



IBO Policies and Procedures

Section 1- Business Introduction

Business waiver -----1
 1.1- **Business Expectation** -----1
 1.2- **Recruiting another IBO** -----1
 1.3- **Ethical standards** -----1

Section 2 - Operating Your Empowerment Business -----2

2.1- **Starting as an Independent Business Owner (IBO)** -----2
 2.2- **Partnerships, Corporations or other legal entities** -----2
 2.2.1- **Participation in multiple positions** -----2
 2.2.2- **Split positions** -----2
 2.3- **Transfer or selling an IBO position** -----2
 2.3.1- **Death of IBO** -----2
 2.4- **IBO renewal** -----3
 2.4.1- **Change of address** -----3
 2.5- **Resignation of IBO position** -----3
 2.5.1- **Termination of IBO position by Empowerment** -----3
 2.6- **Building and supporting IBO sales team as Enroller** -----3
 2.6.1- **Enroller** -----3
 2.6.2- **Selecting Enroller** -----3
 2.6.3- **Enrolling spouse or family member** -----4
 2.6.4- **Changing Enroller** -----4
 2.6.5- **Responsibility of Enroller/ downline support and communication** -----4
 2.7- **Cross Line contact, communication or cross company solicitation** -----4
 2.7.1 - **Prospect IBO Non Inducement Waiver** -----4
 2.8- **Representing Empowerment opportunity and/or related products and services** -----5
 2.9- **Retail sales** -----5
 2.9.1- **PCI Laws and processing customer information** -----5
 2.9.2- **Reseller – Wholesaler waivers** -----5
 2.10- **Income & Benefit Claims** -----6
 2.10.1- **Testimonials** -----6
 2.11- **Downline communication and genealogy reports** -----6
 2.11.1- **Communication transmission to downline** -----6

Section 3 – Marketing, Advertisement & Promoting -----6

3.1- **General advertisement, trademarks and logos** -----6
 3.1.1- **Yellow Pages** -----6
 3.1.2- **Visual or audio media - Television, cable, satellite or radio (Mass Media)** -----6
 3.1.3- **Print or news papers** -----6
 3.1.4- **Mailings** -----7
 3.1.5- **Internet emails (spamming) or faxing** -----7
 3.1.6- **Do not call list** -----7
 3.1.7- **IBO websites, domains and emails** -----7
 3.1.8- **Sample advertisement** -----7
 3.2- **Marketing materials** -----7
 3.2.1- **Brochures, slicks or flyers** -----8
 3.2.2- **Business cards** -----8
 3.2.3- **Travel business materials** -----8
 3.2.4- **IBO self-promoting sales aids, marketing tools or training materials** -----8
 3.3- **Tradeshows** -----8
 3.3.1- **Selecting a tradeshow** -----8
 3.3.2- **Tradeshow State and Local Sale Tax** -----8

3.3.3- Tradeshow registration and approval process	8
3.4- Media inquiries including radio, press, television or mass media	9
3.5- Empowerment public events and meetings	9
3.5.1- IBO sponsored events	9
3.5.2- Event registrant	9
3.5.3- IBO event fees and door charges	9
3.5.4- Collecting prospect, guest or IBO data at events	9
3.5.5- Cross prospecting at any public event	10
3.5.6- IBO sponsored private events	10
Section 4 - Compensation Plan and Earnings	10
4.1- Empowerment Flex Marketing compensation plan	10
4.1.1- IBO “Fast Start” bonus	10
4.1.2- Dual Team center step bonuses	10
4.1.3- Dual Team bonus 80% cap rule	11
4.1.4- Dual Team bonus stored volume rule	11
4.1.5- Dual Team step carryover	11
4.1.6- Qualifier month	11
4.1.7- Active IBO and qualification for bonuses	11
4.1.8- IBO end consumer purchase, payment processing and returns	11
4.1.9- Commission and bonus charge backs	11
4.2- Payment of commissions and bonuses	12
4.2.1- Commission and bonuses payment method	12
4.3- Income tax responsibility	12
4.4- IBO, industry sector product and service purchases	12
4.5- IBO collecting money	12
Section 5 - Legal Waivers	12
5.1- Waiver	12
5.2- Sanctions and enforcement actions	12
5.3- Actions by household member or Co-applicant	12
5.4- Grievance and complaints	12
5.5- Dispute Resolution	13
5.5.1- Governing law	13
5.6- Invalidity of any paragraph	13

- Empowerment policies and procedures can be modified at any time with IBO notification issued via email or mail
- Latest version 1/5/14

Empowerment IBO Policies and Procedures

Section 1- Business Introduction

Business waiver

Those contracting to become an Independent Business Owner (IBO) must meet certain criteria prior to an IBO application being approved for activation. All applicants must be at least 18 years of age to enter into IBO agreement. Applicant must then complete an official **Empowerment Independent Business Owner (IBO)** Application and Agreement which must include the applicants social security number (or EIN/Federal ID number with Company name) and digital signature agreeing to all Empowerment IBO policies and procedures, terms and conditions and refund policy. Once the application is complete, it must be submitted on line or can be mail to **Empowerment** home office. The entire **Empowerment** application process can be completed online with verification of authenticity verified through internet IP address and digital signature. **Empowerment** reserves the right to accept or reject anyone as an Independent Business Owner.

These Policies and Procedures, in their present form, and as amended, at the sole discretion of **Empowerment Flex Marketing LLC DBA Empowerment** (hereinafter referred to as “**Empowerment**”) are incorporated into, and form an integral part of, the **Empowerment** IBO Agreement. Throughout these Policies, when the term “Agreement” is used, it collectively refers to the **Empowerment** Independent Business Owner Application and Agreement, the Terms and Conditions of the Agreement, these Policies and Procedures and the **Empowerment Flex Marketing Compensation Plan**. It is the responsibility of an IBO to read, understand, adhere to, and ensure that he or she is aware of and operating under the most current version of these documents. When enrolling a new IBO, it is the responsibility of the Enroller IBO to provide the most current version of these Policies and Procedures and the **Empowerment Flex Marketing Compensation Plan** to the applicant prior to his or her execution of the **Empowerment** IBO application and Agreement. **Empowerment** compliance department will occasionally contact a new IBO and ask certain questions about how the IBO was prospected into the business, if the prospect was given a copy of **Empowerment** policies, if the prospect was given an overview of the **Empowerment** compensation system, if the prospect was influenced to join based on false information or income expectations and/or other questions to monitor IBO recruiting methods. In the event any IBO is found to violate any **Empowerment** or other vendors policies when recruiting another IBO will result in **Empowerment** compliance investigation that could result in suspension or termination and forfeiture of outstanding commissions or other compensation.

1.1- Business Expectation

Empowerment highly recommends that prior to making any decision to start any business that the prospect conduct due diligence about the company, products, compensation plan and the people you will work with. In order to succeed in any opportunity you will need to treat any business as a business that will require effort to achieve results. When starting any business you must be willing to devote consistent time, be willing to learn and make every effort to follow the system developed by the company. The **Empowerment** opportunity to contract as an IBO is NOT an opportunity to “get rich quick” or achieve success by “doing nothing” or does **Empowerment** offer any financial incentive for the process of recruiting another IBO. **Empowerment** offers an IBO a legitimate opportunity to make as little or as much income related to results generated from an individual’s work ethic and actual products and services sold as a result of personal retail sales or organizational product sales volume with NO compensation related to any part of this business opportunity or IBO training systems or marketing and sales aids.

1.2 – Recruiting another IBO

The **Empowerment** compensation system does not allow anyone to earn income from recruiting another IBO into the **Empowerment** business. Anyone that makes any statement or suggests that income is paid by recruiting another IBO could result in suspension or termination as such activity is illegal and against **Empowerment** policy and regulatory laws. **Empowerment** issues retail commissions for selling products and services offered through **Empowerment** industry sectors. **Empowerment** offers management and override commissions based on products and or service sales generated through an IBO organization based on **Empowerment** flex marketing compensation plan. **Empowerment** requires that in order for an IBO to earn any bonus the IBO will be required to maintain certain personal sales volume that includes acquiring end consumers known as customers that are not participating with **Empowerment** as an IBO.

