

## **GLOBALLEE, INC. Policies and Procedures**

Globallee, Inc. is a vibrant Company which markets and distributes products, through a creative network marketing program. The Globallee Rewards Plan is founded upon the principles of honesty and integrity and retail selling through a network of Independent Brand Ambassadors. The following are the Policies, and Procedures for Globallee which are applicable to all Globallee IBAs:

### **DEFINITIONS**

1. 1) Products: The Globallee Products are products and other related items which may be introduced from time to time by Globallee for purchase and resale by its IBAs.
2. 2) A Globallee Independent Brand Ambassadors (“IBA”) is a person authorized to operate an IBA business. If more than one Person is named in the IBA Agreement, then “IBA” may refer to all Persons collectively. purchase Globallee products at wholesale and sell these products at retail, and to give guidance and support to retail customers and Group IBAs.
3. 3) IBA Agreement: The agreement, outlining these Policies & Procedures, submitted by an Applicant to become an IBA. In signing the IBA Agreement, an Applicant certifies that he or she has read and will abide by the terms and conditions of these Policies & Procedures and Terms & Conditions.
4. 4) IBA Business: Activities determined at the sole discretion of Globallee to be a promotion of Globallee Products or business opportunity. Some of these activities include, but are not restricted to: signing an IBA Agreement; advertising, selling or exhibiting Product; hosting, conducting, or speaking at meetings or events; purchasing product at wholesale prices; participating in the company compensation Plan.
5. 5) Authorized Country: A country that Globallee has officially sanctioned to be available to all IBAs for conducting the IBA Business.
6. 6) Commissions: Compensation paid to an IBA based on the Volume of Products sold by the IBA and purchased and/or sold by its Downline Organization. Eligibility to receive Commissions is determined by the monthly sales requirements currently in effect, as outlined in the Compensation Plan.
7. 7) Commissionable Volume (CV): A value assigned to a Product or service for the purposes of calculating commissions earned through the compensation plan.
8. 8) Company: Globallee, Inc., a Texas corporation.
9. 9) Compensation Plan: The specific plan used by Globallee that details the requirements and

benefits of the compensation structure for IBAs. The Compensation Plan can be found at

[www.globallee.com](http://www.globallee.com).

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10. 10) Contract: The documents describing the specific relationship between an IBA and Globallee comprising the IBA Agreement, the Policies & Procedures and the Terms & Conditions.
11. 11) Customer: A person other than an-IBA who purchases Globallee products and services.
12. 12) Downline Organization: A genealogically structured organization comprised of IBAs and their Customers and other IBAs and their respective customers.
13. 13) Tax ID Number: The number issued specifically to an individual or company by the government. Examples include: social security number (US individuals), social insurance number (Canadian individuals), employment identification number (US companies).
14. 14) Network Marketing is building a group of IBAs by people telling other people about the Globallee products and the opportunity of selling Globallee products to retail customers and to preferred customers. As a Globallee IBA, you can build your Globallee network or group by telling other people about the Globallee products and Compensation Plan and by showing them how they, too, can use Globallee products, become a Globallee IBA, and build a team of people in their Globallee network who, in turn, sell and market Globallee products to retail customers and to preferred customers.

Before a Globallee IBA can sponsor a person into Globallee, that person must be familiar with the fundamental products in the Globallee product line and they must be familiar with the basic concepts related to the Globallee compensation plan. All Globallee IBAs shall fairly explain the Globallee products and compensation plan to prospective IBAs, shall not misrepresent any aspect of the Program, and shall not attempt to limit the rights of any prospective IBA under the Globallee Program. IBAs shall not be given credit for sponsoring new IBAs if they do not fully comply with these provisions.

15. 15) Policies and Procedures: The policies and procedures of Globallee contained herein, including attachments and addenda, which are incorporated herein by this reference, as Globallee may amend the same from time to time.
16. 16) Pricing: Pricing includes, suggested retail price, preferred customer price and wholesale price.

- Suggested Retail: The price at which Globallee suggests IBAs sell Products to Customers. The Suggested Retail prices are posted on Globallee's website.
  - Preferred customer price is the price that a customer receives when they choose to have an automatic shipment of any Globallee product shipped to them each month.
  - Wholesale Price: This is a discounted price paid by the IBA.
- Sponsor: An IBA who has directly recruited another IBA or Customer into his or her or their organization.

17. 17) Upline: The single-line hierarchy of Sponsors and/or IBAs extending upward from an IBA's business.

