

**Proceller8, LLC**

**Statement of Policies &  
Procedures**

## Table of Contents

- 1.0 INTRODUCTION**
  - 1.1 Mutual Commitment Statement**
  - 1.2 Code of Ethics**
  - 1.3 The Distributor Agreement**
  - 1.4 Purpose of Policies & Procedures**
  - 1.5 Changes, Amendments, and Modifications**
- 2.0 BASIC PRINCIPLES**
  - 2.1 Becoming a Distributor**
  - 2.2 New Distributor Registration**
- 3.0 PROCELLER8'S DISTRIBUTOR RESPONSIBILITIES**
  - 3.1 Correct Address**
  - 3.3 Sponsorship**
  - 3.4 Unethical Sponsoring**
  - 3.5 Cross Sponsoring Prohibition**
  - 3.6 Solicitation for Other Companies or Products**
- 4.0 AGREEMENTS & GENERAL UNDERSTANDINGS**
  - 4.1 Rights Granted**
  - 4.3 Effect of Termination**
  - 4.4 Modification of the Distributor Agreement**
  - 4.5 Unauthorized Transfer & Re-Enrollment**
  - 4.7 Voluntary Termination**
  - 4.8 Involuntary Termination**
- 5.0 BUSINESS ENTITIES**
  - 5.1 Definition**
  - 5.2 Independent Business Relationship; Indemnification for Actions**
  - 5.3 Insurance**
- 6.0 POLICY VIOLATIONS**
  - 6.1 Reporting Policy Violation**
  - 6.2 Adherence to the Proceller8 Compensation Plan**
  - 6.3 Adherence to Laws and Ordinances**
  - 6.4 Compliance with Applicable Income Tax Laws**
  - 6.5 One Proceller8 Business Per Distributor**
  - 6.6 Actions of Household Members or Affiliated Parties**

- 6.7 Identification Numbers and Pay-Out
- 6.9 Separating a Proceller8 Business
- 6.10 Succession
- 7.0 DISCIPLINARY ACTIONS
  - 7.1 Imposition of Disciplinary Action - Purpose
  - 7.2 Consequences and Remedies of Breach
  - 7.3 Suspension Procedures
- 8.0 DISPUTE RESOLUTION
  - 8.1 Grievances Against Another Distributor
  - 8.2 Mediation Disputes Between a Distributor and Proceller8
  - 8.3 Severability
  - 8.4 Waiver
  - 8.5 Governing Law
- 9.0 PAYMENT OF COMMISSIONS & BONUSES
  - 9.1 Bonus and Commission Qualifications
  - 9.2 Computation of Commissions and Discrepancies
  - 9.3 Adjustments to Bonuses and Commissions for Returned Products or Distributor Memberships
- 10.0 ORDERING PRODUCT
  - 10.1 General Product Ordering Policies
  - 10.2 Sales to Customers
  - 10.3 Insufficient Funds
  - 10.4 Credit Card Purchases
  - 10.5 Sales Tax Obligation
  - 10.6 Refund Policy
  - 10.7 Return Process
- 11.0 PROCELLER8 OPPORTUNITY
  - 11.1 Presentation of Compensation Plan
  - 11.2 Sales Requirements Are Governed by the Compensation Plan
- 12.0 PROPRIETARY INFORMATION & TRADE SECRETS
  - 12.1 Business Reports, Lists, and Proprietary Information
  - 12.2 Obligation of Confidentiality
  - 12.3 Breach and Remedies
  - 12.4 Return of Materials
- 13.0 PRIVACY POLICY

- 13.1 Introduction**
- 13.2 Expectation of Privacy**
- 13.3 Employee Access to Information**
- 13.4 Restrictions on the Disclosure of Account Information**
- 14.0 ADVERTISING, PROMOTIONAL MATERIAL, USE OF PROCELLER8 AND TRADEMARKS**
  - 14.1 Labeling, Packaging, and Displaying Products**
  - 14.2 Use of Proceller8 and Protected Materials**
  - 14.3 Faxes and E-mail - Limitations**
  - 14.4 Internet and Third-Party Website Restrictions**
  - 14.5 Advertising and Promotional Materials**
  - 14.6 Testimonial Permission**
  - 14.7 Telemarketing - Limitations**
- 15.0 INTERNATIONAL MARKETING**
  - 15.1 International Marketing Policy**
- 16.0 SMARTSHIP POLICY**
- 17.0 SHIPPING POLICY**
- 18.0 GLOSSARY OF TERMS**

## 1.0 **INTRODUCTION**

### 1.1 **Mutual Commitment Statement**

PROCELLER8, LLC (hereinafter referred to as “**Proceller8**”) recognizes that to develop a long-term and mutually rewarding relationship with its independent participants (hereinafter referred to as “Distributor(s)” and “Customers”) it is committed to:

- (i) Providing prompt, professional, and courteous service and communications to its Distributors and Customers;
- (ii) Providing the highest level of quality products at fair and reasonable prices;
- (iii) Exchanging or refunding the purchase price of any product, service, or membership as provided in our return policies contained herein;
- (iv) Delivering orders promptly and accurately;
- (v) Paying commissions accurately and on a timely basis;
- (vi) Offering a mutually beneficial compensation plan; and
- (vii) Supporting, protecting, and defending the integrity of the Proceller8 Business Opportunity.

In return, Proceller8 expects that its Distributors will:

- (i) Conduct themselves in a professional, honest, and considerate manner;
- (ii) Present Proceller8 Corporate and product information in an accurate and professional manner;
- (iii) Present the Proceller8 Compensation Plan and return and exchange policies in a complete and accurate manner;
- (iv) Not make exaggerated income or product claims;
- (v) Make reasonable effort(s) to support and train other Distributors and Customers in their organization;
- (vi) Not engage in cross-line recruiting, unhealthy competition, or unethical business practices;
- (vii) Provide positive guidance and training to Distributors and Customers in their organization while exercising caution to avoid interference with other organizations. As such, a Distributor is discouraged from providing cross-line training to other Distributors or Customers in a different organization without first obtaining the consent of the Distributor’s or Customer’s upline leader; and
- (viii) Support, protect, and defend the integrity of the Proceller8 business opportunity.

## 1.2 Code of Ethics

- a) Proceller8 desires to provide its independent Distributors with the best products and Compensation Plan in the industry. Accordingly, Proceller8 values constructive criticism and encourages the submission of written comments addressed to Proceller8's Compliance Department.
- b) Distributors shall not make negative and disparaging comments about other Distributors, Proceller8, its products or services, the Compensation Plan, or Proceller8's directors, officers, or employees, product suppliers, or agents. Distributors should also refrain from making any statements that unreasonably offend, mislead or coerce others. Such conduct represents a material breach of these Policies and Procedures ("Policies") and may be subject to disciplinary action deemed appropriate by Proceller8.
- c) Proceller8 endorses the following code of ethics:
  - (i) Distributors must show fairness, tolerance, and respect to all people associated with Proceller8, regardless of race, gender, social class, or religion, thereby fostering a "positive atmosphere" of teamwork, good morale, and community spirit.
  - (ii) Distributors shall strive to resolve business issues, including situations with their organization's Distributors, with tact, sensitivity, and goodwill, and taking care not to create additional problems.
  - (iii) Distributors must be honest, responsible, professional, and conduct themselves with integrity.
- d) Proceller8 may take appropriate action against a Distributor if it determines, in its sole discretion, that a Distributor's conduct is detrimental, disruptive, or injurious to Proceller8 or to other Distributors.

## 1.3 The Distributor Agreement

- a) Throughout these Policies, when the term "Agreement" is used, it collectively refers to the Distributor Agreement, the most current version of these Policies in effect and any addendums thereto, the Compensation Plan, and any and all social media guidelines, or any other guidelines which may be implemented from time to time, and amendments thereto. The current Proceller8 Compensation Plan is attached hereto as Addendum 1 and is incorporated herein by reference for all purposes.
- b) It is the responsibility of the Sponsoring Distributor to provide the most current version of these Policies (available on Proceller8's website [www.MyProceller8.com](http://www.MyProceller8.com)), the Income Disclosure Statement, the Proceller8 Compensation Plan, and any and all social media guidelines or any other guidelines which may be implemented from time to time and any amendments thereto to their organizations' Distributors. The Income Disclosure Statement is attached as Addendum 2 and is incorporated by reference for all purposes.

## 1.4 Purpose of Policies & Procedures

- a) Proceller8 is a direct sales-based business model that markets products and services through an organization of independent business owners. To clearly define the relationship that exists between Distributors and Proceller8, and to explicitly set a standard for acceptable business conduct, Proceller8 has established these Policies.
- b) Distributors and Customers are required to comply with:
  - (i) all of the Terms and Conditions set forth in the Agreement which Proceller8 may amend from time to time in its sole discretion; and
  - (ii) all Federal, State, and/or local laws governing his, her, and/or its Proceller8 business.
- c) Distributors must review the information in these Policies carefully. Should a Distributor have any questions regarding a policy or procedure, the Distributor is encouraged to seek an answer from their Sponsor or any other upline Distributor. If further clarification is needed, the Distributor may contact the Proceller8 Customer Service Team by submitting an email to: [support@proceller8.com](mailto:support@proceller8.com).

## 1.5 Changes, Amendments, and Modifications

- a) Because Federal, state, and local laws, as well as the business environment, periodically change, Proceller8 reserves the right to amend the Agreement at any time. Notification of amendments shall appear in official Proceller8 materials, Proceller8 website, social media outlets, and/or in the Distributor's back office.
- b) Any such amendment, change, or modification shall be effective thirty (30) days following notice by one of the following methods:
  - (i) Posting on the official Proceller8 website;
  - (ii) Electronic mail (e-mail); or
  - (iii) Any Proceller8 communication channels or social media outlets (i.e., Facebook, Instagram, Twitter, and/or the Proceller8 app).

## 2.0 BASIC PRINCIPLES

### 2.1 Becoming a Distributor

- a) To become a Distributor, an applicant must comply with the following requirements:
  - (i) Be of the age of majority (not a minor) in his or her state of residence;
  - (ii) Reside or have a valid address in the United States or U.S. territory in which Proceller8 is licensed to operate.
  - (iii) Have a valid taxpayer identification number (i.e., Social Security Number, Federal Tax ID Number (TIN), or federal Business Number;

- (iv) Enter a verified mobile phone number, which is not in use or associated with any other Proceller8 account, which will be verified through a verification code sent to the number; and
- (v) Acknowledge and accept all FTC requirements associated with Proceller8 participation as a Distributor.
- (vi) Acknowledge and agree to all communications sent by Proceller8, (including but not limited to emails, texts, broadcasts, letters, etc.) with the choice to “opt-out” of these communications.

