards, television, radio, etc., are subject to prior Emris written approval.

Emris approval is not required to place blind ads that do not mention Emris, its employees, any of its products, services, designs, symbols, programs, and trademarked, copyrighted, or otherwise protected materials.

Emris reserves the right to rescind its prior approval of submitted advertising or promotional materials in order to comply with changing laws and regulations, and may require the removal of such advertisements from the marketplace without obligation to the affected Brand Ambassador.

- 4.37. Testimonial Permission. By signing the Brand Ambassador Agreement, a Brand Ambassador gives Emris permission to use his or her testimonial or image and likeness in corporate sales materials, including but not limited to print media, electronic media, audio and video. In consideration of being allowed to participate in Emris business opportunity, a Brand Ambassador waives any right to be compensated for the use of his or her testimonial or image and likeness even though Emris may be paid for items or sales materials containing such image and likeness. In some cases, a Brand Ambassador's testimonial may appear in another Brand Ambassador's advertising materials. If a Brand Ambassador does not wish to participate in Emris sales and marketing materials, he or she should provide a written notice to Emris to ensure that his or her testimonial or image and likeness will not be used in any corporate materials, corporate recognition pieces, advertising or recordings of annual events.

- 4.38. Succession. Upon the death or incapacity of a Distributor, the Distributor's business may be passed on to his or her legal successors in interest (successor). Whenever an Emris business is transferred by will or other testamentary process, the successor acquires the right to collect all bonuses and commissions of the deceased Distributor's sales organization. The successor must:

(a) Complete and sign a new Emris Brand Ambassador Agreement; (b) comply with the terms and provisions of the Brand Ambassador Agreement; and (c) meet all of the qualifications for the last rank achieved by the former Distributor.

## **SECTION 5. RESPONSIBILITIES OF BRAND AMBASSADORS**

5.1. Change of Address or Telephone. To ensure timely delivery of products, support materials and commission checks, it is critically important that Emris' files are current. Brand Ambassadors planning to move should mail Emris corporate office, at [compliance@emrisinternational.com](mailto:compliance@emrisinternational.com) their new address and telephone numbers. In the alternative, Brand Ambassador may email Emris at customer service email provided on website. To guarantee proper delivery, two-weeks advance notice to Emris is recommended on all changes. A Customer or Brand Ambassador may be assessed a \$10 fee for returned shipments due to an incorrect shipping address.

### 5.2. Continuing Development Obligations

5.2.1. Ongoing Training. Any Brand Ambassador who sponsors another Brand Ambassador into Emris must perform a bona fide assistance and training function to ensure that his or her Downline is properly operating his or her Emris business. Brand Ambassadors must have ongoing contact and communication with the Brand Ambassadors in their Downline Organizations. Examples of such contact and communication may include, but are not limited to, newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail and the accompaniment of Downline Brand Ambassadors to Emris meetings, training sessions, and other functions. Upline Brand Ambassadors are also responsible to motivate and train new Brand Ambassadors in Emris product knowledge, effective sales techniques, the Emris Compensation Plan and compliance with Company Policies and Procedures. Communication with and the training of Downline Brand Ambassadors must not, however, violate Section 4.2 (regarding the development of Brand Ambassador-produced sales aids and promotional materials). Brand Ambassadors cannot charge for training.

Upon request, every Brand Ambassador should be able to provide documented evidence to Emris of his or her ongoing fulfillment of the responsibilities of a sponsor.

5.2.2. Increased Training Responsibilities. As Brand Ambassadors progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge and understanding of the Emris program. They will be called upon to share this knowledge with lesser-experienced Brand Ambassadors within their organization.

5.2.3. Ongoing Sales Responsibilities. Regardless of their level of achievement, Brand Ambassadors have an ongoing obligation to continue to personally promote sales through the generation of new customers or merchants and through servicing their existing customers or merchants.

