

Oxygen4Energy

**STATEMENT OF POLICIES
AND
PROCEDURES**

Effective Sept 13, 2011

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Oxygen4Energy
STATEMENT OF POLICIES AND PROCEDURES
Effective October 21, 2010

SECTION 1 – INTRODUCTION

1.1 - Code of Ethics

Oxygen4Energy (hereafter “Oxygen4Energy” or “the Company”) is a values-based company that prides itself on the quality and character of its Distributors. The following guidelines help ensure a uniform standard of excellence throughout our organization. Every Oxygen4Energy Distributor is expected to practice the following ethical behavior when acting in the name of the company:

- I will be respectful of every person I meet while doing Oxygen4Energy related business.
- At all times I will conduct myself and my business in an ethical, moral, legal, and financially sound manner.
- I will not engage in activities that would bring disrepute to Oxygen4Energy, any Oxygen4Energy corporate officer or employee, myself, or other Distributors.
- I will not make discouraging or disparaging claims toward other Oxygen4Energy Distributors. I will ensure that in all Oxygen4Energy business dealings I will refrain from engaging in negative language. I will refrain from making any type of slanderous statements.
- I will provide support and encouragement to my Customers to ensure that their experience with Oxygen4Energy is a successful one. I understand that it is important to provide follow-up service and support to my downline.
- I will correctly represent all the bonus/compensation plans available through Oxygen4Energy and the income potential represented therein. I understand I may not use my own income as an indication of others’ potential success, or use compensation checks as marketing materials. I further understand that I may only disclose my Oxygen4Energy income to recruit a potential distributor(s) after I have given a copy of the Income Disclosure Statement to the potential distributor(s).
- I will abide by all of Oxygen4Energy’s Policies & Procedures now and as they may be amended in the future.

1.2 - Policies Incorporated Into Distributor Agreement

These Policies and Procedures (“Policies”), in their present form and as amended at the sole discretion of Oxygen4Energy, are incorporated into, and form an integral part of, the Oxygen4Energy Distributor Agreement (hereafter “Distributor Agreement”). Throughout these Policies, when the term “Agreement” is used, it collectively refers to the Oxygen4Energy Distributor Agreement, these Policies, and the Oxygen4Energy Compensation Plan. These documents are incorporated by reference into the Distributor Agreement (all in their current form and as amended by Oxygen4Energy). It is the responsibility of each distributor to read, understand, adhere to, and ensure that he or she is aware of and operating under the most current version of these Policies. When sponsoring a new distributor, it is the responsibility of the sponsoring distributor to provide the most current version of these Policies to the applicant prior to his or her execution of the Distributor Agreement.

1.3 - Purpose of Policies

Oxygen4Energy distributors are required to comply with all of the Terms and Conditions set forth in the Agreement which Oxygen4Energy may amend at its sole discretion from time to time, as well as all federal and state laws governing their Oxygen4Energy business and their conduct. Because you may be

unfamiliar with many of these standards of practice, it is very important that you read and abide by the Agreement. Please review the information in these Policies carefully. They explain and govern the relationship between you, as a distributor, and the Company.

1.4 - Changes to the Distributor Agreement, Policies and Procedures, or Compensation Plan

Because federal, state, and local laws, as well as the business environment, periodically change, Oxygen4Energy reserves the right to amend the Agreement and the prices in its Oxygen4Energy Product Price List in its sole and absolute discretion. Notification of amendments shall appear in Official Oxygen4Energy Materials. Amendments shall be effective upon publication in Official Oxygen4Energy Materials, including but not limited to, posting on Oxygen4Energy's website, e-mail distribution, publication in Oxygen4Energy's newsletter, product inserts, or any other commercially reasonable method. The continuation of a distributor's Oxygen4Energy business or a distributor's acceptance of bonuses or commissions constitutes acceptance of any and all amendments.

1.5 - Delays

Oxygen4Energy shall not be responsible for delays and failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, riot, war, fire, flood, death, curtailment of a party's source of supply, or government decrees or orders.

1.6 – Policies and Provisions Severable

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid, or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect and shall be construed as if such invalid, or unenforceable provision never comprised a part of the Agreement.

1.7 – Waiver

The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of Oxygen4Energy to exercise any right or power under the Agreement or to insist upon strict compliance by a distributor with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of Oxygen4Energy's right to demand exact compliance with the Agreement. Waiver by Oxygen4Energy can be effectuated only in writing by an authorized officer of the Company.

SECTION 2 – BECOMING A DISTRIBUTOR

2.1 - Requirements to Become a Distributor

To become an Oxygen4Energy distributor, each applicant must:

- Be of the age of majority in his or her state of residence;
- Reside in the United States or other countries that have been officially opened by Oxygen4Energy;
- Have a valid Social Security Number or Federal Tax Identification Number;
- Submit a properly completed and signed Distributor Agreement to Oxygen4Energy via electronically or fax.

2.2 - New Distributor Registration by Telephone, Facsimile, or Internet

A Sponsor or the new distributor may call the Oxygen4Energy Corporate Offices during regular business

hours to receive a temporary Distributor Identification Number. (See the front of the Distributor Agreement for telephone numbers.) The caller must be able to provide all necessary Distributor Agreement information over the telephone. An online, fax or original hard-copy of the Distributor Agreement must be received by the Company within thirty (30) days from the date of the telephone enrollment. If no application is received, the new enrollee's Distributor Agreement will be cancelled. For purposes of the Agreement, signatures on applications submitted through these electronic methods shall be deemed original signatures. Faxed applications must include both the front and back of the Distributor Agreement. Volume generated through distributors enrolled over the telephone will not count toward qualification, or for contest purposes, if subsequently canceled for failure to submit an online, fax, or original hard-copy Distributor Agreement as stated above.

2.3 - Distributor Benefits

Once a Distributor Agreement has been accepted by Oxygen4Energy, the benefits of the Compensation Plan and the Distributor Agreement are available to the new distributor. These benefits include the right to:

- Purchase Oxygen4Energy products and services at the wholesale price;
- Sell Oxygen4Energy products;
- Participate in the Oxygen4Energy Compensation Plan (receive bonuses and commissions, if eligible);
- Sponsor other individuals as retail customers or distributors into the Oxygen4Energy business and thereby build an organization and progress through the Oxygen4Energy Compensation Plan;
- Receive periodic Oxygen4Energy literature and other Oxygen4Energy communications;
- Participate in Oxygen4Energy-sponsored support service training, motivational and recognition functions; and
- Participate in promotional and incentive contests and programs sponsored by Oxygen4Energy for its distributors.

2.4 - Term and Renewal of a Oxygen4Energy Business

The term of the Distributor Agreement is one year from the date of its acceptance by Oxygen4Energy. Every Distributor Agreement must be renewed each year with an annual renewal fee of \$19.95, which must be paid on or before the anniversary date of the Distributor Agreement. If the renewal fee is not paid within 30 days after the expiration of the current term of the Distributor Agreement, the Agreement will be canceled and the Distributor will be purged from the system.

As a convenience for its Distributors, Oxygen4Energy provides an Automatic Renewal Program ("ARP") in an effort to simplify the renewal process. If you consent to the ARP, you are authorizing Oxygen4Energy to charge your credit card on file, if one has been provided. The ARP program can be easily adjusted from within the Oxygen4Energy website.

