

POLICIES AND PROCEDURES

E. EXCEL USA, LLC

JULY 2025

Contents

| | | |
|------------------|---|-------------------------------------|
| Chapter 1 | OVERVIEW | |
| 1.1 | Introduction; Entire Agreement | 1 |
| 1.2 | Definitions | 2 |
| 1.3 | Law and Dispute Resolution | 2 |
| Chapter 2 | HOW TO BECOME AN E. EXCEL USA DISTRIBUTOR | |
| 2.1 | Requirements | 3 |
| 2.2 | Application Procedures | 4 |
| 2.3 | Bank Account Information | 4 |
| 2.4 | Distributor Responsibilities | 5 |
| 2.5 | Sale and Transfer of E. Excel USA Distributorship | 7 |
| 2.6 | Inactive Distributors | 8 |
| 2.7 | Successors and Assignees | 9 |
| 2.8 | General Media Release | 9 |
| Chapter 3 | VIOLATION OF ETHICS | |
| 3.1 | Ethical Compliance | 9 |
| 3.2 | Cross-sponsoring | 12 |
| 3.3 | Double-sponsoring | 12 |
| 3.4 | Changing Sponsors | 12 |
| 3.5 | Predatory Pricing | 13 |
| 3.6 | Unauthorized Online Sale | 13 |
| 3.7 | Distributors' Accountability | 14 |
| Chapter 4 | ORDERING PRODUCTS | |
| 4.1 | Requirements for Placing an Order | 14 |
| 4.2 | Methods of Ordering | 15 |
| 4.3 | Methods of Payment | 15 |
| 4.4 | Order Pickup | 16 |
| 4.5 | Delivery | 17 |
| Chapter 5 | RETAIL POLICY | |
| 5.1 | Retail Stores | 17 |
| 5.2 | Service-related Establishments | 17 |
| 5.3 | Distributor Centers | 18 |
| Chapter 6 | RETURN POLICY | |
| 6.1 | Refund or Replacement Request | Error! Bookmark not defined. |
| 6.2 | Bonus Repayment and Withholding | 19 |
| 6.3 | Disclaimer | 19 |
| Chapter 7 | ADVERTISING | |
| 7.1 | Online Media Content | 20 |
| 7.2 | Sales Tools | 20 |
| 7.3 | Product Claims | 20 |
| 7.4 | Representation | 20 |
| 7.5 | Business Cards and Stationery | 20 |
| 7.6 | Media Inquiries | 21 |
| 7.7 | Indemnity | 22 |

Chapter 8 SERVICES

| | | |
|-----|-------------|----|
| 8.1 | Reports | 22 |
| 8.2 | Statements | 22 |
| 8.3 | SV Transfer | 22 |
| 8.4 | Bonuses | 23 |
| 8.5 | SV Report | 24 |
| 8.6 | Disclaimer | 24 |

Chapter 9 THE INTERNATIONAL SPONSORSHIP PROGRAM

| | | |
|-----|--|----|
| 9.1 | Applying for the International Sponsorship Program | 24 |
| 9.2 | Maintaining Master Rank | 25 |
| 9.3 | Responsibilities | 25 |
| 9.4 | Suspension or Termination | 25 |

CHAPTER 10 INVESTIGATIVE PROCEEDINGS AND DISCIPLINARY PROCEEDINGS

| | | |
|------|----------------------------------|----|
| 10.1 | General | 25 |
| 10.2 | Proceedings | 26 |
| 10.3 | During and After the Proceedings | 26 |

CHAPTER 11 BREACH, TERMINATION, AND SANCTIONS

| | | |
|------|-------------------------------------|----|
| 11.1 | Breach of the Agreement | 27 |
| 11.2 | Grounds for Termination or Sanction | 27 |
| 11.3 | Effects Upon Termination | 27 |
| 11.4 | Procedures for Termination | 28 |
| 11.5 | Sanctions | 28 |
| 11.6 | Other Remedies | 29 |
| 11.7 | Exemption of Liability | 29 |
| 11.8 | Distributor's Right to Terminate | 29 |

Chapter 12 SERVICE OF NOTICE, LETTERS, OR DOCUMENTS 29

Chapter 13 E. EXCEL USA'S MARKETING PLAN

| | | |
|-------|-------------------------------------|-------------------------------------|
| 13.1 | Introduction | Error! Bookmark not defined. |
| 13.2 | Distributor Development Bonus | Error! Bookmark not defined. |
| 13.3 | How to Become a Master | Error! Bookmark not defined. |
| 13.4 | Advanced Master Ranks | Error! Bookmark not defined. |
| 13.5 | Master Qualification Bonus | Error! Bookmark not defined. |
| 13.6 | Master Leadership Bonus | Error! Bookmark not defined. |
| 13.7 | Roll Up | Error! Bookmark not defined. |
| 13.8 | Compression | Error! Bookmark not defined. |
| 13.9 | Retail Profit | Error! Bookmark not defined. |
| 13.10 | Single Downline Network Bonus Limit | Error! Bookmark not defined. |
| 13.11 | E. Excel Marketing Plan | Error! Bookmark not defined. |

POLICIES AND PROCEDURES

CHAPTER 1 OVERVIEW

1.1 Introduction; Entire Agreement

The *Policies and Procedures* governs the way the Distributor (whether an individual, company, or partnership) does business with E. Excel USA, LLC (“E. Excel USA”), other Distributors, and consumers.

The *Policies and Procedures*, the Distributor Agreement, the Marketing Plan, all forms incorporated by E. Excel USA (including but not limited to the SV Transfer Form, the Product Return Form, the Order Form), and all other relevant documents in relation to the subject matter hereof that are approved by E. Excel USA (hereinafter collectively referred to as the “Agreement”) constitute the entire, final, complete, and exclusive agreement between the Distributor and E. Excel USA. The Agreement shall supersede all prior or contemporaneous communications, proposals, understandings, agreements, and representations with respect to E. Excel USA or any other subject matter covered by the Agreement, whether oral or written. For the mutual benefit of every Distributor’s business and the business of E. Excel USA, each Distributor must fully comply with the rules and guidelines set out in the Agreement. If any provision of the *Policies and Procedures* or of the Agreement is held to be void, invalid, unenforceable, or illegal, the remaining provisions shall be unaffected and continue in full force and effect.

Failure to comply with E. Excel USA’s *Policies and Procedures* constitutes a breach of the Agreement, and the Distributor will not be entitled to receive a bonus from E. Excel USA or its Foreign Affiliate and may be subject to termination or other such sanctions as E. Excel USA may impose in accordance with the terms of the *Policies and Procedures*.

E. Excel USA reserves the right to modify the *Policies and Procedures* for any reason without prior notice. Modifications may include amendments, variations, additions, or deletions, and take immediate effect upon publication in Notices or Circulars to Distributors. Distributors must update their version of the *Policies and Procedures* to correspond with the most current version and must conduct their business in a manner compliant with the current *Policies and Procedures*. The newest version of the *Policies and Procedures* supersedes all previous versions of the document.

1.2 Definitions

Agreement. The *Policies and Procedures*, the Distributor Agreement, the Marketing Plan, all forms incorporated by E. Excel USA (including but not limited to the SV Transfer Form, the Product Return Form, the Order Form), and all other relevant documents in relation to the subject matter hereof that are approved by E. Excel USA constitute the entire agreement between the Distributor and E. Excel USA.

Month. A calendar month commencing on its first day and ending on its last day.

Distributor. An approved applicant pursuant to Chapter 2 of the *Policies and Procedures* who distributes products for E. Excel USA.

E. Excel USA. Also known as E. Excel USA, LLC.

Family Members. Including but not limited to parents, siblings, uncles, aunties, cousins, in-laws, children, and any other family category.

E. Excel USA Distributorship. Each Distributor is eligible to own or be involved with only one (1) E. Excel USA Distributorship at any one time, and must not own any other E. Excel USA Distributorship, either jointly or severally.

Foreign-based Distributor. A Distributor whose country of residence or country of incorporation is not USA or Canada but holds an E. Excel USA Distributorship.

Personal Group. The Distributor's direct group (excluding downline Masters and their groups).

Sales Volume (SV). The measurement by which E. Excel USA uses to calculate bonuses paid to each qualifying Distributor, as per the Marketing Plan. Each product will have its own corresponding SV.

Distributor Price (DP). The purchase price of each product that the Distributor pays when purchasing from E. Excel USA, before the inclusion of any relevant taxes.

Personal Sales Volume (PSV). The total SV of products purchased by the Distributor within a month.

Personal Group Sales Volume (PGSV). The total SV of products purchased by the Distributor and his/her personal group within a month.

Accumulated Group Volume (AGV). The total SV of products purchased by the Distributor and his/her personal group.

Sponsor. The person who recruited the Distributor.

Spouse. Husband, wife, or partners considered in a legal spousal relationship with each other.