## **2.2 New Distributor Registration**

- a) A potential new Distributor may self-enroll on any Distributor’s/Sponsor’s website. Proceller8 will accept websites enrollments if the applicant:
  - (i) Fully and accurately completes the Proceller8 online application;
  - (ii) Qualifies for participation under the Agreement; and
  - (iii) Acknowledges, accepts, and agrees to be bound by all terms and conditions of the Agreement by submitting an electronic signature as promoted on the website. Please note that the electronic signature creates a legally binding Agreement between the Distributor and Proceller8.
- b) Signed documents, including, but not limited to Distributor agreements, are legally binding contracts which must not be altered, tampered with, or changed in any manner after they have been signed. 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 Distributor’s position.
- c) If one applicant enrolls creating an account listing a certain sponsor and enrolls a second time listing a different sponsor, only the first completed form to be received by Proceller8 will be accepted. Proceller8 reserves the right, at its sole discretion, to make the final decision with respect to all such disputes.

## **3.0 PROCELLER8’S DISTRIBUTOR RESPONSIBILITIES**

### **3.1 Correct Address**

- a) It is the responsibility of the Distributor or Customer to make sure Proceller8 has the correct shipping address before any orders are shipped.
- b) A Distributor and/or Customer will need to allow up to seventy-two (72) hours for processing after the notice of address change has been received by the Proceller8 Support Team.



### 3.2 Training and Leadership

- a) Any Distributor who sponsors another Distributor into Proceller8 must assist and train his or her organization to ensure they are properly operating their Proceller8 business. Sponsoring Distributors should have ongoing contact and communication with the Distributors in their organizations.
- b) A Sponsoring Distributor should monitor the Distributors in his or her organization to ensure that their Distributors do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request, such Distributors should be able to provide documented evidence to Proceller8 of his or her ongoing fulfillment of the responsibilities of a Sponsor.
- c) Upline Distributors are encouraged to educate and train new Distributors about Proceller8 products and services, effective sales techniques, the Proceller8 Compensation Plan, along with compliance with Proceller8 Policies and any and all social media guidelines or any other guidelines and amendments thereto implemented at that time. Marketing product is a required activity in Proceller8 and must be emphasized in all recruiting presentations.
- d) To promote Proceller8's products and opportunity, Distributors should use the sales aids and support materials provided by Proceller8. To ensure compliance with applicable laws and regulations, any sales aids or support materials (including written sales aids, promotional materials, advertisements, websites, flyers, or other literature) which are not provided by Proceller8 must be submitted via email to the Compliance Department for approval prior to use at [compliance@Proceller8.com](mailto:compliance@Proceller8.com). **Unless the Distributor receives specific written approval to use the material, the request shall be deemed denied.** All Distributors shall safeguard and promote the good reputation of Proceller8 and its products. The marketing and promotion of Proceller8, the Compensation Plan, and Proceller8 products and services shall be consistent with the public interest and must avoid all discourteous, deceptive, misleading, unethical, or immoral conduct or practices.

### 3.3 Sponsorship

- a) The Sponsor is the person who introduces a Distributor or Customer to Proceller8, helps them complete their enrollment (registration), and supports and trains those in their organization.
- b) Proceller8 recognizes the Sponsor as the name(s) shown on the first signed Agreement (electronically or otherwise) received by Proceller8.
- c) All active Distributors in good standing have the right to Sponsor and enroll (register) others into Proceller8. While engaged in sponsoring activities, it is not uncommon to encounter situations when more than one Distributor will approach the same prospect. It is the accepted courtesy that the new prospect will be sponsored by the first Distributor who presented a comprehensive introduction to Proceller8 products or business opportunity.
- d) In the event of controversy, Proceller8 reserves the right to designate a prospect's Sponsor, and all such determinations are final.

### **3.4 Unethical Sponsoring**

- a) Unethical sponsoring activities include, but are not limited to, enticing, bidding, or engaging in unhealthy competition by attempting to acquire a prospect or new Distributor away from a fellow Distributor or influencing another Distributor to transfer to a different sponsor.
- b) Allegations of unethical sponsoring must be reported in writing to the Proceller8 Compliance Department within the first 30 days of the new Distributor's enrollment. If the reports are substantiated, Proceller8 may transfer the Distributor or the Distributor's organization to another sponsor or organization without approval from the current upline Sponsor.
- c) Proceller8 prohibits the act of "stacking." Stacking is the unauthorized manipulation of the Proceller8 compensation system and/or the marketing plan in order to trigger commissions or cause a promotion of a Distributor in an unearned manner. One example of stacking occurs when a Sponsor places Distributor(s) under an inactive Distributor without his or her knowledge in order to trigger unearned qualification for commissioning purposes. Stacking is unethical and unacceptable behavior, and as such, it is a punishable offense with measures up to and including the termination of the independent Distributor positions of all individuals and/or entities found to be directly involved.
- d) Should Distributors engage in solicitation and/or enticement of members of another direct sales company to sell or distribute Proceller8 products and services to, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against a Distributor alleging that they engaged in inappropriate recruiting activity of another company's sales force or Customers, Proceller8 will not pay any of Distributor's defense costs or legal fees, nor will Proceller8 indemnify the Distributor for any judgment, award, or settlement.

### **3.5 Cross Sponsoring Prohibition**

- a) "Cross sponsoring" is defined as the enrollment into a different line of sponsorship of an individual, or business entity, that has already signed a Distributor Agreement. Actual or attempted cross sponsoring is not allowed. If cross sponsoring is verified by Proceller8, sanctions up to and including termination of a Distributor's position may be imposed.
- b) The use of a Spouse's or relative's name, trade names, assumed names, DBA names, corporation, partnership, trust, Federal Business Numbers, or fictitious ID numbers to evade or circumvent this Cross Sponsoring Policy is not permitted.
- c) This Policy does not prohibit the transfer of a Proceller8 business in accordance with Proceller8's Transfer of Sale or Transfer Policy set forth in these Policies.

### **3.6 Solicitation for Other Companies or Products**

- a) A Distributor and/or Customer may participate in other direct sales, multilevel, network marketing, or relationship marketing businesses or marketing opportunities, as long as it is not a Competing Product as defined herein. However, during the Term of this Agreement and for six (6) months thereafter, a Distributor may not recruit any fellow Distributor or Customer for any other direct sales or networking business, unless that fellow Distributor or Customer was personally sponsored by such Distributor.

- b) 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 Distributor or Customer to enroll or participate in any direct sales or network marketing opportunity.
- c) During the term of this Agreement, any Distributor must not sell or entice others to sell, any competing products or services, including training materials, to Proceller8 Customers or Distributors.
- d) A Distributor may not display or bundle Proceller8 products or services, in sales literature, on a website, or in sales meetings, with any other products or services to avoid confusing or misleading a prospective Customer or Distributor into believing there is a relationship between the Proceller8 and non-Proceller8 products and services.
- e) A Distributor may not offer any non-Proceller8 opportunity, products, or services at any Proceller8 related meeting, live or virtual, event, seminar, or convention that other Distributors or Customers are known to be attending.

#### **4.0 AGREEMENTS & GENERAL UNDERSTANDINGS**

##### **4.1 Rights Granted**

- a) Proceller8 hereby grants to the Distributor a non-exclusive right, based upon the terms and conditions contained in the Agreement, to:
  - (i) Purchase Proceller8 products and services;
  - (ii) Promote and sell Proceller8 products and services; and
  - (iii) Sponsor new Distributors and Customers in countries where Proceller8 is currently authorized to do business or becomes authorized to business in the future.

##### **4.2 Renewals and Termination of the Distributor Agreement**

- a) If the Distributor allows his or her Distributor Agreement to expire due to nonpayment, the Distributor will lose any and all rights to his, her, or its organization unless the Distributor reactivates within sixty (60) days following the expiration of the Application.
  - (i) If the former Distributor reactivates within the sixty (60) day time limit, and Proceller8 accepts the renewal, the Distributor will resume the rank and position held immediately prior to the expiration of the Distributor Agreement. However, such Distributor’s paid as level will not be restored unless he, she, and/or an entity qualifies at that payout level in the new month. The Distributor is not eligible to receive commissions for the time period that the Distributor’s position was expired.
  - (ii) Any Distributor who was terminated or whose Agreement has expired and lapsed the sixty (60) day grace period is not eligible to reapply for a Proceller8 business for six (6) months following the expiration of the Distributor Agreement.

#### **4.3 Effect of Termination**

- a) Following a Distributor's cancellation for inactivity or voluntary or involuntary termination (collectively, a "cancellation") such Distributor:
  - (i) Shall have no right, title, claim, or interest to any commission or bonus, including Proceller8 Bucks, from the sales generated by the Distributor's former organization, or any other payments in association with the Distributor's former independent position;
  - (ii) Effectively waives any and all claims to property rights or any interest in or to the Distributor's former organization; and
  - (iii) Shall receive commissions and bonuses only for the last full pay period in which he or she was active prior to cancellation, less any amounts withheld during an investigation preceding an involuntary cancellation, less Proceller8 bucks, and less any other amounts owed to Proceller8.

#### **4.4 Modification of the Distributor Agreement**

- a) A Distributor may modify his or her existing Distributor Agreement (i.e., add a Spouse or partner to the account, or change the form of ownership from an individual to a business entity owned by the Distributor) by submitting a written request, accompanied by a new Distributor Agreement and the Business Registration Form, if applicable, completed with fresh signatures (not a "crossed out" or "white-out" version of the first Agreement), and any appropriate supporting documentation. The new agreement must be approved by Proceller8.

#### **4.5 Unauthorized Transfer & Re-Enrollment**

- a) In the event a Distributor discovers that a Distributor in their organization has reenrolled under a different Distributor, the Distributor should notify the Proceller8 Compliance Department and request the Distributor be transferred back to his/her organization without the new organization he/she may have created in the new spot.

#### **4.6 Change of Sponsor for Distributors**

- a) Placement corrections may be requested within a period of seventy-two (72) hours from the time of Placement. Such adjustments require written permission from the Proceller8 Support Department. Such requests must be submitted from the personal back office of the Sponsor as well as the Distributor seeking to be moved.
- b) At the discretion of Proceller8, Distributors who have not ordered products or services for at least six (6) months, and who have not tendered a letter of resignation, are eligible to reenroll in Proceller8 under the Sponsor of their choice.
- c) Upon written notice to Proceller8 that a former Distributor wishes to reenroll, Proceller8 will "compress" (close) the original account. A new Proceller8 ID number will then be

issued to the former Distributor. The Distributor does not retain former rank, organization, or rights to commission from his or her former organizations.

