

# **Policies and Procedures**

Policies and Procedures August 5th, 2017

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The policies and procedures of HempWorx, LTD contained herein were established to explain and define the rights and responsibilities of HempWorx, LTD and its Independent Affiliates.

Each Affiliate agrees, without reservation, to all the terms and conditions contained herein and holds HempWorx, LTD free from any and all liability that may result from this agreement between the Affiliate and HempWorx, LTD

### **CODE OF CONDUCT DECLARATION**

HempWorx, LTD (subsequently referred to as the “Company”) has established the following code of conduct to guide the appropriate, efficient and ethical operation of the Company. We require Affiliates and Customers to abide by the letter and spirit of this code that forms our contract with all registered parties of HempWorx, LTD

#### **1. Member Obligation. Affiliate Members will:**

- a. Conduct themselves in an ethical and professional manner;
- b. Sell the company’s products in accordance with the compensation plan;

- c. Make it clear that success in the Company's compensation plan is based on product purchases rather than sponsoring;
- d. Represent the compensation plan only as prescribed by the Company;
- e. Be truthful in my representation of the Products and will make no Product claim that is not approved by and/or supported by official Company publications;
- f. Comply with applicable consumer protection laws and regulations;
- g. Maintain current and accurate information concerning the address, phone number, email, social security number, method of payment, and any other data on their file

## **2. HempWorx Affiliates will not:**

- a. Engage in deceptive, unlawful, or unethical business or recruiting practices;
- b. Engage in high-pressure selling or recruiting practices;
- c. Make misleading sales claims or guarantees concerning the company's products;
- d. Make misleading claims or guarantees concerning potential earnings;
- e. Sponsor or enroll minors or persons who are not capable of making an informed decision;

- f. Conduct business activities in countries other than those approved by HempWorx, LTD
- g. Purchase BusinessVolume or another Member or Customer's account to qualify for any bonus or commissions; or
- h. Seek in anyway to violate to circumvent HempWorx LTD policies

### **Section 1: Become An Independent Representative/Affiliate**

- A. Age of Majority. In order to become an Independent Representative, all Applicants must have reached the age of majority, usually eighteen (18) years of age, in jurisdiction in which they reside.**
- B. A new Independent Representative is authorized by the Company to exercise Independent Representative Right and operate an Independent Representativeship when he or she joins as an Independent Representative by submitting the required fields of information on any of the join pages of the website or upgrades membership from Preferred Customer to Independent Representative on the website, and agrees to these Policies and Procedures.**
- C. The right to accept or renew any Independent Representative Agreement remains solely with the Company.**

- D. An Independent Representative** may be required to provide the company with proof of residency, work, authorizations, and ability to legally conduct business in the country in which they are conducting business.
- E. Required Purchase.** In order to maintain an active Membership, Independent Representatives must pay a one-time website activation fee of \$20. Independent Representatives are not required to purchase product themselves, however in order to remain active and qualified to earn commissions, must maintain a minimum of 50BV in personal volume each calendar month. This can be achieved either by a personal purchase or by retailing the product to another individual.
- F. Business Entities.** The Applicant may also be required to provide an Identification Number for the Business Entity, and a Statement of Beneficial Interest, which must include the signature and Identification Number or other personal identification number of every Person having a Beneficial Interest in the Business Entity. To verify the form of the Business Entity, Beneficial Interest holders, and authorized signatories, the company may require, at any time, the Applicant to submit a copy of its articles of organization, articles of incorporation or other charter documentation.
- G. Identification Number.** For tax reporting, where required, and identification purposes (where permitted by law), the Company required Applicants to provide the Identification Number or other personal identification number. Failure to provide this number may result in rejection of the Application or cancellation of the Membership or

commissions withheld.

- H. Inaccurate Information.** If the Company determines that the Independent Representative Agreement or the Statement of Beneficial Interest contains inaccurate or false information, it may immediately terminate an Independent Representativeship or declare the Independent Representative Agreement null and void from its beginning. Further, it is the obligation of the Independent Representative to report to the Company on an ongoing basis any changes which affect the accuracy of the Contract.
  
- I. Term.** The Contact is valid for the period of one (1) year from the Date of Sign-up. After year after that, the Contact will be automatically renewed by maintaining an active Membership in HempWorx, LTD.
  
- J. Non-Exclusive Territory.** The authorization of an Independent Representative to exercise Independent Representative Right and operate an Independent Representativeship hereunder does not include a grant of an exclusive franchise or territory to an Independent Representative, nor is an Independent Representative allowed to make such claims.

## **Section 2: Obligations of an Independent Representative and Managing an Independent Representativeship**

- A. Compliance.** An Independent Representative shall comply at all times with each of the terms and conditions of the Contract.

**B. Independent Contractor.** An Independent Representative is an independent contractor and is responsible for his or her own business expenses, decisions, and actions.

1. **An Independent Representative** shall not represent himself or herself as an agent, employee, partner, or joint venture with the Company. An Independent Representative shall not make purchases or enter into any transactions in the Company's name.
  
2. **An Independent Representative's** work hours, business expenditures, and business plans are not dictated by the Company. An Independent Representative shall make no printed or verbal representations which state or imply otherwise.
  
3. **An Independent Representative** is fully responsible for all of his or her verbal and/or written statements made regarding the Products, services, and the Compensation Plan which are not expressly contained in official Company materials and the Independent Representative agrees to indemnify the Company against any claims, damages, or other expenses, including attorney's fees, arising from any representations or actions made by the Independent Representative that are outside the scope of the Contract. The provisions of this Section survive the termination of the Contract.

**C. Compliance with Laws.** In conducting its Independent Representative Business, an Independent Representative must comply with all applicable national and local laws, regulations, and ordinances. An Independent Representative shall not violate

any laws which apply to unfair competition or business practice, including any law that prohibits the advertising, offer to sell, or sale of Products at less than the Wholesale price of the Products.