## **SECTION 1 – CODE OF ETHICS**

Globallee and its affiliated and subsidiary entities (from time to time hereinafter referred to collectively as the “company” or “Globallee”), has made a commitment to provide excellent natural health products, excellent natural beauty products, digital services and health and beauty related technology products as well as services in many countries throughout the world.

In turn, Globallee expects its IBAs (from time to time hereinafter referred to as “you” and “your”) to reflect that image in their relationships with consumers and other IBAs. As an IBA for Globallee, you are free to operate your business as you see fit, principally as it relates to how much you work, how hard you work and the efforts you put into your business. Globallee encourages each IBA to adhere to the highest ethical standards when conducting business. The Globallee code of ethics, therefore, states, as a Globallee IBA:

1. 1) I will, to the best of my ability, continually improve myself; my health, my physical fitness, my positivity, my leadership skills, my respect for myself and for others. I will be dedicated to improving my own wellbeing, the wellbeing of my family, my friends and other Globallee IBAs.
2. 2) I will conduct my business in an honest, ethical manner.
3. 3) I will make no representations or claims related to company products or services other than those written in approved company literature. I will not make any product claims that violate the standard FDA disclaimer which states “these products are not intended to diagnose or cure any type of disease”. I will not make any financial claims or exaggerate the opportunity to earn income in any way.
4. 4) I will not make disparaging remarks about other IBAs. I will not make disparaging remarks about any employees or officers of Globallee.
5. 5) I will abide by all of Globallee's policies and procedures as included herein, or as may be amended from time to time.
6. 6) any violation of the above code of ethics may be subject to disciplinary action up to and including termination of the IBA business.

## **SECTION 2 - INTRODUCTION**

### **2.1 - Policies and Compensation Plan Incorporated into IBA Agreement**

These Policies and Procedures, in their present form and as amended at the sole discretion of Globallee, are incorporated into, and form an integral part of, the Globallee IBA Agreement. Throughout these Policies, when the term “Agreement” is used, it collectively refers to the Globallee IBA Application and Agreement Form, these Policies and Procedures and the Globallee Compensation Plan. These documents are incorporated by reference into the Globallee IBA Agreement (all in their current form and as amended by Globallee).

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## 2.2 - Purpose of Policies

Globallee is a direct sales company that markets health and nutrition products and services through Independent Brand Ambassadors (IBAs). It is important to understand that your success and the success of your team or group of fellow IBAs depends on your own hard work, effort, skill set and integrity. Your success also is influenced by the hard work, effort, skill set and integrity of your team members or group members.

To clearly define the relationship that exists between IBA and Globallee, and to explicitly set a standard for acceptable business conduct, Globallee has established the Agreement. Globallee IBAs are required to comply with all of the provisions set forth in the Agreement, which Globallee may amend at its sole discretion from time to time, as well as with all federal, state and local laws governing their Globallee 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 this document carefully. It explains and governs the relationship between you, as an independent contractor, and the Company. If you have any questions regarding any policy or rule, do not hesitate to seek an answer from the Globallee corporate office by notifying [Support@Globallee.com](mailto:Support@Globallee.com).

## 2.3 - Changes to the Agreement

Because laws and the business environment periodically change, Globallee reserves the right to amend the Agreement, compensation plan and its prices at its sole and absolute discretion. By signing the IBA Agreement, a IBA agrees to abide by all amendments or modifications that Globallee elects to make. Amendments shall be effective 30 days after publication of notice of amendments in official Globallee materials. The Company shall provide or make available to all IBAs a complete copy of the amended provisions by one or more of the following methods: (a) posting on the Company's official website; (b) electronic mail (email); (c) inclusion in Company periodicals; (d) inclusion with commissions or bonus checks; or (e) special mailings. The continuation of a IBA's Globallee business or a IBA's acceptance of bonuses or commissions constitutes acceptance of any and all amendments.

## 2.4 - Delays

Globallee shall not be responsible for delays or failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation, weather and other natural disasters such as fires, deep freezes, or pandemic illnesses. This also includes strikes, labor difficulties, riot, war and death; or the curtailment of a party's source of supply, government decrees or orders, and acts of God.

## 2.5 - 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.

## 2.6 - 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 Globallee to exercise any right

or power under the Agreement or to insist upon strict compliance by an IBA 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 Globallee's right to demand exact compliance with the Agreement. Waiver by Globallee can be affected only in writing by an authorized officer of the Company. Globallee's waiver of any particular breach by a IBA shall not affect or impair Globallee's rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other IBAs. Nor shall any delay or omission by Globallee to exercise any right arising from a breach affect or impair Globallee's rights as to that or any subsequent breach. The existence of any claim or cause of action of a IBA against Globallee shall not constitute a defense to Globallee's enforcement of any term or provision of the Agreement.