1.3 Law and Dispute Resolution

The Agreement shall be governed by and interpreted according to the laws of the State of Utah, USA. Any disputes, claims, or actions arising out of the Agreement shall be resolved through binding arbitration conducted in person in Salt Lake City, Utah, under the rules of the American Arbitration Association (AAA) or JAMS (but not necessarily administered by either). The arbitration shall be conducted in English and before a single arbitrator appointed by E. Excel USA. Subject to the final orders as to costs made by the arbitrator, the arbitrator's fees and administrative costs of the arbitration shall be borne equally by the parties.

Any and all disputes, claims, and causes of action arising out of or in connection with the Agreement or the E. Excel USA Distributorship (including any questions regarding its existence, validity, or termination) brought by a Distributor or E. Excel USA, shall be referred to and resolved through final and binding arbitration. Such disputes, claims, and causes of action shall proceed individually and shall not be combined or consolidated with any other person's or entity's dispute, claim, or action and, without limitation of the foregoing, shall not under any circumstances proceed as part of a class action.

E. Excel USA, LLC reserves the right to waive arbitration at its discretion and seek resolution in a court located in the State of Utah. In the event E. Excel USA files suit, Distributor consents to jurisdiction of the Federal and State courts located in Utah. Any claims, judgments and/or awards shall be limited to actual out-of-pocket costs; the Distributor hereby waives any rights or claims to attorney's fees, indirect, special, punitive, incidental, or consequential damages, whether foreseeable or not and whether based on negligence or otherwise. Any revocation or waiver of arbitration by E. Excel USA under this provision shall not operate as a revocation or waiver of arbitration with respect to any other dispute, claim, or cause of action between E. Excel USA and that Distributor.

CHAPTER 2 HOW TO BECOME AN E. EXCEL USA DISTRIBUTOR

2.1 Requirements

The following persons are eligible to apply for a E. Excel USA Distributorship:

- a) a citizen or legal resident of USA or Canada who is at least 18 years old;
- b) a USA or Canada incorporated company, sole proprietorship, or partnership registered in USA or Canada; or
- c) any other person approved by E. Excel USA.

Any person applying for a E. Excel USA Distributorship shall be solely responsible for ensuring that the eligibility requirements have been met and must indemnify E. Excel USA against any claims, liabilities, costs, and expenses caused by violating the obligations under this paragraph.

2.2 Application Procedures

An applicant for a E. Excel USA Distributorship must complete, sign, and submit the Distributor Agreement to the E. Excel USA corporate office for processing and approval before such applicant may order products or sponsor other persons as a Distributor. All signatures must be affixed personally by the applicant.

By signing the Distributor Agreement, the applicant:

- a) agrees to be and is bound by each and every term and condition of the Distributor Agreement;
- b) confirms that the information provided to E. Excel USA in the Distributor Agreement and in all other application materials is true, complete, and correct;
- c) confirms that he, she, or it has the capacity, power, and authority under the relevant constitutive documents to enter into an agreement with E. Excel USA; and
- d) confirms that E. Excel USA does not and has not made any guarantees on any specific income, profitability, or success, and understands that any income, profit, or success arising under the E. Excel USA Distributorship can come only through the successful sale of E. Excel USA's products. No commission or compensation is provided for merely sponsoring or introducing new Distributors to E. Excel USA.

Upon approval by E. Excel USA, the applicant becomes a Distributor and shall then be entitled to participate in E. Excel USA's Marketing Plan.

2.3 Bank Account Information

Distributors must submit their bank account number (or their spouses' account, or a joint account with their spouse) to E. Excel USA or its Foreign Affiliate (as applicable) within ninety (90) days of enrollment as a Distributor. Failure to do so will result in the suspension of the E. Excel USA Distributorship. If the bank account number is not submitted within one hundred eighty (180) days, the Distributor's E. Excel USA Distributorship will be terminated.

The Distributor confirms that all information submitted regarding the bank account is true and correct, and that either the Distributor or the spouse is the holder and owner of the bank account, and that the bank account is not a third-party account.

The Distributor agrees and acknowledges that E. Excel USA or the Foreign Affiliate is entitled to rely on the completeness and accuracy of such information provided by the Distributor. Accordingly, the Distributor will provide E. Excel USA with all the relevant information required, including updates as needed.

2.4 Distributor Responsibilities

A. General

Distributors are independent contractors whose successes or failures depend on their independent efforts. The money Distributors make is based on their product sales to customers; it is not based on the number of people they recruit. Distributors are expected to provide appropriate and adequate customer service and support to their team and to the public. This includes, but is not limited to, holding training sessions, conducting meetings, promptly responding to questions, educating team members about relevant laws and rules, and supervising their actions.

Distributors are responsible for all expenses incurred when distributing E. Excel USA's products, including tax and insurance. Distributors are responsible for the payment of income tax (including interest, penalties, or fines arising from non-payment) imposed by any competent taxation authority.

Distributors, their spouses, and their employees must under no circumstances be deemed representatives of E. Excel USA or any Foreign Affiliate. As independent contractors, Distributors are legally responsible for their actions and any claims made against them. Distributors must indemnify and hold harmless, and where applicable, must jointly and severally indemnify and hold harmless, E. Excel USA and/or any of its Foreign Affiliates (if applicable) from and against any claims, proceedings, damages, fees, demands, liabilities, losses, costs, and expenses (including but not limited to reasonable attorney fees) resulting from, arising out of, or alleged to arise in connection with the Distributors' operations.

Distributors are eligible to own or be involved with only one (1) E. Excel USA Distributorship at any one time, and must not own any other E. Excel USA Distributorship, either jointly or severally.

Distributors must not purchase other E. Excel USA Distributorships to merge into their own business sales organization.

A company and its directors, management, and shareholders must not join under separate E. Excel USA Distributorships. A partnership and its partners must not join under separate E. Excel USA Distributorships.

Distributors must not, under any circumstances, merge, join, or combine their respective network groups.

Distributors must not sell, convey, assign, novate, delegate, or otherwise transfer any rights arising under the Agreement or the E. Excel USA Distributorship to any third party unless otherwise stated in Section 2.5.

The Distributor must inform E. Excel USA in writing of any changes affecting the completeness, truth, or accuracy of any documents or information provided to E. Excel USA, including but not limited to any changes in name, address, telephone number, email address,

marital status, and bank account information. Should any Distributor contravene one or more of the eligibility and responsibility criteria set out in Section 2.1 and Section 2.4, the Distributor may face disciplinary action, such as termination.

Distributors must assist E. Excel USA in producing any document (in the possession or custody of the Distributor) that E. Excel USA deems necessary or relevant in an investigation proceeding.

Distributors must not purchase, supply, sell, deal, distribute, promote, or cause to purchase, supply, deal, distribute, promote E. Excel USA's products, whether knowingly or unknowingly, whether individually or in concert, in a manner that is in breach of the Agreement.

B. Materials and Products

E. Excel USA or the Foreign Affiliate has, available for purchase, materials and products that Distributors may use to run their own business. E. Excel USA and/or its Foreign Affiliate will not be held responsible for any claim, demand, liability, loss, cost, or expense arising or alleged to arise in connection with Distributors' operations, or with the use of materials and products purchased from E. Excel USA during the course of Distributors' operations.

Distributors are responsible for obtaining and learning all updated information pertaining to E. Excel USA and its Foreign Affiliate (as applicable) and for disseminating that information to their downline network organization. New company forms will always replace outdated forms; after an existing form has been updated, E. Excel USA will no longer accept the outdated form. Please refer to the date printed on each form to determine the most recent version.

Distributors are not allowed to modify, alter, or tamper with any part of the products, including the packaging and any codes applied thereon, literature, sales tools, or any other item or product purchased from E. Excel USA or its Foreign Affiliates.

E. Excel USA will take legal action against any person(s) for, *inter alia*, product barcode or information tampering.

C. Business Conduct

USA or Canada-based Distributors are required to abide by the laws of USA or Canada with respect to their business conduct. Foreign-based Distributors are required to abide by the laws of their country of residence or country of incorporation with respect to their business conduct.

E. Excel USA will comply with applicable laws and regulations in connection with the collection, use, transfer, and processing of personal data of the Distributors for purposes of the Agreement. All Distributors agree and acknowledge that during the validity of the Agreement, E. Excel USA may need to collect, use, and process personal data, and disclose and/or transfer personal data, including transfer to Foreign Jurisdiction to: (a) advisers and third-party service providers for the rendering of goods or services and/or conduct of legitimate business activity, including but not limited to personal administration, management and/or evaluative purposes to E. Excel USA; (b) any competent legal and/or

regulatory authority and law enforcement agencies as may be required under applicable laws; and (c) E. Excel USA's successor-in-title, prospective seller or buyer of any part or the whole of its business, in connection with a merger, acquisition or sale of any part or the whole of its business.

D. Marriage

If the spouse of the Distributor joins as a Distributor, the spouse may hold either a joint E. Excel USA Distributorship with the Distributor, or a separate E. Excel USA Distributorship. The spouse may own a separate E. Excel USA Distributorship only if he or she joins as the direct downline of the Distributor.