5.3. Non-disparagement. Emris wants to provide its Brand Ambassadors 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 the Emris corporate offices. While Emris welcomes constructive input, negative comments and remarks made in the field by Brand Ambassadors about the Company, its products or Compensation Plan serve no purpose other than to sour the enthusiasm of other Emris Brand Ambassadors. For this reason, and to set

the proper example for their Downline, Brand Ambassadors must not disparage, demean or make negative remarks about Emris, other Emris Brand Ambassadors, Emris' services, the Compensation Plan or Emris' directors, officers or employees.

- 5.4. Providing Documentation to Applicants. Brand Ambassadors must provide the most current version of the Policies and Procedures and the Compensation Plan to individuals whom they are sponsoring to become Brand Ambassadors before the applicant signs a Brand Ambassador Agreement. Additional copies of Policies and Procedures can be found on the Emris website at [www.emrisinternational.com/](http://www.emrisinternational.com/).
- 5.5. Monitoring of Downline. A Sponsoring Brand Ambassador should monitor the Brand Ambassadors in his or her downline organizations to ensure that downline Brand Ambassadors do not make improper product or business claims, or engage in any illegal or inappropriate conduct.
- 5.6. Reporting Policy Violations. Brand Ambassadors observing a policy violation by another Brand Ambassador should submit a written report of the violation directly to the attention of the Emris Compliance Department at [compliance@Emrisinternational.com](mailto:compliance@Emrisinternational.com). Details of the incident(s), such as dates, number of occurrences, persons involved and any supporting documentation, should be included in the report. Once the matter has been presented to Emris, it will be researched thoroughly and appropriate action will be taken if required.
  - 5.6.1. This section refers to the general reporting of policy violations as observed by other Brand Ambassadors for the mutual effort to support, protect, and defend the integrity of Emris sales opportunity. If a Brand Ambassador has a grievance or complaint against another Brand Ambassador which directly relates to his or her Emris business, the procedures set forth in these Policies must be followed.

## **SECTION 6. SALES REQUIREMENTS**

- 6.1. Product Sales. The Emris Compensation Plan is based upon the sale of Emris products and services to end user consumers. Brand Ambassadors must fulfill personal and Downline organization sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions and advancement to higher levels of achievement.
- 6.2. Retail Sales. Emris wants to ensure that prices for its products and services are not destabilized when sold through a retailing environment. Therefore, Products sold in a retail environment will be subject to a minimum advertised retail price. The minimum advertised price of Emris' products is listed on the Emris website. Any Brand Ambassador who knowingly fails to honor the minimum price set by Emris for its products and services will be subject to termination.

Brand Ambassadors shall only be permitted to sell Emris products in an appointment-based business, but not in any stores. Brand Ambassadors shall not sell Emris products through websites including Amazon, eBay, Facebook, or any other online platform.
- 6.3. Territory Restrictions. There are no exclusive territories granted to anyone. No franchise fees are required.

- 6.4. Influence on Other Brand Ambassadors' Purchases. Emris encourages its Brand Ambassadors to only purchase inventory that they will personally consume, will be used as a sales tool, or will be resold. Brand Ambassadors must never attempt to influence any other Brand Ambassador to buy more products than they can reasonably use or retail to Customers in a month.
- 6.5. Incentives. Brand Ambassadors may create small incentives to increase word of mouth sales. Incentives may only incorporate a \$25.00 maximum value (excluding Emris VIP Memberships) and must not be a competing product.