### **SECTION 3 - BECOMING AN IBA**

3.1 - Requirements to Become a Globallee IBA To become a Globallee IBA, each applicant must:

3.1.1 - Be at least 18 years of age. This is the age legally required to be able to enter into this Agreement. Additionally, only two members of any immediate family may become Independent Brand Ambassadors (IBAs) in the Globallee compensation program. Signing up children or pets is not allowed. The two family members may be two spouses or may be one parent and one adult child that is 18 years of age or older. No more than 2 separate IBA businesses per immediate family are allowed.

3.1.2 - Reside in the 50 United States or in a country that is officially opened by the Company;

3.1.3 - Have a valid Social Security or valid Tax ID number;

3.1.4 - Corporations and Partnerships may become IBAs if permitted in writing by Globallee and according to the terms and conditions set forth by Globallee in its complete discretion.

3.1.5 - No individual may participate in more than one Globallee Business either as individuals, partners, officers, stockholders, directors, employees, or otherwise.

3.1.6 - Individuals who are Globallee employees, or spouses, children or IBAs of the household of a Globallee employee shall not be eligible to be Globallee IBAs, or to participate in any way in corporations or partnerships which are Globallee IBAs. Relatives of Globallee employees who do not fit within the foregoing categories may become Globallee IBAs providing that no proprietary, confidential or other information, prior to the time it becomes public, is given by any employee to such relative. Any violation of this rule by a IBA of the IBA's immediate family or household shall be treated as a violation by the IBA.

3.1.7 – Purchase the Annual Membership/Replicated Website/Web Hosting fee. Each year, a Globallee IBA must purchase the annual membership fee for the Globallee Replicated website with correlating website hosting.

3.1.8 – Submit a completed and signed original or electronic (faxed or scanned) IBA Agreement or sign through Globallee’s on-line application process

In order to be accepted by Globallee, an IBA Agreement must be complete and correct in every respect.

The Company reserves the right to reject any applications for a new IBA or applications for renewal.

### 3.32 - IBA Required Purchase

Unless otherwise prohibited by law, the only purchases required to obtain and maintain an IBA relationship with Globallee is to pay the Annual Membership/Replicated Website/Web Hosting Fee. Purchases of Globallee products or services are completely optional.

### 3.3 - IBA Benefits

Once a IBA Application and Agreement has been accepted by Globallee, the following benefits are available to the new IBA.

#### 3.3.1 – IBAs that enroll in Globallee are allowed to:

- Buy and Resell Globallee products and services to retail customers and receive profit from these sales
- Consume Globallee products
- Sell Globallee products to Preferred Customers
- Sponsor other Independent Brand Ambassadors into Globallee and sell Globallee products to those IBAs through their own respective replicated website.
- Earn appropriate commissions and bonuses from the sales of Globallee products to IBAs and to customers in your personal enrollment group based on the Globallee Compensation programs.

### 3.4 - Term

The Contract is valid for the period of one (1) year from the Date of Sign-up. Each year after that, the Contract may be renewed by payment of Annual Membership Web-Hosting Fee. The IBA, on the annual anniversary of the Date of Sign-up, must pay this fee when the IBA business is to be renewed.

The IBA expressly authorizes Globallee to collect the annual renewal fee using payment method saved to their IBA account. The IBA expressly authorizes Globallee to collect the annual renewal fee using payment method saved to their IBA account.

An IBA will forfeit IBA Rights and agrees that his or her position may lose its Downline Organization, and may forfeit the right to participate in the Compensation Plan, if the annual renewal fee is not paid by the renewal date.

## **SECTION 4 - OPERATING A GLOBALLEE BUSINESS**

### 4.1 - Adherence to the Globallee Compensation Plan

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IBAs must adhere to the terms of the Globallee Compensation Plan as set forth in official Globallee literature. IBAs shall not offer the Globallee opportunity through, or in combination with, any other system, program or method of marketing other than that specifically set forth in official Globallee literature. IBAs shall not require or encourage other current or prospective

customers or IBAs to participate in Globallee in any manner that varies from the program as set forth in official Globallee literature. IBAs shall not require or encourage other current or prospective customers or IBAs to execute any agreement or contract other than official Globallee agreements and contracts in order to become a Globallee IBAs. Similarly, IBAs shall not require or encourage other current or prospective customers or IBAs to make any purchase from, or payment to, any individual or other entity to participate in the Globallee Compensation Plan other than those purchases or payments identified as recommended or required in official Globallee literature.