**D. Offerings.** An Independent Representative may not offer or promote any non-approved non-Company plans, incentives, opportunities, or non-approved Sales Tools in conjunction with the promotion of Products.

**E. Retail Sales.** Achieving success as an Independent Representative requires time, effort and commitment. There are no guarantees of Commissions, only rewards based upon productivity. A successful Independent Representative Business requires regular and repeated Retail Sales of Products by an Independent Representative. Retail Sales by an Independent Representative's Downline Organization also contributes to the success of an Independent Representative Business. The Company encourages Retail Sales to at least two

Customers on a monthly basis. An Independent Representative is required to keep all records of Retail Sales for at least four years and compliance with Retail Sales requirements of the Company is randomly monitored by the Company. Each Product purchased by non- Independent Representatives or Retail Customers (not Preferred Customers) is automatically counted on a monthly basis towards Retail Sales requirements.

**F. Negative Statements.** An Independent Representative will make no disparaging, misleading, inaccurate, or unfair statements, representations, claims, or comparisons with regard to:

1. the Company, its Products, its commercial activities, or its Independent Representatives; or
2. other companies, including competitors, their services, products or commercial activities.

**I. Unethical Activity.** An Independent Representative must be ethical and professional at all times when conducting Independent

Representative Business. An Independent Representative will not, nor will the Independent Representative permit Independent Representatives in his or her Downline Organization to engage in unethical activity. Examples of unethical activities include, but are not limited to, the following:

1. Use of another Independent Representative's credit card without express written permission;
2. Unauthorized use of any Company Confidential Information;
3. Cross-Company Recruiting (including aiding and abetting another to Cross-Company Recruit);
4. Making unapproved claims about the Product;
5. Making income claims about the Independent Representative Business which are not compliant with the provisions of the Policies and Procedures;
6. Making false statements or misrepresentation of any kind, including but not limited to: untruthful or misleading representations or sales offers relating to the quality, availability, grade, price, terms of payment, refund rights, guarantees, or performance of Products;
7. Personal conduct that discredits the Company and/or its Independent Representatives;
8. Violating the laws and regulations pertaining to the Independent Representative Business;
9. Failing to meet Independent Representative responsibilities;
10. Violating the Code of Ethics; or
11. Violating the Policies and Procedures.

**G. Cross-line Recruiting.** The Independent Representative is prohibited from engaging in Crossline Recruiting either into HempWorx, LTD or any other network marketing or direct sales company.

**H. Cross-Company Recruiting.** If an Independent Representative did not personally sponsor another Independent



Representative, he or she is prohibited, during the term of the Contract and for one (1) year following the date of termination of the Contract, from Recruiting that Independent Representative to sell or purchase products or services other than those offered by HempWorx, LTD. The Independent Representative stipulates and agrees that recruiting

constitutes an unreasonable and unwarranted interference with the contractual relationship between the Company and its Independent Representatives, conversion of the Company's property, and misappropriation of the Company's trade secrets. The Independent Representative further stipulates and agrees that any violation of this rule will inflict immediate and irreparable harm on the Company, and that the Company shall be entitled, in addition to any other remedies that may be available, to immediate, temporary, preliminary, and permanent injunctive relief without bond; and that such injunctive relief may extend the post termination period of this restriction for up to one (1) year from the date of the last violation of this provision. The provisions of this Section survive the termination of the Contract. Nothing herein waives any other rights and remedies the Company may have in relation to the use of its Confidential Information or any other violations of the Contract.

**I. Resolving Disputes.** An Independent Representative must conduct all activity in the best interests of the Company. Upline leaders shall use their best efforts to resolve disputes in their Downline Organizations. Any personal disputes between Independent Representatives must be resolved quickly, privately, and in the best interests of the Company.

**J. No Claims of Unique Relationship.** An Independent Representative may not allege or imply that he or she has a unique relationship with, advantage with, or access to the Company executives or employees that other Independent Representatives do not have.

**K. Detrimental Conduct.** If any conduct by an Independent Representative or any participant in the Membership is determined by the Company to be injurious, disruptive, or harmful to the Company or to other Independent Representatives, the Company may take appropriate action against an Independent Representative as the company deems necessary.

**L. No Reliance.** An Independent Representative may not rely on the Company to provide legal, tax, financial, or other professional advice, nor may it rely on any such advice if given.

**M. Insurance.** The Company carries a commercially reasonable amount of product liability the amount of the insurance. Since laws differ according to jurisdiction, the Company encourages its Independent Representatives to consult with an attorney regarding the extent of their personal legal liability with respect to their independent businesses.

**N. Privacy of Independent Representative Information.** An Independent Representative authorizes the Company to disclose its contact information to the Independent Representative's Upline, and to the Independent Representative's Downline Organization three (3) enroller generations below or to those Independent Representatives for whom the Independent Representative is the closest Upline. The contact information may be used only for the Independent Representative Business.

**O. Notification of Adverse Action.** An Independent Representative shall immediately notify the Company in writing of any potential or actual legal claims from third parties against the Independent Representative arising from, or associated with, the Independent Representative Business or the Downline Organization that may adversely affect the Company. After notifying the Independent Representative, the Company may take any action necessary to protect itself, including controlling any litigation or settlement of the legal claims. If the Company takes

action in the matter, the Independent Representative shall not interfere or participate in the matter.