If two (2) Distributors marry, they may own separate E. Excel USA Distributorships or a joint E. Excel USA Distributorship, but not both.

- a) Spouses may hold separate E. Excel USA Distributorships only if one spouse is the direct downline of the other. The distributorship network of the downline spouse prior to the marriage shall then be canceled and assigned to the direct active Sponsor.
- b) If the spouses decide to hold a joint E. Excel USA Distributorship, either spouse must cancel his or her distributorship network prior to the marriage, which shall then be assigned to the direct active Sponsor.

Distributors must inform and update E. Excel USA in writing, regarding their marital status when applying to become Distributors, or within thirty (30) days of change in marital status (whichever is earlier).

E. Corporations, Partnerships, Sole Proprietorships

If two (2) Distributors (companies or partnerships) merge, acquire, or otherwise combine, one (1) of the Distributors must cancel its E. Excel USA Distributorship and may hold a joint E. Excel USA Distributorship with the other Distributor. The canceled distributorship network will be assigned to the direct active Sponsor.

2.5 Sale and Transfer of E. Excel USA Distributorship

Distributors must obtain the prior written approval of E. Excel USA before selling, novating, transferring, or assigning their E. Excel USA Distributorship (collectively referred to as "Sale").

The Distributor seeking the approval of a Sale ("Seller") must submit an Application for Sale and meet the following conditions:

- a) The Seller has not breached any provision of the Agreement (including the *Policies and Procedures*) prior to submitting the Application for Sale.
- b) The Seller has been a qualified Master for at least six (6) consecutive months prior to submitting the Application for Sale.

- c) The Seller must first offer to sell to the following persons (“Offeree”) (in descending order of priority):
 - (i) the Seller’s Sponsor;
 - (ii) the Seller’s upline Master(s) (up to a maximum of four (4) levels), if any; or
 - (iii) the Seller’s first-level downline Master(s), if any.
- d) The Seller must offer to sell to the Offeree on the same terms of sale as the Seller would otherwise sell.
- e) The Offeree must be given at least seven (7) days from the date of offer to either accept or reject the offer.
 - (i) If the Offeree accepts the offer and E. Excel USA approves the Application for Sale, the Seller must sell to the Offeree.
 - (ii) If the Offeree rejects the offer, the Seller must sell only to the nominated purchasing Distributor if E. Excel USA approves the Application for Sale.
- f) The Application for Sale must set out all relevant information needed to enable E. Excel USA to make an informed decision regarding the Sale. Such information must include reasons for the Sale, terms of Sale, qualifications of the nominated purchasing Distributor, and the nominated purchasing Distributor’s plans for managing and developing the network.

E. Excel USA’s decision whether to accept or reject the Application for Sale shall be final.

The approved Sale should be followed by a written agreement signed by both the buyer and the Seller, and a notarized copy thereof must be provided to E. Excel USA.

The Seller may apply to rejoin E. Excel USA no earlier than six (6) months after the date of the Sale.

When converting to a company-owned distributorship, the individual Distributor is responsible for informing E. Excel USA and for updating the information on the Application for Sale within thirty (30) days of any changes in the directors’ or company status.

Nothing in this provision shall affect the Distributors’ right to terminate their E. Excel USA Distributorship in accordance with Chapter 11.

2.6 Inactive Distributors

If Distributors do not reach a minimum of 200 PSV during a twelve (12) month period, they will be considered inactive. Inactive Distributors will be terminated without notice. Terminated Distributors may submit a new application to re-apply for a E. Excel USA Distributorship pursuant to Section 11.3.

2.7 Successors and Assignees

The Agreement shall be binding upon the Distributors and their respective successors and assignees.

2.8 General Media Release

On occasion, E. Excel USA and its employees or agents shall take digital photographs and videos of training, classes, events, and general activity.

Photographs, motion pictures, video footage, digital images, statements, interviews, electronic sound recordings of Distributors are herein referred to as “Media”. Submissions of the aforementioned are herein referred to as “Submissions”.

Distributors authorize E. Excel USA and its agents and employees to take Media of them.

Submissions by Distributors must be original work. Distributors represent and warrant that the Submissions do not and will not infringe on any copyright, any rights of privacy or publicity of any person, or any other right of any third party.

Except where prohibited by law, Distributors grant to E. Excel USA and its agents and employees the irrevocable, worldwide, perpetual, transferable, royalty-free, non-exclusive license and unrestricted right to reproduce, promote, print, publish, broadcast, adapt, modify, distribute, publicly perform, create derivative works from, and otherwise make use of, worldwide in any media, now known or hereafter developed, at any time or times, Media or Submissions for advertising, publication, illustration, trade, promotional purposes, or other public media or purposes as may be deemed appropriate by E. Excel USA in any manner or in any medium without any attribution, consideration, compensation, remuneration, permission, or notification to Distributors now or in the future.

CHAPTER 3 VIOLATION OF ETHICS

3.1 Ethical Compliance

E. Excel USA does not permit or tolerate any activity it considers unethical, although the line between aggressive marketing efforts and unethical behavior can be vague at times. E. Excel USA will investigate unethical behavior or violations of the Agreement by the Distributor. E. Excel USA reserves the right to use its sole and absolute judgment in deciding whether the Distributor’s activities are unethical or violate the Agreement and, if determined to do so, to act with firm disposition.

Unethical behavior or violations of the Agreement include but are not limited to the following:

- a) cross-sponsoring/selling or actions leading to cross-sponsoring/selling in USA or Canada;
- b) any action that causes or may cause misrepresentations or false product claims, whether oral or written;

- c) communicating with the media while posing as an E. Excel USA employee, agent or representative other than as a Distributor;
- d) any action that causes or may cause misleading or unreasonable representations regarding potential earnings about the E. Excel USA Distributorship, whether oral or written;
- e) representing or conveying in any way that one can or will receive or earn profit or money merely by sponsoring, recruiting, or introducing new Distributors;
- f) any action that causes or may cause Dr. Jau-Fei Chen, E. Excel USA, E. Excel USA's employees and affiliates, or any Distributor loss of reputation;
- g) any action E. Excel USA deems detrimental to its business;
- h) any unauthorized use of the same or similar name, logo, trademark, image, or likeness of Dr. Jau-Fei Chen or E. Excel or its products in any material published in any media, electronically, or otherwise;
- i) any action that encourages, entices, induces, or otherwise assists, directly or indirectly, other Distributors in terminating their E. Excel USA Distributorship or joining, or acting in the interests of, any other direct selling or network marketing business;
- j) any action that encourages, entices, induces, or otherwise assists, directly or indirectly, another Distributor in promoting or selling similar or competing products from another company in the USA or Canada;
- k) participating, directly or indirectly, in another direct selling or network marketing business in the USA or Canada;
- l) promoting or selling products or services that compete, directly or indirectly, with the products and business of E. Excel USA in the USA or Canada;
- m) using fraud, coercion, harassment, or unconscionable or unlawful means to promote or sell products;
- n) any form of predatory pricing with regard to promoting or selling products, including the supplying, selling, buying, or dealing of products knowingly or unknowingly to those who engage in any form of predatory pricing;
- o) purchasing unreasonable quantities of products (such as to qualify for special privileges or incentives);
- p) removing, covering, obliterating, altering, or tampering with any part of E. Excel USA's products, including but not limited to the packaging, labeling, barcodes (including the insertion of any unauthorized barcodes) and any codes applied thereon;

- q) unauthorized access to, use of, or interference with national identity document numbers, Distributor Reference Numbers, bank passbooks, bank account numbers, ATM cards, credit cards, and any other personal data of any person, whether past, existing, or prospective customer, client, Distributor, vendor, supplier, or employee of E. Excel USA, including such uses that do not further the business of the Distributor's E. Excel USA Distributorship, notwithstanding whether such unauthorized access, use, or interference results in violations of laws or regulations;
- r) supplying, selling, buying, or dealing with E. Excel's products that have been tampered with (including products with the packaging, labeling, barcodes or any codes applied thereon removed, covered, obliterated, or tampered with, including the insertion of any unauthorized barcodes or any codes applied thereon);
- s) engaging, either solely or jointly with any person, in any manipulative, dishonest, fraudulent, misleading, or wrongful conduct (including the use of nominee arrangement) to qualify for commissions or bonuses, or additional commissions or bonuses;
- t) promoting, soliciting, marketing, or conducting any business (irrespective of whether or not the business involves direct selling or network marketing) other than that of E. Excel USA to any customer, client, Distributor, vendor, supplier, or employee of E. Excel USA, past, existing, or prospective, at any place in USA or Canada or at any time, including but not limited to events, functions, conferences, trainings, or conventions organized by E. Excel USA, unless otherwise determined by E. Excel USA;
- u) selling, giving, trading, or revealing in any way the personal data of Distributors, consumers, or persons affiliated with E. Excel USA;
- v) coercing, inducing, or pressuring of any kind to sell, give, trade, or reveal in any way the personal data of Distributors, consumers, or persons affiliated with E. Excel USA;
- w) purchasing or taking in any way the personal data of Distributors, consumers, or persons affiliated with E. Excel USA;
- x) coercing, inducing, or pressuring of any kind to purchase or take in any way the personal data of Distributors, consumers, or persons affiliated with E. Excel USA;
- y) using a family member's name to conceal a person's interest in the E. Excel USA Distributorship (including the Distributor), or using a family member's name to deceive E. Excel USA in any way whatsoever;
- z) any act that appears in the sole opinion of E. Excel USA to have the intention of deceiving E. Excel USA, including but not limited to:
 - (i) failing to inform or update E. Excel USA regarding their marital status;
 - (ii) failing to inform or update E. Excel USA regarding a change in the Distributor-company's directors or status; and
 - (iii) failing to inform or update E. Excel USA regarding a change in the information on the Application for Sale form.