#### 4.2 - Bonus Buying Prohibited

Bonus buying is strictly and absolutely prohibited. "Bonus buying" includes:

- (a) the enrollment of individuals without their knowledge and agreement and/or without execution of an IBA Application;
- (b) the fraudulent enrollment of an individual as an IBA or as a preferred customer or as a retail customer;
- (c) the enrollment or attempted enrollment of non-existent individuals as IBAs or customers;
- (d) the use of a credit card by or on behalf of an IBA or customers when the IBA or customer is not the account holder of such credit card;
- (e) purchasing Globallee products on behalf of another IBA, or under another IBA 's ID number, to qualify for commissions or bonuses.

#### 4.3 - Business Entities

A Partnership, LLC or Corporation may hold a IBA business upon completion of the IBA Application form, and providing on that form in the appropriate space, a Federal tax ID number. An individual may participate in multiple business centers; however, all must be under the same business name. The person signing the application on behalf of a business entity must have the authority of said entity for entering into the transaction. In addition, by signing for as a business entity, you certify that no person with an interest of debt or equity in the business has had an interest in a IBA business in Globallee within six (6) months of the date of signature.

#### 4.4 - Changes to a Globallee Business 4.4.1 - General

Each IBA must immediately notify Globallee of all changes to the information contained in his or her IBA Application and Agreement. IBAs may modify their existing IBA Agreement Form by submitting a written request and appropriate supporting documentation.

##### 4.4.2 - Change of Sponsor

To protect the integrity of all marketing organizations and safeguard the hard work of all IBAs,

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Globallee does not allow changes in sponsorship for active IBAs. Maintaining the integrity of sponsorship is critical for the success of every IBA and marketing organization. Accordingly, the transfer of a Globallee business from one sponsor to another is rarely permitted, and only approved in very specific circumstances of

confirmed unethical activity or other extremely unique and extenuating circumstances. Transfer of Sponsorship must be approved in writing by Globallee, if approved, it must have the approval of the IBA's Sponsor, and up-line Global Director. A letter describing the reason for the request must be submitted. Transfer will only be processed for the respective IBA. All current downline IBAs shall remain in the original genealogy line. All accrued group business volume prior to transfer will not transfer with the IBA. Group business volume will begin to accrue for the week linkage to the new genealogy line is completed.

#### 4.4.3 - Cancellation and Re-application

A IBA may legitimately change organizations by:

a) Voluntarily cancelling his or her Globallee Agreement and remaining inactive (i.e., no purchases of Globallee products for resale; no sales of Globallee products; no sponsoring; and no attendance at any Globallee functions, participation in any other form of IBA activity, or operation of any other Globallee business) for more than 90 days.

Following the 90 days period of inactivity, the former IBA may reapply under a new sponsor. However, the former IBA will permanently lose any and all right to their former IBA downline organization. In cases of termination, only the respective IBA may enroll as a "new" IBA, no IBA transfers will be honored, "new" IBA. will be placed in next available binary position, and "new" IBAs transfers without previous downline.

#### 4.5 - Unauthorized Claims and Actions 4.5.1 - Indemnification

A IBA is fully responsible for all of his or her verbal and written statements made regarding Globallee products, services, and the Compensation Plan that are not expressly contained in official Globallee materials. IBA s agree to indemnify Globallee and Globallee's directors, officers, employees and agents and hold them harmless from any and all liability, including judgments, civil penalties, refunds, attorney fees, court costs or lost business incurred by Globallee as a result of the IBA 's unauthorized representations or actions. This provision shall survive the termination of the IBA Agreement.

#### 4.5.2 - Income Claims

In their enthusiasm to enroll prospective IBAs, some IBAs are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of network marketing. This is counterproductive because new IBAs may become disappointed very quickly if their results are not as extensive or as rapid as the results others have achieved.

Moreover, the Federal Trade Commission and all states have laws or regulations that regulate or even prohibit certain types of income claims and testimonials made by persons engaged in network marketing. While IBA's may believe it beneficial to provide copies of checks, or to disclose the earnings of themselves or others, such approaches have legal

consequences that can negatively impact Globallee as well as the IBA making the claim unless appropriate disclosures required by law are also made contemporaneously with the income claim or earnings representation. Because IBA's do not have the data necessary to comply with the legal requirements for making income claims, an IBA may NOT make income projections, income claims or disclose his or her Globallee income (including the showing of checks, copies of checks, bank statements or tax records).