SECTION 3 – INCOME DISCLOSURE POLICY

In an effort to conduct best business practices, Oxygen4Energy has developed the Income Disclosure Statement ("IDS"). The Oxygen4Energy IDS is designed to convey truthful, timely, and comprehensive information regarding the income that Oxygen4Energy distributors earn. In order to accomplish this objective, a copy of the IDS must be presented to all prospective distributors.

A copy of the IDS must be presented to a prospective distributor (someone who is not a party to a current Oxygen4Energy Distributor Agreement) anytime the Compensation Plan is presented or discussed, or any type of income claim or earnings representation is made.

The terms “income claim” and/or “earnings representation” (collectively “income claim”) include: (1) statements of average earnings, (2) statements of non-average earnings, (3) statements of earnings ranges, (4) income testimonials, (5) lifestyle claims, and (6) hypothetical claims. Examples of “statements of non-average earnings” include, “Our number one distributor earned over a million dollars last year” or “Our average ranking distributor makes five thousand per month.” An example of a “statement of earnings ranges” is “The monthly income for our higher ranking distributors is ten thousand dollars on the low end to thirty thousand dollars a month on the high end.”

A lifestyle income claim typically includes statements (or pictures) involving large homes, luxury cars, exotic vacations, or other items suggesting or implying wealth. They also consist of references to the achievement of one’s dreams, having everything one always wanted, and are phrased in terms of “opportunity” or “possibility” or “chance.” Claims such as “My Oxygen4Energy income exceeded my salary after six months in the business,” or “Our Oxygen4Energy business has allowed my wife to come home and be a full-time mom” also fall within the purview of “lifestyle” claims.

A hypothetical income claim exists when you attempt to explain the operation of the Compensation Plan through the use of a hypothetical example. Certain assumptions are made regarding the: (1) number of distributors sponsored, (2) number of downline distributors, (3) average product volume per distributor, and (4) total organizational volume. Cranking these assumptions through the Compensation Plan yields income figures which constitute income claims.

In any meeting that is open to the public in which the Compensation Plan is discussed or any type of income claim is made, you must provide every prospective distributor with a copy of the IDS. In any meeting in which any type of video display is utilized (e.g., monitor, television, projector, etc.) a slide of the IDS must be placed at the end of the presentation, visible for all to see. Copies of the IDS may be printed or downloaded without charge from the company website at www.oxygen4energy.com/IDS.

SECTION 4 – ADVERTISING

4.1 - Adherence to the Oxygen4Energy Compensation Plan

Distributors must adhere to the terms of the Oxygen4Energy Compensation Plan as set forth in Official Oxygen4Energy Materials. Distributors shall not offer the Oxygen4Energy opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically stated in Official Oxygen4Energy Materials. Distributors shall not require or encourage other current or prospective customers or distributors to participate in Oxygen4Energy in any manner that varies from the program as set forth in Official Oxygen4Energy Materials. Distributors shall not require or encourage other current or prospective customers or distributors to execute any agreement or contract other than official Oxygen4Energy agreements and contracts in order to become a Oxygen4Energy distributor. Similarly, distributors shall not require or encourage other current or prospective customers or distributors to make any purchase from, or payment to, any individual or other entity to participate in the Oxygen4Energy Compensation Plan other than those purchases or payments identified as recommended or required in Official Oxygen4Energy Materials.

4.2 – Product Claims

You may make claims about the Products that are in the Official Oxygen4Energy materials. You shall not make claims about the Product or use testimonials that are not in the Official Materials.

4.3 -- Use of Sales Aids

To promote both the products and the opportunity Oxygen4Energy offers, distributors must use the sales aids and support materials produced by Oxygen4Energy. If Oxygen4Energy distributors develop their own sales aids and promotional materials (which includes Internet advertising), notwithstanding distributors' good intentions, they may unintentionally violate any number of statutes or regulations affecting a Oxygen4Energy business. These violations, although they may be relatively few in number, could jeopardize the Oxygen4Energy opportunity for all distributors. Accordingly, distributors must submit all written sales aids, promotional materials, advertisements, websites and other literature to the Company for Company's approval prior to use. Unless the distributor receives specific written approval to use the material, the request shall be deemed denied. All distributors shall safeguard and promote the good reputation of Oxygen4Energy and its products. The marketing and promotion of Oxygen4Energy, the Oxygen4Energy opportunity, the Compensation Plan, and Oxygen4Energy products and services shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

4.4 - Intellectual Property

Oxygen4Energy will not allow the use of its trade names, trademarks, designs, or symbols outside of corporate produced and approved sales aids by any person, including Oxygen4Energy Distributors, without prior written authorization from Oxygen4Energy. Furthermore, no Distributor may use, publish, reproduce, advertise, sell, or display in any manner the name, picture or likeness, or voice of another Distributor without prior written consent from the named Distributor. This consent must be on file with Oxygen4Energy's Compliance department prior to any use.

4.5 - Distribution Policy

If a Distributor desires to utilize an Internet web page to promote his or her business, he or she may do so through the Company's replicated website program only. These websites seamlessly link directly to the official Oxygen4Energy website giving the Distributor a professional and Company-approved presence on the Internet. These websites seamlessly link directly to the official Oxygen4Energy website giving the Distributor a professional and Company-approved presence on the Internet. This program permits Distributors to advertise on the Internet and drive potential customers to their replicated websites. No Distributor may independently design a website that uses the names, logos, or product descriptions of Oxygen4Energy or otherwise promotes (directly or indirectly) Oxygen4Energy products or the Oxygen4Energy opportunity. Nor may a Distributor use "blind" ads on the Internet that make product or income claims which are ultimately associated with Oxygen4Energy products, the Oxygen4Energy opportunity, or the Oxygen4Energy Marketing and Compensation Plan. The use of any other Internet website or web page (including without limitation auction sites such as eBay) to in any way promote the sale of Oxygen4Energy products, the Oxygen4Energy opportunity, or the Marketing and Compensation Plan is a breach of the Agreement and may result in any of the disciplinary sanctions set forth in Section 11.1.

4.6 - Blogs, Social Networks, Online Auctions, and Other Online Forums

Distributors may post text and videos containing product testimonials and income claims on Blogs, Social Networks, and Video Websites so long as he or she is using company approved content and/or has received express authorization from Oxygen4Energy's Compliance department.

- All text postings must include the Distributor's name and/or ID number.
- All video must include a clear image of the Distributor's name and/or ID number.
- All videos must be approved in advance by our Compliance department.

All reference to the product should be made by referring the viewer to the Distributor's replicated Oxygen4Energy website.

4.7 - Domain Names and Email Addresses

Distributors may not use or attempt to register or sell any of Oxygen4Energy's trade names, trademarks, service names, service marks, product names, or any derivative thereof, for any internet domain name or email address.

4.8 - Sales Mediums

Oxygen4Energy products may not be sold or promoted through catalogues or other mass sales mediums, such as infomercials, television, radio, or other related sales mediums. You may sell Oxygen4Energy sales aids and products through service establishments. These service establishments must perform a function consistent with the Oxygen4Energy brand. Only Oxygen4Energy-produced or approved literature, banners, or signage may be displayed on a shelf, counter, or wall.