- aa) joining another direct selling or network marketing business as an advisor, consultant, or the like in USA or Canada;
- bb) recruiting, engaging, or employing any persons who are not Distributors as middle persons or runners (or in any other capacity) for the selling of products or for any action related to the selling of the products; Distributors importing or exporting, or participating in any way the importing or exporting, of products beyond the borders of USA or Canada; Foreign-based Distributors importing or exporting, or participating in any way the importing or exporting, of products beyond the borders of their country of residence or country of incorporation;
- cc) selling products, or any action related to the selling of products, not purchased from E. Excel USA in USA or Canada;
- dd) selling products, or any action related to the selling of products, outside of USA or Canada; and
- ee) any act that appears in the sole opinion of E. Excel USA to be a breach of the Agreement.

3.2 Cross-sponsoring

Distributors are prohibited from participating in any action that introduces or causes another Distributor to be sponsored by someone else into another company or network in USA or Canada. The creation of a sponsorship is an investment that forms a valuable business relationship between two (2) Distributors. E. Excel USA believes that it is the responsibility of the sponsoring Distributor to protect this relationship, and E. Excel USA regards cross-sponsoring as grounds for termination.

3.3 Double-sponsoring

Occasionally, more than one (1) Distributor attempts to sponsor the same consumer or prospective Distributor, resulting in a dispute over sponsoring rights. When E. Excel USA receives two (2) or more applications from Distributors desiring to sponsor the same person, it will recognize and approve only the one it received first. E. Excel USA will not mediate sponsoring disputes. If two (2) applications are received at the same time, E. Excel USA has sole discretion in determining the one that takes precedence, and its decision in this regard is final and conclusive.

3.4 Changing Sponsors

E. Excel USA prohibits the arbitrary changing of Sponsors. A change in sponsorship may happen under two circumstances:

- a) The Distributor terminates the E. Excel USA Distributorship.
- b) The Distributor's E. Excel USA Distributorship is automatically canceled due to inactivity (see Section 2.6).

Terminated Distributors may re-apply for E. Excel USA Distributorships pursuant to Section 11.3.

3.5 Predatory Pricing

Predatory pricing is strictly prohibited. This includes undercutting prices or selling below cost to eliminate competition. E. Excel USA does not tolerate predatory pricing and will take immediate action against Distributors who engage in such acts. E. Excel USA will also take immediate action against Distributors who engage in the selling, supplying, buying, or dealing of products knowingly or unknowingly to those who engage in any form of predatory pricing.

Distributors will be held accountable and may face suspension or termination (or other action) for the unethical actions or behaviors, including predatory pricing, of their network organization. Distributors are expected to responsibly manage and educate their network organization.

3.6 Unauthorized Online Sale

The purchase, supply, sale, deal, or distribution of E. Excel's products, whether knowingly or unknowingly, whether individually or in concert, on, through, or by way of, online platforms, including e-commerce platforms (for example, Etsy, Alibaba, Tmall, Amazon, and e-bay) and social media (for example, Facebook and Instagram), is collectively referred to as **"Unauthorized Online Sale"**.

Distributors agree to be fully accountable to E. Excel USA with respect to all E. Excel products paid for, purchased by, mailed to, picked up, or handled by Distributors or by those, including but not limited to, who are beneficiaries of the transaction, have involvement in, or have provided assistance in any form, whether knowingly or unknowingly, individually or in concert, in circumstances where the said products or parts thereof are offered for sale or transacted on by way of Unauthorized Online Sale in violation of the Agreement.

Immediate action may be taken against Distributors and their respective network organizations (including but not limited to six (6) levels or more, both upline and downline) in the event E. Excel USA determines that Unauthorized Online Sale has occurred. Such action includes but is not limited to:

- a) Suspension of Distributorship for a period of six (6) months or such other period as may be determined by E. Excel USA at its sole discretion;
- b) Suspension and/or forfeiture of all and any privileges granted to Distributors under the Agreement, such as:
 - (i) Receiving bonuses;
 - (ii) Accessing E. Excel USA office locations;
 - (iii) Printing reports;
 - (iv) Placing orders;
 - (v) Participating in programs;
 - (vi) Progressing in the Marketing Plan;
 - (vii) Participating as a Sponsor;
 - (viii) Being featured in company publications; and
 - (ix) Participating in incentive trip programs;
- c) Monetary sanctions;

- d) Termination of Distributorship; or
- e) Legal prosecution.

For the avoidance of doubt and consistent with Chapter 11.1, the acts of any defaulting Distributor, including that of his or her officers, employees, spouse, or partner (as the case may be), shall be attributable to the Distributor and therefore, sanctions against the defaulting Distributor, by extension, may also result in sanctions against his or her officers, employees, spouse, or partner (as the case may be).

Distributors agree to educate, manage, and monitor the actions or conduct of their fellow Distributors in their respective E. Excel USA Distributorships to ensure that no E. Excel products shall be subject to any Unauthorized Online Sale.

3.7 Distributors' Accountability

Distributors agree that they shall be held accountable for any unethical actions or behaviors or violations of the Agreement, including those identified in Chapter 3, of their respective network organizations.

Distributors further agree to notify E. Excel USA, with evidence or supporting documents, if they know of any unethical actions, behaviors, or violations of the Agreement (whether purported or actual). Failure to notify is in itself an unethical act in violation of the Agreement.

CHAPTER 4 ORDERING PRODUCTS

4.1 Requirements for Placing an Order

By placing subsequent orders for E. Excel USA's products, Distributors confirm that they have already (1) sold all such products in their possession and control; or (2) returned all of their existing inventory.

Distributors must place their orders by the last business day of the month to be included in that month's bonus qualifications.

E. Excel USA maintains the right to change the SV and/or the price of E. Excel USA's products without prior notice.

E. Excel USA, or its Foreign Affiliate (if applicable), will use reasonable endeavors to process all orders in a timely manner.

E. Excel USA may at its sole discretion modify or reject any order. In the event a Distributor's order is changed or canceled, E. Excel USA will attempt to notify the Distributor.

4.2 Methods of Ordering

Distributors can place orders through the following methods:

- a) **Counter Purchase.** Distributors are to adhere to the following order practice:
 - (i) Non-Distributors may not purchase E. Excel USA's products through this method unless authorized to do so.
 - (ii) Distributors may only purchase products for themselves and their network organization.
- b) **Online Purchase.** Distributors can place orders online by visiting E. Excel USA's website. Orders can be reviewed and changed before processing or receipt of payment. E. Excel USA will process an order when full payment for the order has been received.

4.3 Methods of Payment

Distributors can pay for their orders via the following methods:

- a) **Cash.** Cash will not be accepted through mail. E. Excel USA and its Foreign Affiliates will not be responsible for cash lost in the mail. Payments from a Foreign-based Distributor should be paid to the designated bank account of the Foreign Affiliate (as notified by the Foreign Affiliate). Payments from a USA or Canada-based Distributor should be made to E. Excel USA's designated bank account:

Name of Bank: Zions Bank

Name of Account: E. Excel USA LLC – Deposit Account

Account Number: 982402331

Routing Number: 124000054

- b) **Third-Party Credit Card and/or Account Usage** To ensure the financial information of our Distributors is kept secure and confidential, the Company does not allow a Distributor to:
 - a. Use a credit card other than his or her own without written permission from the card holder;
 - b. Use another Distributor's E. EXCEL account balance; or
 - c. Use someone else's checking account. In addition, if a Distributor submits an order using another Distributor's credit card and the cardholder refuses payment for the order, the purchasing Distributor is responsible for any monetary loss to E. Excel USA.
- c) **Insufficient Funds** E. Excel USA requires full payment prior to completing a Distributor's order. Any payment that is subsequently not supported by sufficient funds constitutes a breach of contract, and E. Excel USA may take any or all of the following actions.
 - a. Sales Volume for the order will be reversed and the order cancelled;
 - b. E. Excel USA reserves the right to offset the outstanding amount against any amounts due the Distributor;
 - c. E. Excel USA may assess a service fee;

- d. E. Excel USA reserves the right, at its discretion, to require that future orders be prepaid by another form of payment.