## **SECTION 7. BONUSES AND COMMISSIONS**

- 7.1. Bonus and Commission Qualifications. A Brand Ambassador must be active and in compliance with the Agreement and these policies to qualify for bonuses and commissions. So long as a Brand Ambassador complies with the terms of the Agreement and these policies, Emris shall pay commissions to such Brand Ambassador in accordance with the Compensation Plan. Payment of commissions beginning two weeks in arrears. The minimum amount for which Emris will issue a commission payment is \$25.00.
- 7.2. Commission Payments and Promotions
- 7.2.1. Payments, Calculations, and Bonuses. Commissions will be mailed out in accordance with the Compensation Plan. Commissions will be calculated according to the level for which a Brand Ambassador actually satisfied all of the requirements according to the Compensation Plan rather than the highest rank or title achieved. Commission reports will be provided to Brand Ambassadors on-line, via web access.
- 7.2.2. Promotions. Promotions are determined based on business organization and sales activity for each applicable period.
- 7.3. Adjustment to Bonuses and Commissions
- 7.3.1. Adjustments for Returned Products. Brand Ambassadors receive bonuses and commissions based on the actual enrollment for services to merchants. When a service is cancelled and refund is authorized by the Company, the bonuses and commissions attributable to the refunded service(s) will be deducted in the month in which the refund is given, and continuing every pay period thereafter until the commission is recovered from the Brand Ambassadors who received bonuses and commissions on the sales of the refunded service(s).
- 7.4. Unclaimed Commissions and Credits
- 7.4.1. Brand Ambassadors must deposit or cash commission and bonus checks within six months from their date of issuance. A check that remains uncashed after six months will be void. There shall be a \$50.00 charge for reissuing a check. These charges shall be deducted from the balance owed to the Brand Ambassador.
- 7.5. Reports. All information provided by Emris in online or telephonic Downline Activity Reports, including but not limited to personal and group sales volume (or any part thereof), and Downline sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors, including the inherent possibility of human and mechanical error; the accuracy, completeness and

timeliness of orders; denial of credit card and electronic check payments; returned products; and credit card and electronic check charge-backs, the information is not guaranteed by Emris or any persons creating or transmitting the information. All personal and group sales volume information is provided “as is” without warranties, expressed or implied, or representations of any kind whatsoever. In particular, but without limitation, there shall be no warranties of merchantability, fitness for a particular use or non-infringement.

To the fullest extent permissible under applicable law, Emris and/or other persons creating or transmitting the information will in no event be liable to any Brand Ambassador or anyone else for any direct, indirect, consequential, incidental, special or punitive damages that arise out of the use of or access to personal and group sales volume information (including but not limited to lost profits, bonuses, or commissions, loss of opportunity and damages that may result from inaccuracy, incompleteness, inconvenience, delay or loss of the use of the information), even if Emris or other persons creating or transmitting the information shall have been advised of the possibility of such damages. To the fullest extent permitted by law, Emris or other persons creating or transmitting the information shall have no responsibility or liability to you or anyone else under any tort, contract, negligence, strict liability, products liability or other theory with respect to any subject matter of this agreement or terms and conditions related thereto.

Access to and use of Emris’ online reporting services and your reliance upon such information is at your own risk. All such information is provided to you “as is.” If you are dissatisfied with the accuracy or quality of the information, your sole and exclusive remedy is to discontinue use of and access to Emris’ online reporting services and your reliance upon the information.

## **SECTION 8. RETURNS AND SALES AIDS REPURCHASE**

- 8.1. Retail Sales. Personal service and retail sales to the customer are the foundation of Emris. The entire commission structure is based upon volume of retail sales referred by the individual Brand Ambassador as well as their entire organization.
- 8.2. Voluntary Cancellation of Contract. Requests by an Emris Brand Ambassador to return their sales aids for a refund will be treated as a request to voluntarily cancel that Brand Ambassador business. If a Brand Ambassador wishes to return sales aids purchased within the last 3-month period, the Company shall repurchase the sales aids and the Brand Ambassador’s Agreement shall be canceled. A Brand Ambassador may only return sales aids purchased by him or her that are in new and resalable condition.

Upon receipt of the sales aids, the Brand Ambassador will be reimbursed 90% of the cost of the original purchase price(s), not to include shipping and handling charges. If the purchases were made through a credit card, the refund will be credited back to the same account.