4.8.1 - Commercial Outlets

Oxygen4Energy strongly encourages the retailing and selling of its products and services through person to person contact. However, the Company recognizes that some distributors may find that selling products from small retail outlets may be beneficial. Therefore, distributors may sell Oxygen4Energy products in small, individually owned retail outlets. Oxygen4Energy products may not be sold in department stores, chain or franchised retail outlets, mass merchandising outlets, or any retail location with two thousand (2,000) square feet or more of retail space. Distributors must obtain written authorization from Oxygen4Energy prior to selling any Oxygen4Energy products in a retail outlet, and Oxygen4Energy retains the discretion to restrict its products from being sold in any retail location which it does not deem acceptable

4.9 - Advertised Price

You may not advertise any Oxygen4Energy products at a price LESS than the highest company published, established retail price of ONE offering of the Oxygen4Energy product plus shipping and applicable taxes. No special enticement advertising is allowed. This includes but is not limited to offers of free membership, free shipping, or other such offers that grant advantages beyond those available through the Company.

4.10 - Generic Business Advertisements

If you advertise via newspaper or other advertising venues, the following rules apply:

- No advertisement may imply that a job, position, salary, or any type of employment is allowed.
- No advertisement may promote, represent, or imply salaried positions, management positions, hourly wages, full or part-time employment, or guaranteed incomes. The Oxygen4Energy opportunity is not a job, and may not be presented as such. Terms such as "manager trainee," "management positions available," "travel provided," "call for interview," "positions available," "now hiring," and other misleading statements are not allowed.
- No specific income can be promised or implied, and any references to compensation must use the word "commissions" to indicate the independent contractor status of distributors.
- Advertisements may not contain references to Oxygen4Energy or its products.
- You may not use any of Oxygen4Energy's trademarks or trade-names.
- Advertisements may not contain references to «Company_name» or its intellectual property..

Any requests for variances from the above rules must be submitted to Oxygen4Energy and approved in writing prior to publication. Please direct any inquiries to compliance@Oxygen4Energy.com, or by fax to the attention of the Compliance department at 1-(888) 399-2535.

4.11 - Media and Media Inquiries

Distributors must not initiate any interaction with the media or attempt to respond to media inquiries regarding Oxygen4Energy, its products or services, or their independent Oxygen4Energy business. All inquiries by any type of media must be immediately referred to Oxygen4Energy's Compliance department. This policy is designed to ensure that accurate and consistent information is provided to the public, as well as a proper public image.

4.12 - Unsolicited Email And Fax Communication

Oxygen4Energy does not permit Distributors to send unsolicited emails unless such emails strictly comply with applicable laws and regulations, including, without limitation, the federal CAN SPAM Act. Any email sent by a Distributor that promotes Oxygen4Energy, the Oxygen4Energy opportunity, or Oxygen4Energy products and services, must comply with the following:

- There must be a functioning return email address to the sender.
- There must be a notice in the email that advises the recipient that they may reply to the email, via the functioning return email address, to request that future email solicitations or correspondence not be sent to him or her (a functioning "opt-out" notice).
- The email must include the Distributor's physical mailing address.
- The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
- The use of deceptive subject lines and/or false header information is prohibited.
- All opt-out requests, whether received by email or regular mail, must be honored. If a Distributor receives an opt-out request from a recipient of an email, the Distributor must forward the opt-out request to the Company. Oxygen4Energy may periodically send commercial emails on behalf of Distributors. By entering into the Distributor Agreement, Distributor agrees that the Company may send such emails and that the Distributor's physical and email addresses will be included in such emails as outlined above. Distributors shall honor opt-out requests generated as a result of such emails sent by the Company. Except as provided in this section, Distributors may not use or transmit unsolicited faxes or use an automatic telephone dialing system relative to the operation of their Oxygen4Energy businesses.

SECTION 5 – OPERATING A OXYGEN4ENERGY BUSINESS.

5.1 - Business Entities

A corporation, partnership or trust (collectively referred to in this section as a "Business Entity") may apply to be a Oxygen4Energy distributor by submitting a Oxygen4Energy Distributor Application and Agreement along with its Certificate of Incorporation, Articles of Organization, Partnership Agreement or trust documents (these documents are collectively referred to as the "Entity Documents") to Oxygen4Energy. A Oxygen4Energy business may change its status under the same Sponsor from an individual to a partnership, corporation or trust, or from one type of entity to another. To do so, the distributor(s) must provide the Entity Documents to Oxygen4Energy. The Distributor Application must be signed by all of the shareholders, partners or trustees. Members of the entity are jointly and severally liable for any indebtedness or other obligation to Oxygen4Energy.

5.1.1 - Changes to a Business Entity

Each Distributor must immediately notify Oxygen4Energy of any changes to the type of business entity they utilize in operating their Oxygen4Energy business, and the addition or removal of business associates. A Oxygen4Energy business may change its status under the same sponsor from an

individual to a partnership, corporation or trust, or from one type of entity to another. The Distributor Agreement form must be signed by all of the shareholders, partners, or trustees. Members of the entity are jointly and severally liable for any indebtedness or other obligation to Oxygen4Energy.

5.1.2 - Change Of Sponsor

To protect the integrity of all marketing organizations and safeguard the hard work of all Distributors, Oxygen4Energy rarely allows changes in sponsorship, with the rare exception of direct line changes (meaning placement is not affected). A direct line change request must be made by submitting a completed Sponsor Change Request Form within a three (3) day period from the date of enrolment, and must come from the current listed sponsor.

5.1.3 - Change Of Placement

A request for change of placement must be submitted within three (3) days of the date of enrolment and must be requested by the current listed sponsor. A Distributor can only be moved inside of the same sponsor's organization. If approved, a Distributor is placed in the first available open bottom position on the date that the change is made. Distributors who have earned commissions or achieved rank are not eligible for placement changes. Please note that decisions made for any change request (sponsor or placement) are at the sole discretion of Oxygen4Energy.

5.1.4 - Cancellation and Re-application

A Distributor may legitimately change organizations by voluntarily cancelling their Oxygen4Energy business and remaining inactive (i.e., no purchases of Oxygen4Energy products for resale, no sales of Oxygen4Energy products, no sponsoring, no attendance at any Oxygen4Energy functions, participation in any other form of Distributor activity, or operation of any other Oxygen4Energy business) for six (6) full consecutive calendar months. Following the six (6) month period of inactivity, the former Distributor may reapply under a new sponsor, but relinquishes all rights held by the original Distributorship (i.e., downline, commissions, previous orders).

5.1.5 - Addition of Co-applicant

When adding a co-applicant (either an individual or a business entity) to an existing Oxygen4Energy business, the Company requires a written request as well as a properly completed Distributor Agreement containing the applicant's and co-applicant's Social Security Numbers or Federal Tax Identification Numbers and signatures. To prevent the circumvention of the "Sale, Transfer or Assignment of Oxygen4Energy Business" section (regarding transfers and assignments of Oxygen4Energy business), the original applicant must remain as a party to the original Distributor Agreement. If the original distributor wants to terminate his or her relationship with the Company, he or she must transfer or assign his or her business in accordance with the "Sale, Transfer or Assignment of Oxygen4Energy Business" section of these Policies. If this process is not followed, the business shall be cancelled upon the withdrawal of the original distributor. All bonus and commission checks will be sent to the address of record of the original distributor. Please note that the modifications permitted within the scope of this paragraph do not include a change of sponsorship. Changes of sponsorship are addressed in "Change of Sponsor" section of these Policies and Procedures. There is a \$25.00 fee for each change requested, which must be included with the written request and the completed Distributor Agreement. Oxygen4Energy may, at its discretion, require notarized documents before implementing any changes to a Oxygen4Energy business. Please allow thirty (30) days after the receipt of the request by Oxygen4Energy for processing.