1.3 - Ethical standards

Empowerment IBO can be suspended or terminated based on activity that is deemed by **Empowerment** compliance department to be unethical or unprofessional while representing them self as an IBO during any **Empowerment** event while selling industry sector products or recruiting another IBO. Even though the line between aggressive professional marketing efforts and unethical behavior and harassment can be vague, **Empowerment** compliance department will intercede by investigating any formal complaint from another IBO or customer or vendor that provides **Empowerment** documentation, in writing, about behavior or other action that caused harm. This includes but not limited to; sexual harassment, religious or racial related inflammatory language, providing false information, over selling, exploiting any persons financial situation, promising things to a prospect or customer and the promise or expectation was not delivered, spreading false rumors, defaming **Empowerment** or its’ officers, defaming any up-lines or cross-line IBO, inappropriate activities with other married IBO, damaging any **Empowerment** vendors’

products/services or reputation or any other actions or behavior at any **Empowerment** event deemed inappropriate. **Empowerment** reserves the right to use its sole judgment in deciding whether certain IBO activities are inappropriate and, if determined to be so, to act accordingly. Such behavior may result in termination or suspension and forfeiture of commissions or bonuses.

Section 2 - Operating Your Empowerment Business

2.1 - Starting as an Independent Business Owner (IBO)

An IBO is required to complete the IBO application and agreement and agree to **Empowerment** policies and procedures, terms and conditions, refund policy and compensation plan prior to entering into the **Empowerment** IBO agreement. An IBO is required to pay **Empowerment** related IBO upfront set up fees and monthly maintenance fee to remain active. The IBO is not required to purchase any other products, services or materials to stay active as an IBO and can earn “retail” commissions with no other requirements. An IBO is however, required to generate certain amount of personal sales volume to earn from organizational income. An IBO personal qualification or organizational bonuses requires that the IBO maintain 100 or 200 personal sales volume (based on rank) with 50% generated from end consumer (Non-IBO) purchases. The IBO can qualify with 100% of personal volume for 1st calendar month to help IBO initiate qualification. An IBO can qualify for organizational bonuses and advancement through the **Empowerment** flex marketing compensation plan based on accumulation of personal retail sales and no organizational volume but the IBO cannot purchase inventory for advancement or other bonuses until inventory is sold with receipts provided to company to prove products were sold to end consumer or third party non IBO business. Inventory of any industry sector product or service can be reordered after 70% of initial inventory is sold or distributed with proof of sales documented in IBO back office. **Empowerment** does not issue commissions for the purchase of **Empowerment** IBO position or the purchase of any IBO related business materials or sales aids.

2.2 – Partnerships, Corporations or other legal entities:

An IBO can contract with **Empowerment** as a corporation, partnership, trust, or other legal entity that is associated with an EIN and business name. It will be the responsible of the responsible party to submit related documents to **Empowerment** corporate office within 10 business days of the date of the activation process. Documents can be certified mailed to **Empowerment** corporate office or faxed to **Empowerment** compliance department. An IBO must complete the IBO business name formation document found on the IBO registration page of an IBO website. An IBO may change its status under the same Enroller IBO from individual to another legal entity by competing related “IBO position name change” and submitted to **Empowerment** with required documentation and if required notarized.

2.2.1.- Participation in multiple positions:

An IBO can only participate in any one position using the same social security or EIN number or business name. An IBO can participate in more than one position based on the IBO having a different business name and EIN with the position structured below the original Enroller IBO unless otherwise approved in writing from the Enroller and Company

2.2.2. – Split positions:

Any IBO position can be set up as a business to include multiple partnership or multiple individuals. In such a case the group will be required to activate the IBO position with an individual or business name with required IBO payment. Once the IBO position is activated then the responsible IBO can complete the “IBO group partnership” form and submit the form along with required notarized signatures of all participants back to **Empowerment** within 10 business days and \$100 processing fee. Once approved **Empowerment** will enter each partner into the payment system to allow the single IBO spot to issue separate payments per the percentage payment agreement. Each IBO position can have up to 10 partners with **Empowerment** issuing payment to each individual partner based on the percentage agreement. Any changes to the payout percentage must be processed by the group leader submitting a “change of IBO position percentage” form with all participants proving notarized signature and reflected in an operational agreement. Any IBO group position will require submission of contracts, operating agreement and other incorporation documents to **Empowerment** prior to any commissions being issued. It is the sole discretion of **Empowerment** to waive any part of this policy based on the circumstances.

2.3- Transfer or selling an IBO position

IBO are at liberty to sell or assign their business to any third party entity that is not already an IBO of **Empowerment**. The sale or assignment of any IBO position is subject to the approval of **Empowerment** prior to the sale or assignment along with responsible IBO completing and submitting a “Sale or transfer” form along with \$100 processing fee. The approval is necessary in order to protect the integrity of **Empowerment** organization and to insure that fair value is being offered for the sale of each transfer. **Empowerment** reserves all rights to accept or reject any agreements of sale or transfer based on qualifications of purchaser, misrepresentation by seller, or any further issues that may arise resulting in potential detriment to **Empowerment**.

2.3.1 – Death of IBO

Upon the death of an IBO their business will remain active, maintain rank and continue his/her rights to commissions owed. It will be the responsibility for the IBO to set up legal documents related to “willing” the position and named party that will be in-charge of the position or heir in the event of death. **Empowerment** will acknowledge that the Co-Applicant on the IBO application will take over full responsibility with the Co-applicant providing a copy of the death certificate of the primary IBO with any other legal notice. Once **Empowerment** receives a certified copy of the death certificate and or any other legal document **Empowerment** will change the co-applicant to primary status or per the terms of any legal document. In the event an IBO position has no co-applicant **Empowerment** will notify the estate or responsible party to determine if the business will continue and edit any new ownership at no fee. Any IBO position can be inherited based on proper legal documentation. In the event no party claims the right to continue the IBO business 90 calendar days after **Empowerment** completed the notified process to an heir or responsible party then **Empowerment** will place the position on hold until **Empowerment** exhaust all avenues to find someone to determine the fate of the business. If no party is located or **Empowerment** is not notified within 120 days after the death of an IBO then that position will be terminated and the related organization will compress to next up-line Enroller.

2.4 – IBO renewal

Every IBO must maintain their IBO position by paying certain monthly business support fees and agree to any updated policies and procedures. Any update to any **Empowerment** policies and procedures, terms and conditions are considered agreed to by an IBO maintaining the monthly IBO fee. There are no annual renewal fees and the IBO can terminate their IBO position at any time based on policy 2.5 Any IBO that does not maintain their monthly IBO maintenance fee will result in that IBO position to be suspended for up to two calendar months with all volume held until a determination by **Empowerment** as to future status. If **Empowerment** deems that related position will not reactivate the **Empowerment** can terminate that position and any remaining downline organization will compress up to the next qualified Enroller. Once the position is terminated there will be no right for reinstatement and that IBO will be required to start over in another position.

2.4.1 – Change of address

IBO must report any change of address by correcting such information on their IBO back office in a timely manner or call **Empowerment** to make any changes over the phone based on security protocol. **Empowerment** will not be responsible for any items shipped by **Empowerment** to improper addresses as a result of an IBO failure to update or provide accurate information.

2.5 – Resignation of IBO position

IBO has the right to terminate their agreement at any time and for any reason based on IBO submitting a notarized letter to **Empowerment** compliance department or by phone call to **Empowerment** customer service department based on security protocols. Upon resignation, all rights to commissions, position, and wholesale purchases cease and any further purchases must be completed from another IBO website and at retail. The IBO position will no longer be entitled to advertise, sell, or promote **Empowerment** products or services or marketing the opportunity. The former IBO personally Enrolled downline shall be transferred to his/her Enroller or next qualified Enroller position upline and not sideline. All other roll-up of downline shall be at the sole discretion of **Empowerment**. Resigning IBO is not eligible to be enrolled as an IBO again for a period of three (3) calendar months following the date of resignation starting at Associate.