P. Release for use of Photo, Audio, or Video Image, and/or testimonial Endorsement. The

Company may take photos, audio or video recordings, or written or verbal statements of an Independent Representative at Company events or may request the same directly from an Independent Representative. The Independent Representative agrees to and hereby grants the Company the absolute and irrevocable right and permission, to use, re-use, broadcast, rebroadcast, publish, or republish any such photo, audio, video, or endorsement, in all or in part, individually or in conjunction with any other photograph or video, or any other endorsement, in any current or future medium and for any purpose whatsoever, including (but not by way of limitation) marketing, advertising, promotion, and/or publicity; and to copyright such photograph and/or video, in the original or as republished, in the name of the Company, or in any other name. Regardless of any other agreements or contracts the Independent Representative may have with any other entity, the Independent Representative agrees that any use by the Company as set forth in this Section shall be royalty free, is a work made for hire, and is not subject to any other claim. The Independent Representative agrees to defend and indemnify the Company against any claims by any other party arising out of the Company's use of the rights granted herein. The Independent Representative confirms that the information he or she may give as a testimonial endorsement, or as represented in a photograph, video or audio is true and accurate to the best of his or her knowledge. The Independent Representative waives any right he or she may have to inspect or approve the finished or unfinished product(s), the advertising copy, printed, recorded, photographic or video matter which may be used in connection with it or any use that may be made of it.

**Q. Conducting the Independent Representative Business Internationally.** An Independent Representative has the right to operate in any Authorized Country where the Independent Representative may lawfully conduct the Independent Representative Business. It is an Independent Representative's responsibility to comply with all national and local laws, ordinances, and regulations when conducting Independent Representative Business in any Authorized Country.

1. Only with the Company's approval, an Independent Representative may attempt to secure approval, licensing, distribution and/or registration for products or business practices, trademarks, trade names, or internet domain names; or establish any kind of business in international countries and markets on behalf of the Company.

2. An Independent Representative may not sell, distribute, license, or register products or business practices, use trademarks, trade names or internet domain names in any country without approval of the company.

### **Section 3 Compensation**

HempWorx, LTD affiliates may participate in our compensation program as outlined on the Pay Plan page of the website. Commissions are paid as outlined on the Pay Plan page of the website. All Independent Representatives understand BEFORE become joining or purchasing any product that there are NO GUARANTEED EARNINGS. Independent Representatives understand that any and all content on the website is not to reflect earnings, but to be used only for demonstration purposes and as a representation of company growth and does not mean anything in terms of commissions. Independent Representatives should not participate in HempWorx, LTD under the expectation of earning income without referring new Independent Representatives and Customers. Neither HempWorx, LTD nor its Independent

Representatives can guarantee "spillover" or earnings simply by becoming an

Independent Representative. HempWorx, LTD. Independent Representatives should not participate in the HempWorx, LTD opportunity if they are not planning on sharing the products with others. Most Independent Representatives earn less money each month in the compensation program than they are paying for their products. Although it is possible, HempWorx, LTD Independent Representatives should NOT expect to make a profit simply by becoming an Independent Representative as it is very possible that will not occur. HempWorx, LTD cannot guarantee that Independent Representatives earn a profit by implementing the training materials provided. The products are for educational purposes only. No Independent Representative should spend money that they cannot afford to lose to purchase products, advertising materials, or anything else related to HempWorx, LTD. It is possible that you will NOT earn any income as an Independent

## **Representative of HempWorx, LTD**

**A. Earnings.** Commissions are paid to Independent Representatives who qualify pursuant to the Compensation Plan and who are in compliance with the Contract. An Independent Representative's success is only achieved through the regular and repeated purchase of products and the regular and repeated product sales by its Downline Organization. As the success of any Independent Representative depends largely on the personal efforts of that Independent Representative, the Company does not guarantee any level of profit or success, nor does it guarantee an Independent Representative a specific income. An Independent Representative does not receive compensation for sponsoring or recruiting other Independent Representatives. The only way to earn Commissions is through the sale of Products.

**B. Payment.** The Company will pay Commissions to qualified Independent Representatives on Product orders which:

(i) are received by the Company before the end of the Commission period, and (ii) have been fully paid with appropriate payment.

1. Commissions are paid in the name of the Person or Business Entity listed in Payment Option link on the My Earnings section of the website. When no payment option is selected, commissions will be held until selected.

2. Binary Commissions, Matching Bonuses, Rank Advancement Bonuses, and Powerline Commissions are paid on either the first Thursday of each month or the first Friday of each month, whichever comes later, for the previous month's volume. These monthly commissions will be accumulated from midnight central time on the first day of the month, through midnight central time on the first day of the following month. All orders must be in before midnight pacific time on the first (1st) of each month in order to qualify for the previous month's commission volume.

3. Fast Start Bonus and Retail Bonus Commissions are paid each Thursday for the previous week's new commissionable volume ending the previous Thursday at midnight central time.

For an order to be included in a weekly qualifying period, it must be placed between midnight (12:00 a.m.) central time on Friday and midnight (12:00 a.m.) central time on Thursday.

**C. Commission Checks.** In the event that a Commission check does not arrive to an Independent Representative by mail within twenty one (21) days of being issued, the company

will resend the check at no additional charge. Commission checks are valid for 90 days from the date paid. If an Independent Representative does not deposit the check within the 90 day

period, the check will become invalid and will not be replaced. If a commission check expires, that commission will be permanently forfeited by the Independent Representative.

**D. Minimum Payment Amount.** Independent Representatives will select how they choose to get paid on the Payment Options page of the website. The minimum amount for payment of commission checks is eight dollars (\$8 USD) and the minimum amount for payment for all other payment options is twenty dollars (\$20 USD). Commissions less than the minimums for a pay period will accumulate until they equal or exceed the minimum payment amount for the payment option selected.

**E. Returned or Unpaid Payments.** The Company makes every effort to ensure that an Independent Representative receives its commission payments. However, if a commission payment is unpaid due to insufficient information or other reasons beyond the control of the Company, the payment will be held for the benefit of the Independent Representative for 90 days. After such 90 days, a monthly maintenance charge of ten dollars (\$20 USD or equivalent local currency) will be deducted from the Independent Representative's payment.