5.2 - Unauthorized Claims and Action

5.2.1 - Indemnification

A distributor is fully responsible for all of his or her verbal and/or written statements made regarding

Oxygen4Energy products, services, and the Compensation Plan, which are not expressly contained in Official Oxygen4Energy Materials. Distributors agree to indemnify Oxygen4Energy and hold it harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs or lost business incurred by Oxygen4Energy as a result of the distributor's unauthorized representations or actions. This provision shall survive the cancellation of a distributor's Distributor Agreement.

5.2.2 - Product Claims

No claims as to any products offered by Oxygen4Energy may be made except those contained in Official Oxygen4Energy Materials. In particular, no distributor may make any claim that Oxygen4Energy products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases. Such statements can be perceived as medical or drug claims.

5.3 - Conflicts

5.3.1 - Nonsolicitations

Oxygen4Energy Distributors are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively "Network Marketing"). However, during the term of this Agreement, Distributors may not directly or indirectly recruit other Oxygen4Energy Distributors or Customers other than those they have personally sponsored for any other Network Marketing business. Following the cancellation of a Distributor Agreement, and for a period of one (1) calendar year thereafter, with the exception of a Distributor who is personally sponsored by the former Distributor, a former Distributor may not recruit any Oxygen4Energy Distributor or Customer for another Network Marketing business. Distributors and the Company recognize that because network marketing is conducted through networks of independent contractors dispersed across the entire United States and internationally, and business is commonly conducted via the internet and telephone, an effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, Distributors and Oxygen4Energy agree that this non-solicitation provision shall apply to all markets in which Oxygen4Energy conducts business.

5.3.2 - Sale of Competing Goods or Services

Distributors must not sell, or attempt to sell, any competing non-Oxygen4Energy programs, products, or services to Oxygen4Energy Customers or Distributors. Any program, product, service, or direct selling opportunity in the same generic categories as Oxygen4Energy products is deemed to be competing, regardless of differences in cost, quality or other distinguishing factors.

5.3.3 - Distributor Participation In Other Direct Selling Programs

If a Distributor is engaged in other non-Oxygen4Energy direct selling programs, it is the responsibility of the Distributor to ensure that their Oxygen4Energy business is operated entirely separate and apart from any other program.

5.3.4 - Targeting Other Direct Sellers

Should Distributors engage in solicitation and/or enticement of members of another direct sales company to sell or distribute Oxygen4Energy products, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against a Distributor alleging that they engaged in inappropriate recruiting activity of its sales force or Customers, Oxygen4Energy will not pay any of Distributor's defense costs or legal fees, nor will Oxygen4Energy indemnify the Distributor for any judgment, award, or settlement.

5.4.5 - Privacy and Confidentiality

All Distributors are required to abide by the Company's Privacy Policy with regard to Distributor and customer information.

5.4.6 - The Data Management Rule

The Data Management Rule is intended to protect the Line of Sponsorship (LOS) for the benefit of all Distributors, as well as Oxygen4Energy. LOS information, i.e. information compiled by Oxygen4Energy that discloses or relates to all or part of the specific arrangement of sponsorship within the Oxygen4Energy business, including, without limitation, Distributor lists, sponsorship trees, and all Distributor information generated therefrom, in its present and future forms. The Oxygen4Energy LOS, constitutes a commercially advantageous, unique, and proprietary trade secret (Proprietary Information), which it keeps proprietary and confidential and treats as a trade secret. Oxygen4Energy is the exclusive owner of all Proprietary Information, which is derived, compiled, configured, and maintained through the expenditure of considerable time, effort, and resources by Oxygen4Energy and its Distributors. Through this Rule, Distributors are granted a personal, non-exclusive, non-transferable and revocable right by Oxygen4Energy to use Proprietary Information only as necessary to facilitate their business as contemplated under these Policies and Procedures. The Company reserves the right to deny or revoke this right, upon reasonable notice to the Distributor stating the reason(s) for such denial or revocation, whenever, in the reasonable opinion of Oxygen4Energy, such is necessary to protect the confidentiality or value of Proprietary Information. All Distributors shall maintain Proprietary Information in strictest confidence, and shall take all reasonable steps and appropriate measures to safeguard Proprietary Information and maintain the confidentiality thereof. A Distributor shall not compile, organize, access, create lists of, or otherwise use or disclose Proprietary Information except as authorized by Oxygen4Energy. A Distributor also shall not disclose Proprietary Information to any third party, or use Proprietary Information in connection with any other businesses or to compete, directly or indirectly, with the business of Oxygen4Energy. Use or disclosure of Proprietary Information, other than as authorized by Oxygen4Energy, will cause significant and irreparable harm to Oxygen4Energy, warranting an award of injunctive relief, including a temporary restraining order and/or a preliminary injunction, specific performance, and damages including costs, attorneys' fees, and disgorgement of all profits made as a result of such unauthorized use or disclosure. A Distributor shall promptly return any and all Proprietary Information to Oxygen4Energy upon resignation, non-renewal, or termination of his or her business and shall thereafter refrain from any further use thereof.

5.5 - Cross Sponsoring

Actual or attempted cross-group sponsoring is strictly prohibited. "Cross-group sponsoring" is defined as the enrollment, indirect or otherwise, of an individual or entity that already has a current customer number or Distributor Agreement on file with Oxygen4Energy, or who has had such an agreement within the preceding six (6) calendar months, within a different line of sponsorship. The use of a spouse's or relative's name, trade names, DBAs, assumed names, corporations, partnerships, trusts, Federal Tax Identification Numbers or fictitious identification numbers to circumvent this policy is prohibited. This policy shall not prohibit the transfer of a Oxygen4Energy business in accordance with the "Sale, Transfer or Assignment of Oxygen4Energy Business" section of these Policies and Procedures.

5.6 - Governmental Approval or Endorsement

Neither federal nor state regulatory agencies nor officials approve or endorse any direct selling or network marketing companies or programs. Therefore, Distributors shall not represent or imply that Oxygen4Energy or its Compensation Plan have been "approved," "endorsed," or otherwise sanctioned by any government agency.

5.7 - Identification

All Distributors are required to provide their Social Security Number, Federal Employer Identification Number, or their Government Issued ID Number to Oxygen4Energy either on the Distributor Agreement or at the company's request. Upon enrolment, the Company will provide a unique Distributor Identification

Number to the Distributor by which they will be identified. This number will be used to place orders and track commissions and bonuses.

5.8 - Income Taxes

Every year, Oxygen4Energy will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident as required by the Internal Revenue Service. Each distributor is responsible for paying local, state and federal taxes on any income generated as a distributor. If a Oxygen4Energy business is tax exempt, the Federal Tax Identification Number must be provided to Oxygen4Energy.