#### 4.5.3 – Product Claims

IBAs agree to make NO claims related to Globallee products other than those statements and pieces of information published by the company. Any third-party material used for IBA Business must comply with all federal and local laws and regulations. An IBA may not make any express or implied health or medical claims of any kind relating to any Globallee product.

#### 4.6 - Conduct at Globallee Events

##### 4.6.1 - No Selling or Recruiting at Globallee Events

Selling and recruiting at Globallee events is not permitted. These activities take away from the primary focus of the event and can negatively reflect on the professional image of Globallee as a company. You may, however, offer a business card and/or catalog.

##### 4.6.2 - No Selling or Recruiting for other Companies at Globallee Events

Globallee IBAs shall not sell any products or recruit for any business during Globallee events. This restriction most specifically applies to sales and recruitment efforts for any other direct sales or marketing program, regardless of the product category, including those that do not compete with Globallee's product line.

#### 4.7 - Conflicts of Interest

##### 4.7.1 - Non-compete Policy

Globallee IBAs are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively "network marketing"), with the exception of those products in the same generic category as a Globallee product that is deemed to be competing. IBAs may not display Globallee products with any other products or services in a fashion that might in any way confuse or mislead a prospective customer, merchant or IBA into believing there is a relationship between the Globallee and non-Globallee products or services.

##### 4.7.2 – Non-solicitation

During the term of this Agreement, IBAs may not recruit other Globallee IBAs or Globallee customers for any other network marketing business. Following the cancellation of this Agreement, and for a period of one year thereafter, a former IBA may not recruit any Globallee IBA or customer for another network marketing business, with the exception of a IBA who is personally sponsored by the former IBA. The IBAs and 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, the IBAs and Company agree that this non-solicitation provision shall apply to all markets in which Globallee conducts business.

The term “recruit” means actual or attempted solicitation, enrollment, encouragement or effort to influence in any other way, either directly or through a third party, another Globallee IBA or customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity. Further, the term “recruit” applies to posting on social media related to a competing product or a competing network marketing business opportunity. This conduct constitutes recruiting even if the IBA’s actions are in response to an inquiry made by another IBA or customer.

#### 4.7.3- Downline Activity (Genealogy) Reports

Downline Activity Reports made available for IBA access and viewing at Globallee’s official website, are considered confidential. IBA access to their Downline Activity Reports is password protected. All Downline Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets belonging to Globallee. Downline Activity Reports are provided to IBAs in the strictest of confidence and are made available to IBAs for the sole purpose of assisting IBAs in working with their respective Downline Organizations in the development of their Globallee business. IBAs should use their Downline Activity Reports to assist, motivate and train their Downline IBAs. The IBA and Globallee agree that, but for this agreement of confidentiality and nondisclosure, Globallee would not provide Downline Activity Reports to the IBA. An IBA shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- Directly or indirectly disclose any information contained in any Downline Activity Report to any third party;
- Directly or indirectly disclose the password or other access code to his or her Downline Activity Report;
- Use the information to compete with Globallee or for any purpose other than promoting his or her Globallee business;
- Recruit or solicit any IBA or Customer of Globallee listed on any report or in any manner attempt to influence or induce any IBA or customer of Globallee to alter their business relationship with Globallee;
- Use or disclose to any person, partnership, association, corporation or other entity any information contained in any Downline Activity Report.

Upon demand by the Company, any current or former IBA will return the original and all copies of Downline Activity Reports to the Company.

#### 4.8 – Cross-Sponsoring of “IBA”

Actual or attempted cross-sponsoring is strictly prohibited. “Cross-sponsoring” is defined as the enrollment of an individual or entity that already has a current Customer, Merchant or IBA Agreement on file with Globallee, or who has had such an agreement within the preceding 6 calendar months, within a different line of sponsorship. The use of a spouse or relative’s name, trade names, assumed names or fictitious ID numbers to circumvent this policy is prohibited.

IBAs shall not demean, discredit or defame other Globallee IBAs in an attempt to entice another IBA to become part of the first IBA 's marketing organization. If a prohibited organization transfer occurs, Globallee shall take disciplinary action against the IBA(s) who engaged, acquiesced and/or knowingly participated in the improper cross-sponsoring. However, it shall be entirely within Globallee's discretion where in the genealogical structure, the cross-sponsored organization in question shall be placed or otherwise distributed. Because equities often exist in favor of both upline organizations, IBAS WAIVE ANY AND ALL CLAIMS AND CAUSES OF ACTION AGAINST THE COMPANY FOR ITS DECISION REGARDING THE FINAL DISPOSITION OR PLACEMENT OF THE CROSSSPONSORED ORGANIZATION.