**F. No Manipulation.** Manipulation of the Compensation Plan is not permitted and may result in disciplinary action. Manipulation of the Compensation Plan includes, but is not limited to, an Independent Representative purchasing, to qualify for various Ranks or Commissions, large quantities of Product that are not sold through the direct marketing channel, placing orders in his/her Downline Organization, and any other actions that may violate state, federal or foreign antipyramid scheme laws. Such manipulations may, in the discretion of the Company, result in the suspension of Commissions and termination of the Membership.

**G. Deductions and Offsets.** The Independent Representative authorizes the Company to deduct fees from its Commissions as

outlined on the Payment Option page and/or as deemed appropriate at the sole discretion of the Company.

## **Section 4 Ordering Company Products**

**A. Inventory.** As the Company imposes no specific minimum inventory requirement on its Independent Representatives, an Independent Representative must use its own judgment to determine the amount of inventory it will need to sustain its projected Retail Sales and personal use.

**B. Ordering.** Products can be ordered by telephone, mail, facsimile, or Internet.

1. Faxed, mailed, or personally delivered orders must be submitted using a current Independent Representative price list and a fully completed order form. The prices of the Company's Products are subject to change at the discretion of the Company.

2. Payment must be the exact amount of the order and may be made by those methods presently available (cashier's check, money order, credit card, cash, direct debit, and/or credit wallet). Bank wire may be available for high Volume orders only.

3. Unless otherwise arranged, all orders must be paid in full prior to pick-up or shipping. All

shipping and handling costs are based on delivery location and the amount of Products ordered. 4. Unauthorized use of another Person's credit card is prohibited.

**C. Will Call.** Where will call service is available, an Independent Representative may pick up the order at the will call location. The Company may ship, at the Independent Representative's expense, Product that has been marked for will call pick-up if the Product has not been picked up by the Independent Representative within ninety (90) business days of the scheduled AUTOSHIP PROGRAM date, or the end of the calendar month,



whichever is latest. If the Product is shipped to the Independent Representative from the will call location, the Company may use any payment method noted on file to collect the shipping fees. Alternatively, the Company may, in its sole discretion cause the Independent Representative to forfeit the order.

**D. Back Orders.** If the Company is temporarily out of stock on ordered Product, an Independent Representative will receive a “back order” notice with his or her shipment. Back orders are filled first as new inventory arrives. Volume on back orders is credited to the month in which payment for the original order was received by the Company.

### **G. Autoship Program.**

1. An Independent Representative may choose to participate in the Autoship Program . Autoship may be established at any time through the submission of the Order Product page of the website, by calling the company, or with a written request to the Company indicating the amount of Product to be shipped each month and the method of payment to be used. When instituting Autoship program at the time of enrollment, the Independent Representative Agreement serves as confirmation for the setup. An Autoship account will be charged at a set time during the month, and

the Product will be shipped at a set time thereafter. The Independent Representative may obtain tracking numbers from the Company after the Product is shipped for countries where tracking numbers are available. The scheduled dates for Autoship processing, account charges, shipping or account changes may be selected in the Autoship section of the Order Product page on the website.

4. There is no limit as to how many Autoship orders an Independent Representative may have set up or how many boxes of product are included in each Autoship order. All Autoship orders

will be shipped to the Shipping Address in the Personal Info section of the website. If an Autoship order fails for billing reasons, the company will attempt to bill the payment method on file for each of the next 10 days until the order goes through.

5. To change or terminate one's Autoship order, the Independent Representative may either select it on their Autoship page of the Product Order section of the website, or contact customer support. Autoship orders may be cancelled at any time prior to the order being billed.

#### **H. Sales Tax, GST, VAT.**

1. Sales tax is collected on the Product's suggested retail price and is calculated using the applicable rates for the location to where the product is shipped. The Company will collect and remit sales tax to the proper taxing authority. In those jurisdictions where an

Independent Representative may and has registered as a withholding agent through a

local sales tax agency and submitted a "Sales and Use Tax Exemption Certificate" or equivalent document to the Company, the collection of sales tax will be the responsibility of the Independent Representative. It is the responsibility of the Independent Representative to provide an updated copy of its certification for exemption from sales tax each year.

2. In all other jurisdictions, GST, VAT, or other applicable transaction may include electronic invoicing, where permitted by law. The Company does not include GST or VAT in commission payments. Independent Representatives who are GST or VAT registered and are required to collect and remit GST or VAT on their services may send a valid GST or VAT invoice to the Company to charge them for GST or VAT on commission income.

**I. Returns, Refunds, and Exchanges.** The Company will refund the purchase price of Product or exchange it pursuant to the following.

1. If the Independent Representative (and/or his or her Customer who ordered directly from the Company) is not completely satisfied with the First Product Purchase, he or she may send to the Company the unused portion of the First Product Purchase within thirty (30) days of the original purchase date and the Company will refund 100% of the purchase price (less shipping and handling). If the First Product Purchase is returned after the thirty (30) day period, no refund will be given.

2. Any Commissions paid to the Independent Representative and his or her Upline for the Product returned by the Independent Representative or Customer will be deducted from the respective Upline Independent Representatives' accounts or withheld from present or future Commission payments. An Independent Representative agrees that he or she will not rely on existing Downline Organization Volume at the close of a Commissions period, as returns may cause changes to his or her Title, Rank and/or Commissions payout.

3. All shipping or courier costs for the return of Product will be borne solely by the Independent Representative unless otherwise prohibited by law. Any damage or loss that occurs to returned Product during shipping will be the responsibility of the Independent Representative.

4. The Company will exchange Product if the Product is damaged in shipment, incorrectly sent due to a Company error, or of substandard quality. However, when an exchange is not feasible, the Company will refund the amount of the returned Product. If Product is damaged or defective, an Independent Representative should contact the Company within ten (10) days of receipt of the order.

## **Section 5 Marketing the Product and Opportunity**

**A. Use of Sales Tools.** An Independent Representative may use only Sales Tools approved by the Company for an Authorized Country. The Independent Representative agrees that if it uses a fulfillment house or other third party to sell or distribute Sales Tools, the Independent Representative will enter into a non-disclosure agreement (to be provided by the Company) with the fulfillment house or third party to ensure that all Independent Representative and Customer information is protected from disclosure and remains the sole property of the Company.