5.9 - Independent Contractor Status

You are an independent contractor. You are not an agent, employee, partner, or joint venture with the Company. You may not represent yourself as anything other than an Independent Distributor. You have no authority to bind Oxygen4Energy to any obligation. You are responsible for paying your own self-employment taxes, federal income taxes and other taxes required by law. You must obey any federal, state, and local laws, as well as Company rules and regulations pertaining to your independent Oxygen4Energy Distributorship or the acquisition, receipt, holding, selling, distributing or advertising of Oxygen4Energy's products or opportunity.

Distributors may not answer the telephone by saying "Oxygen4Energy," "Oxygen4Energy Incorporated," or by any other manner that would lead the caller to believe that they have reached Oxygen4Energy's corporate offices. A Distributor may only represent that he/she is a Oxygen4Energy Distributor. Therefore, all correspondence and business cards relating to or in connection with a Distributor's Oxygen4Energy business shall contain the Distributor's name followed by the term "Independent Distributor." Indemnity: You agree to indemnify and hold Oxygen4Energy, its officers, agents, directors, and employees harmless from any claim, damage, liability, or loss arising out of your activities.

5.10 - International Marketing

Because of critical legal and tax considerations, Oxygen4Energy must limit the resale of Oxygen4Energy products and the presentation of the Oxygen4Energy business to prospective Customers and Distributors located within the continental United States and U.S. Territories and those other countries that the Company has officially opened for business. Conducting meetings, promoting the Oxygen4Energy financial opportunity, or gifting/distributing product in an unopened country or market is strictly prohibited.

5.11 - Inventory Loading

The Oxygen4Energy program is built on retail sales to the ultimate consumer. Oxygen4Energy encourages its Distributors to only purchase inventory that they and their family will personally consume, will be used as a sales tool, or will be resold to others for their ultimate consumption. Distributors must never attempt to influence any other distributor to buy more products than they can reasonably use or sell to retail customers in a month.

5.11.1 - The 70% Rule

Each Oxygen4Energy Distributor commits to personally use, sell, or use in business building at least 70% of every order placed with the Company prior to placing another order, and must be able to certify to such if demanded by the Company or by any regulatory agency. ***Purchasing product solely for the purpose of collecting bonuses or achieving rank is prohibited.*** Oxygen4Energy retains the right to limit the amount of purchases you may make if, in our sole judgment, we believe those purchases are being made solely for qualification purposes instead of for consumption or resale.

5.12 - Sponsorship Rights

No Distributor may sell, assign or otherwise transfer their sponsorship rights to another Distributor. After a period of seven (7) days following the acceptance of a Distributor Agreement by the Company, sponsorship and placement are irrevocable and permanent.

5.13 – Stacking

Stacking is the unauthorized manipulation of the Oxygen4Energy compensation system and/or the marketing plan in order to trigger commissions or cause a promotion off a downline IC in an unearned manner. One example of stacking occurs when a sponsor places participants under an inactive downline participant (who may not know or have any relationship with the clients) in order to trigger unearned qualification for commissioning. Another example of stacking is the manipulative placement of independent consultants within a downline organization in order to trigger a promotion. Stacking is unethical and unacceptable behavior, and as such, it is a punishable offense with measures up to and including the termination of the independent consultant positions of all individuals found to be directly involved.

5.14 - One Oxygen4Energy Business Per Distributor

A distributor may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one Oxygen4Energy business. No individual may have, operate or receive compensation from more than one Oxygen4Energy business. Individuals of the same family unit may each enter into or have an interest in their own separate Oxygen4Energy businesses, only if each subsequent family position is placed frontline to the first family member enrolled. A “family unit” is defined as spouses and dependent children living at or doing business at the same address.

5.15 - Succession

Upon the death or incapacitation of a Distributor, their business may be passed to a designated heir(s). Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper. Whenever a Oxygen4Energy business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased Distributor’s marketing organization provided the following qualifications are met. The successor(s) must:

- Execute a Distributor Agreement;
- Comply with terms and provisions of the Agreement;
- Meet all of the qualifications for the deceased Distributor’s rank/status;
- Provide Oxygen4Energy with an “address of record” to which all bonus and commission checks will be sent. Bonus and commission checks of a Oxygen4Energy business transferred pursuant to this section will be paid in a single check jointly to the successor(s).
- Form a business entity and acquire a federal Taxpayer Identification Number, if the business is bequeathed to joint successors. Oxygen4Energy will issue all bonus and commission checks and one 1099 to the business entity.

5.15.1 - Transfer Upon Death of a Distributor

To effect a testamentary transfer of a Oxygen4Energy business, the successor must provide the following to Oxygen4Energy:

- (1) an original death certificate,
- (2) a notarized copy of the will or other instrument establishing the successor’s right to the Oxygen4Energy business, and
- (3) a completed and executed Distributor Agreement.

If the Successor is already a Oxygen4Energy Distributor, the Company may grant exception to the One Distributor per Household rule upon written request from the Successor.

5.15.2 - Transfer Upon Incapacitation of a Distributor

To effectuate a transfer of a Oxygen4Energy business because of incapacity, the successor must provide the following to Oxygen4Energy: (1) a notarized copy of an appointment as trustee, (2) a notarized copy of the trust document or other documentation establishing the trustee's right to administer the Oxygen4Energy business, and (3) a completed Distributor Agreement executed by the trustee.

5.16 - Sale, Transfer, or Assignment of a Oxygen4Energy Business

Although a Oxygen4Energy business is a privately owned, independently operated business, the sale, transfer or assignment of a Oxygen4Energy business is subject to certain limitations. If a Distributor wishes to sell their Oxygen4Energy business, the following criteria must be met:

- Protection of the existing line of sponsorship must always be maintained so that the Oxygen4Energy business continues to be operated in that line of sponsorship;
- The buyer or transferee must become a qualified Oxygen4Energy Distributor. If the buyer is an active Oxygen4Energy Distributor, they must first terminate their Oxygen4Energy business and wait six calendar months before acquiring any interest in the new Oxygen4Energy business;
- Before the sale, transfer, or assignment can be finalized and approved by Oxygen4Energy, any debt obligations the selling Distributor has with Oxygen4Energy must be satisfied; and
- The selling Distributor must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer, or assign a Oxygen4Energy business.

Prior to selling a Oxygen4Energy business, the selling Distributor must notify Oxygen4Energy's Compliance department of their intent to sell the Oxygen4Energy business. No changes in line of sponsorship can result from the sale or transfer of a Oxygen4Energy business. A Distributor may not sell, transfer, or assign portions of their Distributorship or business—a Distributorship must be sold in its entirety.

5.17 - Separation of a Oxygen4Energy Business

Oxygen4Energy Distributors sometimes operate their Oxygen4Energy businesses as husband-wife partnerships, regular partnerships, corporations, or trusts. At such time as a marriage may end in divorce or a corporation, partnership, or trust (the latter three entities are collectively referred to herein as "entities") may dissolve, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship. If the separating parties fail to provide for the best interests of other Distributors and the Company in a timely fashion, Oxygen4Energy will involuntarily terminate the Distributor Agreement.