- d) Proceller8 reserves the right to correct Sponsor or Placement errors at any time and in whatever manner it deems necessary.
- e) Proceller8 retains the right to approve or deny any request to reenroll after a Distributor's termination.
- f) If re-enrollment is approved, the former Distributor will be issued a new Proceller8 ID number and will be required to submit a new Distributor Agreement, and pay the new Distributor's annual membership fee. The Distributor will not be entitled to keep any former rank, organization, or rights to commission from any prior organization.

#### **4.7 Voluntary Termination**

- a) A Distributor may immediately terminate his or her position by submitting a written notice or email to the Proceller8 Compliance Department at [compliance@Proceller8.com](mailto:compliance@Proceller8.com). The written notice must include the following:
  - (i) A statement of the Distributor's intent to terminate the Agreement;
  - (ii) Date of termination;
  - (iii) Proceller8 Identification Number;
  - (iv) Reason for terminating; and
  - (v) Signature.
- b) A Proceller8 Distributor may not use termination as a way to immediately change Sponsor and Placement. Instead, the Distributor who has voluntarily terminated is not eligible to reapply for a position or have any financial interest in any Proceller8 business for six (6) months from the date of their last purchase or showing as "inactive" in the system. No partial reimbursement for the Membership Fee will be issued.

#### **4.8 Involuntary Termination**

- a) Proceller8 reserves the right to terminate a Distributor's position for, but not limited to, the following reasons:
  - (i) Violation of any provision of the Distributor Agreement;
  - (ii) Violation of any applicable law, ordinance, or regulation regarding the Proceller8 business;
  - (iii) Engaging in unethical business practices or violating standards of fair dealing; or

- (iv) Returning over \$500 worth of products, services, and/or sales tools for a refund within a twelve (12) month period.
- b) Proceller8 will notify the Distributor in writing by certified mail, return receipt requested, or overnight documented mail, at his or her last known address of its intent to terminate the Distributor's position and the reasons for termination. The Distributor will have fifteen (15) calendar days from the date of mailing of such notice to respond in writing to the allegations or claims constituting cause for termination as stated in the notice. Proceller8 will then have thirty (30) calendar days from the date of receipt of the Distributor's response to render a final decision as to termination.
- c) If a decision is made by Proceller8 to terminate the Distributor's Agreement, Proceller8 will inform the Distributor in writing that the Distributor Agreement is terminated effective as of the date of the written notification.
- d) If the termination is not rescinded, the termination will be effective as of the date of the original termination notice from Proceller8. The former Distributor shall thereafter be prohibited from using the names, marks or signs, labels, stationery, advertising, or business material referring to or relating to any Proceller8 products or services. Proceller8 will notify the active Upline Sponsor within ten (10) days after termination. The organization of the terminated Distributor will "roll up" to the active Upline Sponsor on record.
- e) The Distributor who is involuntarily terminated by Proceller8 may not reapply for a position, either under his or her present name or any other name or entity, without the express written consent of Proceller8, following a review by the Proceller8 Compliance Committee. In any event, such Distributor may not reapply for a position for 12 months from the date of termination.

## **5.0 BUSINESS ENTITIES**

### **5.1 Definition**

- a) A corporation, partnership, or trust (collectively referred to as a "business entity") may apply to be a Distributor.
- b) A Distributor may change their status under the same Sponsor from an individual to a partnership, corporation, or trust or from one type of business entity to another. The new entity must be approved by Proceller8.

### **5.2 Independent Business Relationship; Indemnification for Actions**

- a) Distributors are independent contractors acting in the capacity of a wholly independent marketing representative who establish and service retail customers for Proceller8 products. The Distributor Agreement is not intended and shall not be construed to create a relationship of employer-employee, agency, partnership, or joint venture between Distributors and Proceller8 or Distributors and any other participant in Proceller8. As independent contractors, Distributors will:
  - (i) Comply with all applicable federal, and local laws, rules, and regulations pertaining to the Distributor Agreement, including the sale, distribution, and advertising of Proceller8 products, and

- (ii) At Distributor's own expense, complete all filings, and obtain such licenses as are required by applicable federal, and local laws, rules, and regulations, with respect to the Distributor's Agreement and Distributor's activities as a Distributor.
  
- b) Distributors have no authority to bind Proceller8 to any obligation. It is each Distributor's responsibility to pay all income, local, or applicable taxes as an independent contractor, and Distributors are not eligible for employee benefits, such as unemployment compensation, worker's compensation, or minimum wages. Proceller8 encourages its Distributors to set their own hours and to supply all of their own equipment and tools for operating their Proceller8 business, such as telephones, transportation, professional services, office equipment, and supplies. Further, Distributors should determine their own methods of sale, so long as they comply with the Policies of Proceller8. Without limiting the generality of the foregoing, Distributors shall be fully responsible for:
  - (i) All applicable federal, state, and local tax withholding, worker's compensation contributions, license requirements, and fees related to the Distributor's earnings and activities as a Distributor; and
  - (ii) All expenses incurred in connection with the operation of the Distributor's Proceller8-related business, including but not limited to, travel, meals, accommodation, secretarial, office, telephone, and other business expenses.
  
- c) The Distributor is fully responsible for all of his or her verbal and written communications made regarding Proceller8 products, services, and Compensation Plan that are not expressly contained within official Proceller8 materials. Distributors shall indemnify and hold harmless Proceller8, its directors, officers, employees, product suppliers, and agents from and against all liability including judgments, civil penalties, refunds, lawyer fees, and court costs incurred by Proceller8 as a result of the Distributor's unauthorized representations of actions. This provision shall survive the termination of the Distributor Agreement.

### **5.3 Insurance**

- a) Proceller8 encourages Distributors to arrange insurance coverage for their business. A homeowner's insurance policy does not typically cover business-related injuries, or the theft of, or damage to, inventory or business equipment. Proceller8 Distributors need to contact their insurance agent to make certain their business property is protected. In most instances, this may be accomplished with a "Business Pursuit" endorsement to an existing homeowner's policy.

## **6.0 POLICY VIOLATIONS**

### **6.1 Reporting Policy Violation**

- a) A Distributor who observes a policy violation by another Distributor or Proceller8 Customer should submit an e-mail to [compliance@Proceller8.com](mailto:compliance@Proceller8.com) with the following information:
  - (i) The nature of the violation;

- (ii) Specific facts to support the allegations;
  - (iii) Dates;
  - (iv) Number of occurrences;
  - (v) Persons involved; and
  - (vi) Supporting documentation.
- b) Once the matter has been presented to Proceller8, it will be researched thoroughly by the Compliance Department and appropriate action will be taken if required.
  - c) This section refers to the general reporting of Policy violations as observed by other Distributors for the mutual effort to support, protect, and defend the integrity of the Proceller8 business and opportunity. If a Distributor has a grievance or complaint against another Distributor which directly relates to his or her Proceller8 business, the procedures set forth in these Policies must be followed.

## **6.2 Adherence to the Proceller8 Compensation Plan**

- a) A Distributor must adhere to the terms of the Proceller8 Compensation Plan as set forth in these Policies as well as in official Proceller8 literature. Deviation from the Compensation Plan is prohibited.
- b) A Distributor shall not offer the Proceller8 opportunity through or in combination with, any other system, program, or method of marketing other than that specifically set forth in official Proceller8 literature.
- c) A Distributor shall not require or encourage a current or prospective Distributor to participate in Proceller8 in any manner that varies from the Compensation Plan as set forth in official Proceller8 literature.
- d) A Distributor shall not require or encourage a current or prospective Distributor to make a purchase from or payment to any individual or other entity as a condition to participating in the Proceller8 Compensation Plan.
- e) The Compensation Plan is subject to change at any time. When that happens, Proceller8 will post notifications via webinars, e-mail, SMS, and/or back office. A current Compensation Plan is always available on the Proceller8 resources page <http://www.MyProceller8.com/resources>. It is the Distributor's responsibility to check these channels to be aware of any changes.

## **6.3 Adherence to Laws and Ordinances**

- a) Many cities, counties, and townships have laws regulating certain home-based businesses. Distributors must check their local laws and obey the laws that apply to them.
- b) A Proceller8 Distributor or Customer shall comply with all Federal and local laws and regulations in their conduct of his or her Proceller8 business.



- c) A Distributor accepts sole responsibility for and agrees to pay all fines and incur all liabilities for his or her actions that violate any laws or ordinances.

#### **6.4 Compliance with Applicable Income Tax Laws**

- a) A Distributor accepts sole responsibility for and agrees to pay all Federal, State, and local taxes on any income generated as an independent Distributor, and further agrees to indemnify Proceller8 from any failure to pay such tax amounts when due.
- b) If a Distributor's business is tax-exempt, the Federal Business Number must be provided to Proceller8 in writing.
- c) Proceller8 encourages all Distributors to consult with a tax advisor for additional information for their business. Proceller8 is required to change and remit sales tax to the various states or provinces based on the retail price, including receipt of trips, prizes, or awards in the amount of \$600.00 or more.

#### **6.5 One Proceller8 Business Per Distributor**

- a) A Distributor may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one (1) Proceller8 business. No individual (together with their spouse) may have, operate or receive compensation from more than one Proceller8 business. Individuals of the same family unit, excluding spouses, may each enter into or have an interest in their own separate Proceller8 businesses. A "family unit" is defined as parents or dependent children living at or doing business at the same address. Each position must build their position separate and independent of the other or the position will be deemed to be stacking.

#### **6.6 Actions of Household Members or Affiliated Parties**

- a) If any member of a Distributor's immediate household engages in any activity which, if performed by the Distributor, would violate any provision of the Agreement, such activity will be deemed a violation by the Distributor, and Proceller8 may take disciplinary action pursuant to these Policies against the Distributor. Similarly, if any individual associated in any way with a corporation, partnership, trust, or other entity (collectively "business entity") violates the Agreement, such action(s) will be deemed a violation by the business entity, and Proceller8 may take disciplinary action against the business entity. Likewise, if a Distributor enrolls in Proceller8 as a business entity, each Affiliated Party of the business entity shall be personally and individually bound to and must comply with, the Terms and Conditions of the Distributor Agreement.

#### **6.7 Identification Numbers and Pay-Out**

- a) Each Distributor is required to provide his or her federal Social Security Number or Federal Tax Identification Number if located in the United States or any of its territories to Proceller8 at the time the Distributor initiates a transfer of monies or earnings accumulated in the Distributor's Wallet. The transferring and disbursement of commission payments or bonuses acquired is known as a Pay-Out and Proceller8 reserves the right to withhold Pay-Out from any Distributor who fails to provide such information or who provides false information.