**B. Approval of Sales Tools.** An Independent Representative must submit all Sales Tools to the Company for approval prior to use. The Company has complete discretion whether to approve or reject a proposed Sales Tool. The approval process generally requires a minimum of three (3) weeks to complete. To comply with changing laws and regulations, the Company may rescind its prior approval of a Sales Tool, and may require the Independent Representative to remove from the market at its own cost and obligation a previously approved Sales Tool. If approved, the Company will issue an email to the Independent Representative confirming approval of said Sales Tools.

**C. Product Claims.** The only claims and representations Independent Representatives may make regarding Products are those found in the literature distributed by the Company. Any third- party material used for Independent Representative Business must comply with all federal and local laws medical claims of any kind relating to any Product except for those claims, if any, that are published in Company literature approved for the country in which the claims are presented. Under no circumstances may an Independent Representative prescribe any Product as suitable for a particular ailment. No claims may be made as to therapeutic or curative properties of any Product offered by the Company.

**D. No Altering.** Independent Representatives shall not re-label, alter or repackage any Products.

**E. No Endorsement Claims.** No Independent Representative may imply that the promotion, operation, or organization of the Company has been approved, sanctioned, or endorsed by any governmental regulatory authority unless noted on company website.

**F. Income Claims Prohibition.** An Independent Representative is prohibited from making false, misleading, or unrepresentative claims regarding earning potential. If an Independent Representative does make an income claim, it must be based on actual earnings and the Company's current Annual Average Income Disclosure, posted on the Company's website, must be presented concurrent with the income claim.

**G. Use of Trademarks and Copyrights.**

1. The Company may license the use of its trademarks to Independent Representatives, subject to the limitations herein and subject to the limitations in any licensing agreement. A licensing agreement may be obtained by emailing customer support.

2. Independent Representatives may not use any of the Company's current or after acquired trademarks or any confusingly similar variations of its marks, in a manner that is likely to cause confusion, mistake, or deception as to the source of the Products or services advertised.

3. Except as indicated herein, an Independent Representative may not use the Company's trademarks or any confusingly similar variation of its trademarks (e.g., MyDailyChoice, DailyChoice, Inc., HempWorx, LLC, etc.), in a business name, e-mail address, Internet domain name or sub-domain name, URL, telephone number, or in any other address or title. An Independent Representative may use the Company's trademarks in a URL,

Internet domain or subdomain name provided that the Independent Representative has entered into a licensing agreement for a Company Licensed Website. The Independent

Representative agrees to comply with the terms of such licensing agreement and hereby acknowledges that the Company owns, and shall continue to own, all rights in and to the Company's trademarks in such URL, Internet domain or sub-domain name and that the Company has the right to revoke such use of the Company's trademarks for any reason and at any time. The Independent Representative further agrees that the Company has the right to acquire such URL at any time by paying the nominal registration fee to the Independent Representative and Independent Representative agrees to transfer such URL to the Company and take any other necessary steps requested by the Company to effectuate such transfer.

4. The Independent Representative agrees to immediately re-assign to the Company any registration of the Company names, trade names, trademarks, or Internet domain names registered or reserved in violation of this policy. The provisions of this Section survive the termination of the Contract.

5. Independent Representatives may not use the Company's trademarks on non-approved Sales Tools.

6. The Company, in its sole discretion, will determine whether a variation of its trademark is confusingly similar. use of such marks is prohibited.

7. An Independent Representative must not use the name, logos, trademarks or other references to the Company's business or manufacturing partners in any Sales Tool, correspondence, or any form of advertising.

8. The Company's literature and media are copyrighted by the Company and may not be duplicated.

**H. Use of “Independent Representative” in Advertising.** If an Independent Representative selects a business title, the title must clearly state that the Independent Representative is a “HempWorx Independent Representative.” An Independent Representative’s title may not imply that the Independent Representative is an employee or agent of the Company. Each time the Company’s logo or name is used in writing and in relation to the Independent Representative, the Independent Representative must identify itself as a “HempWorx Independent Representative”

**I. Methods of Advertising.** Independent Representatives may advertise using the following means:

**1. Newspaper:** An Independent Representative may place a generic business opportunity advertisement in the classified section of a local newspaper, provided the advertisement conforms to all applicable laws and regulations.

**2. Phone Directory:** Any Independent Representative may place a text listing of its name in the white or yellow pages of a telephone directory followed by “HempWorx Independent Representative.” Graphical and display ads in telephone directories are prohibited.

**3. Electronic Mail Advertisements:** All advertisements sent via e-mail, telephone, or

facsimile must comply with all anti-spamming laws for the state or country where the intended recipient resides. The Independent Representative is under obligation to research and comply with all laws concerning unsolicited commercial e-mail.

**4. Television and Radio:** Television and radio advertising requires prior written approval from the Company. Requests should be submitted through customer support.

**5. Celebrity Endorsement:** An Independent Representative may use a celebrity endorsement with written approval from the

Company and the specific, prior, written approval of the endorsing celebrity for each use of the celebrity's name.

**6. Fairs, Swap Meets, Etc.:** An Independent Representative may sell or promote Products at bazaars, flea markets, fairs, swap meets, tradeshow or other similar gatherings only at a price of no less than the Independent Representative price of the products listed on the website.

**7. Internet Auction Sites:** An Independent Representative may sell or facilitate the sale of Product on Internet websites where an auction is the mode of selling or buying (e.g., eBay), so long as the product has a minimum reserve selling price of no less than the Independent Representative price of the product on the website. An Independent Representative may not use a third party to place Product on auction websites or sell Product to a third party if the Independent Representative knows, or has reason to know, that such Product will be sold on auction websites for less than the Independent Representative price of the product. The provisions of this Section survive the termination of the Contract.