2.5.1 – Termination of IBO position by Empowerment

Empowerment reserves the right to terminate any IBO position at any time, or suspend said IBO and related position for a probationary period, when it is determined that the IBO has violated the provisions of the IBO Agreement, including the provisions of these Policies and Procedures as they now exist or may be amended, or the provisions of applicable laws and standards of fair dealing. Upon such a termination, **Empowerment** compliance shall notify the IBO at the latest address listed with **Empowerment**. Any such termination notice shall be deemed effective and received upon the date of certified mailing. The terminated IBO agrees to immediately cease representing himself/herself as an IBO, and will not be allowed to ever return to the position of IBO with **Empowerment** where applicable state law on termination of an IBO is inconsistent with **Empowerment** policy, such state law termination procedures shall be in force. If the IBO wishes to appeal the termination, **Empowerment** compliance must receive the appeal, in writing either online through their back office or via email (with confirmation receipt), within fifteen (15) calendar days from the date of mailing of **Empowerment** termination letter. If the appeal is not received within the 15 day period, the termination will be automatically deemed final. If the IBO files a timely appeal of termination, **Empowerment** will review and reconsider the termination, consider any other appropriate action and notify the IBO of its decision. The decision of **Empowerment** will be final and subject to no further review. In the event that the termination is not rescinded, the termination will be effective as of the date of **Empowerment** original termination notice. Upon termination of an IBO position, all rights to commissions, position, and wholesale purchase rights cease. The terminated IBO will not be eligible for future enrollment.

2.6 – Building and supporting IBO sales team as Enroller

IBO, once accepted by **Empowerment**, has the right to enroll other **Empowerment IBO** anywhere within the United States or any country where **Empowerment** is open for business. An IBO may retail **Empowerment** product/services anywhere in the United States or in certain products and services in certain foreign countries that are approved by **Empowerment**. An IBO cannot Enroll another IBO in a foreign country unless **Empowerment** is authorized to conduct such business. In the event an IBO Enrolls and or sells products and or services in any foreign country where **Empowerment** is not authorized could result in suspension and or termination. All countries open for **Empowerment** business will be announced by **Empowerment** and listed on **Empowerment** corporate website. .

2.6.1 – Enroller

An IBO is required to contract with **Empowerment** through another **Empowerment IBO** with that IBO known as “Enroller”. Any prospective IBO that contacts the company direct may be place with another IBO as Enroller based on the sole discretion of **Empowerment**. **Empowerment** will conduct research on each prospect in order to identify how the prospect found **Empowerment**. In the event the prospective IBO offers false information related to how they learned about **Empowerment** then **Empowerment** can terminate that IBO with that IBO not eligible to rejoin for another 6 (six) months. Once the IBO is approved by **Empowerment** and issued an IBO team builder and business support website, that IBO will have the right to enroll other potential IBO resulting in the development of a sales organization.

2.6.2 – Selecting Enroller

Every individual, or legal business entity has the absolute right to choose his/her/its own Enroller when they initially sign-up as an IBO with **Empowerment**. If there are two Independent Business Owners that claim to be the Enroller of the same prospective IBO **Empowerment** shall acknowledge the first application received online or at **Empowerment** corporate headquarters. In the event of a dispute related to Enrollment, the final decision on disputed Enrollment shall be at the sole discretion of **Empowerment**. **Empowerment** requires that each IBO conduct business with honor and integrity with each IBO soliciting their own prospect base and not to steal another IBO prospect that had previously received materials or recently attended an **Empowerment** event or were referred direct to **Empowerment** corporate office or **Empowerment** officer or employee. **Empowerment** would expect that the IBO that referred any new prospect would have reasonable rights to Enroll that individual without fear of cross Enrollment. All such activity will be reviewed by **Empowerment** compliance department.

2.6.3 – Enrolling spouse or family member

Individuals whom are married may each have their own IBO position that must be in the organization of the original spouse Enroller. Under no circumstances may a married couple (prior to participation with **Empowerment**) be enrolled in different organizational lines. The spouse must be enrolled by the spouse and can be placed in the Binary. Any attempts at dual-line enrollment could result in suspension while **Empowerment** compliance department conducts an investigation. If this policy is violated the violator will be terminated from **Empowerment** with no further recourse. Dual Enrollment shall be defined as any attempt to have an ownership interest in more than one organizational line in the case of married couples or multiple business lines but also having an Enroller that request the investigation. Dual line enrollment will ultimately be based on the discretion of **Empowerment** compliance department and case by case.

2.6.4 – Changing Enroller

Empowerment prohibits any transferring from one Enroller to another. The integrity of the entire network organization is based on the strength of the structure within the network. The allowance of transfers from one Enroller to another can only lead to strife and animosity. In the event that an IBO can no longer work with his or her original Enroller, then an IBO will only be allowed to transfer Enroller lines by way of written resignation, submitted to **Empowerment** compliance department. Once resignation is accepted, the IBO requesting change of Enroller may then choose to resign their position and rejoin with another Enroller six (6) calendar months later. *IMPORTANT:* IBO who choose to resign and return will not be allowed to transfer their downline or qualified position or rank with them. Any organization remaining will compress to next active Enroller.

2.6.5. – Responsibility of Enroller/ downline support and communication

Once an IBO enrolls another IBO, the Enroller has the obligation to make an effort to offer assistance with training and support related to Flex Marketing compensation plan, IBO website, IBO back office functionality, industry sector products and services or general **Empowerment** related business activities. The Enroller is not to act like a boss or supervisor but only offer support, assistance, mentoring, answering business related questions that would be deemed relevant to the new IBO getting started. The objective for any IBO should become independent as soon as possible. In the event the new IBO is self-sufficient and does not require any help from their Enroller then Enroller shall honor the wishes of the Enrolled IBO.

IBO should not become dependent on their Enroller and respect their Enroller abilities, time and resources. The success of any IBO is solely based on the efforts of the individual and not the Enroller. At no time should either party request or solicit loans or help financing any part of their business as any such transaction is the responsibility of each party with **Empowerment** held harmless for any financial loss or investment or other activity that an IBO would participate with their Enroller or any other IBO.

In the event any Enroller or IBO solicits money for any reason should be cause for concern and report such solicitation to **Empowerment** compliance for review and possible intervention.

In the event Enroller cannot offer IBO assistance or Enroller is limited in knowledge to offer assistance then the Enroller will direct the new IBO to up-line leader or direct to **Empowerment** for assistance. IBO should have reasonable contact with their personally Enrolled IBO if the new IBO agrees to receive communications, and such assistance. This includes, but not limited to: written correspondence, telephone contact, email contact (if available), newsletters, personal meetings, training sessions, sharing personal information with those enrolled, and accompanying individuals to **Empowerment** corporate events. The new IBO can pass their personal Enrollers' communications to their personal enrolled IBO and so on. If a downline IBO receives communications from their personal Enroller or other up-line Enrollers that is perceived as information detrimental to their personal IBO organization then that IBO has a right to not pass on such information. This is to prohibit any up-line IBO affecting any other IBO business or organization. In the event such a conflict occurs then the IBO that is blocking up-line communication will forward the communications to **Empowerment** compliance department with a written explanation so **Empowerment** can determine future correspondence policy related to that organization.

2.7- Cross Line contact, communication or cross company solicitation

Empowerment encourages any IBO to correspond or communicate with another IBO in other lines of business related to **Empowerment** business to support every IBO as everyone should work together. The exchange of phone numbers, emails or other information is not restricted unless such solicitation is used to recruit any **Empowerment** IBO into another business opportunity or any conflicting product or service or investment. This includes selling any IBO other products and or services from third party companies that are not authorized by **Empowerment**. Any violation of this policy will result in suspension and or termination and the violating IBO will be responsible for damages to **Empowerment** including legal fees and or other losses.

An IBO has the right to participate in any other business ventures or marketing opportunities (collectively "network marketing"). However, during the term of this Agreement, IBOs may not directly or indirectly recruit other **Empowerment** IBOs or Customers for any other network marketing or similar business or any other business ventures or investments. Following the cancellation of an IBO's Agreement, and for a period of twelve calendar months thereafter, with the exception of an IBO who is personally Enrolled by the former IBO, a former IBO may not recruit any **Empowerment** IBO or Customer for another network marketing business, business venture or investment opportunity. IBOs and **Empowerment** agree that this non-solicitation provision shall apply to all markets in which **Empowerment** conducts business.

The term "Recruit" means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another **Empowerment** IBO or Customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity, business venture or investment.