If E. Excel USA is unable to collect the amount owed, a collection agency may be utilized. If such action is taken, the Distributor will be responsible for any fees incurred by the collection agency, as well as all fees resulting from returned checks, bank drafts or credit card charge backs for merchandise ordered and received.

- d) **Online Payment.** Distributors may transfer funds electronically to the bank account listed above. Other forms of electronic payment may be specified from time to time. Distributors bear all fees associated with online payments.

4.4 Order Pickup (Will-Call)

Distributors may arrange to pick up their order from the locations designated by E. Excel USA. The full name, contact telephone number, and signature of the pickup person(s) are required. Distributors must check the quantity and condition of the products upon pickup. To the extent permitted under applicable law, E. Excel USA and its Foreign Affiliates will not accept returns for damaged or incorrect items, or replace missing products, when the order has been picked up and the invoice has been signed.

All will-call orders must be picked up within ten calendar days of the invoice date. All will-call orders that have not been picked up within ten (10) calendar days of the invoiced date are subject to the following:

- a. The order will be shipped to the address on the account via regular shipping methods.
- b. If shipped, the account will be charged the shipping fee associated with the order. If the order is refused or otherwise undeliverable, the Distributor will be responsible for any restocking and shipping fees. Refusal of the shipment could affect PSV and qualification requirements for the month in which it occurs. If the shipping fee is not paid in full the Distributor account will be suspended.

Will-call orders will be released to the Distributor of record upon presenting valid identification. The Distributor must verify that the order is correct and sign (and print) their name saying that it was received, complete and in order.

- a. If someone other than the Distributor of record picks up a will-call order, that person may only do so if the Distributor of record has authorized the Company to release orders to the specified person. This is accomplished by completing a Will-Call Authorization and Release Form at the E. EXCEL Fulfillment Center. This authorization will be kept on file at the center.
- b. The person picking up the order must verify that the order is correct, print their name and phone number and sign for it. By authorizing the person to pick up the order and sign for the order, the Distributor named on the invoice agrees, by proxy, that the order is complete and correct.

4.5 Delivery

E. Excel USA will only deliver products to locations within USA or Canada. Orders may be subject to an additional delivery charge. An additional handling charge will be applied on orders that require special handling and packaging.

A Foreign Affiliate only delivers products to locations within its country of incorporation, and may impose delivery charges as it sees fit. An additional handling charge will be applied on orders that require special handling and packaging. Distributors are encouraged to make the relevant enquiries before placing the orders.

E. Excel USA will determine the mode of delivery and may use third-party carrier services. While E. Excel USA uses reasonable endeavors to select a reliable third-party carrier, E. Excel USA does not have control over the products after the products have been passed to the third-party carrier. For issues concerning mis-delivery or non-delivery, Distributors must comply with the procedures of the third-party carrier.

If a delivery is rejected at the stated delivery address, the Distributor who placed the order will be fully liable for the return fees and other expenses incurred by the third-party carrier and E. Excel USA. If redelivery is required, the Distributor is responsible for all associated charges and for making the necessary arrangements with the third-party carrier.

CHAPTER 5 RETAIL POLICY

5.1 Retail Stores

Distributors must not sell or promote E. Excel's products at or through retail stores (such as food markets, drugstores, pharmacies, and other business establishments) without the prior written approval of E. Excel USA or the Foreign Affiliate (if applicable).

5.2 Service-related Establishments

Distributors must not sell or promote E. Excel's products at or through service-related establishments (as defined below), irrespective of whether or not the Distributor owns the establishment, without the prior written approval of E. Excel USA or the Foreign Affiliate (if applicable).

A service-related establishment is an establishment whereby the primary revenue is earned through the provision of services rather than by the selling of products. Such establishments include: the offices of doctors, dentists, and other health professionals; health clubs or fitness centers; beauty salons; and any other business where customer use of the establishment is controlled by membership or appointment.

E. Excel USA, or its Foreign Affiliates (where applicable), reserve the sole right to:

- a) approve or reject an application to sell or promote E. Excel's products at a service-related establishment;

- b) determine whether an establishment is service-related; and
- c) choose an appropriate venue for the sale of E. Excel's products.

5.3 Distributor Centers

Distributors may, with prior written approval from E. Excel USA or the Foreign Affiliate (where applicable), open or operate a distributor center to promote E. Excel USA's products ("Distributor Center"). E. Excel USA, or the Foreign Affiliate (where applicable), reserves the sole right to approve or reject an application to open or operate a Distributor Center.

Distributors may display the E. Excel USA flag or any other business tool purchased directly from E. Excel USA in their Distributor Center. Distributors must not use any other item that represents or depicts E. Excel USA that has not been approved in writing by E. Excel USA.

To maintain standardization, E. Excel USA will assign a name to every Distributor Center according to the geographic area where it is located.

CHAPTER 6 RETURN POLICY

The Return Policy applies to all products of E. Excel USA, except for E. Excel business tools and sales tools.

The Distributor may return the product in its original condition and packaging for a full refund (less applicable administrative fees) within sixty (60) days of the original purchase date (see Section 6.1).

The Distributor may also request a replacement or refund within sixty (60) days of the original purchase date if:

- a) there was a mis-delivery, at no fault of the Distributor;
- b) the product was damaged during delivery; or
- c) the product has a manufacturing defect.

First-time purchases of any product may be returned for any reason for an exchange or a refund within ten (10) days of the original purchase date.

6.1 Refund or Replacement Request

The Distributor must submit a request within sixty (60) days of the original purchase date. The request must include:

- a) a duly completed and signed Product Return Form;
- b) the product; and

- c) the original invoice issued by E. Excel USA.

The product is subject to inspection before the refund or replacement request will be processed.

6.2 Bonus Repayment and Withholding

Deductions to the Distributor's SV may be made for returned products. Deductions may also be made if the Distributor or anyone in the Distributor's network organization participates indirectly or directly in unethical behavior including predatory pricing relating to the selling or promoting of products. Should the Distributor lack the available SV needed, the Distributor may be required to repay the bonuses received from the returned product.

6.3 Disclaimer

Save as otherwise provided in the Agreement and to the extent permitted under law, E. Excel USA and its Foreign Affiliates provide no other warranty with respect to the products and specifically disclaim all other warranties, express or implied, arising by operation of law or otherwise, including without limitation, satisfactory quality, merchantability, or fitness for a particular purpose, whether or not the purpose or use has been disclosed to E. Excel USA and its Foreign Affiliates.

E. Excel USA and its Foreign Affiliates must not be held liable for any indirect, special, economic, incidental, or consequential loss or damage, (including loss of anticipated profits, loss of market, and loss of anticipated savings) whether in tort, contract, under statute, or otherwise by reason of or in relation to damaged products, wrongful delivery, and/or any other matters pursuant to the Agreement, even if E. Excel USA and its Foreign Affiliates have been advised of the possibility of such loss or damage.

To the fullest extent permissible under the applicable law, E. Excel USA and its Foreign Affiliates or any third party or data or content provider makes no guarantees, representations, statements, or warranties of any kind (whether express, implied in law or residual) regarding the website, the operation of E. Excel's services, information provided by Distributors such as their or their company's personal information, or information provided by any third party or data or content providers. E. Excel USA and its Foreign Affiliates do not warrant or represent that the E. Excel USA's services or servers and its Foreign Affiliates' services or servers that make it available, or electronic communications sent from E. Excel USA and its Foreign Affiliates are uninterrupted, or error-free, or free of viruses or other harmful components.

Subject to the foregoing provisions of this Chapter, E. Excel USA's liability to the Distributor, whether in contract, tort (including negligence or breach of statutory duty), or otherwise, for any loss, damage, or liability caused or arising from any breach or failure by E. Excel USA under the Agreement will be limited to the total purchase price of the product, as listed on the original invoice.

CHAPTER 7 ADVERTISING

7.1 Online Media Content

Distributors must obtain written approval of E. Excel USA for all media content regarding the distribution or promotion of E. Excel's products or opportunities before use. For avoidance of doubt, reference to media content in this Chapter 7 excludes Unauthorized Online Sale, which is prohibited.

Distributors must submit a written request and allow up to three (3) weeks for the approval process. This includes, but is not limited to, newspapers, magazines, leaflets, radio, television, billboards, and the Internet (such as X, Facebook, Instagram and other online media and/or web platforms, including e-commerce platforms and social media).

Approval in this regard is subject to E. Excel USA's sole right and discretion. In the event of rejection of any request, E. Excel USA shall not be required to provide explanation or grounds to justify its position.

Upon review and approval, Distributors shall receive from E. Excel USA a written notice of approval and a Review Identification Number. The Review Identification Number must be prominently displayed on all approved materials. Only the requesting Distributor may use the approved materials. Usage rights must not be transferred. Non-compliance is a serious breach of the Agreement. E. Excel USA shall take immediate disciplinary action against any non-complying Distributor.