- b) Upon enrollment, Proceller8 will provide a Proceller8 Identification Number to the Distributor. This number will be used to place orders, structure organizations, and track commissions and bonuses.

## **6.8 Sell, Assign, or Delegate Ownership**

- a) In order to preserve the integrity of the hierarchical structure, it is necessary for Proceller8 to place restrictions on the transfer, assignment, or sale of a position.
- b) A Distributor may not sell or assign his or her rights or delegate his or her position as a Distributor without prior written approval by Proceller8, which approval will not be unreasonably withheld. Any attempted sale, assignment, or delegation without such approval may be voided at the discretion of Proceller8.
- c) Should the sale be approved by Proceller8, the Buyer of the selling Distributor's position ("Seller") assumes the position of the Seller at the current qualified title, but not at the current "paid as" rank, at the time of the sale and acquires the Seller's organization.
- d) To request corporate authorization for a sale or transfer of a Proceller8 position, the following items must be submitted to the Proceller8 Compliance Department:
  - (i) A Sale/Transfer of Position Form properly completed, with the requisite signatures. You can request this form at [support@proceller8.com](mailto:support@proceller8.com) and submit it signed, dated, and notarized by both Buyer and Seller;
  - (ii) The Buyer has accepted the Policies for a Distributor; and
  - (iii) Any additional supporting documentation requested by Proceller8.
- e) Any debt obligations that either Seller or Buyer may have with Proceller8 must be satisfied prior to the approval of the sale or transfer by Proceller8.
- f) A Distributor who sells his or her position is not eligible to reenroll as a Proceller8 Distributor in any organization for six (6) full calendar months following the date of the sale except as otherwise expressly set forth in these Policies.

## **6.9 Separating a Proceller8 Business**

- a) Pending a divorce or dissolution of a business entity, the parties must adopt one of the following methods of operation:
  - (i) One of the parties may, with the written consent of the other(s), operate the Proceller8 business whereby the relinquishing Spouse (which term herein means either an individual that is legally married or an individual that is party to a legally recognized common-law relationship), shareholders, partners, members or trustees ("Relinquishing Party") authorize Proceller8 to deal directly and solely with the other Spouse, non- relinquishing shareholder, partner, member, or trustee;
  - (ii) The parties may continue to operate the Proceller8 business jointly on a "business as usual" basis, whereupon all compensation paid by Proceller8 will be paid in the name designated as the Distributor or in the name of the entity to be divided, as the parties may independently agree between them. If no name is stipulated,

Proceller8 will pay compensation to the name on record and in such event, the Distributors named on the account shall indemnify Proceller8 from any claims from the other business owner(s) or the other Spouse with respect to such payment.

- b) Proceller8 recognizes only one organization and will issue only one commission payment transfer per Proceller8 business per commission cycle. Under no circumstances will the organization be divided, nor will Proceller8 split commission and/or bonuses.
- c) If a relinquishing Spouse, partner, or owner of the business has completely relinquished, in writing, all rights to the original Proceller8 business, he or she may immediately thereafter reenroll under the Sponsor and Placement of his or her choice. In such cases, however, the Relinquishing Party shall have no rights to, and shall not solicit, any Distributor or active Customer in the former organization, and must develop a new business in the same manner as any other new Proceller8 Distributor. A Distributor in the Relinquishing Party's former organization who wishes to transfer to the Relinquishing Party's new organization or to any other organization must comply with the requirements in Section 4.0.

#### **6.10 Succession**

- a) The Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assignees.
- b) 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 a Proceller8 business is transferred by will or other testamentary processes, the successor acquires the right to collect all bonuses and commissions of the deceased Distributor's sales organization. The Successor must:
  - (i) Complete and sign a new Proceller8 Distributor Agreement;
  - (ii) Comply with the terms and provisions of the Distributor Agreement; and
  - (iii) Meet all of the qualifications for the last rank achieved by the former Distributor.
- c) Bonus and commission of a Proceller8 business transferred based on this section will be paid in a single transfer to the successor, except for Proceller8 bucks which hold no cash value. The successor must provide Proceller8 with an address of record to which all bonus and commission Payments will be sent. Payments will be based on the current performance of the position, not the highest rank or volume achieved.
- d) If the business is bequeathed to joint devisees, they must form a business entity and acquire a federal Business Number. Proceller8 will issue all bonus and commission payments to the managing business entity only.
- e) Appropriate legal documentation must be submitted to the Proceller8 Compliance Department to ensure the transfer is done properly. To affect a testamentary transfer of a Proceller8 business, the Successor must provide the following to Proceller8 Compliance Department:
  - (i) A certified copy of the death certificate; and

- (ii) A notarized copy of the will or other appropriate legal documentation establishing the Successor(s) right to the Proceller8 business.
- f) To complete a transfer of the Proceller8 business because of incapacity, the Successor must provide the following to the Proceller8 Compliance Department:
  - (i) A notarized copy of an appointment as trustee;
  - (ii) A notarized copy of the trust document or other appropriate legal documentation establishing the trustee's right to administer the Proceller8 business; and
  - (iii) A completed Distributor Agreement executed by the trustee.
- g) If the Successor is already an existing Distributor, Proceller8 will allow such Distributor to keep his or her own position plus the inherited position active for up to six (6) months. By the end of the six (6) month period, the Distributor must have compressed (if applicable), sold, or otherwise transferred either the existing position or the inherited position.
- h) If the Successor wishes to terminate the Proceller8 position, he or she must submit a notarized statement stating the desire to terminate the position, along with a certified copy of the death certificate, appointment as trustee, and/or any other appropriate legal documentation.
- i) Upon written request, Proceller8 may grant a one (1) month bereavement waiver and pay out at the last "paid as" rank.

## **7.0 DISCIPLINARY ACTIONS**

### **7.1 Imposition of Disciplinary Action - Purpose**

- a) Proceller8 reserves the right to impose disciplinary sanctions at any time, when it has determined that a Distributor has violated the Agreement or any of these Policies or the Compensation Plan as they may be amended from time to time by Proceller8 in accordance herewith.

### **7.2 Consequences and Remedies of Breach**

- a) Disciplinary actions may include one or more of the following:
  - (i) Monitoring a Distributor's conduct over a specified period of time to ensure compliance;
  - (ii) Issuance of a written warning or requiring the Distributor to take immediate corrective action;
  - (iii) Imposition of a fine (which may be imposed immediately or withheld from future commission payments) or the withholding of commission payments ("Commission Hold") until the matter causing the Commission Hold is resolved or until Proceller8 receives adequate additional assurances from the Distributor to ensure future compliance;

- (iv) Suspension from participation in Company or Distributor events, rewards, or recognition;
- (v) Suspension of the Distributor Agreement and position for one or more pay periods;
- (vi) Involuntary termination of the Distributor's Agreement and position;
- (vii) Any other measure which Proceller8 deems feasible and appropriate to justly resolve injuries caused by the Distributor's Policy violation or contractual breach;  
or
- (viii) Legal proceedings for monetary or equitable relief.

### **7.3 Suspension Procedures**

a) First Violation: Counseling and initial warning letter.

A first violation usually occurs because the Distributor is not familiar with the Policies or the law. Counseling and the initial warning provide an opportunity for Compliance to bring to the attention of the Distributor the Policies and the specific violation, and to provide counseling on complying with the Policies and applicable laws. Compliance will also describe expectations and steps the Distributor must take to resolve the violation including, but not limited to, either removing or revising the non-compliant claim or how to remedy other Policy violations. Within three (3) days of this notice, Compliance will determine if the non-compliant material or other policy violation has been remediated. If so, Compliance will close the file. If not, Compliance will proceed to the Second Violation notice described below. Further action is possible if the breach is deemed material in nature.

b) Second Violation: Second warning letter and temporary suspension

Although it is hoped that the Distributor will promptly correct the violation(s), Proceller8 recognizes that this may not always occur. The second written warning indicates the seriousness of repeated violations and will prompt a temporary suspension of the Distributor's account. During the suspension period, the Distributor waives any and all rights to Pay-Out and must submit a signed reinstatement letter wherein the Distributor acknowledges the violation(s) and describes the steps taken to correct the violation(s). Once the reinstatement letter is accepted by Proceller8, the suspension will be lifted and the Distributor will be able to request a Pay-Out. The Distributor may be subject to additional discipline up to and including termination if the violation is not remedied or further violations occur.

c) Third Violation: Suspension and final written warning

Repeated violations of the Policies are very problematic and potentially harmful. Therefore, the most effective and prudent action is suspension of the Distributor and forfeiture of commissions for at least a month. The final written warning letter will include notification of such suspension, the extent of the commission forfeiture, and an indication that if the Distributor violates the Policies again, the Distributor will be terminated immediately.

d) Fourth Violation: Termination

As described above, Proceller8 will try to exercise the progressive nature of the Discipline policy by first providing warnings, a final written warning and suspension, and commissions forfeiture before proceeding to termination; however, Proceller8 reserves the right to combine and omit steps depending on the circumstances of each situation and the nature of the violation. Furthermore, Distributors may be terminated without prior notice or disciplinary action, as authorized by the Policies.

## **8.0 DISPUTE RESOLUTION**

### **8.1 Grievances Against Another Distributor**

a) If a Distributor has a grievance or complaint against another Distributor regarding any practice or conduct relating to their respective Proceller8 businesses, he or she is encouraged to resolve the issue directly with the other party. If an agreement cannot be reached, it must be reported directly to the Proceller8 Compliance Department at [compliance@Proceller8.com](mailto:compliance@Proceller8.com) as outlined below in this Section.

b) The Proceller8 Compliance Department will be the final authority on settling such grievance or complaint and its written decision shall be final and binding on the Distributor(s) involved.

c) Proceller8 will confine its involvement to disputes regarding Proceller8 business matters only. Proceller8 will not decide issues that involve personality conflicts or unprofessional conduct by or between Distributors outside the context of a Proceller8 business. These issues go beyond the scope of Proceller8 and may not be used to justify a Sponsor or Placement change or a transfer to another Proceller8 organization.

d) Proceller8 does not consider, enforce, or mediate third-party agreements between Distributors, nor does it provide names, funding, or advice for obtaining outside legal counsel.

e) Process for Grievances:

(i) The Proceller8 Distributor should submit a letter of complaint (e-mail will be accepted) directly to the Proceller8 Compliance Department. The letter shall set forth the details of the incident as follows:

- A. The nature of the violation;
- B. Specific facts to support the allegations;
- C. Dates;
- D. Number of occurrences;
- E. Persons involved; and
- F. Supporting documentation.