**J. Advertising at Company Sponsored Events.** At Company-sponsored events, Independent Representatives may not, unless specifically authorized in writing by the Company, advertise, sell, or promote non-Company products or services, including, but not limited to: (i) the promotion of distribution of flyers, DVDs or other materials, or (iv) the use of any other form of promotion deemed inappropriate by the Company.

**K. Internet Advertising.** Subject to the provisions of Section K.7 herein, Independent Representatives may use only a Company Licensed Website to promote Products or the business opportunity over the Internet. Promoting Products or the business opportunity through an unlicensed Internet website is strictly prohibited. Independent Representatives that wish to operate a Company Licensed Website must meet the following criteria:



1. An Independent Representative may not enter into a website licensing agreement until it has completed a website training course given by the Company.

2. All licensed websites must first be reviewed and approved by the Company as Sales Tools. Licensed websites must be Company-specific and may not advertise, promote, or link to any other product or opportunity

3. Independent Representatives may not use any key words or meta tags to advertise any licensed website on the Internet if the search words or meta tags explicitly or implicitly present illegal or unsubstantiated health or income claims.

4. The Company may revoke the license for any previously approved website at any time and for any reason, including changes to federal and local laws and regulations.

5. Independent Representatives may promote the business opportunity and Products on social networking sites such as “Facebook” and “Twitter;” video sites such as “YouTube” and “Google Video;” and blogging sites such as “Wordpress” and “Blogger” (collectively “Social Media Sites”), provided the following conditions are met:

a. All text, audio and video postings do not contain Product or income claims. For Product information, Independent Representatives may refer viewers to their replicated website, the Company website, or a Company Licensed Website;

b. Videos posted to Social Media Sites must show the text “HempWorx Independent Representative” for the entirety of the video;

c. The Company may monitor the Social Media Sites for compliance with the Contract and Independent Representative

agrees to immediately remove or modify the Social Media Sites upon the Company's request to comply with the Contract.

**L. Advertising and Selling Price of Products on the Internet.**

Independent Representative acknowledges and agrees that the advertising and selling of all Products on the Internet may only be done on a Company Licensed Website and the advertising and selling price of all Products on such website (i) if sold to an Applicant, must not be lower than the Independent Representative price of the Products plus reasonable shipping and the amount the Company charges for taxes, handling. In connection with this Section, the Independent Representative also agrees that all advertising regarding the price of Products will be truthful and will not contain misleading statements (e.g. "lowest price available" which infers that an Independent Representative is able to sell the Products at a price lower than other Independent Representatives, etc.). Independent Representative acknowledges and agrees that he or she shall not advertise or sell any Products on the Internet which were purchased from another Independent Representative. Any violation of this Section by an Independent Representative shall constitute a breach of the Contract and will be subject to termination of Membership.

**M. Mass Communications.** For purposes of this Section, "Mass Communications" are defined as communications intended to reach twenty (20) or more Independent Representatives in the sender's Downline Organization or at least three Independent Representatives who are crossby an Independent Representative:

1. Independent Representatives targeted to receive the Mass Communications must have knowingly "opted in" to hear or receive the Mass Communication

a. through registration (if the Mass Communication will be received at an event or webinar); and/or

b. through an affirmative request if the Mass Communication is delivered through an email or on a website.

2. If by e-mail, there must be an “opt out” feature prominently displayed in the

Mass Communication.

3. The Mass Communication must comply with the terms of this Section.

4. The following disclaimer shall be prominently positioned in all Mass Communications that promote any particular building method:

There are many methods and techniques used successfully for building your HempWorx business. The building method promoted [in/at] this [website/webinar/email/ meeting/] may be different from that which is taught by your upline. Please consult with your upline if they have taught you a different building method or if you have any questions.

5. Independent Representative acknowledges that allowing the Independent Representative to create databases of Independent Representative information for Mass Communications, the sale of tools, and for any other purposes constitutes the use of Company Confidential Information, which information is the Company’s trade secrets, and such use can be a substantial financial benefit to the Independent Representative. Independent Representative acknowledges that he or she is subject to the Cross- Company Recruiting obligations set forth in this agreement and shall survive the termination of the Contract.

**N. Lead Distribution.** Persons who are outside the Company network often make inquiries to the Company about its Products. If the Company is able to determine that the inquiring Person received the information from a specific Independent Representative or that there is a particular Independent Representative that the Person is acquainted with, every attempt

will be made to refer the Person to that Independent Representative. If an association with a particular Independent Representative cannot be determined, final judgment with respect to the positioning of leads remains the right of the Company.

**O. Public Relations Matters.** The Company encourages Independent Representatives to use personal media coverage to expand and build their business; however, certain situations require the Independent Representative to contact the Company. These would include:

1. instances where the story or medium has national potential;
2. cases where the story calls for a wider Company/Product perspective; and/or
3. when the Independent Representative is questioned about Company sales figures and/or business strategies.

**P. Retail or Service Establishments:** An Independent Representative may sell Products or promote the business opportunity through Retail or Service Establishments as long as i) The display of Independent Representative information within the premises of a Retail or Service Establishment is clearly indicated, and ii) the product is not sold for an amount less than the Independent Representative price of the product as shown on the website.

## **Section 6 Breach of Contract Procedures**

**A. Conditional Obligations.** The Company's obligations to an Independent Representative are conditioned upon the Independent Representative's faithful performance of the terms and conditions of the Contract. The Company, in its sole discretion, will determine if an Independent Representative is in breach of the Contract and may elect any or all available remedies.

**B. Remedies.** In the event of breach, the Company may elect to take no action or to exercise

some or all contractual remedies and remedies at law or in equity, including, but not limited to:

1. Notify the Independent Representative either in writing or verbally of the breach and providing a notice to cure the breach;
2. Require from the Independent Representative additional assurances of future compliance;
3. Withhold or deny recognition and attendant perks;
4. Assess damages and withhold them from commission payments;
5. Suspend Independent Representative Rights temporarily or permanently;
6. Seek injunctive relief;
7. Terminate the Contract; and
8. Seek damages and associated costs.