- Brand Ambassador must inform the company of intent to exercise the sales aid buy-back option within 10 business days of resignation notice.
- All products to be returned for refund under this provision must be approved in advance of shipment to Emris, by calling the Customer Service Department.
- Brand Ambassador will be asked to submit invoices detailing the sales aid items to be returned.

- Upon approval from the company, returns may be sent to the company's headquarters and must be accompanied by an invoice copy for each item.
  - The return of \$500 or more of products accompanied by a request for a refund within thirty (30) calendar days by a Brand Ambassador may constitute grounds for involuntary termination.
- 8.3. Montana Residents. A Montana resident may cancel his or her Brand Ambassador Agreement within 15 days from the date of enrollment and may receive a full refund within such time period for good and resalable sales aids or trainings that have not been attended.

## **SECTION 9. DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS**

9.1. Disciplinary Sanctions. Violation of the Agreement, these Policies and Procedures or any illegal, fraudulent, deceptive or unethical business conduct by a Brand Ambassador may result, at Emris' discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition;
- Requiring the Brand Ambassador to take immediate corrective measures;
- Imposition of a fine, which may be withheld from bonus and commission checks;
- Loss of rights to one or more bonus and commission checks;
- The withholding from a Brand Ambassador of all or part of the Brand Ambassador's bonuses and commissions during the period that Emris is investigating any conduct allegedly in violation of the Agreement. If a Brand Ambassador's business is canceled for disciplinary reasons, the Brand Ambassador will not be entitled to recover any commissions withheld during the investigation period;
- Suspension of the individual's Brand Ambassador Agreement for one or more pay periods;
- Involuntary termination of the offender's Brand Ambassador Agreement;
- Any other measure expressly allowed within any provision of the Agreement or that Emris deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Brand Ambassador's policy violation or contractual breach; or
- In situations deemed appropriate by Emris, the Company may institute legal proceedings for monetary and/or equitable relief.

9.2. Grievances and Complaints. When a Brand Ambassador has a grievance or complaint with another Brand Ambassador regarding any practice or conduct in relationship to their respective Emris businesses, the complaining Brand Ambassador 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 cannot be resolved, it must be reported in writing to the Company. The

Company will review the facts and determine if a policy violation has occurred and take appropriate action.

- 9.3. Arbitration. Any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association or other recognized arbitration service, under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Brand Ambassadors waive all rights to trial by jury or to any court. All arbitration proceedings shall be held in the County of Hillsborough, State of Florida, unless the laws of the state in which a Brand Ambassador resides expressly require the application of its laws, in which case the arbitration shall be held in the capital of that state. All parties shall be entitled to all discovery rights pursuant to the Federal Rules of Civil Procedure. There shall be one arbitrator, an attorney at law, who shall have expertise in business law transactions, with a strong preference being an attorney knowledgeable in the direct selling industry, selected from the panel that the American Arbitration Panel provides. The prevailing party shall be entitled to receive from the losing party, OR each party to the arbitration shall be responsible for its own, costs and expenses of arbitration, including legal and filing fees. 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 arbitration shall survive any termination or expiration of the Agreement.

Nothing in these Policies and Procedures shall prevent Emris 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 Emris' interest prior to, during or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

**NO CLASS ACTION, OR OTHER REPRESENTATIVE ACTION OR PRIVATE ATTORNEY GENERAL ACTION OR JOINDER OR CONSOLIDATION OF ANY CLAIM WITH A CLAIM OF ANOTHER PERSON OR CLASS OF CLAIMANTS SHALL BE ALLOWABLE.**

- 9.4. Governing Law, Jurisdiction and Venue. Jurisdiction and venue of any matter not subject to arbitration shall reside in Hillsborough County, State of Florida. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of Florida shall govern all other matters relating to or arising from the Agreement.

- 9.4.1. Louisiana Residents. Notwithstanding the foregoing, Louisiana residents may bring an action against the Company with jurisdiction and venue as provided by Louisiana law.