(ii) Upon receipt of the written complaint, Proceller8 will conduct an investigation according to the following procedures:

- A. The Compliance Department will send an acknowledgment of receipt to the complaining Distributor;
  - B. The Compliance Department will provide a verbal or written notice of the allegation to the Distributor under investigation. If a written notice is sent to the Distributor, he or she will have ten (10) business days from the date of the notification letter to present all information relating to the incident for review by Proceller8.
  - C. The Proceller8 Compliance Department will thoroughly investigate the complaint, consider all the submitted information it deems relevant, including information from collateral sources. Due to the unique nature of each situation, determinations of the appropriate remedy will be on a case-by-case basis, and the length of time to reach a resolution will vary.
  - D. During the course of the investigation, the Compliance Department will only provide periodic updates simply stating that the investigation is ongoing. No other information will be released during this time. Distributor's calls, letters, and requests for "progress reports" during the course of the investigation will not be answered or returned.
- f) Proceller8 will make a final decision and timely notify the Proceller8 Distributor involved.

## **8.2 Mediation Disputes Between a Distributor and Proceller8**

- a) Distributors and Proceller8 (collectively "the Parties") recognize disputes and differences may arise between the Parties and therefore agree it is in their best interest to appoint an impartial mediator to resolve such disputes as they arise. Accordingly, the Parties agree to submit any controversy, claim, or dispute arising or relating to the Distributor Agreement or the breach, termination, enforcement, interpretation, or validity of the Distributor Agreement to non-binding mediation prior to filing any lawsuit or demand for arbitration. The Parties shall mutually select a mediator and share the cost of the mediation fee equally. Completion of mediation shall be a condition precedent to the filing of any lawsuit, demand for arbitration, or other formal claim. Any lawsuit or arbitration demand brought prior to mediation shall be dismissed for failing to comply with this provision and the party which failed to comply with this provision shall pay the other party's fees and expenses, including attorneys' fees, incurred in connection therewith. The mediation shall occur at the office of the mediator or at any neutral location located in Collin County, Texas. The Parties further agree that the laws of the State of Texas shall govern all matters, claims, or controversy submitted to mediation.

## **8.3 Severability**

- a) If any provision of these Policies is found to be invalid, or unenforceable for any reason, only the invalid provision shall be severed. The remaining terms and provisions hereof shall remain in full force and shall be construed as if such invalid or unenforceable provision had never comprised a part of these Policies.

#### **8.4 Waiver**

- a) Only an officer of Proceller8 can, in writing, affect a waiver of the Proceller8 Policies and Procedures. Proceller8's waiver of any particular breach by a Distributor shall not affect Proceller8's rights with respect to any subsequent breach, nor shall it affect the rights or obligations of any other Distributor.
- b) The existence of any claim or cause of action of a Distributor against Proceller8 shall not constitute a defense to Proceller8's enforcement of any term or provision of these Policies.

#### **8.5 Governing Law**

- a) The Parties agree that jurisdiction and venue of any controversy or claim arising from the Agreement or between Proceller8 and Distributor shall be in Collin County, Texas. The law of the State of Texas shall govern all matters relating to or arising from the Agreement or between Proceller8 and Distributor.

### **9.0 PAYMENT OF COMMISSIONS & BONUSES**

#### **9.1 Bonus and Commission Qualifications**

- a) A Distributor must be active and in compliance with these Policies and Procedures set forth herein, along with all guidelines implemented to qualify for bonuses and commissions. So long as a Distributor complies with the terms and conditions set forth in the Agreement, Proceller8 shall pay commissions to such Distributor in accordance with the Compensation Plan and any amendments thereto.
- b) Proceller8 will not issue a payment earned of any form to a Distributor without the receipt of the annual membership fee and properly completed Proceller8 Application.
- c) Proceller8 reserves the right to postpone bonus and commission payments until such time the cumulative amount exceeds \$25.00.
- d) Bonuses in the form of Proceller8 Bucks are not redeemable for cash.

#### **9.2 Computation of Commissions and Discrepancies**

- a) In order to qualify to receive commissions and/or bonuses, a Distributor must be in good standing and comply with the terms of the Agreement. Commissions, bonuses, overrides, and achievement levels are calculated each month.
- b) If a Distributor has questions about or believes any errors have been made regarding commissions, bonuses, business reports, genealogy, orders, or charges, the Distributor must notify Proceller8 in writing within thirty (30) days of the date the alleged error or incident in question occurred. Any such errors, omissions, or problems not reported within thirty (30) days shall be deemed waived by the Distributor.
- c) For additional information on payment of commissions, please review the Compensation Plan.



### **9.3 Adjustments to Bonuses and Commissions for Returned Products or Distributor Memberships**

- a) A Distributor receives bonuses and commissions based on the actual sales of products to Customers and Distributors through product purchases. When a product is returned to Proceller8 for a refund from the Customer or by a Distributor, the bonuses and commissions attributable to the returned product will be deducted from the Distributor who received bonuses or commissions on such sales. Deductions will occur in the month in which the refund is given and continue every pay period thereafter until the bonus/and or commission is recovered.
- b) In the event that a Distributor terminates his or her position, and the amounts of the bonuses or commissions attributable to the returned products or services have not yet been fully recovered by Proceller8, the remainder of the outstanding balance may be offset against any other amounts that may be owed by Proceller8 to the terminated Distributor.

## **10.0 ORDERING PRODUCT**

### **10.1 General Product Ordering Policies**

- a) “Bonus Buying” is strictly and absolutely prohibited. Bonus Buying includes;
  - (i) The enrollment of individuals or entities without the knowledge of and/or execution of an Application by such individuals or Business Entities;
  - (ii) The fraudulent enrollment of an individual or entity as a Distributor or Customer;
  - (iii) The enrollment or attempted enrollment of non-existent individuals or Business Entities as a Distributor or Customer (“phantoms”);
  - (iv) Purchasing Proceller8 products or services on behalf of another Distributor or Customer, or under another Distributor’s or Customer’s ID number, to qualify for commissions or bonuses;
  - (v) Purchasing excessive amounts of products, services, or SmartShips that cannot reasonably be used or resold in a month; and/or any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions, or bonuses that is not driven by bona fide product or service purchases by Customers or Distributors.
- b) Proceller8 requires that Distributors use their own credit cards and not allow others to use them. A Distributor shall not use another Distributor’s or Customer’s credit card or debit account to enroll in Proceller8 or purchase products, services, or SmartShips without the account holder’s written permission. No card may be used more than 3 times in a single business day unless they have contacted [support@proceller8.com](mailto:support@proceller8.com) to be included on an approved list. Such documentation must be kept by the Distributor indefinitely in case Proceller8 needs to reference this.
- c) Regarding an order with an invalid or incorrect payment, Proceller8 will attempt to contact the Distributor by phone, mail, or e-mail in order to obtain another form of payment. If these

attempts are unsuccessful after the expiration of three (3) business days, the order will be canceled.

- d) Prices are subject to change without notice.
- e) A Distributor or Customer who is a recipient of a damaged or incorrect order must notify Proceller8 within thirty (30) calendar days from receipt of the order and follow the procedures as set forth herein, along with the Return/Exchange Policies and any and all guidelines then effective and any amendments thereto.

## **10.2 Sales to Customers**

- a) Sales to retail customers may be done directly through Distributor replicated websites or directly using product that Distributor has in inventory.
- b) Distributors will comply with applicable consumer protection laws and regulations (including any consumer rights to receive specific notices and any rights to return product) afforded consumers under applicable consumer protection legislation. When making a sale to a customer, a Distributor must provide him/her with an official Proceller8 retail receipt at or prior to the time of the initial sale and every sale thereafter. Distributors will need to customize the template with his/her personal information. If the customer exercises the right to cancel the sale, Distributors shall follow the refund procedures described in this section.
- c) The customer should return all unused product to Proceller8. These sales receipts set forth:
  - (i) The consumer protection rights afforded by applicable law for direct sales, including the right to cancel (without any reason) the sales receipt up to ten (10) days after the customer receives a copy of the receipt or invoice; and
  - (ii) Proceller8's thirty (30) day return policy. The retail sales receipt may be downloaded from a Distributor's back office in template form. Distributors must duplicate the form and provide one to the retail customer and retain a copy for their records.

## **10.3 Insufficient Funds**

- a) All electronic payments that are declined for insufficient funds will be automatically resubmitted for payment.
- b) Any outstanding balance owed to Proceller8 by a Distributor or Customer from NSF (non-sufficient funds) or insufficient fund fees (ACH), will be withheld by Proceller8 from that Distributor's future bonuses and commission funds.
- c) All transactions involving insufficient funds through ACH or credit card, which are not resolved in a timely manner by the Distributor, constitute grounds for disciplinary sanctions or termination of the account.
- d) If a credit card order or automatic debit is declined the first time, the Customer or Distributor will be contacted directly and a request for an alternate form of payment will be made before any product will be shipped. If payment is declined a second time, the Customer or Distributor may be deemed ineligible to purchase Proceller8 products or services or

participate in the monthly Smart-Ship. Note: Participation by Distributors in Proceller8's monthly SmartShips, which is a recurring product order program, is entirely optional, and is not required in order to become a Customer or Distributor, move up in rank or otherwise fully participate in the Rewards Program.

#### **10.4 Credit Card Purchases**

- a) Credit card purchases may only be made by the individual whose name and address are on the credit card. Any Distributor or Customer who uses another individual's credit card to pay for purchases risks having his/her Account being placed on suspension pending an investigation and resolution of any complaints regarding unauthorized charges. Proceller8 considers such transactions fraudulent and will report them to the proper authorities for resolution.
- b) Under no circumstance will any Distributor and/or Customer charge back any credit card purchases. Any Distributor and/or Customer who does so will immediately lose all credit card ordering privileges. If an erroneous charge is applied to a Distributor and/or Customer's credit card, the Distributors or Customer should immediately contact the Proceller8 Support Team via email at [support@proceller8.com](mailto:support@proceller8.com) to initiate an investigation and resolution.
- c) If a Distributor or Customer notifies his/or her banking institution and requests a chargeback for the amount of the purchase, the person's Account will be automatically closed indefinitely upon Proceller8's notification of the disputed purchase.
- d) Upon closing of Distributor's account, Distributor's Proceller8 Bucks balance will be cleared, as they are not redeemable for cash.