During the divorce or entity dissolution process, the parties must adopt one of the following methods of operation:

- One of the parties may, with consent of the other(s), operate the Oxygen4Energy business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners, or trustees authorize Oxygen4Energy to deal directly and solely with the other spouse or non-relinquishing shareholder, partner, or trustee.
- The parties may continue to operate the Oxygen4Energy business jointly on a "business-as-usual" basis, whereupon all compensation paid by Oxygen4Energy will be paid according to the status quo as it existed prior to the divorce filing or dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above. The Company will never remove a party to a Distributorship from a Distributor account without that party's written permission and signature. Under no circumstances will the downline organization of divorcing spouses or a dissolving business entity be divided. Under no circumstances will Oxygen4Energy split commission and bonus checks between divorcing spouses or members of dissolving entities. Oxygen4Energy will recognize only one downline organization and will

issue only one commission check per Oxygen4Energy business per commission cycle. Commission checks shall always be issued to the same individual or entity. In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of commissions and ownership of the business in a timely fashion as determined by the Company, the Distributor Agreement shall be involuntarily cancelled. If a former spouse has completely relinquished all rights in the original Oxygen4Energy business pursuant to a divorce, they are thereafter free to enroll under any sponsor of their choosing without waiting six (6) calendar months. In the case of business entity dissolutions, the former partner, shareholder, member, or other entity affiliate who retains no interest in the business must wait six calendar months from the date of the final dissolution before re-enrolling as a Distributor. In either case, however, the former spouse or business affiliate shall have no rights to any Distributors in their former organization or to any former retail customer. They must develop the new business in the same manner as would any other new Distributor.

5.18- Sponsoring

All Active Distributors in good standing have the right to sponsor and enroll others into Oxygen4Energy. Each prospective customer or distributor has the ultimate right to choose his or her own Sponsor. If two distributors claim to be the Sponsor of the same new distributor or customer, the Company shall regard the first application received by the Company as controlling.

SECTION 6 – RESPONSIBILITIES OF DISTRIBUTORS

6.1 - Change of Address, Telephone, Email-Address

To ensure timely delivery of products, support materials, and commission checks, it is critically important that the Oxygen4Energy's files are current. Street addresses are required for shipping since UPS cannot deliver to a post office box. Distributors planning to move or change their email address must submit an amended Distributor Agreement complete with the new information.

6.2 - Sponsoring Distributor Responsibilities

6.2.1 - Initial Training

Any Distributor who sponsors another Distributor into Oxygen4Energy must perform a bona fide assistance and training function to ensure that their downline is properly operating their Oxygen4Energy business. Distributors must provide the most current version of the Policies and Procedures, the Income Disclosure Statement, and Compensation Plan to individuals whom they are sponsoring to become Distributors before the applicant signs a Distributor Agreement. Additional copies of the Policies and Procedures and the Income Disclosure Statement can be downloaded from Oxygen4Energy's website. A sponsoring Distributor must require each prospective Distributor to personally complete the enrollment forms—whether electronically or on paper. Upline Distributors are also responsible to motivate and train new Distributors in Oxygen4Energy product knowledge, effective sales techniques, the Oxygen4Energy Compensation Plan, and compliance with Company Policies and Procedures.

6.2.2 - Ongoing Training Responsibilities

Distributors must monitor the Distributors in their downline organizations to ensure that downline Distributors do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request, every Distributor should be able to provide documented evidence to Oxygen4Energy of their ongoing fulfillment of the responsibilities of a Sponsor.

6.3 - Nondisparagement

Distributors must not disparage, demean, or make negative remarks about Oxygen4Energy, other Oxygen4Energy Distributors, Oxygen4Energy's products, the Compensation plan, or Oxygen4Energy's owners, board members, directors, officers, or employees.

6.4 - Reporting Policy Violations

Distributors observing a Policy violation by another Distributor should submit a written report of the violation directly to the attention of the Oxygen4Energy Compliance department, complete with all supporting evidence and pertinent information. It is important to understand that information that is submitted will be kept confidential.

SECTION 7 – SALES REQUIREMENTS

7.1 - Product Sales

The Oxygen4Energy Compensation Plan is based upon the sale of Oxygen4Energy products and services to end consumers. In order to maintain the right to earn Performance Bonuses on downline volume, Distributors must develop or service retail customers who either: (a) place orders directly with the Company; or (b) place orders with the Distributor that the Distributor keeps record of via documented sales receipts.

7.1.1 - Sales Receipts

If a distributor sells any Oxygen4Energy product from his or her inventory, he or she must give the customer a copy of a Oxygen4Energy retail sales receipt at the time of the sale. Distributors must maintain all retail sales receipts for a period of two (2) years and furnish them to Oxygen4Energy at the Company's request. Records documenting the purchases of Distributors' Customers will be maintained by Oxygen4Energy.

7.2 - Product Packaging and Liability

Under no circumstances may you repackage Oxygen4Energy's products. Products are to be sold in their original packaging only. Subject to the limitations set forth in this provision, the Company shall defend Distributors from claims made by third-party customers alleging injury from use of a product or injury due to a defective product. The Distributor must promptly notify the Company in writing of any such claim, no later than ten (10) days from the date of the third-party claimant's letter alleging injury; failure to so notify the Company shall alleviate any obligation of the Company respecting such claim. The Distributor must allow the Company to assume the sole and absolute discretion respecting the defense of the claim, and use and choice of counsel as a condition to the Company's obligation to defend Distributor.

SECTION 8 – AUTOSHIP PROGRAM

8.1 - Autoship Cycle

By enrolling in AutoShip, you can ensure that you have 1) an adequate inventory with which you can service retail customers, 2) adequate product for demonstrations and sampling purposes, and 3) adequate inventory for personal use. The AutoShip program eliminates the inconvenience of placing monthly orders manually. By enrolling in Oxygen4Energy's AutoShip program, Distributor commits to purchase a specified amount of product at monthly intervals. The AutoShip program can be easily adjusted from within the Oxygen4Energy website.

8.2 - Autoship Status

You may deactivate or reactivate your AutoShip profile at any time.

8.3 - Autoship Enrollment

Oxygen4Energy recommends that each applicant personally enroll in the AutoShip Program. Sponsors may not set up an AutoShip order on behalf of their new personally sponsored Distributors without written permission from the enrolling Distributor.

SECTION 9 – BONUSSES AND COMMISSIONS

9.1 - Bonus and Commission Qualifications

In order to qualify to receive commissions and bonuses, a Distributor must be in good standing and comply with the terms of the Agreement and these Policies and Procedures.

9.2 - Errors or Questions

If a Distributor has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports, or charges, the Distributor must notify Oxygen4Energy in writing within 30 days of the date of the purported error or incident in question. Oxygen4Energy will not be responsible for any errors, omissions, or problems not reported to the Company within 30 days.

9.3 - Bonus Buying Prohibited

Bonus buying is strictly and absolutely prohibited. Bonus buying includes: (a) the enrollment of individuals or entities without the knowledge of and/or execution of a Distributor Agreement by such individuals or entities; (b) the fraudulent enrollment of an individual or entity as a Distributor or Customer; (c) the enrollment or attempted enrollment of non-existent individuals or entities as Distributors or Customers (“phantoms”); (d) purchasing Oxygen4Energy products or services on behalf of another Distributor or Customer, or under another Distributor’s or Customer’s ID number, to qualify for commissions or bonuses; (e) purchasing excessive amounts of goods or services that cannot reasonably be used or resold in a month; and/or (f) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions, or bonuses that is not driven by bona fide product or service purchases by end user consumers.