2.7.1 - Prospect IBO Non Inducement Waiver

IBO soliciting another prospective IBO that is an active employee or independent sales representative for another company will complete the Non-Inducement waiver prior to activating an IBO position with **Empowerment**. IBO agrees not to directly solicit anyone from any company they had any association for past 6 months. IBO or prospective IBO will not slander or defame another individual or company or company owners of any competing company. IBO will not use any social media outlet to conduct attacks or comparison of any other company or individual by name. Violation can result in suspension, termination or financial damages resulting from litigation. IBO will hold harmless and indemnify from any civil action taken by any third party company or individual as a result of IBO actions that are found to be liable for slander, defamation or any other cause.

2.8 - Representing Empowerment opportunity and/or related products and services

Independent Business Owners are independent contractors, fully responsible for their own business procedures and are not to be considered purchasers of a franchise or employees of **Empowerment Flex Marketing LLC (DBA Empowerment)** or any of its vendors, suppliers or contractors. The agreement is between **Empowerment Flex Marketing LLC (DBA Empowerment)** and its Independent Consultants does not create an employer/employee relationship, agency, partnership or joint venture between **Empowerment Flex Marketing LLC (DBA Empowerment)** and the IBO.

IBO must not represent themselves in any way, orally or in writing, as being an agent or employee of **Empowerment**. IBO has no authority to bind **Empowerment** to any obligations. Each IBO shall hold **Empowerment** harmless for any claims; damages or liabilities arising out of the IBO own business practice. **Empowerment** will take aggressive action to insure that an IBO that violate this policy will be terminated and reported to the proper authorities. All IBOs are responsible for any expenses which result from their business operations, including, but not limited to, advertising, taxes, fees, legal costs and shipping expenses. **Empowerment** does not accept collect telephone calls.

IBO may not use the **Empowerment** or any related product or service brands name on any written forms or documents (e.g. stationery, bank accounts, and business signs) without stating "Independent Contractor" and prior written approval by **Empowerment** compliance. IBOs are further prohibited from using the name, logo, trade name, or likeness, in any domain

name, blog, chat room, social network (ie MySpace, facebook, twitter...), online auction site, or other online forum. Any such use could resort in suspension and or termination based on **Empowerment** compliance review.

2.9 – **Retail sales**

All **Empowerment** related products and or services are to be sold to an end consumer/customer (non IBO) at prices listed by **Empowerment** on related industry sector retail websites. Retail sales are the foundation of **Empowerment** business and mandatory part of the **Empowerment** compensation plan. The entire **Empowerment Flex** commission structure is based upon sales volume generated from the sale of end consumer related products and services and well as products consumed by IBO organization.

Empowerment products or services may only be sold by contracted **Empowerment** Independent Business Owners. IBOs may sell only to retail customers for personal use, not for resale to other consumers unless pre-approved by **Empowerment**. An IBO will not accept IBO registration fees and or retail product fees direct with all purchases proceed on line to assure the completion of the order.

IBO retail sales will completed on their company approved IBO industry sector reseller website with all purchases tracked via their IBO ID number.

2.9.1 **PCI Laws and processing customer information**

Empowerment will process all funds via credit card or debit card transactions based on PCI compliance laws. At no time is an IBO to take or retain any credit card or personal information direct from any prospective IBO or end consumer for any reason unless the IBO is authorized as an approved wholesaler. Each individual prospective IBO or end consumer must complete their related purchase on their own and preferably from their own computer or mobile device. In the event **Empowerment** determines that any IBO wrote down or took credit card information, personal information such as; social security or EIN information or date of birth or any other identifying information for use outside of this **Empowerment** policy will result in civil and or criminal action plus immediate termination based on **Empowerment** discretion and facts surrounding the incident.

2.9.2 **Reseller – Wholesaler waivers**

Empowerment will offer the opportunity for an IBO to submit an application for approval as a reseller where the IBO must submit the “Business Reseller application” form that will require that the party submitting the application and \$100 application fee be the responsible party to that IBO position with the following requirements prior to approval to purchase **Empowerment** related products at wholesale cost with the intent to resell. This option is available to the IBO that wishes to process funds direct from the customer from their own website, store front, tradeshow or home events.

Requirements:

- Must have a business name and EIN number
- Must have tax exempt license (IBO responsible for all related sales tax)
- Must have appropriate business license
- Must retain all retail sales receipts in order to re-order additional inventory (70% of prior inventory purchase must be sold prior to new order). **Empowerment** compliance department can request copies of receipts, customer contact information (email and or phone) to assure IBO has sold product to legitimate end consumers and that accurate records are maintained. The request for records could also include request for proof of sales tax payments to related state and local governments.
- Proof of merchant processing or plan for processing sales
- Reseller website approval

An IBO that is advancing in the “Flex Marketing” compensation plan though the reseller program must provide receipts to advance in the compensation ranking. An IBO cannot advance in rank by only purchasing inventory and any sales volume generated will only have rank advancement after proof of retail receipts have been submitted in the IBO back office “IBO personal sales volume advancement documentation” section.

2.10 – **Income or benefit claims**

IBO will not express in any form (verbal or written or electronic or published) misleading, false or fraudulent representations about the earnings potential related to **Empowerment** “Flex marketing” compensation plan or benefits related to any **Empowerment** industry sectors and related products or services. IBO will not display any sort of commission check documentation related to what IBO earned in an attempt to induce any prospect to participate with **Empowerment** as an IBO based on income claims.

Any income or benefit claims made by any IBO that is not directly supported by **Empowerment** corporate website or company income disclosure documents may be grounds for immediate suspension or termination of all rights and privileges of IBO as well as the offending IBO responsible for **Empowerment** damages related to regulator fines, attorney fees or any other expenses incurred result of violation of this policy. IBO will not use income claims or display **Empowerment** checks at any public **Empowerment** related event due to inducement regulations.

2.10.1 – **Testimonials**

An IBO can offer public testimonials based upon personal experience but cannot offer any third party testimonial on behalf of another IBO or customer. This includes but is limited to income or product result testimonials. **Empowerment** policy requires that an IBO not talk about anything that does not reflect their personal experience or result. **Empowerment** will make available certain support materials that will document accurate IBO and customer testimonials and success stories that are verified by **Empowerment**. Any IBO can submit testimonials to **Empowerment** marketing department for use in company approved marketing campaigns or materials.

2.11 – **Downline communication and genealogy reports**

IBO will have access to personal and downline organizational reports for purposes to manage daily business and communicate with their organization based on the parameters of this downline communication policy. IBO agrees that any downline and genealogy report and or any other related contact information of any **Empowerment** IBO is proprietary to **Empowerment** and confidential to both **Empowerment** and the individual IBO. IBO agrees that he/she will not disclose such information to any third party directly or indirectly, nor use the information to solicit or compete with **Empowerment** directly or indirectly with any other opportunity or product or service outside **Empowerment** approved industry sectors and related products and services. IBO and **Empowerment** agree that, but for this agreement of confidentiality and nondisclosure, **Empowerment** would not provide access to related organization or downline information to IBO. In the event IBO resigns, sells or is terminated from the **Empowerment** business all downline and genealogy reports will never be used for any other program or resold to any third party company or individual. In the event IBO uses the downline or genealogy report information outside **Empowerment** related business IBO will be held liable for damages including attorney fees.

2.11.1 – **Communication transmission to downline**

IBO will have the ability to communicate with their downline organization related to **Empowerment** business based on their rank and Enrollment lineage. When an IBO Enrolls another IBO the Enroller may send emails to their Enrolled IBO with that email message disseminating throughout the organization unless IBO has achieved certain rank and has been approved for complete downline communication privilege. Once an IBO achieves Regional Director that IBO will have the right to stop dissemination of upline emails or if any upline emails effect the downline IBO business the IBO that is being effected can request that their upline IBO stop sending emails or messages due to documented cause. In the event upline IBO does not respect the request effected IBO, the effected IBO can submit a request to compliance department for review and intervention. IBO will not send any message or email downline that would be deemed defamatory or negative as any such transition will be cause for immediate suspension and or termination.

Section 3 – Marketing, Advertisement & Promoting

3.1- **General advertisement, trademarks and logos**

Because an IBO is an independent contractor, he/she may promote their business in any legal and ethical manner, but all advertisement must be approved by **Empowerment** compliance department in written format faxed or email and such advertisement cannot be conducted until IBO has received letter (via email) of approval. IBO may not use the **Empowerment** or any of its industry sector businesses corporate name, logo or trademark without written permission. Any advertisement which utilizes the name, logo or trademarks must be approved in writing by **Empowerment** compliance prior to any advertisement. Any advertisement must state that the individual placing the ad is an “Independent Contractor”. IBO is prohibited from answering the phone in any manner that would give callers reason to believe that they have reached the corporate offices of **Empowerment**. Any violation of this policy could lead to suspension and or termination of IBO business, rights and privileges.