**C. Reporting Contract Breaches.** If an Independent Representative observes or is aware of another Independent Representative's violation of any term or condition of the Contract, the observing Independent Representative shall submit a written complaint to the Company's support department through email. Because of the difficulties of investigating and asserting appropriate remedies for stale claims, any complaint for breach of the terms and conditions of the Contract other than Cross-Company Recruiting must be brought to the Company's attention for review within eighteen (18) months of the start of the alleged violation; Cross-Company Recruiting violations must be brought to the Company's attention within six (6) months of the alleged violation. Failure to report a violation within that time period may result in the Company not pursuing the allegations in order to prevent the Independent Representative Business from being disrupted due to stale claims. However, this policy does not waive the Company's right to investigate and discipline Independent Representatives found guilty of the stale claims.

**D. Circumvention of the Contract.** The Contract is designed to protect Independent Representatives and the Company from the

adverse consequences of their violation. Independent Representatives who intentionally circumvent the Contract to accomplish indirectly what is prohibited directly will be disciplined as if the applicable policy or rule had been broken directly. In such circumstances, all of the available remedies as stated above will be available to the Company. The Contract is not intended to give an Independent Representative the right to enforce the Contract against another

Independent Representative directly, or to take any legal action against another Independent Representative.

### **Section 7 Termination A. Termination.**

1. An Independent Representative may terminate the Contract by writing a request to support to office of the website.
2. The Company may terminate the Contract if the Independent Representative violates the terms of the Contract and any amendments thereto.
3. Upon termination, the Company may in its sole discretion retain the Membership or dissolve and remove it from the Matrix and Enroller Trees.

**B. Return of Confidential Information.** An Independent Representative must return all Confidential Information, including any information derived therefrom, over which he or she has

direct or indirect control to the Company upon termination or upon demand of the Company. If any such Confidential Information cannot be returned because it is in electronic format, the Independent Representative shall permanently delete and erase the Confidential Information upon termination or upon demand.

**C. Buyback.** If an Independent Representative is in breach, the Company reserves the right to stop or delay the buy- back process set forth in this Contract.

**D. Effects of Termination for Breach of Contract.**

1. An Independent Representative whose Contract is terminated by the Company must wait six (6) months before applying for a new Membership. During that time, the Independent Representative can have no Beneficial Interest in any other Membership.

2. Upon termination of the Contract, all of the Independent Representative's rights in and to the Membership and the Independent Representative Business are revoked and terminated. In acknowledgement of the damages the Company has likely suffered and/or will suffer as a result of Independent Representative's breach, including but not limited to, all or any of the following: (i) loss of good will and loss in the value of the Company's confidential and proprietary information and trade secrets; (ii) loss of a portion of the value of the Company's business; and (iii) loss of future profits; Independent Representative consents that any unpaid Commissions may be forfeited to the Company to offset a portion of the damages.

3. The Company may elect to reorganize the Downline Organization of an Independent Representativeship terminated for breach in a manner that serves the best interests of the Company, Downline Organization and Upline.

4. Where the Company elects to terminate an Independent Representativeship in which there is more than one Beneficial Interest holder, the following may apply: a. the departing Beneficial Interest holder(s) must relinquish all rights to, and interests in, the Membership;

b. The Company may not divide or reassign any of the Downline Organization

c. The Company may not split Commissions between the prior or current Beneficial Interest holders of the Membership.

## **E. Effects of Voluntary Termination by the Independent Representative.**

1. The Contract can be voluntarily terminated by an Independent Representative who is not in breach of the Contract for any reason, at any time, by providing written notice to the Company signed by all Person(s) listed on the Independent Representative Agreement. The termination is effective on the date the Company receives the written notice. If an Independent Representative is in breach of the Contract, he or she cannot voluntarily or unilaterally terminate the Contract

2. Upon termination of the Contract, all of the Independent Representative's rights in and to the Membership and the Independent Representative Business are revoked and terminated.

3. An Independent Representative who voluntarily terminates Membership and is not in breach of the Contract may rejoin under a new Membership under the same or a new enroller at any time.

4. An Independent Representative may not terminate voluntarily if the Membership is not in good standing with the Company, as may be evidenced by, but not limited to, any of the following conditions: (i) a temporary Membership; (ii) an Independent Representativeship is on hold, suspension or probation; (iii) the Membership is under investigation, but no formal discipline has taken place; or (iv) notice of intent to terminate has been sent.

## **Section 8 Miscellaneous**

**A. Entire Agreement.** The Contract contains the entire understanding concerning the subject matter hereof between the Company and the Independent Representative, and is intended as a final, complete, and exclusive expression of the terms of the parties. This Contract supersedes and replaces all prior negotiations and proposed, but unexecuted agreements, either written or oral. Any prior agreements, promises, negotiations, or representations, either written or oral, relating to the subject matter of this Contract, are of no force or effect. If there is any



discrepancy between verbal representations made to the Independent Representative by any employee or agent of the Company and the terms of the Contract, the express written terms and requirements of the Contract will prevail.

**B. Headings.** The section and subsection headings in the Contract are inserted solely as a matter of convenience and for reference, and will not be considered in the construction or interpretation of any provision hereof. Unless the context otherwise specifically requires, all references to sections of the Contract will refer to all subsections thereof.

**C. Modifications by the Company.** The Company reserves the right to make any modifications to the Contract, provided that the modifications are communicated by the Company to the Independent Representative at least thirty (30) days prior to taking effect. The Company may communicate these modifications by posting any portion of the modified Contract on the Company's website, or by any other method of communication. The Independent Representative is deemed to have accepted the modification to the Contract if the Independent Representative engages in any Independent Representative Business, renews its Membership, or accepts Commissions after the thirty (30) day period is ended.