9.4 - Adjustments to Bonuses and Commissions

9.4.1 - Returned Products

Distributors receive bonuses and commissions based on the actual sales of products and services to end consumers. When a product is returned to Oxygen4Energy for a refund or is repurchased by the Company, either of the following may occur at the Company’s discretion: (1) the bonuses and commissions attributable to the returned or repurchased product(s) will be deducted from the pay period in which the refund is given, and continuing every pay period thereafter until the commission is recovered, from the Distributors who received bonuses and commissions on the sales of the refunded products or (2) the Distributors who earned commissions based on the sale of the returned products will have the corresponding points deducted from their volume in the next pay period and all subsequent pay periods until it is completely recovered.

9.5 - Reports

All information provided by Oxygen4Energy, including but not limited to personal sales volume (or any part thereof), and downline sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors, including but not limited to the inherent possibility of human and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit card and electronic check payments; returned products; credit card and electronic check charge-backs, the information is not guaranteed by Oxygen4Energy or any persons creating or transmitting the information. All product volume information is provided “as is” without warranties, express or implied, or representations of any kind whatsoever. In particular but without limitation there shall be no

warranties of merchantability, fitness for a particular use, or non infringement. To the fullest extent permissible under applicable law, Oxygen4Energy and/or other persons creating or transmitting the information will in no event be liable to any Distributor or anyone else for any direct, indirect, consequential, incidental, special, or punitive damages that arise out of the use of or access to sales volume information (including but not limited to lost profits, bonuses, or commissions, loss of opportunity, and damages that may result from inaccuracy, incompleteness, inconvenience, delay, or loss of the use of the information), even if Oxygen4Energy or other persons creating or transmitting the information shall have been advised of the possibility of such damages.

SECTION 10 – PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASE

10.1 - Product Guarantee for Retail Customers and Distributors

Oxygen4Energy offers a ninety-five percent (95%) 30-day return policy (from *SHIPMENT DATE) on all **UNUSED product for all retail customers and distributors.

10.1.1

Oxygen4Energy offers an eighty percent (80%) return policy on all **UNUSED product for returns made after 30 days from *SHIPMENT DATE for all distributors. After 180 days, Oxygen4Energy will not accept any returns.

10.1.2

Shipping and Handling charges are not included in refunds. Customers and Distributors are responsible for return shipping charges.

10.1.3

*SHIPMENT DATE is the date the product leaves Oxygen4Energy's warehouse and is documented/ confirmed by an order-specific UPS tracking NUMBER. Said number is electronically sent to customer and kept on file at Oxygen4Energy's distribution facility. Any dispute on SHIPMENT DATE will be resolved through the Oxygen4Energy's UPS shipment database.

10.1.4

**UNUSED product is deemed resalable by Oxygen4Energy if returned product is: Unopened, Undamaged, Unused, No seals broken.

10.2 - Return of Inventory and Sales Aids by Distributors

Upon cancellation of a distributor's Distributor Agreement, the distributor may return product and sales aids under the following guidelines

• FAST START PACKS.

Fast Start Packs are eligible for a ninety-five (95%) refund of product total minus any Fast Start Bonuses already paid out and shipping costs if returned within 30 days. By calling or emailing the corporate office quickly, you may be able to cancel your Distributorship BEFORE any Fast Start Commissions have been paid out on your order and be eligible for a more complete refund. Any damaged or used product or sales aids are NOT eligible for a refund. Any resalable product from a Fast Start Pack returned after 30 days is eligible for an eighty (80%) refund for up to 90 days from the date of purchase minus any commissions paid out.

• NON-FAST START PACK PRODUCT ORDERS.

Any Product not purchased as a Fast Start Pack is eligible for refunds outlined in 10.1A-10.1D.

- **SALES AIDS.**

Sales Aids are eligible for a ninety-five (95%) refund if returned within 30 days of the order date and in resalable condition. After 30 days, sales aids are non-refundable.

- **APPAREL.**

Apparel is non-refundable.

If the purchases were made through a credit card, the refund will be credited back to the same account.

The Company also has the right to deduct from the reimbursement paid to the distributor any commissions, bonuses, rebates or other incentives received by the distributor which were associated with the merchandise that is returned.

10.3 – Procedures for all Distributor Inventory Returns

The following procedures apply to all product returns for refund, repurchase, or exchange:

- All merchandise must be returned by the Distributor who purchased it directly from Oxygen4Energy.
- All products to be returned must have a Return Merchandise Authorization number which is obtained by calling the Distributor Services department. This Return Merchandise Authorization number must be written on each carton returned. Return Merchandise Authorizations are valid for 30 days from the date of issue.
- Proper shipping carton(s) and packing materials are to be used in packaging the product(s) being returned for replacement. All returns must be shipped to Oxygen4Energy pre-paid. The risk of loss in shipping for returned product shall be born by the Distributor.

Return Shipping Address is:

Oxygen4Energy Merchandise Return
1480 Old Deerfield Rd, Unit 24
Highland Park, IL 60035

- If a Distributor is returning merchandise to Oxygen4Energy that was returned to them by a personal retail customer, the product must be received by Oxygen4Energy within ten (10) days from the date on which the retail customer returned the merchandise to the Distributor, and must be accompanied by the sales receipt the Distributor gave to the Customer at the time of the sale.

SECTION 11 – DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

11.1 - Disciplinary Sanctions

Violation of the Agreement, these Policies and Procedures, violation of any common law duty, including but not limited to any applicable duty of loyalty, any illegal, fraudulent, deceptive, or unethical business conduct, or any act or omission by a Distributor that, in the sole discretion of the Company, may damage its reputation or goodwill (such damaging act or omission need not be related to the Distributor's Oxygen4Energy business), may result, at Oxygen4Energy's discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition;
- Requiring the Distributor to take immediate corrective measures;

- Imposition of a fine, which may be withheld from bonus and commission checks;
- Loss of rights to one or more bonus and commission checks;
- Withholding from a Distributor all or part of the Distributor's bonuses and commissions during the period that Oxygen4Energy is investigating any conduct allegedly contrary to the Agreement. If a Distributor's business is cancelled for disciplinary reasons, the Distributor will not be entitled to recover any commissions withheld during the investigation period;
- Suspension of the individual's Distributor Agreement for one or more pay periods;
- Involuntary termination of the offender's Distributor Agreement;
- Any other measure expressly allowed within any provision of the Agreement or which Oxygen4Energy deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Distributor's policy violation or contractual breach;
- Instituting legal proceedings for monetary and/or equitable relief. Each violation is reviewed on a case-by-case basis, and all disciplinary actions are at the sole discretion of Oxygen4Energy.

11.2 - Grievances and Complaints

When a Distributor has a grievance or complaint with another Distributor regarding any practice or conduct in relationship to their respective Oxygen4Energy businesses, the complaining Distributor should first report the problem to their Sponsor who should review the matter and try to resolve it with the other party's upline sponsor. If the matter involves interpretation or violation of Company policy, it must be reported in writing to Oxygen4Energy's Compliance department, via email or regular mail. Compliance will review the facts and attempt to resolve the matter. If it is not resolved, it will be referred to the Oxygen4Energy Review Committee for final review and possible disciplinary action. Please note that during the appeals process, all involved Distributor accounts will be placed on a complete business hold, and all commissions generated will be placed in an Escrow account until the matter is resolved. Decisions mandated by the Distributor Conduct Appeals Committee are final and binding, and will not be further reviewed by the Company.