3.1.1 – **Yellow Pages**

IBO can advertise at their personal expense with no expectation of reimbursement from **Empowerment** or any uplines. Any reference to **Empowerment**, any industry sector or vendor must be pre-approved and if approved IBO must add in all approved print “Independent Consultant for (your city)”. It is against this policy to use the terms “Corporate” or “Company” to eliminate any reference to any prospect that IBO advertisement will initiate contact directly with **Empowerment** Corporate.

3.1.2 – **Visual or audio media - Television, cable, satellite or radio (Mass Media)**

IBO cannot participate with any mass media exposure or interviews related to **Empowerment** opportunity, any industry sector products, and services or represent any related vendor products and or services. Any potential opportunity to participate with media exposure will require **Empowerment** public relations and media department to evaluate the potential of such exposure and participate with any scripting. Violation can result in suspension or termination.

3.1.3 – **Print or news papers**

IBO can advertise at their own expense with all advertisement pre-approved though **Empowerment** marketing or compliance department. Any print that relates to any **Empowerment** industry sectors or vendors and suppliers must be pre-approved. If approved all advertisement must have “Independent Contractor” in the campaign.

3.1.4 – **Mailings**

All mailings initiated by any IBO must be pre-approved by **Empowerment** marketing or **Empowerment** compliance department.

3.1.5 – **Internet emails (spamming) or faxing**

Except as provided in this section, IBO may not use or transmit unsolicited faxes, mass e-mail distribution, unsolicited e-mail, or “spamming” relative to the operation and marketing of their **Empowerment IBO** businesses or industry sector business. The terms “unsolicited faxes” and “unsolicited email” mean the transmission via telephone facsimile or electronic mail, respectively, of any material or information advertising or promoting **Empowerment**, its products, its compensation plan or any other aspect of **Empowerment** which is transmitted to any person, except that these terms do not include a fax or email: (a) to any person with that person’s prior expressed invitation, or permission ; (b) to any person who has personally requested information online anywhere within the product and business registration field; or (c) to any person with whom the IBO has an established business or personal relationship. This shall be a no tolerance policy and any violation may lead to immediate termination as well as legal action for any damages incurred by company as a result of such Spamming or unsolicited faxing. It is the intention of **Empowerment** to insure the integrity of **Empowerment** or industry sector brands name and reputation for all IBOs’, and as such we will not allow it to be damaged by Spamming and Unsolicited faxing by any individual.

Please be advised that there are no acceptable disclaimers that will relieve an IBO of their responsibility under this section. **Empowerment** does not recommend the purchase or use of “lead lists” or “opt-in” email addresses unless provided or approved by **Empowerment**. Use of such lists will put your IBO business at risk of termination if any complaints are received due to problems with the list being out of date, poor quality, or improperly gathered. Any use of such lists is at the sole risk of IBO and hold **Empowerment** harmless.

Any form of emails must have “opt out” message at the end of your email. Check your IBO back office in the section called “marketing” for such approved message.

3.1.6 – **Do not call list**

If an IBO telephones any prospect or potential customer regarding the **Empowerment** opportunity and or any industry sector related products or services, IBO will take full responsibility to assure that each phone number has been cleared to receive solicitation. Prior to the phone call, IBO must access the Federal Government “Do Not Call List” enter the prospect phone number into the data base to confirm the phone number is not listed. In the event an IBO contacts anyone on the Federal “Do Not Call List” and the violation is reported to the Government and IBO is found in violation, the IBO could be responsible for regulatory fines up to \$10,000 per complaint. In the event IBO is fined and **Empowerment** is fined as a result of IBO violation then ICBO will be responsible for any fine incurred by **Empowerment** plus related legal fees. **Empowerment** stresses to every IBO to maintain documentation that proves any prospect agreed to receive information via telephone to learn more about **Empowerment** opportunity products or services.

3.1.7 – **IBO websites, domains and emails**

If IBO desires to utilize an Internet web page to promote his or her business, he or she may do so through prior approval through **Empowerment** marketing and compliance department. An IBO can activate and subscribe to use the **Empowerment “About You”** web builder in conjunction with **Empowerment** IBO website and related industry sector marketing websites as the official web site to market **Empowerment** opportunity, products and services. Alternatively, IBO may develop their own web pages; however, any IBO who does so: (a) must use link to **Empowerment** related IBO marketing website or related industry sector retail websites with any other text, graphics, pictures or any reference to anything associated with **Empowerment** must be pre-approved by **Empowerment** marketing department (b) may not supplement the content of his or her website with text from any source other than **Empowerment**. Any IBO who develops or publish their own web sites must register their site(s) and domain with **Empowerment** marketing department if the website is developed outside the **Empowerment** “about you” web builder technology.

IBO may not use or attempt to register any of **Empowerment** trade names, trademarks, service names, service marks, logos, product names, **Empowerment** name, industry sector brands or any derivative thereof, for any Internet domain name. Nor may IBO incorporate or attempt to incorporate any of **Empowerment** or industry sector brands trade names, trademarks, service names, service marks, logos, product names, **Empowerment** vendors name, or any derivative thereof, into any electronic mail address.

3.1.8 – **Sample advertisement**

Empowerment will provide sample advertisement for newspapers and other media to market certain products, services and the **Empowerment** opportunity in the IBO back office in the marketing section. Any sample advertisement made available by **Empowerment** is pre-authorized for use in whole but if the sample advertisement is changed in any way that edited version must be approved by **Empowerment** compliance department.

3.2 - **Marketing materials**

Empowerment will make available certain marketing materials that can be purchased from **Empowerment** for personal use. **Empowerment** does not offer commissions or any other incentives on and marketing materials. **Empowerment** does not require any IBO to inventory any pre-approved marketing materials and such materials should only be purchased when IBO is going to distribute for marketing purposes. IBO will not resell marketing materials to any other IBO for more than the prices listed by **Empowerment**. All marketing materials distributed by IBO must have “Independent Contractor” displayed as sticker or written along with IBO contact information. If an IBO distributes any marketing materials related to travel the **Empowerment** partner travel agency state seller of travel ID number must be printed on all travel offers in California and Florida.

3.2.1 - **Brochures, slicks or flyers**

Empowerment will make available in IBO back office company approved sales aids and marketing materials that are preapproved as to content and logos. Materials created or produced by IBO may NOT be created or resold to any other IBO, unless such materials are submitted to the company and preapproved in writing by **Empowerment** marketing and compliance department.

3.2.2 – **Business cards**

Empowerment provides pre-approved business cards that can be purchased by any IBO in the **Empowerment** IBO back office. An IBO can create personal business cards if approved in writing by **Empowerment** marketing and or compliance department. IBO must have “Independent Consultant” on any business card representing **Empowerment** or any related industry sectors.

3.2.3 – **Travel business materials**

All travel related materials can be purchased through **Empowerment** and or travel provider. Any materials created by IBO must have pre-approval in writing by **Empowerment** marketing and or compliance department.

3.2.4 – **IBO self-promoting sales aids, marketing tools or training materials**

Empowerment requires that any sales aids, marketing materials, promotional materials or training products produced by IBO, no matter of rank, must submit all materials to **Empowerment** marketing department to be reviewed for approval. IBO cannot make it mandatory or place undue pressure on their own downline or cross downline to buy or subscribe to any such material. In the event IBO is approved to sell any such materials IBO will not sell any materials in bulk and only for personal consumption and provide receipt and refund opportunity. IBO will be required to submit request in writing and based on the material and relevance to organization benefit **Empowerment** will have first right of refusal to offer at the company level for resell and issue IBO royalty on related materials or training promoted by **Empowerment**. Solicitation to any **Empowerment** IBO or end consumer without pre-approval can result in suspension or termination.