**D. Warranties.** The Company extends no product warranties, either expressed or implied, beyond those specifically articulated in the Contract. The Company disclaims and excludes all warranties regarding possible infringement of any United States or foreign patent, trademark, trade name, copyright, or trade secret arising from the Independent Representative's operations. THE COMPANY HEREBY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY AND NON-INFRINGEMENT. THIS DISCLAIMER OF WARRANTY CONSTITUTES AN ESSENTIAL PART OF THIS AGREEMENT.

**E. Waiver.** Any waiver by the Company of an Independent Representative's breach of a Contract provision must be in writing and will not be construed as a waiver of any subsequent or additional breach by the Independent Representative. The failure by the Company to exercise any right or privilege under the Contract will not constitute a waiver of that right or privilege.

**F. Severability.** If any term or condition of this Contract is judicially invalidated, prohibited, or otherwise rendered unenforceable in any jurisdiction, it is unenforceable only to the extent of the invalid, prohibited or unenforceable provision in that jurisdiction only, and it will not render

unenforceable or invalidate any other provision of the Contract, nor will the Contract be rendered unenforceable or invalidated in another jurisdiction.

**G. Force Majeure.** Independent Representative acknowledges that the Company is not liable for any damages or losses caused by the delay or inability to manufacture, sell, or deliver its products due to labor strikes, accidents, fire, flood, acts of civil authority, acts of God, acts of terrorists, or from any other causes that are beyond the control of the Company.

**H. Governing Law, Arbitration Injunctive Relief.** The State of Texas is the place of the origin of this Contract and is where the Company accepted the offer of the Applicant to become an Independent Representative and where the Independent Representative entered into the Contract with the Company. The Contract is therefore to be construed in accordance with the laws of the State of Texas (without giving effect to any conflict of law provision or rule) as to contracts made and to be wholly performed within the State. Any controversy or claim arising out of or relating to the Contract or the breach thereof, or any controversy or claim relating to the business relationships arising between Independent Representatives shall be resolved by

mandatory, final, binding, nonappealable arbitration in Dallas, Texas, United States of America.

**I. Attorneys Fees.** If any suit, action, or proceeding is brought to enforce any term or provision of this Contract, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs, and expenses incurred, in addition to any other relief to which such party may be legally entitled.

**J. Successors and Assigns.** The Contract will be legal and binding upon and inure to the benefit of the heirs, devisees, executors, administrators, personal representatives, successors, and assigns (as applicable) of the respective parties hereto.

**K. Limitation of Liability.** To the extent permitted by law, the Company, its directors, officers, members, managers, shareholders, employees, assigns and agents (collectively referred to as "Responsible Parties") shall not be liable for, and the Independent Representative releases Company and its Responsible Parties from and waive all claims, for any loss of profits, indirect, direct, special or consequential damages, and for any other losses incurred or suffered by Independent Representatives as a result of:

(i) Independent Representative's breach of the Contract, (ii) the promotion or operation of the Membership and the Membership Business; (iii) Independent Representative's incorrect or wrong data or information provided to the Company or its Responsible Parties; or (iv) the Independent Representative's failure to provide any information or data necessary for the Company to operate its business. EACH DISTRIBUTOR AGREES THAT THE ENTIRE LIABILITY OF THE COMPANY AND ITS RESPONSIBLE PARTIES FOR ANY CLAIM WHATSOEVER RELATED TO THE CONTRACT, BUT NOT LIMITED TO, ANY CAUSE OF ACTION SOUNDING IN CONTRACT, TORT, OR EQUITY, SHALL NOT EXCEED, AND SHALL BE LIMITED TO, THE AMOUNT OF

PRODUCTS THE DISTRIBUTOR HAS PURCHASED FROM THE COMPANY THAT ARE IN RESALABLE CONDITION.

### **North Dakota:**

Independent Representatives will receive a personal website with a onetime \$20.00 fee that also includes all or any future brochures or company literature. Purchase of internet site or Business Kit Is Optional in North Dakota.

## **Anti Spam Policy**

In order to protect our subscribers and ensure the long term growth and success of HempWorx, HempWorx maintains a ZERO tolerance policy towards the sending of spam email. Spam email is defined as Unsolicited Commercial Email (UCE). In the event that you send spam email to people without their permission, you risk immediate cancellation of your account and forfeiture of all contacts in that account. As a HempWorx subscriber, you understand that HempWorx neither condones nor tolerates the sending of unsolicited or spam email by its subscribers. You understand and acknowledge that:

It is ILLEGAL to forge headers on emails and it is ILLEGAL to neglect to include a valid functional unsubscribe link along with a valid mailing address in any emails sent out. Anyone caught forging headers or not including a valid functional unsubscribe link will be immediately and permanently terminated from HempWorx. HempWorx also prohibits all subscribers from including the name or website address in any emails they send out. Subscribers are required to use a redirect link when directing prospects to their landing page.

We also require all subscribers to download their list of email addresses that have generated a complaint that can be found in the Spam Policy link in the subscribers section of the HempWorx website and permanently remove them their your database. If we

receive a complaint from the same email address as a previous complaint from an email that was sent more than a week after the original complaint was filed, HempWorx has the right to terminate your subscription. You are solely responsible for mail sent on your behalf.

HempWorx also does not allow traffic from traffic exchange websites or other low quality traffic sources. Any member who has what HempWorx considers, by their own discretion, an abnormally low conversion percentage from hits to your landing page website to pre-enrollees may have their landing page websites turned off or be terminated from the company.

HempWorx has the right to terminate your subscription and suspend all future commissions for violating these Spam Policies. HempWorx reserves the right to take legal action against any subscriber found intentionally violating this Spam Policy. You will not be eligible for a refund if you are terminated for violating the HempWorx Spam Policy.