#### **10.5 Sales Tax Obligation**

- a) The Distributor shall comply with all federal and local taxes and regulations governing the sale of Proceller8 Science products and services.
- b) Proceller8 will collect and remit sales tax on Distributor orders. When orders are placed with Proceller8, sales tax is prepaid based upon the suggested retail price. Proceller8 will remit the sales tax to the appropriate jurisdictions. The Distributor may recover the sales tax when he or she makes a sale. Proceller8 Distributors are responsible for any additional sales taxes due on products marked up and sold at a higher price.
- c) Proceller8 encourages each Distributor to consult with a tax advisor for additional information for his or her business.
- d) Proceller8 is required to charge and remit sales tax to the various states and U.S territories based on the retail price.

#### **10.6 Refund Policy**

- a) Proceller8 Customers:
  - (i) If within the first thirty (30) days you are not satisfied with the product you must contact [support@proceller8.com](mailto:support@proceller8.com) to return the unused portion of the product for a

full refund of the product purchase amount, minus shipping and handling charges incurred. After thirty (30) days and up to ninety (90) days post-purchase, you must contact [support@proceller8.com](mailto:support@proceller8.com) to return the remaining sellable portion of the product for a full refund of the sellable portion. Any shipping and handling charges incurred when shipping and/or returning the product will not be refunded. Additionally, anytime an order is refunded, all commissions paid on the returned product will be deducted.

b) Distributors:

- (i) If within the first thirty (30) days of the original purchase, you are not satisfied with the product, you must contact [support@proceller8.com](mailto:support@proceller8.com) to return the unused portion of the product for a full refund, minus shipping and handling charges. Your Distributor account may be subject to six (6) months suspension.
- (ii) After thirty (30) and ninety (90) days post-purchase, you must contact [support@proceller8.com](mailto:support@proceller8.com) to return the remaining sellable portion items for a refund if the products are in resalable condition. Any shipping and handling charges incurred will not be refunded.
- (iii) Anytime an order is refunded, all commissions paid on the returned product will be deducted.
- (iv) If you receive a product that is damaged or otherwise defective, you may return the product within thirty (30) days of receipt for a full refund or replacement product.
- (v) Properly returned product purchased completely or partially with Proceller8 Bucks will be credited Proceller8 Bucks, pro-rata, back to their Distributor account. Proceller8 Bucks are not redeemable for cash.
- (vi) All purchases are charged and refunded in U.S. Dollars. All returns, refunds, and exchanges will also be refunded or exchanged in U.S. Dollars. Proceller8 is not responsible for fluctuating exchange rates.

c) Terminated Promoters If a terminated Promoter has purchased Proceller8 products, Proceller8 will issue a refund or credit for any products purchased by the Promoter if: (i) the product is in Resalable condition; (ii) the Resalable product is returned to Proceller8 within twenty (20) days form the date of termination; and (iii) the Promoter provides proof the product was purchased within twelve (12) months preceding the date of termination. [Note: the twelve (12) month requirements not applicable to residents of Maryland, Wyoming, Massachusetts, and Puerto Rico]. Refunds are subject to a ten percent (10%) handling fee. Shipping costs are not refundable.

d) Montana Residents: ProPak and Cancellation Returns. A new Promoter has up to fifteen (15) days to cancel their agreement with Proceller8. The Promoter is entitled to a full refund of the ProPak as long as all of the items from their ProPak are returned and the items are still sealed and have not been used in any way. Neither shipping and handling charges incurred by a Promoter when the ProPak was purchased, nor return shipping fees, will be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account used when purchasing. Per Proceller8's refund policy, if a Promoter was paid a commission based on products(s) purchased, and such product(s) is

subsequently returned for a refund, the commission that was paid based on that product purchase will be deducted from the amount of the refund or a future commission payout. Additionally, if a Promoter cancels after fifteen (15) days, but within twelve (12) months, and has not received any financial benefit by purchasing a ProPak, they can receive a ninety (90%) percent refund on any currently marketable products sold that have not been resold or consumed or are seasonal, discontinued, or special promotional items.

## **10.7 Return Process**

- a) All returns, whether by a Customer or Distributor, must be made as follows:
  - (i) Obtain a Return Merchandise Authorization (“RMA”) from Proceller8 by contacting [support@proceller8.com](mailto:support@proceller8.com) and submitting a request.
  - (ii) Ship items to the address provided by Proceller8 customer service when you receive your Return Merchandise Authorization.
  - (iii) Provide a copy of the sales receipt or invoice with the returned products or service. Such invoice must reference the RMA and include the reason for the return.
  - (iv) Ship product back in the original manufacturer’s box exactly as it was delivered.
  - (v) All returns must be shipped to Proceller8 prepaid, as Proceller8 does not accept shipping COD packages. Proceller8 recommends shipping returned product by UPS or FedEx which includes tracking information and insurance, as risk of loss or damage in the shipping process of the returned product shall be borne solely by the Customer or Distributor. If the returned product is not received at the address provided on the RMA, it is the responsibility of the Customer or Distributor to trace the shipment of the product wherein no credit will be applied.
  - (vi) The return of \$500 or more of products accompanied by a request for a refund within one (1) calendar year by a Distributor, may constitute grounds for involuntary termination.

## **11.0 PROCELLER8 OPPORTUNITY**

### **11.1 Presentation of Compensation Plan**

- a) In presenting the Proceller8 opportunity to potential Customers and Distributors, a Distributor is required to comply with the following provisions:
  - (i) A Distributor shall present a copy of the Proceller8 Income Disclosure Statement when presenting the opportunity to prospective Distributors and take special precautions to not misquote or omit any significant material fact about the Compensation Plan.
  - (ii) A Distributor shall make it clear that the Compensation Plan is based upon sales of Proceller8 products and services and upon the sales from other Distributors sponsored within their organization.
  - (iii) A Distributor shall make it clear that success can be achieved only through substantial and diligent independent efforts.

- (iv) A Proceller8 Distributor shall not make income projections, claims, or guarantees while presenting or discussing the Proceller8 opportunity or Compensation Plan to prospective Distributors or Customers. A Proceller8 Distributor MUST inform all prospective Distributors that success requires substantial work and make available the Proceller8 Income Disclosure Statement to prospective Distributors.
- (v) A Distributor may not make any claims regarding products or services of any products offered by Proceller8, except those contained in official Proceller8 literature.
- (vi) A Distributor may not use official Proceller8 material to promote the Proceller8 business opportunity in any country where Proceller8 is not duly authorized to conduct business.

## **11.2 Sales Requirements Are Governed by the Compensation Plan**

- a) There are no exclusive territories granted to anyone. No franchise fees are applicable to a Proceller8 business. Proceller8 products may only be sold where Proceller8 is licensed or otherwise authorized to conduct business.
- b) The Proceller8 program is built on sales to the ultimate consumer or end-user. Proceller8 encourages its Distributors to only purchase inventory, in reasonable quantities, that they and their family will personally consume, will be used as a sales tool, or will be resold to others for their ultimate consumption. Distributors must never attempt to influence any other Distributors to buy more products than they can reasonably use or sell to retail customers in a month.
- c) Each Distributor commits to personally use, sell, or use in business building at least 70% of every order placed with Proceller8 prior to placing another order, and must be able to certify as much if demanded by Proceller8 or by any regulatory agency. Purchasing product solely for the purpose of collecting bonuses or achieving rank is strictly prohibited. Proceller8 retains the right to limit the amount of purchases you may make if, in our sole judgment, we believe those purchases are being made solely for qualification purposes instead of for consumption or resale.

## **12.0 PROPRIETARY INFORMATION & TRADE SECRETS**

### **12.1 Business Reports, Lists, and Proprietary Information**

- a) By agreeing to the Distributor Agreement, the Distributor acknowledges that business reports, lists of Customer and Distributor names and contact information, and any other information, which contain financial, scientific, or other information, both written or otherwise circulated by Proceller8 or pertaining to the business of Proceller8 (collectively, "Reports"), are confidential and proprietary information and trade secrets belonging to Proceller8.

### **12.2 Obligation of Confidentiality**

- a) During the term of the Distributor Agreement and for a period of two (2) years after the termination or expiration of the Distributor Agreement between the Distributor and Proceller8, the Distributor shall not:

- (i) Use the information in the Reports to compete with Proceller8 or for any purpose other than promoting his or her Proceller8 business;
- (ii) Use or disclose to any person or entity any confidential information contained in the Reports, including the replication of the genealogy in another network marketing company.

### **12.3 Breach and Remedies**

- a) The Distributor acknowledges that such proprietary information is of such character as to render it unique and that disclosure or use thereof in violation of this provision will result in irreparable damage to Proceller8 and to independent Proceller8 businesses. Proceller8 and its Distributors will be entitled to injunctive relief or to recover damages against any Distributor who violates this provision in any action to enforce its rights under this section. The prevailing party shall be entitled to an award of attorneys' fees, court costs, and expenses.

### **12.4 Return of Materials**

- a) Upon demand by Proceller8, any current or former Distributor will return the original and all copies of all Reports to Proceller8 together with any Proceller8 confidential information in such person's possession.

## **13.0 PRIVACY POLICY**

### **13.1 Introduction**

- a) This Privacy Policy is to ensure that all Customers and Distributors understand and adhere to the basic principles of confidentiality. Without limiting the terms of this section, all Distributors must comply with applicable privacy laws governing the collection, use, and disclosure of Customer and fellow Distributor information.

### **13.2 Expectation of Privacy**

- a) Proceller8 recognizes and respects the importance its Customers and Distributors place on the privacy of their financial and personal information. Proceller8 will make reasonable efforts to safeguard the privacy of, and maintain the confidentiality of, its Customers' and Distributors' financial and account information and nonpublic personal information.
- b) By entering into the Distributor Agreement, a Distributor or Customer authorizes Proceller8 to disclose his or her name and contact information to upline Distributors solely for activities related to the furtherance of the Proceller8 business. A Distributor hereby agrees to maintain the confidentiality and security of such information and to use it solely for the purpose of supporting and servicing his or her organization and conducting the Proceller8 business.

### **13.3 Employee Access to Information**

- a) Proceller8 limits the number of employees who have access to Customer and Distributor nonpublic personal information.

#### **13.4 Restrictions on the Disclosure of Account Information**

- a) Proceller8 will not share non-public personal information or financial information about current or former Customers or Distributors with third parties, except as permitted or required by laws and regulations, court orders, or to serve the Customers' or Distributors' interests or to enforce its rights or obligations under these Policies or Distributor Agreement or with written permission from the accountholder on file.