3.3 - **Tradeshows**

Empowerment encourages IBO's to participate with certain tradeshows to promote **Empowerment** opportunity or industry sectors related products, services. An IBO should conduct a tradeshow with a team of no more than 4 qualified persons working a 10 x 10 booth and no more the 8 persons when working a 10 x 20 booth. **Empowerment** requires all participants to access the **Empowerment** tradeshow training and registration section found in the **Empowerment** IBO back office in the section “Tradeshows”. An IBO that registers and participates at any tradeshow will NOT represent themselves as an employee or agent of **Empowerment** or any of its industry sectors or related vendors or suppliers. All expenses of tradeshow will be the responsibility of the IBO with IBO indemnifying **Empowerment** from any liabilities, results or financial cost.

Empowerment will make available pre-approved tradeshow booths for sale in the **Empowerment** IBO back office. If IBO wishes to develop their own tradeshow booth then all booth components must be approved in writing by **Empowerment** marketing department. **Empowerment** will not be responsible for any fees related to an IBO initiated tradeshow. IBO can advise **Empowerment** marketing department of any tradeshow that **Empowerment** might have an interest to sponsor but will only on case by case basis with no expectation that **Empowerment** will in fact participate. In the event **Empowerment** does sponsor and pay for any tradeshow then that show will be open to all lines of any organization selected by **Empowerment** until all spots are filled. **Empowerment** may charge per person fee per tradeshow to cover related cost with agreement made between IBO's and **Empowerment** held harmless for such an agreement or financial loss.

3.3.1 – **Selecting a tradeshow**

IBO selecting any tradeshow should have good knowledge of **Empowerment** opportunity and related industry sector products and or services prior to registering. Any tradeshow selected should have a demographic or theme related to of the type of products, services and or the opportunity presented by **Empowerment**. It is advised not to participate with any tradeshow that is related to country fair, shows that have free entry to the consume, home and garden shows or shows that do not related to anything **Empowerment** represents.

3.3.2. – **Tradeshow State and Local Sale Tax**

IBO will be responsible for local and state taxes where any tradeshow is conducted with Empowerment held harmless for any unpaid taxes. It is the responsibility of IBO to know all tradeshow rules and policies. Most products sold at any tradeshow will require collecting state and or local sales tax with those funds immediately submitted to government. **KNOW THE LOCAL AND STATE LAWS!**

3.3.3 – Tradeshow registration and approval process

Empowerment requires that IBO interested in registering any tradeshow to represent **Empowerment** opportunity, or any related industry sectors or related products, services or vendors must be pre-approved by **Empowerment** events department by the requesting IBO completing a “Tradeshow’ request form found in the IBO back office in the tradeshow section. This approval process is required to guarantee that only one **Empowerment** booth is promoted at any one event as **Empowerment** will not allow multiple booths at any one event unless pre-approved by all parties and **Empowerment**.

It is up to the lead IBO (highest rank) to submit the tradeshow request form to **Empowerment** events department in advance notice and once approved the tradeshow information and IBO information will be placed in the IBO back office. The lead IBO will assure that all participants will have read the **Empowerment** tradeshow policies and procedures for conducting tradeshows along with the related training and exam. Any IBO that does not register their **Empowerment** related tradeshow and confirm each participant has completed the related training and exam could be suspended from conducting future tradeshows including all participants.

The rule for which IBO will have the right to register any tradeshow will be based on the date **Empowerment** events department receives the original request. All other applications will be pending based on confirming all requirements are fulfilled. Once all requirements are fulfilled that tradeshow will be closed and listed on the tradeshow calendar with the leader contact information displayed for possible request from other organizations to participate. **Empowerment** encourages that all IBO work together no matter what organization and if there is another organization that has an interest to participate both organizations can work to develop a larger booth and share the cost. You never have too many people working a booth as the attendance of any tradeshow can result in the thousands with enough prospects to go around.

3.4 – Media inquiries including radio, press, television or mass media

IBO’s must not solicit or engage or to respond to media inquiries or interviews regarding **Empowerment** opportunity or industry sectors, or any related products or services or partner vendors or suppliers. Media inquiries will be liberally construed and determined at the sole discretion of **Empowerment** media and public relations department. All inquiries by any media source must be immediately referred to **Empowerment** officer, employee or highest ranking IBO at time or place of event. This policy is designed to assure that accurate and consistent information is provided to the media and public.

3.5 – Empowerment public events and meetings

Empowerment Board of advisors, corporate officers, executives and or related vendors will occasionally invite IBO’s and their prospects to corporate sponsored events in different market places where **Empowerment** business is being conducted to support IBO’s and their business. Any **Empowerment** or IBO sponsored event is never mandatory to attend nor should any IBO place themselves in a negative financial position to attend any **Empowerment** or IBO event. All said events may require admittance fees to cover cost related to event expenses including TrainCations that are discounted vacations that include a full day of training related to IBO business, industry sector products and services and other topics deemed relevant by **Empowerment**.

At no time can any IBO sell or re-sell any admittance to any **Empowerment** event for a higher value or pre-purchase in bulk for discount pricing to resell for profit. **Empowerment** will conduct “Showcase”, “Regional”, “Annual Conference”, and “TrainCations” and or training related events that will require admittance fees. At no time will IBO expect free admittance, waived fees or reimbursement for travel or any related expense or for **Empowerment** or another third party IBO to pay any expenses for another IBO to any event or based on a high ranking IBO participating at another IBO sponsored event.

3.5.1 – IBO sponsored events (Public) –

IBO that achieves Director status or above and has been certified by **Empowerment** training department can host any public **Empowerment** related business presentation and or training. When IBO schedules any event, qualified IBO must register the event on the **Empowerment** events schedule system and receive approval from **Empowerment** training department. Once approved, IBO can market the event and charge related fees to cover all related expenses plus 15% mark up for profits. All IBO sponsored and **Empowerment** corporate sponsored events will be posted in the **Empowerment** IBO back office and promoted by IBO and or **Empowerment**. All IBO sponsored events that are public and listed on the **Empowerment** schedule must be open to all IBO and related guest with no consideration to organization lines. It is critical for the success of all IBO’s that public events are open to everyone no matter what organization the guest or IBO represents.

3.5.2. Event registrant

IBO that is approved to host an event will be called the “registrant” and will host, manage and operate the meeting/training and decide who to include as speaker or trainer. At no time can someone with a higher pin level or up-line sponsor, attending the event, attempt to take over the event. In the event any higher pin or up-line IBO attempts to take over any event against the will

of the registrant IBO then the registrant IBO will contact facility security and have such person escorted out of the event then submit an incident report to **Empowerment** compliance department along with signed affidavits from any witnesses. The only exception to this policy is when there is an **Empowerment** owner, officer or executive in attendance at which time such representative is responsible for all activities at any **Empowerment** event. IBO will follow direction of said **Empowerment** corporate representative at all times.

In the event registrant IBO is conducting any meeting or training event that is deemed to be out of **Empowerment** policy or non-compliant than it is the responsibility for any higher ranking IBO to inform the registrant of the violation. If registrant continues to violate any policy the highest ranking IBO in attendance will call the compliance hot line or **Empowerment** owner, officer or executive and report the incident at which time the **Empowerment** corporate representative will make a determination on how to proceed that could include the registrant instructed from **Empowerment** to cease and desist any further representation and turn the meeting or training over to the highest ranking IBO. In the event registrant fails to yield or cause confrontation about the decision **Empowerment** will contact local law enforcement for intervention. All such incidents will be reported and investigated by company compliance investigator with penalties to include suspension and or termination, forfeiture of IBO business and any pending commissions.

3.5.3 – IBO event fees and door charges

IBO that has been approved as “registrant” and host of any **Empowerment** event has the right to charge an entry fee to offset expenses related to conducting the event. IBO will only charge a fee that is “reasonable” and no more than 15% of actual cost. IBO has no duty to issue reimbursement, or issue financial consideration or per head fee to any other IBO who may attend as a special guest or speaker. At no time can any guest speaker IBO require or demand payment, reimbursement or other financial consideration from the registrant/host. At no time can any IBO registrant pre-sell multiple tickets to any one IBO that exceed two per person and cannot offer bulk discounts with intent for tickets to be resold that would violate scalping laws. Violation of this policy will result in suspension and or termination.

3.5.4 – Collecting prospect, guest or IBO data at events

IBO registrant or host that is approved to conduct any **Empowerment** public event will assign persons to meet and greet those arriving to the event. Registrant/host can set up a registration table where those checking attendees into the event can collect related entry fees on behalf of registrant/host and must submit a receipt to the participant along with name badge if appropriate based on the event. Any IBO sponsored event will not process any registration or entry fee from prospect or IBO cards as the only form of payment approved will be cash or check. This policy is to avoid PCI compliance policies and personal data security.