7.2 Sales Tools

E. Excel USA and its Foreign Affiliates provide a wide selection of sales tools and literature for use by Distributors. Distributors are encouraged to use these materials freely in promoting retail sales and in developing their business sales organization. However, E. Excel USA maintains the exclusive rights to reproduce these items. Because the quality of a photocopy, video, or audio reproduction, etc., is often inferior to the quality of an original publication, Distributors are required to utilize only the official tools provided by E. Excel USA or its Foreign Affiliates (if applicable) so as to preserve the reputation and integrity of E. Excel USA and its Foreign Affiliates.

Distributors are not permitted to modify, duplicate, copy, or reproduce any portion of E. Excel USA's and its Foreign Affiliates' sales tools or publications, including but not limited to books, magazines, videos, audio and visual aids, brochures, newsletters, and fliers, without obtaining the prior written consent of E. Excel USA or its Foreign Affiliates.

7.3 Product Claims

Distributors must not make any product claims, except for those consistent with information published in official E. Excel USA literature. All statements regarding the products must conform to the *Policies and Procedures*. Distributors must not use unofficial literature, or make any unofficial claims concerning E. Excel USA and its Foreign Affiliates. E. Excel USA must not be held responsible or liable, directly or indirectly, in any manner whatsoever, for any claim made by any party concerning any of E. Excel's products and/or services, apart from

those made in official E. Excel USA literature. Furthermore, E. Excel USA and its Foreign Affiliates must not be held responsible for any claim, demand, loss, or expense resulting from a breach of this understanding and agreement.

7.4 Representation

It is critically important for Distributors to adhere to the *Policies and Procedures* and follow all regulatory and governmental standards. Key areas to avoid include making false or misleading product or earning claims and using materials not produced or authorized by E. Excel USA. Some general guidelines concerning representation are:

- a) Distributors must not make, or cause, or permit to be made, unreasonable, false, or misleading representations regarding potential earnings, the E. Excel USA Distributorship, and/or E. Excel's products.
- b) Distributors must not omit, or cause, or permit to be omitted, any particular material relating to the E. Excel USA Distributorship or E. Excel's products.
- c) Distributors must not engage in, or cause, or permit, any conduct that is misleading or likely to mislead with regard to potential earnings, the E. Excel USA Distributorship or E. Excel's products.
- d) Distributors must not convey in any way that one can or will receive profit or revenue by merely sponsoring or introducing new Distributors and without substantial effort on their own behalf.
- e) Distributors must not make any claims of remedies, curative effects, or treatments regarding the use of E. Excel's products.

7.5 Business Cards and Stationery

Distributors must ensure that their business cards and other personal printed materials used in connection with their E. Excel USA Distributorship conform to the approved format. Distributors must not use the words "employee" or "agent" (or words of similar meaning) of E. Excel USA or its Foreign Affiliates on such business cards and other personal printed materials.

Distributors who wish to display the E. Excel USA name or logo, or the name or logo of any of E. Excel USA's Foreign Affiliates, must first obtain the prior written approval of E. Excel USA. Upon approval, E. Excel USA or the Foreign Affiliate (where applicable) will supply the Distributor with a master copy of the name or logo. Distributors must follow any directions issued by E. Excel USA and/or the Foreign Affiliate regarding the use of the name or logo, including the immediate cessation thereof.

7.6 Media Inquiries

Due to increasing public interest in E. Excel USA, the media may contact and question Distributors. To ensure an accurate and consistent company image, Distributors must refer all media inquiries (including radio, television, Internet, and print publications) directly to the E. Excel USA corporate office.

7.7 Indemnity

Distributors agree to indemnify and keep indemnified E. Excel USA and its Foreign Affiliates from and against all losses, proceedings, claims, damages, fees, and other costs and expenses of any kind or character incurred by E. Excel USA and its Foreign Affiliates resulting from, arising out of, or relating to the use of the same or similar name, logo, image, or likeness of Dr. Jau-Fei Chen, E. Excel USA and/or E. Excel's products.

CHAPTER 8 SERVICES

8.1 Reports

Distributors may request reports such as personal sales network reports, bonus printouts, and monthly sales reports. These reports are the property of E. Excel USA. Distributors are not permitted to copy, reproduce, or distribute the reports to any third party.

Distributors may use E. Excel USA's online services to see the status of their PSV and PGSV, as well as the PSV and PGSV of Distributors in their sales networks.

8.2 Statements

Distributors who receive bonuses can view bonus statements and annual income statements online. Reprints or paper copies of these statements may be subject to additional fees. Distributors are responsible for checking the status of their bonuses.

8.3 SV Transfer

SV transfer requests can be completed on or before the 25th of the relevant month. Late transfers will not be processed. Distributors are responsible for confirming with E. Excel USA or the Foreign Affiliate that their transfer request has been accepted.

Transfer requests can be completed in person or online. Counter requests for SV transfers may be subject to an additional processing fee.

8.4 Bonuses

E. Excel USA will pay bonuses by crediting the Distributor's bank account in US dollars no later than the twentieth (20th) day of the following month. The Foreign Affiliate will pay bonuses by crediting the Foreign-based Distributor's bank account in the relevant currency no later than the twentieth (20th) day of the following month.

Distributors are required to check their bank accounts against the monthly statements to ensure that the bonuses credited are correct. Distributors who receive bonuses will be subject to an administrative fee. Reports of any discrepancies in bonuses must be made to E. Excel USA or the Foreign Affiliate within twenty (20) days from the date the bonuses were credited into the bank account.

If the Distributor fails or delays in submitting or updating the required bank account information (see Section 2.3), the Distributor will not receive bonuses and may face suspension or termination. E. Excel USA or its Foreign Affiliate (if applicable) shall not be liable for any loss or harm, including interest, direct, indirect, or consequential loss, to the Distributor, the Distributor's spouse, or any third party due to delays in the payment of bonuses, or due to the suspension or termination of the E. Excel USA Distributorship.

8.5 SV Report

All information from the SV Report is the confidential and proprietary property of E. Excel USA. The information from the SV Report in its present and future forms constitute commercially advantageous proprietary assets and trade secrets of E. Excel USA and is the result of the expenditure of considerable time, effort, and monetary resources. The right to disclose any of the information from the SV Report is expressly reserved by E. Excel USA and may be denied at E. Excel USA's discretion.

The information displayed by the SV Report for each Distributor is a uniquely tailored portion that contains only information specific to the Distributor's level and his/her own downline network organization.

- a) This information is provided for the exclusive and limited use of the Distributor to facilitate the training, support, and servicing of the Distributor's downline network organization for furtherance of company-related business only. The Distributor agrees to a separate exclusive license with E. Excel USA with each use.
- b) This information remains, at all times, the exclusive property of E. Excel USA, which may, at any time and in E. Excel USA's sole discretion, reclaim and take possession of the information. Accordingly, each Distributor agrees:
 - (i) to hold confidential and not disclose any information from SV Report or portion thereof to any third person, including but not limited to existing Distributors, competitors, and the general public;
 - (ii) to limit use of the SV Report to its intended scope of furthering the Distributor's company-related business;

- (iii) that any use or disclosure of the SV Report outside of those authorized herein, or for the benefit of any third person, constitutes misuse, misappropriation, and a violation of the Distributor Agreement;
- (iv) that, upon any violation under this section, the Distributor must, by E. Excel USA's request, or due to any applicable local laws and regulations, immediately retrieve and return to E. Excel USA all information from the SV Report previously provided to the Distributor; and
- (v) that the obligations under this section will survive the termination of the Agreement.

8.6 Disclaimer

While E. Excel USA and its Foreign Affiliate will use reasonable endeavors to provide Distributors with current and accurate information, E. Excel USA and its Foreign Affiliate (including their respective employees) accept no liability for, and do not guarantee the accuracy of, any information or opinion provided to the Distributors.

CHAPTER 9 THE INTERNATIONAL SPONSORSHIP PROGRAM

E. Excel USA has designed the International Sponsorship Program ("ISP") to provide Distributors with the opportunity to develop their E. Excel business sales organizations outside USA or Canada. Under the ISP, any active Distributor may personally pursue the E. Excel business in any country where the E. Excel group has established one or more offices. An E. Excel entity or E. Excel group member shall mean any of E. Excel USA as well as other company as E. Excel USA shall publish on its website as an E. Excel entity or E. Excel group member.

9.1 Applying for the International Sponsorship Program

To participate in the ISP, Distributors must apply directly to the foreign E. Excel entity where they desire to participate. The Distributor must:

- a) contact the relevant foreign E. Excel entity for the application forms and procedures;
- b) obtain Rank Certification from E. Excel USA to verify the Distributor's current rank;
- c) meet all eligibility requirements and qualifications and abide by the foreign E. Excel entity's *Policies and Procedures*; and
- d) abide by all laws and regulations of the country where the foreign E. Excel entity is established ("Foreign Jurisdiction"). This includes responsibility for any fees, fines, taxes, or any other expenses related to doing business in the Foreign Jurisdiction.