### **14.0 ADVERTISING, PROMOTIONAL MATERIAL, USE OF PROCELLER8 AND TRADEMARKS**

#### **14.1 Labeling, Packaging, and Displaying Products**

- a) A Proceller8 Distributor and/or Customer may not relabel, repackage, refill, or alter labels of any Proceller8 product, service, information, materials, or program(s) in any way. Proceller8 products and services must only be sold in their original containers from Proceller8. Such relabeling or repackaging violates federal and regulatory laws, which may result in criminal or civil penalties or liability.
- b) A Proceller8 Distributor shall not cause any Proceller8 product or service or any Proceller8 trade name to be sold or displayed in retail establishments except:
  - (i) Where professional services are the primary source of revenue and the product sales are secondary (e.g., doctor's offices, clinics, health clubs, spas, and beauty salons); or
  - (ii) Where the retail establishment is owned or managed by the Proceller8 Distributor and the store does not exceed \$1 million in annual gross revenue, and there are five (5) or fewer stores under common ownership of management.
- c) A Distributor may sell Proceller8 products and services and display the Proceller8 trade name at any appropriate display booth (such as trade shows, expositions, conferences, etc.) with the express written consent of Proceller8.
- d) A Distributor or Customer is prohibited from selling Proceller8 products and services and displaying the Proceller8 trade name, trademark, or service marks at any kiosk or booth located in any retail establishment, such as a mall or retail facility.
- e) Proceller8 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 Proceller8 opportunity.

#### **14.2 Use of Proceller8 and Protected Materials**

- a) A Proceller8 Distributor must safeguard and promote the good reputation of Proceller8 and the products and services it markets. The marketing and promotion of Proceller8, the Proceller8 opportunity, the Compensation Plan, and Proceller8 products and services will



be consistent with the public interest and must avoid all discourteous, deceptive, misleading, unethical, or immoral conduct and practices.

- b) All promotional materials supplied or created by Proceller8 must be used in their original form and cannot be changed, amended, or altered, except with prior written approval from the Proceller8 Compliance Department.
- c) The name of Proceller8, each of its product and service names, and other names that have been adopted by Proceller8 in connection with its business are proprietary trade names, trademarks, and service marks of Proceller8. As such, these marks are of great value to Proceller8 and are supplied to Distributors for their personal use only in an expressly authorized manner.
- d) A Proceller8 Distributor's use of the name "Proceller8" is restricted to protect Proceller8 proprietary rights, ensuring that the Proceller8 protected names will not be lost or compromised by unauthorized use. Use of the Proceller8 name on any item not produced by Proceller8 is prohibited except as follows:
  - (i) [Distributor's name] Independent Proceller8 Distributor.
  - (ii) [Distributor's name] Independent Distributor of Proceller8 products and services.
- e) Further procedures relating to the use of the Proceller8 name are as follows:
  - (i) All stationery (i.e., letterhead, envelopes, and business cards) bearing the Proceller8 name or logo intended for use by the Proceller8 Distributor must be submitted via email to the Proceller8 Compliance Department for approval. Submit to: [compliance@Proceller8.com](mailto:compliance@Proceller8.com).
  - (ii) Proceller8 Distributors may list "Independent Proceller8 Distributor" in the white pages of the telephone directory under his or her own name.
  - (iii) Proceller8 Distributors may not use the name Proceller8 in answering his or her 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, "Independent Proceller8 Distributor."
- f) Certain photos and graphic images used by Proceller8 in its advertising, packaging, and websites are the results of paid contracts with outside vendors that do not extend to Distributors. If a Distributor wants to use these photos or graphic images, they must negotiate individual contracts with the vendors for a fee.
- g) A Proceller8 Distributor shall not appear on or make use of television or radio or make use of any other media to promote or discuss Proceller8 or its programs, products, or services without prior written permission from the Proceller8 Compliance Department.
- h) A Distributor may not produce for sale or distribution any Company event or speech, nor may a Distributor reproduce Proceller8 audio or video clips for sale or for personal use without prior written permission from the Proceller8 Compliance Department.

- i) Proceller8 reserves the right to rescind its prior approval of any sales aid or promotional materials to comply with changing laws and regulations and may request the removal from the marketplace of such materials without financial obligation to the affected Distributor.
- j) A Distributor shall not promote non-Proceller8 products or services in conjunction with Proceller8 products or services on the same social media site or same advertisement without prior approval from Proceller8 Compliance Department.
- k) Claims (which include personal testimonials) as to therapeutic, curative, or beneficial properties of any products offered by Proceller8 may not be made except those contained in official Proceller8 literature. In particular, no Distributor may make any claim that Proceller8 products are useful in the cure, treatment, diagnosis, mitigation, or prevention of any diseases. Such statements can be perceived as medical or drug claims. Not only do such claims violate Proceller8 policies, but they also potentially violate federal and state laws and regulations.
- l) A Distributor and/or Customer may not make any claims regarding products or services of any products offered by Proceller8, except those contained in official Proceller8 literature.

### **14.3 Faxes and E-mail - Limitations**

- a) Except as provided in this section, a Distributor may not use or transmit unsolicited email, mass email distribution, other commercial electronic messages, or “spamming” that advertises or promotes the operation of his or her Proceller8 business. The exceptions are:
  - (i) Emailing any person who has given prior permission or invitation; or
  - (ii) Emailing any person with whom the Distributor has established a current business or personal relationship.
- b) In all states or U.S. or International territories where prohibited by law, a Distributor may not transmit, or cause to be transmitted through a third party, (by telephone, facsimile, computer, or other devices), an unsolicited advertisement to any equipment, which has the capacity to transcribe text or images from an electronic signal received over a regular telephone line, cable line, ISDN, T1 or any other signal carrying device, except as set forth in this section.
- c) All e-mail or computer broadcasted documents subject to this provision shall include each of the following:
  - (i) A clear and obvious identification that the fax or email message is an advertisement or solicitation. The words “advertisement” or “solicitation” should appear in the subject line of the message;
  - (ii) A clear return path or routing information;
  - (iii) The use of legal and proper domain name;
  - (iv) A clear and obvious notice of the opportunity to decline to receive further commercial facsimile or email messages from the sender;

- (v) Unsubscribe or opt-out instructions should be the very first text in the body of the message box in the same size text as the majority of the message;
  - (vi) The true and correct name of the sender, valid sender's fax or e-mail address, and a valid sender physical address;
  - (vii) The date and time of the transmission; and
  - (viii) Upon notification by the recipient of his or her request not to receive further faxed or e-mailed documents, a Proceller8 Distributor shall not transmit any further documents to that recipient.
- d) All email or computer broadcasted documents subject to this provision shall not include any of the following:
- (i) Use of any third-party domain name without permission; and
  - (ii) Sexually explicit materials.

#### **14.4 Internet and Third-Party Website Restrictions**

- a) A Distributor and/or Customer is prohibited from creating or registering any third-party website in order to promote, sell, or advertise their Proceller8 business. A Distributor and/or Customer is prohibited to use or attempt to register any of Proceller8's trade names, trademarks, service names, service marks, product names, URLs, advertising phrases, the Proceller8 name, or any derivative thereof, for any purpose including, but not limited to, Internet domain names (URL), third party websites, email addresses, web pages, or blogs.
- b) A Distributor may not (directly or indirectly through any intermediary or instrumentality) advertise, offer for sale, or facilitate the offering for sale of any Proceller8 products or services or offer the Business Opportunity on any online auction websites, internet retailer sites, or online marketplace websites. Examples of such sites include, but are not limited to, eBay®, Amazon, Facebook Marketplace, Sears.com, Jet.com, Walmart.com, and Etsy. This obligation survives the termination of a Proceller8 Distributor Agreement with Proceller8.
- c) Social Media sites may be used to sell or offer to sell Proceller8 products or services. PROFILES A DISTRIBUTOR OR CUSTOMER GENERATES IN ANY SOCIAL COMMUNITY WHERE PROCELLER8 IS DISCUSSED OR MENTIONED MUST CLEARLY IDENTIFY THE DISTRIBUTOR AS AN INDEPENDENT PROCELLER8 DISTRIBUTOR, and when a Distributor and/or Customer participates in those communities, Distributors and/or Customers must avoid inappropriate conversations, comments, images, video, audio, applications, or any other adult, profane, discriminatory, or vulgar content. The determination of what is inappropriate is at Proceller8's sole discretion, and offending Distributor and/or Customer will be subject to disciplinary action. Banner ads and images used on these sites must be current and must come from the Proceller8 approved library, official Proceller8 website, or social media outlet. If a link is provided, it must link to the posting Distributor's Replicated website.
- d) Anonymous postings or use of an alias on any Social Media site is prohibited, and offending Distributors will be subject to disciplinary action.

- e) Distributors and/or Customers may not use blog spam, spamdexing, or any other mass-replicated methods to leave blog comments. Comments Distributors or Customers create or leave must be useful, unique, relevant, and specific to the blog's article.
- f) Distributors and/or Customers must disclose their full name on all Social Media postings and conspicuously identify themselves as an Independent Proceller8 Distributor for Proceller8. Anonymous postings or use of an alias is prohibited.
- g) Postings that are false, misleading, or deceptive are prohibited. This includes, but is not limited to, false or deceptive postings relating to the Proceller8 income opportunity, Proceller8's products and services, and/or your biographic information and credentials.
- h) A Distributor and/or Customer are personally responsible for their postings and all other online activity that relates to Proceller8. Therefore, even if a Distributor does not own or operate a blog or Social Media site, if a Distributor and/or Customer posts to any such site that relates to Proceller8 or which can be traced to Proceller8, the Distributor is responsible for the posting. A Distributor and/or Customer are also responsible for postings which occur on any blog or Social Media site that the Distributor and/or Customer owns, operates, or controls.
- i) As a Proceller8 Distributor, it is important to not converse with any person who places a negative post against you, other Distributors, or Proceller8. Report negative posts to Proceller8 at [support@proceller8.com](mailto:support@proceller8.com). 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 Proceller8, and therefore damages the reputation and goodwill of Proceller8.
- j) The distinction between a Social Media site and a website may not be clear-cut, because some Social Media sites are particularly robust. Proceller8, therefore, reserves the sole and exclusive right to classify certain Social Media sites as third-party websites which are herein prohibited.
- k) If your Proceller8 business is canceled for any reason, you must discontinue using the Proceller8 name, and all of Proceller8'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 an Independent Proceller8 Distributor, you must conspicuously disclose that you are no longer an Independent Proceller8 Distributor.
- l) Failure to comply with these Policies for conducting business online may result in the Distributor losing their right to advertise and market Proceller8 products, services, and Proceller8's business opportunity online in addition to any other disciplinary action available under the Policies.
- m) Distributors are prohibited from selling Proceller8 products to individuals or entities that they know or should know, intend to resell the products. Distributors must sell Proceller8 products only to end-user customers and Distributors shall not sell to any person any quantity of Proceller8 products greater than that generally purchased by an individual for personal use. Distributors must take reasonable steps to ensure that they do not violate these prohibitions.