Any **Empowerment** IBO sponsored event may have a sign in sheet at the front door that must be used only to capture name of guest or IBO and name of IBO that invited any guest. The sign in sheet cannot have anything to capture guest or another IBO email, phone or any other personal information. The registration sheet must be retained by registrant/host for 90 days in the event **Empowerment** requires a copy for investigating cross recruiting activity.

3.5.5 – Cross prospecting at any public event

It is against **Empowerment** policy and unethical for any IBO to solicit a guest or prospect of another IBO attending any **Empowerment** event or any public meeting or training. IBO cannot encourage another IBO to consider changing organizations. IBO cannot solicit another guest or IBO to any other opportunity or product outside of **Empowerment** opportunity or industry sectors and related products and services. Violation of this policy will result in registrant and or host to lose their right to host any **Empowerment** event and could result in violating IBO to be suspended and terminated. In the event a guest is found to have been solicited by another IBO at any **Empowerment** event, and joined the organization of the violating IBO that did not originally invite them to the meeting, will result in that IBO moved to the organization of the original IBO that invited the IBO when that IBO was a guest or prospect. Such an incident must be reported to **Empowerment** compliance for review and decision will be based on the circumstances and interview with the IBO that was solicited.

Any trainer or high ranking IBO will never cross recruit any prospect or guest as any violation will result in termination of training rights, possible fines and or suspension and or termination with loss of any commissions. **Empowerment** takes cross prospecting very serious and encourages every IBO to refer all guest or prospects back to the original IBO that referred the prospect or guest.

3.5.6 – IBO sponsored private events

IBO can conduct an in-home business presentation and or training at any level and without prior approval. Such events can remain private with no expectation that any IBO or another IBO guest can attend without an invitation from the host. If an IBO conducts any private event said IBO will conduct the event under all **Empowerment** policies and procedures.

Section 4 - Compensation Plan and Earnings

4.1 – Empowerment Flex Marketing compensation plan

Empowerment has created a marketing concept called “Flex Marketing”™ and a compensation plan that is based on an IBO marketing **Empowerment** industry sector related products and services to end consumers (non-IBO) to earn retail commissions as identified in the **Empowerment** compensation plan. At no time is IBO compensated for recruiting others to participate with the **Empowerment** IBO opportunity as such activity is deemed by regulators as illegal based on pyramid laws. Any IBO that makes any reference, claim or suggest that income is derived for recruiting another IBO based on the opportunity alone is a violation of these policies and will result in suspension or termination.

Empowerment compensation system offers IBO the opportunity to earn organizational management bonus based on the sales volume generated from downline IBOs product and service sales. All such related organization bonuses are outlined in the **Empowerment** compensation plan along with the ability to advance in ranking based on certain qualifications. IBO can advance to the top of **Empowerment** compensation plan through retail sales only with no organizational requirement or advancement through IBO organizational structure and product/service sales volume.

All **Empowerment** IBO industry sectors represent end consumer products and services that have retail and sales volume consideration and outlined in the **Empowerment** compensation plan. It is highly recommended to every prospective IBO to read the **Empowerment** Flex Marketing compensation system before contracting with **Empowerment** as an IBO to assure complete understanding of compensation plan and earning potential and advancement qualifications. **Empowerment** hold the right to modify, or adjust the **Empowerment** Flex Marketing compensation plan or payout at any time and without prior notification. **Empowerment** will notify any changes by email or back office updates.

4.1.1 – IBO “Fast Start” bonus

Empowerment will offer IBO an opportunity to purchase **Empowerment** bundle product package that includes most or all of **Empowerment** industry sector products and services. This one time purchase is available at a wholesale price and is only available to the IBO at time of registration or within 30 business days from activating as an IBO. Based on this product and service purchase the Enroller of the IBO will earn a one time “fast start” bonus based on the purchase of the same products and services that are available to end consumers at an IBO industry sectors retail websites at retail price. This one time offer is available to allow an IBO to purchase related products and services for self-consumption and personal use. IBO will receive 100PSV credit that calendar month for personal qualification requirement to earn organizational bonuses. The **Empowerment** bundle package requires a monthly fee to include the delivery of selected industry sector product and certain services. The sales volume associated with this purchase will credit the IBO with a portion of the qualification requirement for an IBO to maintain a minimum of personal monthly sales volume to earn organizational income as outlined in the **Empowerment** Flex Marketing compensation plan. An IBO is eligible to purchase any related **Empowerment** industry sector products and services at wholesale cost as end consumers (non-IBO) pay retail.

4.1.2 – Dual Team center step bonuses

IBO that achieves Associate level will be placed in “Dual Team Center” step bonus system. In the event that IBO does not qualify IBO will be placed in “Pending” status with no “Dual Team Volume” (DTV) stored based on organizational DTV being generated. At the time IBO meets Associate qualification then IBO will start storing DTV for step and cycle payment as outlined in the **Empowerment** Flex Marketing compensation plan.

4.1.3 – Dual Team bonus 80% cap rule

DTB are paid weekly and if during any pay period the payout exceeds 80% of commission pool then each IBO will be capped at 80% with any outstanding balance issued the following pay period. This policy is in place to assure the payout is not exceeding the available payout pool of related dual team bonus volume.

4.1.4 – Dual Team bonus stored volume rule

IBO at qualified rank can store DTV volume up to 60 calendar days. Example: Any DTV generated and not paid on day 1 will expire day 61, any DTV generated on day 2 will expire day 62 and so on

4.1.5 – Dual Team step carryover

Only at associate level with steps carry over from prior month. Example: first calendar month Associate only hits 5 steps out of full 10 step “cycle” in 1st calendar month. Starting calendar month 2 Associate will start with 6-10 remaining steps to achieve full “cycle” plus have available new month 10 steps or “cycle” opportunity. This rule does not apply to any other position as any step not fully completed will be lost with IBO starting over at step 1 and related cycle payments based on rank.

4.1.6 - Qualifier month

IBO is required to conduct certain personal sales volume (SV) each calendar month to remain qualified to earn next month related SV bonuses, dual team bonuses and rank advancement in the **Empowerment** Flex marketing compensation plan. Certain ranks require two consecutive calendar months to qualify. Rank advancement qualification is explained in the **Empowerment** Flex marketing compensation plan overview document.

4.1.7 – Active IBO and qualification for bonuses

IBO is considered active by paying monthly IBO monthly support fee and is required to personally maintain 100 personal sales volume (PSV) each calendar month to receive all compensation bonuses with the exception of “retail” commissions as retail commissions require no personal sales volume. After the first calendar month IC can only apply \$50PSV or 50% of personal requirement based on personal purchase. IBO cannot qualify for bonuses based on personal consumption only after first calendar month as the 1st calendar month IBO can qualify with 100% PSV. IBO is required to generate 50% of required PSV based on end consumer (non-IBO) purchases of any industry sector product or service. Each industry sector product or service is designated with a specific sales volume dollar amount (see Flex Marketing compensation and product SV overview).

4.1.8 – IBO end consumer purchase, payment processing and returns

IBO has a responsibility to provide reasonable management of personal end consumers to include but not limited to responding to questions or inquiries from end consumer or help with the ordering or return and refund process. An IBO cannot take any third party or end consumer credit card and enter any order as all orders must be completed on-line by the end consumer as the end consumer will be required to agree to related terms of related product or order service. At no time can an IBO write down or use any third party end consumer credit card for any reason or hold such information.

IBO is responsible to manage their IBO back office and customers that are on monthly recurring orders (auto ship) as such orders are associated with sales volume and if any end consumer has a credit card decline or cancellation could cause IBO to fall out of qualification for Flex marketing compensation bonuses. **Empowerment** will provide IBO back office reports as to any issue with end consumer payments and will be active to provide customer service assistance to rectify any outstanding payment but it will be the responsibility of IBO to assure they are qualified for related Flex marketing compensation bonuses as **Empowerment** will not amend any prior month SV bonus calculation as a result of dropped or canceled end consumers or in the event that IBO personal order had a credit card or payment problem that would result in non-qualification status

4.1.9 – Commission and bonus charge backs

If commissions or bonuses have been paid to IBO and subsequent returns related to industry sector products or services occur which cause refunds to be issued to the purchaser, any commissions paid to the seller IBO and all up-line IBO's will be drawn back against next month Flex marketing commission payment to related IBO commission earning, or first pay cycle with available commissions to cover related draw back.