#### 4.9 - Errors or Questions

If a IBA has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports, or charges, the IBA must notify Globallee in writing at GLOBALLEE IBA SUPPORT

3000 Story Road West

Irving, Texas 75038

within 30 days of the date of the purported error or incident in question. Globallee will not be responsible for any errors, omissions or problems not reported to the Company within 30 days.

#### 4.10 - Sales Aids Optional

IBAs are not required to carry sales aids. IBAs who do so must make his or her own decision with regard to these matters. To ensure that IBAs are not encumbered with Company Sales Aids, such Sales Aids may be returned to Globallee upon the IBA 's cancellation pursuant to the terms of Section 8.1.

#### 4.11 - Governmental Approval or Endorsement

Neither federal nor state regulatory agencies nor officials approve or endorse any direct selling program. Therefore, IBAs shall not represent or imply that Globallee or its Compensation Plan have been "approved," "endorsed" or otherwise sanctioned by any government agency.

#### 4.12 - Holding Applications or Enrollments

IBAs must not manipulate enrollments of new applicants or Merchant enrollments. All IBA Applications and Agreements and Service orders must be sent within 72 hours from the time they are signed by a IBA or placed by a merchant.

#### 4.13 - Identification

All IBAs are required to provide their Social Security Number or Federal Tax Identification Number to Globallee on the IBA Application and Agreement.

Upon enrollment, the Company will provide a unique IBA Identification Number to the IBA by which he or she will be identified. This number will be used to place orders and track commissions and bonuses.

#### 4.14 - Income Taxes

Each IBA is responsible for paying local, state and federal taxes on any income generated as an IBA. If a Globallee business is tax exempt, the Federal Tax Identification Number must be

provided to Globallee. Every year, Globallee will provide IRS Form 1099 (non-employee compensation) earnings statement to each U.S. resident who (a) had earnings of over \$600 in the previous calendar year or (b) made purchases during the previous calendar year in excess of \$5,000 wholesale. Globallee cannot accept a tax-exempt certificate from a IBA who resides in a state where tax exempt status is not granted for Direct Sales businesses. IBAs are encouraged to check with their state government before sending a form to Globallee.

#### 4.15 - Independent Contractor Status

IBAs are independent contractors and are not purchasers of a franchise or a business opportunity. The agreement between Globallee and its IBAs does not create an employer/employee relationship, agency, partnership or joint venture between the Company and the IBA. IBAs shall not be treated as an employee for his or her services or for federal or state tax purposes. All IBAs are responsible for paying local, state and federal taxes due from all compensation earned as a IBA of the Company. The IBA has no authority (expressed or implied) to bind the Company to any obligation. Each IBA shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the Globallee IBA Agreement Form, and these Policies and Procedures, and applicable laws. If required by law to declare any Globallee representatives be classified as employees, Globallee reserves the right to discontinue operating within the jurisdiction making such declaration.

4.15.1 - The name of Globallee and other names as may be adopted by Globallee are proprietary trade names, trademarks and service marks of Globallee. As such, these marks are of great value to Globallee and are supplied to IBAs for their use only in an expressly authorized manner. Use of the Globallee name on any item not produced by the Company is prohibited except as follows:

IBA 's Name Globallee IBA

4.15.2 - Neither shall IBAs obtain or attempt to obtain any right, title or interest by registration, filing of any kind, patent, copyright, or otherwise in or to any of the Names or Marks. In particular (and without limiting the foregoing) IBAs shall not make purchases or enter into other transactions in the name of Globallee or hold themselves out as agents for Globallee. These regulations also pertain to the registration of web site domain names containing "Globallee." However, IBA may describe themselves as Globallee IBAs (domain names excluded).

4.15.3 - All IBAs may list themselves as an "Globallee IBA" in the residential telephone directory ("white pages") under their own name. IBA s may not place telephone directory display ads in the classified directory ("Yellow Pages") using Globallee's name or logo.

4.15.4 - IBAs may not answer the telephone by saying "Globallee," "Globallee Processing," or in any other manner that would lead the caller to believe that he or she has reached the corporate offices of Globallee.