9.2 Maintaining Master Rank

If the Distributor qualifies for a Master rank with E. Excel USA at least three (3) times within a six (6) month period prior to applying under the ISP, the Distributor will begin his or her new foreign Distributorship with a Master rank in the Foreign Jurisdiction. For example, if the Distributor is a Gold Master, and has qualified as a Gold Master three (3) times within the last six (6) months prior to applying, the Distributor will begin as a Gold Master in the Foreign Jurisdiction. If, however, the Distributor is a Gold Master, but has qualified as a Silver Master four (4) times in the last six (6) months prior to the application, the Distributor will begin as a Silver Master in the Foreign Jurisdiction.

9.3 Responsibilities

Distributors will not receive bonuses or compensation for merely sponsoring or introducing other Distributors to the E. Excel business. Compensation is dependent upon product sales made by Distributors in the Foreign Jurisdiction, as well as their provision of after-sales services and business-related trainings to develop their downlines and sales organization in the Foreign Jurisdiction. Distributors who are Pearl Masters or above in the Foreign Jurisdiction are required to conduct trainings and meetings (subject to approval) at least three (3) times a year, and/or when requested. Failure to do so may result in the suspension of Distributorship.

9.4 Suspension or Termination

If Distributors participating in the Program are suspended or terminated because of unethical behavior, involvement in illegal activities, or violations of the Agreement, all of their foreign Distributorships will be suspended or terminated as well.

CHAPTER 10 INVESTIGATIVE PROCEEDINGS AND DISCIPLINARY PROCEEDINGS

10.1 General

E. Excel USA may initiate Investigative Proceedings and Disciplinary Proceedings (“Proceedings”) against Distributors. Proceedings will be conducted against any Distributor complained against. Proceedings against Distributors will also be conducted at E. Excel USA’s own accord when there are sufficient grounds for doing so.

Should a Distributor be found to have breached the Agreement, the Distributor may be required to acknowledge any such breach in writing.

Should a Distributor initiate any disputes, claims, controversies, or causes of action against E. Excel USA before or during the Proceedings, the Proceedings will be canceled, and the Distributor waives any and all opportunities provided by the Proceedings.

10.2 Proceedings

The Distributor referred to in a complaint, or whom E. Excel USA initiates Proceedings against, is referred to as the “Distributor Complained Against”.

E. Excel USA has the unfettered right to determine its own rules and procedures governing the Proceedings.

E. Excel USA may, if it so wishes and at its sole and absolute discretion, appoint a Disciplinary Committee consisting of a person(s) authorized to act for or on behalf of E. Excel USA to carry out the Proceedings. For avoidance of doubt, it is not mandatory for E. Excel USA to appoint a Disciplinary Committee in initiating and conducting the Proceedings.

The Distributor Complained Against may be interviewed at the Distributor’s expense and given the opportunity to be heard. E. Excel USA retains the right to suspend such Distributors who are absent from any scheduled interview, wilfully or without legitimate cause.

The Proceedings shall continue even if the Distributor Complained Against fails to cooperate, assist in the Proceedings, or is absent for a scheduled interview.

10.3 During and After the Proceedings

E. Excel USA has the unfettered right and discretion to:

- a) require any Distributor to assist E. Excel USA with the Proceedings;
- b) require any Distributor to produce any documents E. Excel USA deems necessary;
- c) suspend the Distributor Complained Against pending investigation of the Proceedings;
- d) suspend the Distributor Complained Against throughout the entire Proceedings process;
- e) deny the Distributor Complained Against access to office premises and customer services, such as report printing, pending the Proceedings; and
- f) impose sanctions, including termination, against the Distributor Complained Against.

The Distributor Complained Against hereby waives any right to institute or maintain in any court any action or proceedings against E. Excel USA and/or the Disciplinary Committee or any of its members for acts or omissions done in good faith in the discharge of its functions, powers, and duties under the Agreement. Any dispute, difference or disagreement with a decision of the Disciplinary Committee shall be construed as a dispute between the Distributor and E. Excel USA and shall be referred to arbitration in accordance with the terms of the Agreement.

CHAPTER 11 BREACH, TERMINATION, AND SANCTIONS

11.1 Breach of the Agreement

A breach of the Agreement or the *Policies and Procedures* within USA or Canada is deemed to be a breach of any agreement and/or *Policies and Procedures* outside USA or Canada with which that Distributor may be subject or party to.

The act of any Distributor, including his or her officers, employees, spouse, or partner (as the case may be), is attributable to that Distributor.

11.2 Grounds for Termination or Sanction

E. Excel USA may in its sole and absolute discretion terminate the Agreement and the E. Excel USA Distributorship of the Distributor, or may impose other sanctions upon the Distributor in any of the following circumstances:

- a) a breach or non-observance of the covenants or terms and conditions of the Agreement by the Distributor pursuant to Section 11.1 above.
- b) if the Distributor becomes insolvent, placed in receivership, liquidation, or bankruptcy (either voluntary or involuntary), or if the Distributor makes any assignment for the benefit of his or her creditors; or
- c) a judgment entered by any Court of competent jurisdiction against the Distributor remains unsatisfied for over fourteen (14) days.

For avoidance of doubt, the Proceedings shall not be a pre-condition to or a mandatory requirement for E. Excel USA to terminate the Agreement or E. Excel USA Distributorship or impose sanctions against any Distributor.

11.3 Effects Upon Termination

Save as expressly stated in the Agreement, other obligations under the Agreement shall cease to have any effect upon termination of the Agreement.

If the Agreement and the E. Excel USA Distributorship of the offending Distributor are terminated, the Distributor's network organization will move up to the next active qualified Distributor.

If terminated for inactivity, the terminated Distributor may rejoin E. Excel USA after ninety (90) days from the date of termination.

If the Distributorship was voluntarily terminated, the terminated Distributor may rejoin E. Excel USA after thirty (30) days from the date of termination under the same Sponsor, or after three hundred sixty-five (365) days from the date of termination under a different Sponsor.

If the Distributorship was terminated for unethical reasons as determined in the sole discretion of E. Excel USA, the terminated Distributor may rejoin E. Excel USA no sooner than

three hundred sixty-five (365) days from the date of termination with the written approval of E. Excel USA.

11.4 Procedures for Termination

The termination procedure is as follows:

- a) E. Excel USA will send a written Notice of Intent to terminate the Agreement and the E. Excel USA Distributorship to the offending Distributor.
- b) The offending Distributor must respond in writing to the Notice of Intent within twenty (20) days from the date it was received and present a case for review.
- c) E. Excel USA will make the final decision regarding the offending Distributor's termination.

These procedures may not apply when the Distributor is terminated through the Proceedings.

11.5 Sanctions

E. Excel USA may impose sanctions against the Distributor for a breach in the Agreement in one or more of the following ways:

- a) written warning, clarifying the meaning and application of a specific policy or procedure, and an admonition in which a subsequent violation(s) will result in further sanctions;
- b) probation, which may include requiring the Distributor to take remedial action within a specified period of time as well as follow-up monitoring by E. Excel USA or the Foreign Affiliate to ensure compliance;
- c) withdrawal or denial of awards and/or recognition in the publications of E. Excel USA or any of its Foreign Affiliates;
- d) restriction of participation in events sponsored by E. Excel USA and/or its Foreign Affiliates until otherwise stated;
- e) suspension of certain privileges, including but not limited to receiving bonuses, accessing E. Excel USA office locations, printing reports, placing orders, participating in company programs, progressing in the Marketing Plan, participating as a Sponsor, being featured in company publications, and participating in incentive trip programs for up to one (1) year after the suspension is lifted. Suspensions may be extended with a written notice, if the extension would help facilitate investigations into recurring cases, or if subsequent developments/findings warrant further investigation, and/or if the extension is used to safeguard the interest of E. Excel USA, its Foreign Affiliates, or its Distributors; and/or
- f) monetary sanctions in an amount determined in the sole discretion of E. Excel USA that is likely to correct and/or dissuade the offending action.

11.6 Other Remedies

E. Excel USA and its Foreign Affiliates are entitled to seek other remedies, including specific performance or injunctive relief from any court of competent jurisdiction.

11.7 Exemption of Liability

E. Excel USA and its Foreign Affiliates shall not in any way whatsoever, be liable to any Distributor for any damages, including but not limited to consequential damages, in the course of enforcing the *Policies and Procedures* and the Agreement.

E. Excel USA and its Foreign Affiliates may approve or reject any application (such as an application to become a Distributor or an application for Sale) at their sole discretion and shall not be obliged to provide grounds or reasons for their decisions, nor shall they be held liable to the applicant or other persons for such decisions.

E. Excel USA and its Foreign Affiliates may assign or transfer rights under the Agreement without the approval of Distributors and without prior notice.

11.8 Distributor's Right to Terminate

If the Distributor chooses to terminate the E. Excel USA Distributorship, the Distributor must do so by way of written notice to E. Excel USA. The terminating Distributor's network organization will move up to the next active qualified Distributor at E. Excel USA's sole discretion.