## **SECTION 10. INACTIVITY AND CANCELLATION**

- 10.1. Effect of Cancellation. So long as a Brand Ambassador remains active and complies with the terms of the Brand Ambassador Agreement and these Policies and Procedures, Emris shall pay commissions to such Brand Ambassador in accordance with the Compensation Plan. A Brand Ambassador's bonuses and commissions constitute the entire consideration for the Brand Ambassador's efforts in generating sales and all activities related to generating sales (including building a Downline Organization). Following a Brand Ambassador's termination for inactivity, or voluntary or involuntary termination of his or her Brand Ambassador Agreement (all of these methods are collectively referred to as "termination"), the former Brand Ambassador shall have

no right, title, claim or interest to the marketing organization that he or she operated, or any commission or bonus from the sales generated by the organization. A Brand Ambassador whose business is terminated will lose all rights as a Brand Ambassador. This includes the right to sell Emris products and services and the right to receive future commissions, bonuses or other income resulting from the sales and other activities of the Brand Ambassador's former Downline sales organization. In the event of termination, Brand Ambassadors agree to waive all rights they may have, including but not limited to property rights, to their former Downline organization and to any bonuses, commissions or other remuneration derived from the sales and other activities of his or her former Downline organization.

Following a Brand Ambassador's termination of his or her Brand Ambassador Agreement, the former Brand Ambassador shall not hold himself or herself out as an Emris Brand Ambassador. A Brand Ambassador whose Brand Ambassador Agreement is terminated shall receive commissions and bonuses only for the last full pay period he or she was active prior to cancellation (less any amounts withheld during an investigation preceding an involuntary termination).

10.2. Involuntary Termination. Emris reserves the right to terminate a Brand Ambassador's business for, but not limited to, the following reasons: (a) violation of any terms or conditions of the Brand Ambassador Agreement; (b) violation of any provision in these Policies; (c) violation of any provision in the Compensation Plan; (d) violation of any applicable law, ordinance, or regulation regarding the Emris business; or (e) engaging in unethical business practices or violating standards of fair dealing.

10.2.1. Emris will notify the Brand Ambassador via email at his or her last known email address of its intent to terminate the Brand Ambassador's business and the reasons for termination.

10.2.2. After notice of termination, a Brand Ambassador may appeal the termination, but Emris can ignore such appeal and proceed with termination in its sole and absolute discretion.

10.2.3. If the termination is not rescinded, the termination will be effective as of the date of the original termination notice by Emris. The former Brand Ambassador shall thereafter be prohibited from using the names, marks or signs, labels, stationery, advertising, or business material referring to or relating to any Emris products or services. Emris will notify the active Upline Sponsor within ten (10) days after termination. The organization of the terminated Brand Ambassador will "roll up" to the active Upline Sponsor on record.

10.2.4. The Emris Brand Ambassador who is involuntarily terminated by Emris may not reapply for a business, either under his or her present name or any other name or entity, without the express written consent of an officer of Emris following a review by Emris. In any event, such Brand Ambassador may not re-apply for a business for twelve (12) months from the date of termination.

10.3. Voluntary Termination A Brand Ambassador may immediately terminate his or her business by submitting a written notice or email to Emris. The written notice must include the following: (a) the Brand Ambassador's intent to resign; (b) date of resignation; (c) Emris Identification Number; (d) reason for resigning; and (e) Signature.

10.3.1. A Brand Ambassador may not use resignation as a way to immediately change Sponsor and Placement. Instead, the Brand Ambassador who has voluntarily resigned is not eligible

to reapply for a business or have any financial interest in a or any COMPANY business for six (6) months from the receipt of the written notice of resignation.

10.4. Non-Renewal. A Brand Ambassador may also voluntarily cancel his or her Brand Ambassador Agreement by failing to maintain the Agreement annually. The Company may also elect not to renew a Brand Ambassador's Agreement.

10.5. Complete Agreement. These Policies and Procedures, any and all modifications made by the Company, along with the Terms and Conditions and the Compensation Plan make up the entire agreement between Brand Ambassador and Company.