4.15.5 - Advertising is not limited to print media; it also includes internet advertising and other forms of advertising. The following are a list of approved advertising methods for Globallee IBA's:

- Newspaper: An IBA may place a generic business opportunity advertisement in the classified section of a local newspaper.
- Phone Directory: Any IBA may place a text listing of its name in the white or yellow pages of a telephone directory.
- Electronic Mail and Text Messages: All advertisements sent via e-mail, telephone, or text must comply with all anti-spamming and related laws for the state or country where the intended recipient resides. The IBA is under obligation to research and comply with all laws concerning unsolicited commercial e-mail.
- Television and Radio: Television and radio advertising requires prior written approval from Globallee's Marketing and Compliance departments.
- Fairs, Swap Meets, Etc. An IBA may sell or promote Products at bazaars, flea markets, fairs, swap meets, tradeshow or other similar gatherings.
- Social Media Sites: IBAs may promote the business opportunity and Products on social networking sites, video sites and blogging sites such provided the following conditions are met:
  - All social media posting, including text, audio and video postings MAY NOT CONTAIN any product claims or income claims of any kind. For Product information, IBAs may refer viewers to their GLOBALLEE, Inc. replicated website. All postings must adhere to GLOBALLEE, Inc.'s code of ethics and are subject to this entire contract.

Please note that: It is prohibited for an IBA to use an internet or email address that utilizes the trade name Globallee or includes Globallee in a portion of the address. It is also prohibited for an IBA to use any website materials on a website that references or relates to Globallee that is not authorized in writing by Globallee. It is also prohibited for an IBA to place links to unauthorized websites or webpages onto a website or webpage that has been authorized by Globallee.

4.15.6 - Globallee IBAs shall not relabel or repackage any of the Globallee products. IBAs shall not advertise the Globallee products except by use of the materials and adherence to the Policies and Procedures that are published from time to time by Globallee, or by use of advertising whose form and content have been approved in

advance in writing by Globallee. This restriction applies to all media, advertising, sales flyers, direct mail pieces, promotional merchandise and sales aids, including but not limited to, presentation pins, badges, and other promotional devices, signs, posters, packaging, labels, videos, CDs, DVDs, and slide presentations.

#### 4.16 – Insurance

##### 4.16.1 - Business Pursuits Coverage

Insurance is the individual responsibility of the Independent Brand Ambassador and not the responsibility of Globallee.

You may wish to arrange insurance coverage for your business. Your homeowner's insurance policy may or may not cover business related injuries or the theft of or damage to your business. Contact your insurance agent to make sure that your business property is protected.

#### 4.17 - International Marketing

Because of critical legal product and tax considerations, Globallee must limit the marketing and enrollment of Globallee services and the presentation of the Globallee business to prospective customers, Merchants and IBAs located within the United States of America and any other jurisdiction officially opened by Globallee . IBAs are only authorized to do business in the countries in which Globallee has announced are open for business in official Company literature.

#### 4.18 - Laws and Ordinances

IBAs shall comply with all federal, state and local laws and regulations in the conduct of their businesses. Many cities and counties have laws regulating certain home-based businesses. In most cases these ordinances are not applicable to IBAs because of the nature of their business. However, IBA's must obey those laws that do apply to them. If a city or county official tells an IBA that an ordinance applies to him or her, the IBA shall comply with the law.

#### 4.19 - Minors

IBAs shall not enroll or recruit individuals under the age of 18 into the Globallee program. The one exception to this is if the minor has been adjudicated as an emancipated minor by a court of competent jurisdiction.

#### 4.20 - Actions of Household IBAs or IBA Individuals.

If any IBA of an IBA's household, family, or other IBA individual engages in any activity that, if performed by the IBA, would violate any provision of the Agreement, such activity will be deemed a violation by the IBA and Globallee may take disciplinary action pursuant to the Statement of Policies against the IBA .

An exception to the one-business-per-IBA rule will be considered on a case-by-case basis if two IBAs marry. Requests for exceptions to this policy must be submitted in writing to the Compliance Department.

#### 4.21- Legal Status as IBA

Some states have recently passed legislation which further limits and identifies the requirements to maintain Independent contractor status. It is important to know what your states laws are on this subject. Globallee will take no action which may subject them to a situation whereby the Representatives shall be considered employees.

#### 4.22 – Vendor Third Party Providers

Many products and services provided to Globallee IBAs are provided and fulfilled by third party vendors through contractual relationships with Globallee. It is important that IBAs do nothing to jeopardize or interfere with the contractual relationships between Globallee and its vendors. Any interference will be grounds for termination and potential legal action

It is also important that IBAs follow any rules and regulations provided by any third party vendor with relation to the products and services that they provide to the IBAs.