4.2 – Payment of commissions and bonuses

IBO can earn retail and or other bonuses as documented in the **Empowerment** Flex marketing compensation plan. Retail and team builder related commissions and bonuses are issued weekly, each Friday based on any retail commission generated by 11:59pm Eastern or 9:59pm Pacific prior Friday. Sales volume, generational and business builder bonuses are issued on the 20th of each month for related prior calendar month sales and qualification status. End of calendar month is considered the last day of any calendar month at 11:59pm Eastern or 9:59pm Pacific. Any business generated after will be entered into next calendar month or pay period with no exceptions. **Empowerment** payment program is designed to offer quality control and accurate accounting for the benefit of IBO and company providing time to research and account for refunds, charge backs and assuring IBO rank status.

4.2.1 – Commission and bonuses payment method

IBO will have the right to determine the method to receive commission payments based on **Empowerment** abilities that include direct deposit (ACH) or **Empowerment** payment debit card with related cost paid by IBO. Mailed check payments will not be made under any circumstances and it is the responsibility for IBO to logon to IBO back office and activate commission payment option. IBO is required to select commission payment method after completing the IBO get started training. Selected payment method could result in certain processing charges that are described in the selection process.

4.2.2 – IBO commission payment fees

IBO will be charged certain fees from bank related to IBO commission payments and transfers. IBO will pay \$1.50 per month to payment aggregator with payment deducted from bending commissions and only required if there are any commissions available as this fee is not changed if there are no commissions. IBO will be charged maxim four times per month for any transfer to third party banking institution by the commission aggregator bank. This fee is \$1.50 per transfer with no transfer fee if IBO uses bank issued debit card. IBO will be responsible to issue onetime payment of \$3.95 for generic banking debit card or \$5.95 for an Empowerment logo debt card with all fees issued to banking institution. All transfer or other banking fees will be listed in the terms of agreement when IBO applies for related processing with agreement between IBO and third party institution with IBO holding Empowerment harmless for any liabilities that are caused by third party aggregator or banking institution.

4.3 – Income tax responsibility

IBO shall comply with federal and state income tax laws related to commissions earned while IBO is contracted with **Empowerment**. IBO contracts with **Empowerment** as an independent contractor and **Empowerment** issues commissions with no withholding for income tax or any other employment related programs or benefits. IBO is considered self-employed and **Empowerment** highly recommends that IBO consult with a tax attorney as to structuring their IBO business. During the IBO

registration process IBO must provide a social security or related federal ID number and complete the w9 as part of the registration process as by law **Empowerment** is obligated to provide the IBO and federal and state governments end of year report on earned income is income reaches \$600.00 for the calendar year.

4.4 – IBO, industry sector product and service purchases

IBO can purchase any IBO related industry sector product and or service except for the travel professional business system (TPTS) that is marketed in the industry sector called “Travel and benefits”. IBO can sell related (TBTS) product but cannot personally purchase (TPTS) while contracted with Empowerment as an IBO using the same social security or federal ID or EIN number for related IBO business. IBO can only purchase one IBO system with the same social security, federal ID or EIN number and can only use one credit card per IBO position as each credit card number can only be used for one IBO position for related IBO fees.

IBO can purchase all remaining industry sector products or services for personal consumption at IBO wholesale pricing found in IBO back office. IBO must login to IBO back office or IBO industry sector website to access discounted rate for personal consumption. IBO cannot buy inventory of any industry sector products and services exceeding 50% qualification or for resell unless approved as wholesaler. IBO can submit wholesaler application to purchase product inventory for resell based on meeting requirements and approved by **Empowerment**.

4.5 – IBO collecting money

IBO is prohibited to accept direct payment (such as credit card, cash or check) from any other prospective IBO and or end consumer that purchases any product related to **Empowerment** industry sectors. IBO cannot pay for another IBO business system or monthly fees under any circumstances as each IBO must pay for and have on file their own form of payment. IBO can only collect direct payments is pre-approved as **Empowerment** wholesaler

Section 5 - Legal Waivers

5.1 – Waiver

Empowerment never waives its right to insist on compliance with these rules or with applicable laws governing the conduct of an IBO business. This is true in all cases, both specifically expressed and implied, unless an officer of **Empowerment**, who is authorized to bind **Empowerment** in contracts or agreements, specifies in writing that **Empowerment** expressly waives any of these provisions.

5.2 – Sanctions and enforcement actions

Sanctions will not be employed lightly, nor will **Empowerment** be arbitrary or unfair in their use. It is important to remember, however, that any IBO who violates these policies and procedures jeopardizes the integrity and standing of all IBO's.

Empowerment reserves the right to revoke the status of IBO or place violators on probation for a period which may delay their eligibility for advancement in the marketing plan. It is for the benefit of everyone that every IBO abides by the letter and spirit of these policies and procedures.

5.3 – Actions by household member or Co-applicant

If IBO immediate household engages in any activity which, if performed by the IBO, would violate any provision of the Agreement, such activity will be deemed a violation by the IBO and **Empowerment** compliance department can take disciplinary action pursuant to the Statement of Policies against the IBO. Similarly, if any individual associated in any way with a corporation, partnership, trust or other entity (collectively, IBO individual”) violates the Agreement, such action(s) will be deemed a violation by the entity, and **Empowerment** may take disciplinary action against the entity. In other words, each IBO shall be responsible for the actions of anyone working with them on their business, or anyone residing in the same household or any individual listed as a Co-Applicant.

5.4 – Grievance and complaints

When an IBO has a grievance or complaint with another IBO regarding any practice or conduct in relationship to their respective **Empowerment** businesses, the complaining IBO should first report the problem to **Empowerment** compliance department in writing who will review the matter and try to resolve it with the other party's up-lines. If the matter cannot be resolved, **Empowerment** compliance department will conduct an investigation and any will decisions made by **Empowerment** compliance department in any dispute shall be deemed final and binding.

5.5 – Dispute Resolution

If any dispute or claim arises out of or relates to the Agreement or the breach or termination thereof which cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Rules before resorting to other applicable dispute resolution procedure.

The obligation to mediate shall not apply to any claim by either party seeking interim relief, including without limitation, requests for temporary restraining orders, preliminary injunctions, or any other orders which a court may issue when deemed necessary in its discretion to preserve the status quo or to prevent irreparable injury, including the claim of either party for equitable relief to preserve the status quo pending the completion of a mediation proceeding. The party awarded interim or injunctive relief shall not be required to post bond.

All claims or disputes arising out of or relating to the Agreement or the breach or termination thereof, which are not resolved by negotiation shall be brought in the State of Texas unless the subject matter of the dispute arises exclusively under federal law, in which event the dispute shall be submitted to the United States District Court located in or closest to said County. The Parties hereby submit to the jurisdiction of the courts mutually selected by them pursuant to this paragraph. To the fullest extent that it may effectively do so under applicable law, (1) the parties waive the defense of an inconvenient forum to the maintenance of an action in the courts identified in this paragraph and (2) agree not to commence any action of any kind against the other or other's officers, directors, employees, agents or property arising out of or relating to the Agreement, except in the courts identified above.

5.5.1 – Governing law

These rules are reasonably related to the laws of the State of Texas and shall be governed in all respects thereby. The parties agree that jurisdiction and venue shall lie with the place of acceptance of the IBO application, which shall in all cases be the jurisdiction of county representing the city of Austin in the State of Texas.

5.6 – Invalidity of any paragraph

Should any portion of these policies and procedures, of the IBO Application and Agreement, or any other instruments referred to herein or issued by **Empowerment** be declared invalid by a court of competent jurisdiction, the balance of such rules, applications, or instruments shall remain in full force and effect.

I have read and agree to the above listed Policies and Procedures and IBO refund policy. I have reviewed the **Empowerment** Flex marketing compensation plan and understand all requirements to earn commissions. In the event I set my IBO business as any other entity other than my personal name and social security I will send all required documents via email or certified mail within 10 business days from the date of this application and agreement.

Applicant IBO Name: _____ **Co-Applicant Name:** _____

IBO Signature: _____ **Co-Applicant Signature:** _____

Date: _____

Date: _____