11.3 - Mediation

Prior to instituting arbitration, the parties shall meet in good faith and attempt to resolve any dispute arising from or relating to the Agreement through non-binding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least ten (10) days in advance of the mediation. Each party shall pay its own attorneys fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in Highland Park, Illinois, and shall last no more than two (2) business days.

11.4 - Arbitration

If mediation is unsuccessful, any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by confidential arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Distributors waive all rights to trial by jury or to any court. All arbitration proceedings shall be held in Highland Park, Illinois. All parties shall be entitled to all discovery rights pursuant to the Federal Rules of Civil Procedure. There shall be one arbitrator, an attorney at law, who shall have expertise in business law transactions with a strong preference being an attorney knowledgeable in the direct selling industry, selected from the

panel which the American Arbitration Panel provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitration shall survive any termination or expiration of the Agreement.

Nothing in these Policies and Procedures shall prevent Oxygen4Energy from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction, or other relief available to safeguard and protect Oxygen4Energy's interest prior to, during, or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

11.5 - Governing Law, Jurisdiction, and Venue

Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in Highland Park, Illinois. The Federal Arbitration Act shall govern all matters relating to arbitration. The laws of Illinois shall govern all other matters relating to or arising from the Agreement.

SECTION 12 – PAYMENT AND SHIPPING

12.1 - Returned Checks

All checks returned by a Distributor's bank for insufficient funds will be re-submitted for payment. A \$25.00 returned check fee will be charged to the account of the Distributor. After receiving a returned check from a Customer or a Distributor, all future orders must be paid by Credit Card, money order, or cashier's check. Any outstanding balance owed to Oxygen4Energy by a Distributor for NSF checks and returned check fees will be withheld from subsequent bonus and commission checks.

12.2 - Restrictions on Third Party Use of Credit Cards and Checking Account Access

Distributors shall not permit other Distributors or Customers to use their credit card, or permit debits to their checking accounts, to enroll or to make purchases from the Company, unless an official Oxygen4Energy Authorization Letter is on file with the Company prior to the transaction.

12.3 - Sales Taxes

The Company makes the assumption that all product ordered will be resold at the suggested retail price, and sales tax is collected and reported on that basis. The sales tax is based upon the tax rate in the jurisdiction to which the product is shipped. If you submit a current Sales Tax Exemption Certificate (STEC) from your resident state, we will not charge or collect sales tax on your orders shipped to that state. You will be responsible for tracking and reporting all sales and sales taxes due. Sales tax on orders placed before we receive a STEC will not be reimbursed. If you elect to provide an STEC, you must indemnify and hold Oxygen4Energy harmless regarding any liability that Oxygen4Energy incurs as a result of your failure to collect or remit sales taxes.

12.4 - Shipping and Backorder Policy

Oxygen4Energy will normally ship products within one (1) business day from the date on which it receives an order. Oxygen4Energy will expeditiously ship any part of an order currently in stock. If, however, an ordered item is out-of-stock, it will be placed on backorder and sent when Oxygen4Energy receives additional inventory. Distributors will be charged and given sales volume on backordered items unless notified on the invoice that the product has been discontinued. Oxygen4Energy will notify distributors and customers if items are backordered and are not expected to ship within thirty (30) days from the date of the order. An estimated shipping date will also be provided. Backordered items may be canceled upon a

distributor's request. Distributors may request a refund, credit on account, or replacement merchandise for canceled backorders. If a refund is requested, the distributor's product volume will be decreased by the amount of the refund in the month and bonuses withheld in a subsequent month in which the refund is issued.

SECTION 13 – EFFECT OF CANCELLATION

13.1 - Effect of Cancellation and Termination

So long as a distributor remains active and complies with the terms of the Distributor Agreement and these Policies, Oxygen4Energy shall pay commissions to such distributor in accordance with the Compensation Plan. A distributor's bonuses and commissions constitute the entire consideration for the distributor's efforts in generating sales and all activities related to generating sales (including, but not limited to, building a downline organization). Following a distributor's non-continuation of his or her Distributor Agreement, cancellation for inactivity, or voluntary or involuntary cancellation (termination) of his or her Distributor Agreement (all of these methods are collectively referred to as "Cancellation"), the former distributor shall have no right, title, claim or interest to the downline organization which he or she operated, or any commission or bonus from the sales generated by the organization. Distributors waive any and all rights, including, but not limited to, property rights, in the downline which they may have had. Following a distributor's cancellation of his or her Distributor Agreement, the former distributor shall not hold him or herself out as a Oxygen4Energy distributor and shall not have the right to sell Oxygen4Energy products or services. A distributor whose Distributor Agreement is cancelled shall receive commissions and bonuses only for the last full pay period he or she worked prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

A Oxygen4Energy participant has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the Company at its principal business address, or via email to Oxygen4Energy. The written notice must include the Distributor's signature, printed name, address, and Distributor ID Number.

13.2 - Non-Renewal

A Distributor may also voluntarily cancel their Distributor Agreement by failing to renew the Agreement on its anniversary date. The Company may also elect not to renew a Distributor's Agreement upon its anniversary date.

SECTION 14 – DEFINITIONS

ACTIVE DISTRIBUTOR: A Distributor who satisfies the minimum volume requirements, as set forth in the Oxygen4Energy Compensation Plan, to ensure that they are eligible to receive bonuses and commissions.

AGREEMENT: The contract between the Company and each Distributor; includes the Distributor Agreement, the Oxygen4Energy Policies and Procedures, and the Oxygen4Energy Compensation Plan, all in their current form and as amended by Oxygen4Energy in its sole discretion. These documents are collectively referred to as the "Agreement."

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

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

CUSTOMER: A Customer who purchases Oxygen4Energy products and does not engage in building a business or retailing product.

DISTRIBUTOR: An individual who purchases product, generates retail sales and business building commissions.

LINE OF SPONSORSHIP (LOS): A report generated by Oxygen4Energy that provides critical data relating to the identities of Distributors, sales information, and enrollment activity of each Distributor's organization. This report contains confidential and trade secret information which is proprietary to Oxygen4Energy.

ORGANIZATION: The Customers and Distributors placed below a particular Distributor.

OFFICIAL OXYGEN4ENERGY MATERIAL: Literature, audio or video tapes, and other materials developed, printed, published, and distributed by Oxygen4Energy to Distributors.

PLACEMENT: Your position inside your Sponsor's organization.

RECRUIT: For purposes of Oxygen4Energy's Conflict of Interest Policy, the term "Recruit" means the actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another Oxygen4Energy Distributor or Customer to enroll or participate in another multilevel marketing, network marketing, or direct sales opportunity.

RESALABLE: Products shall be deemed "resalable" if each of the following elements is satisfied: 1) they are unopened and unused, 2) original packaging and labelling has not been altered or damaged, 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price, and 4) the product contains current Oxygen4Energy labelling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable.

SPONSOR: A Distributor who enrolls a Customer, Retailer, or another Distributor into the Company, and is listed as the Sponsor on the Distributor Agreement. The act of enrolling others and training them to become Distributors is called "sponsoring."

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