## **14.5 Advertising and Promotional Materials**

- a) You may not advertise any Proceller8 products or services at a price LESS than the highest company published, established retail price of ONE offering of the Proceller8 product or service plus shipping, handling, and applicable taxes. No special enticement advertising is allowed. This includes, but is not limited to, offers of free membership, free shipping, or other such offers that grant advantages beyond those available through Proceller8.
- b) Advertising and all forms of communications must adhere to principles of honesty and propriety.
- c) All advertising, including, but not limited to, print, Internet, computer bulletin boards, television, radio, etc., are subject to prior written approval by the Proceller8 Compliance Department.
- d) All requests for approvals with respect to advertising must be directed in writing to the Proceller8 Compliance Department.
- e) Proceller8 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 Distributor.

#### **14.6 Testimonial Permission**

- a) By agreeing to the Proceller8 Distributor Agreement, a Distributor gives Proceller8 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 the Proceller8 Business Opportunity, a Distributor waives any right to be compensated for the use of his or her testimonial or image and likeness even though Proceller8 may be paid for items or sales materials containing such image and likeness and represents that any testimonial represents a Distributor's current, original, honest opinion, thoughts, beliefs, findings, or experiences, based on a Distributor's actual experience with Proceller8 and any stated use of Proceller8 products and/or services, and agrees to notify a Distributor immediately of any changes in the views expressed in the testimonial. In some cases, a Distributors' testimonial may appear in another Distributor's advertising materials. If a Distributor does not wish to participate in Proceller8 sales and marketing materials, he or she should provide a written notice to the Proceller8 Compliance Department to ensure that his or her testimonial, image, or likeness will not be used in any corporate materials, corporate recognition pieces, advertising or recordings of annual events.

#### **14.7 Telemarketing - Limitations**

- a) A Proceller8 Distributor must not engage in telemarketing in relation to the operation of the Distributor's Proceller8 business. The term "telemarketing" means the placing of one or more telephone calls, text messages, emails, or facsimile transmissions to an individual or

entity to induce the purchase of Proceller8 products or services or to recruit them for the Proceller8 opportunity.

- b) The federal government administers the Unsolicited Telecommunication Rules and operates a national Do-Not-Call registry that requires businesses to refrain from calling phone numbers listed on the national “Do-Not-Call” list (DNCL) and or people who tell the caller directly not to call/fax in the future.
- c) While a Distributor may not consider himself or herself a “telemarketer” in the traditional sense, these regulations broadly define the term “telemarketer” and “telemarketing” so that the unintentional action of calling someone whose telephone number is listed on the Federal “Do Not Call” registry could cause the Distributor to violate the law. These regulations must not be taken lightly, as they carry significant penalties.
- d) “Cold calls” or unsolicited calls/texts/emails/faxes made to prospective Customers or Distributors in order to promote Proceller8 products, services, or the Proceller8 opportunity is considered telemarketing and is prohibited.
- e) Exceptions to Telemarketing Regulations

A Proceller8 Distributor may place telephone calls or faxes to prospective Customers, or Distributors under the following limited situations:

- (i) If the Distributor has an established current business relationship with the prospect;
  - (ii) In response to the prospect’s personal inquiry or application regarding a product or service offered by the Proceller8 Distributor, within three (3) months immediately before the date of such a call/fax;
  - (iii) If the Distributor receives written and signed permission from the prospect authorizing the Distributor to call/fax;
  - (iv) If the call/fax is to family members, personal friends, or acquaintances. However, if a Distributor makes a habit of collecting business cards from everyone, he/she meets and subsequently calls/faxes them, the federal government may consider this a form of telemarketing that is not subject to this exemption; and
  - (v) Proceller8 Distributors engaged in calling “acquaintances” must make such calls/faxes on an occasional basis only and not as a routine practice.
- f) A Distributor shall not use automatic telephone dialing systems in the operation of his or her Proceller8 businesses.
  - g) Failure to abide by Proceller8 Policies or regulations as set forth by the federal government regarding telemarketing may lead to sanctions against the Distributor’s position, up to and including termination of the position.
  - h) By signing the Distributor Agreement, or by accepting commissions, other payments, or awards from Proceller8, a Distributor gives permission to Proceller8 and other Distributors to contact them as permitted under the Federal Do Not Call regulations.

- i) In the event, a Distributor violates this section, Proceller8 reserves the right to institute legal proceedings to obtain monetary or equitable relief.

## **15.0 INTERNATIONAL MARKETING**

### **15.1 International Marketing Policy**

- a) A Proceller8 Distributor is authorized to sell Proceller8 products and services to Customers and Distributors only in the countries in which Proceller8 is authorized to conduct business, according to the Policies of each country. Proceller8 Distributors may not sell products or services in any country where Proceller8 products and services have not received applicable government authorization or approval.
- b) A Distributor may not, in any unauthorized country, conduct sales, enrollment, or training meetings, enroll, or attempt to enroll potential Customers or Distributors nor conduct any other activity for the purpose of selling Proceller8 products and services, establishing a sales organization, or promoting the Proceller8 business opportunity.

## **16.0 SMARTSHIP CANCELLATION**

- a) To cancel or modify your SmartShip at any time you may email [support@proceller8.com](mailto:support@proceller8.com). You can also modify or cancel your order at any time through your portal at [myproceller8.com](http://myproceller8.com). By selecting the "SmartShip" option on the website, you are giving Proceller8 authorization to enroll you in the automatic shipping program. Proceller8 will ship your products directly to you. You are also authorizing Proceller8 to charge your credit card for the products you have ordered on a monthly basis without further warning or notifications from Proceller8. You may cancel at any time without penalty by emailing [support@proceller8.com](mailto:support@proceller8.com) or canceling the order on [www.myproceller8.com](http://www.myproceller8.com). All Smart-Ship cancellations must be performed or delivered to Proceller8 five (5) business days prior to your next shipment to guarantee cancellation of that shipment.

## **17.0 SHIPPING POLICY**

- a) All orders are processed within 2-3 business days.
- b) Orders are not shipped or delivered on weekends or holidays.
- c) If Proceller8 is experiencing a high volume of orders, shipments may be delayed by a few days. Please allow additional days in transit for delivery. If there will be a significant delay in shipment of your order, we will contact you via email or telephone.
- d) Shipping charges for your order will be calculated and displayed at checkout. Delivery delays can occasionally occur.
- e) Proceller8 is not liable for any products damaged or lost during shipping. If you received your order damaged, please contact the shipment carrier to file a claim.
- f) Please save all packaging material and damaged goods before filing a claim.

## 18.0 GLOSSARY OF TERMS

**ACTIVE DISTRIBUTOR:** A Distributor who is in good standing with respect to the Agreement and who satisfies the minimum sales volume requirements, as set forth in the Compensation Plan, to ensure that they are eligible to receive bonuses and commissions.

**AGREEMENT:** Collectively refers to the following documents along with any exhibits or addendums thereto: (i) Proceller8's Policies and Procedures; (ii) Proceller8's Compensation Plan; and (iii) All social media guidelines or other guidelines issued by Proceller8's, in their current form and as amended by Proceller8 in its sole discretion in accordance with the terms hereof.

**CANCEL:** The termination of a Distributor's business. Cancellation may be either voluntary, involuntary, or through non-renewal.

**COMPENSATION PLAN:** The guidelines and referenced literature for describing how Distributors can generate commissions and bonuses.

**COMPETING PRODUCT(S):** Competing Product or Service means any product or service that is sold with like characteristics, function, benefits, or ingredients.

**CUSTOMER:** Any person who purchases Proceller8 products and does not engage in the Proceller8 business opportunity.

**DISTRIBUTOR AGREEMENT:** Proceller8 Independent Distributor's Enrollment Agreement in its current version that is available for download in the Distributor's back office.

**DISTRIBUTORS WALLET:** Is a secure website that manages a Distributor's commissions.

**LINE OF SPONSORSHIP (LOS):** A report generated by Proceller8 that provides critical data relating to the identities of Distributor, sales information, and enrollment activity of each Distributor's organization. This report contains confidential and trade secret information which is proprietary to Proceller8.

**ORGANIZATION:** The Customers and Distributors enrolled below a particular Distributor.

**OFFICIAL PROCELLER8 MATERIAL:** Literature, audio or video recordings, photographs, intellectual property, and/or any other materials developed, printed, published, or distributed by Proceller8 to Distributors and Customers.

**PLACEMENT:** Your position inside your Sponsor's organization.

**RESALABLE:** Products shall be deemed "resalable" if each of the following elements is satisfied: 1) they are unopened and unused; 2) original packaging and labeling have not been altered or damaged; 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price, and 4) the product contains current Proceller8 labeling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable.

**SALE OF POSITION FORM:** Proceller8's Sale/Transfer Position Form in its current version that is available from [support@proceller8.com](mailto:support@proceller8.com).

**SPONSOR:** A Distributor who enrolls (registers) a Customer, or another Distributor into the Company, and is listed as the Sponsor on the Distributor Agreement. The act of enrolling (registering) others and training them to become a Distributor is called "sponsoring." \***Note: Any**



reference to “personally enrolling (registering)/sponsoring” herein is simply descriptive of the method of building a community of Distributors, i.e., personally enrolling (registering) other participants into Proceller8. The phrase is not intended to imply any connection between the simple act of recruitment, sponsorship, or enrollment (registration), and payment of compensation.

**UPLINE:** This term refers to the Distributors above a particular Proceller8 Distributor or Sponsor in a sponsorship line up to the Company. It is the line of sponsors that links any particular Distributor to the Company.

# **ADDENDUM 1**

## Proceller8 Compensation Plan

# **ADDENDUM 2**

Proceller8

Income Disclosure Statement

## INCOME DISCLOSURE STATEMENT

The Proceller8 Compensation Plan is an exciting opportunity that rewards you for selling products and services and sponsoring other participants who do the same. Although the opportunity is unlimited, individual results will vary depending on commitment levels and sales skills of each participant. Since Proceller8 has recently launched, it lacks enough statistical data to prepare reliable income disclosures. There will be certain participants who will earn less while others will earn much more. We are excited about the Proceller8 Compensation Plan and we are confident it will provide you a solid foundation to help you achieve your financial goals. As with all endeavors, hard work and the time you dedicate impact outcomes.

If income projections were presented to you prior to your enrollment, such projections are not necessarily representative of the income, if any, that you can earn through your participation in the Compensation Plan. These income projections should not be considered as guarantees or projections of your actual earnings or profits. Success with Proceller8 results only from hard work, dedication, and leadership.