CHAPTER 12 SERVICE OF NOTICE, LETTERS, OR DOCUMENTS

Notices, letters, or documents under or in connection with the *Policies and Procedures* shall be sent by prepaid registered post or by a courier service company to the Distributor's last known address and shall be deemed to have been received by the fifth (5th) day from the date of mailing.

Chapter 12 shall not prejudice any rights of E. Excel USA under the Agreement in the event that a notice, letter, or document is returned to E. Excel USA or fails to have been delivered.

CHAPTER 13 E. EXCEL USA'S MARKETING PLAN

13.1 Introduction

E. Excel USA is pleased to offer a Marketing Plan that is among the best in the business. Distributors **begin at the rank of Associate** and are provided an opportunity to earn income from product sales made by Distributors themselves and their sales organization. Many Distributors maintain stellar after-sales services and often hold business-related trainings and meetings to develop their downline networks and sales organizations.

13.2 Distributor Development Bonus (15%)

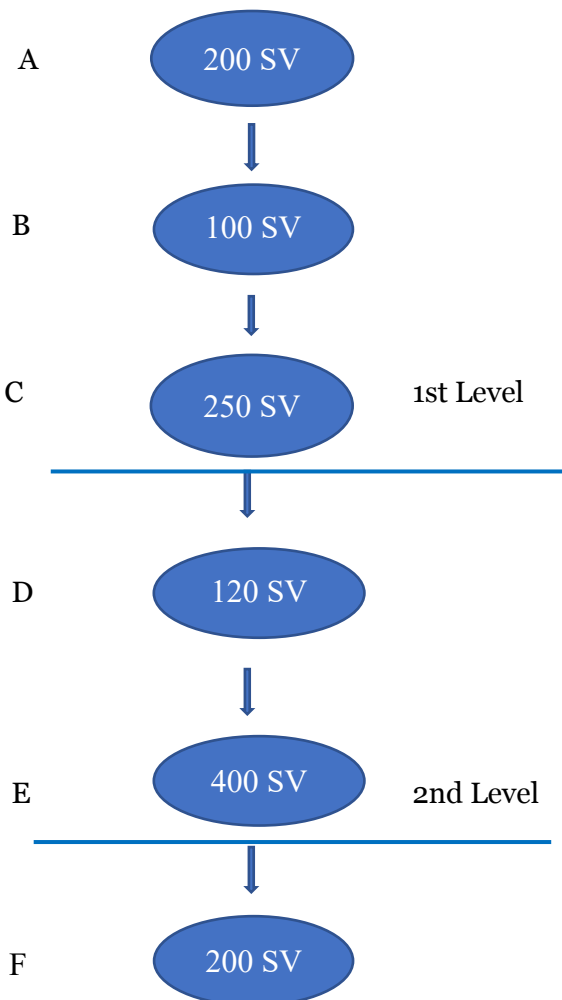
a) A Distributor is required to achieve 200 PSV in order to qualify.

b) The qualified Distributor is entitled to

| Distributor Development Bonus | |
|--------------------------------|-----|
| PSV of all 1st level downlines | 10% |
| PSV of all 2nd level downlines | 5% |

c) Each Distributor downline will be considered one level if he/she/it achieves 200 PSV.

How to Compute:



| A's Distributor Development Bonus | | | |
|-----------------------------------|--------------|-----|-----------|
| B | 100 | 10% | 10 |
| C | 250 | 10% | 25 |
| D | 120 | 5% | 6 |
| E | 400 | 5% | 20 |
| | Total | | 61 |

13.3 How to Become a Master

When the Distributor achieves the following within a month, he or she becomes a **qualified Master**:

- (a) 200 PSV
- (b) 2,000 PGSV
- (c) 4,500 AGV

By meeting these requirements for the first time, the Distributor will have achieved the title and rank of Master. If the Distributor fails to maintain these requirements, the Distributor will maintain the title and rank of Master, but will not be qualified.

13.4 Advanced Master Ranks

Qualified Masters can achieve the following Advanced Master Ranks when they have one or more qualified downline Masters:

SILVER MASTER

One (1) qualified first-level downline Master.

GOLD MASTER

Two (2) qualified first-level downline Masters.

PEARL MASTER

Four (4) qualified first-level downline Masters.

JADE MASTER

Six (6) qualified first-level downline Masters.

DIAMOND MASTER

Ten (10) qualified first-level downline Masters. Diamond Masters do not need to maintain the Master PGSV requirement.

13.5 Master Qualification Bonus (5%)

To qualify for the Master Qualification Bonus, a qualified Master must have in the qualifying month:

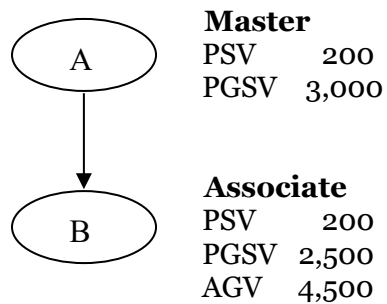
PSV 200

PGSV 2,000

When a Distributor achieves a PSV of 200 and PGSV of 2,000 and above in the qualifying month, he/she/it will be entitled to 5% of his/her/its PGSV as the Master Qualification Bonus.

Roll-up will not be included in the calculation for Master Qualification Bonus.

How to compute:



Master Qualification Bonus for A:

$$2,500 \times 5\% = 125$$

Master Qualification Bonus for B:

$$500 \times 5\% = 25$$

13.6 Master Leadership Bonus (40%)

Qualified Advanced Rank Masters may receive a Master Leadership Bonus if the following criteria have been met:

- (a) the Qualified Advanced Rank Masters have properly managed, developed and led their downline Distributors through activities such as conducting training or other courses; and
- (b) the Qualified Advanced Rank Masters' downline Distributors have achieved and maintained qualified Master statuses.

| Master Leadership Bonus | | | | | |
|-------------------------|---------------|-------------|--------------|-------------|----------------|
| | Silver Master | Gold Master | Pearl Master | Jade Master | Diamond Master |
| 1st Level PGSV | 10% | 10% | 10% | 10% | 10% |
| 2nd Level PGSV | | 5% | 10% | 10% | 10% |
| 3rd Level PGSV | | | 5% | 5% | 5% |
| 4th Level PGSV | | | | 5% | 5% |
| 5th Level PGSV | | | | | 5% |
| 6th Level PGSV | | | | | 5% |

13.7 Roll Up

Masters who do not reach the Master qualification requirements may have their unqualified downline Masters' PGSV "roll-up" to help them qualify. This roll-up volume does not count towards the Master Leadership Bonus. Masters who qualify with roll-up are ineligible to receive the Master Qualification Bonus.

13.8 Compression

E. Excel USA's compression feature applies to qualified Masters only. This feature ensures that the qualified Master's downline Masters who fail to qualify for the month do not affect the qualified Master's Master Leadership Bonus. The PGSV of the qualified Master's downline Distributors is automatically compressed to help the Master collect a greater bonus payout.

13.9 Retail Profit

Distributors are encouraged to retail products at a 20% mark-up.

13.10 Single Downline Network Bonus Limit

Applies to qualified Jade and Diamond Masters.

If over seventy percent (70%) of a Distributor's total after-compression bonus in a given month comes from only one downline network, the bonus from that downline network will be capped at seventy percent (70%) of the Distributor's total after-compression bonus.

Distributors have the responsibility to provide good after-sales service and conduct business-related trainings to develop their downlines and sales organizations. The money Distributors make should be based on their product sales, and not based solely on the people they recruit.

13.11 E. Excel Marketing Plan (60%)

Distributor Development Bonus 15%

Master Qualification Bonus 5%

Master Leadership Bonus 40%

| | Distributor | Master | Silver Master | Gold Master | Pearl Master | Jade Master | Diamond Master |
|--|-------------|--------|---------------|-------------|--------------|-------------|----------------|
| PSV Requirement | 200 | 200 | 200 | 200 | 200 | 200 | 200 |
| PGSV Requirement | - | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | - |
| Master Line Requirement | 0 | 0 | 1 | 2 | 4 | 6 | 10 |
| Distributor Development Bonus | | | | | | | |
| PSV of 1 st Level Downlines | 10% | 10% | 10% | 10% | 10% | 10% | 10% |
| PSV of 2 nd Level Downlines | 5% | 5% | 5% | 5% | 5% | 5% | 5% |
| Master Qualification Bonus | | | | | | | |
| Qualified Master PGSV | 0% | 5% | 5% | 5% | 5% | 5% | 5% |
| Master Leadership Bonus | | | | | | | |
| 1 st Level PGSV | | | 10% | 10% | 10% | 10% | 10% |
| 2 nd Level PGSV | | | | 5% | 10% | 10% | 10% |
| 3 rd Level PGSV | | | | | 5% | 5% | 5% |
| 4 th Level PGSV | | | | | | 5% | 5% |
| 5 th Level PGSV | | | | | | | 5% |
| 6 th Level PGSV | | | | | | | 5% |