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#### 4.23 - Requests for Records

Any request from a IBA for copies of invoices, agreements, Downline activity reports or other records/reports will require a fee of \$1.00 per page per copy. This fee covers the expense of mailing and time required to research files and make copies of the records.

#### 4.24 – Ownership of an IBA Business and Sale, Transfer or Assignment of that Business

4.24.1 – An IBA business may sell, assign or transfer ownership or control of that business to another person or entity. Globallee reserves the right, in its sole discretion, to approve or disapprove any proposed sale, assignment or transfer of an IBA business. Globallee must give prior written approval for any sale, assignment or transfer.

4.24.2 – An IBA who sells or transfers his or her IBA business may not reapply to become an IBA under another Sponsor for a period of not less than twelve (12) months after Globallee has approved the sale. Specific documentation available by request from Globallee must be submitted in order to process a sale or transfer of IBA business. The interpretation of these Policies & Procedures pertaining to the sale, assignment or transfer of an IBA business will be made in a manner that considers and serves the best interests of Globallee. and its IBAs. Globallee reserves the right to reject any transferee or buyer.

Prior to selling a Business Entity interest, the selling party must notify Globallee’s Compliance Department in writing and advise of his or her intent to sell Globallee’s business or Business Entity interest. The selling party must also receive written approval from the Compliance Department before proceeding with the sale.

#### 4.25 - Separation of a Globallee IBA Business

A spouse is deemed to have Beneficial Interest in an IBA business only as it relates to property rights in each state or country of residence. Globallee reserves the right to defer all conflicts arising from marriage, divorce or death to the existing laws in each state or country of residence.

In the case of an IBA’s death, the Brand Ambassador business will be assigned to the legal successor in accordance with applicable laws.

#### 4.26 - Sponsoring

All active IBAs in good standing have the right to sponsor and enroll others into Globallee. Each prospective IBA has the ultimate right to choose his or her own sponsor. If two IBAs claim to be the sponsor of the same new IBA, the Company shall regard the first application received by the Company as controlling.

#### 4.27 - Telemarketing

The Federal Trade Commission and the Federal Communications Commission each have laws that restrict telemarketing practices. Both federal agencies (as well as a number of states) have “do not call” regulations as part of their telemarketing laws. While you may not consider yourself a “telemarketer” in the traditional sense of the word, these regulations broadly define the term “telemarketer” and “telemarketing” so that your inadvertent action of calling someone whose telephone number is listed on the federal “do not call” registry could cause you to violate

the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties (up to \$11,000.00 per violation).

Therefore, IBAs must not engage in telemarketing relative to the operation of their Globallee businesses. The term “telemarketing” means the placing of one or more telephone calls to an individual or entity to induce the purchase of a Globallee product or service, or to recruit them for the Globallee opportunity. “Cold calls” made to prospective customers or IBAs that promote either Globallee’s products or services or the Globallee opportunity constitute telemarketing and are prohibited. However, a telephone call(s) placed to a prospective customer or IBA (a “prospect”) is permissible under the following situations:

- If the IBA has an established business relationship with the prospect. An “established business relationship” is a relationship between an IBA and a prospect based on the prospect’s purchase, rental or lease of goods or services from the IBA, or a financial transaction between the prospect and the IBA, within the 18 months immediately preceding the date of a telephone call to induce the prospect’s purchase of a product or service.
- The prospect’s personal inquiry or application regarding a product or service offered by the IBA within the 3 months immediately preceding the date of such a call.
- If the IBA receives written and signed permission from the prospect authorizing the IBA to call. The authorization must specify the telephone number(s) that the IBA is authorized to call.
- You may call family IBAs, personal friends and acquaintances. An “acquaintance” is someone with whom you have at least a recent first-hand relationship (i.e., you have recently personally met him or her). Bear in mind, however, that if you make a habit of “card collecting” with everyone you meet and subsequently calling them, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if you engage in calling “acquaintances,” you must make such calls on an occasional basis only and not make this a routine practice.

In addition, IBAs shall not use automatic telephone dialing systems relative to the operation of their Globallee businesses. The term “automatic telephone dialing system” means equipment which has the capacity to (a) store or produce telephone numbers to be called using a random or sequential number generator and (b) to dial such numbers.

## **SECTION 5 - RESPONSIBILITIES OF IBAS**

### **5.1 - Change of Address or Telephone**

To ensure timely delivery of products, support materials or any other communication from Globallee, it is critically important that Globallee’s files are current. IBAs planning to move should notify Globallee support@globallee.com as soon as possible. In the alternative, IBA may email Globallee at customer service email provided on website. To guarantee proper delivery, two-weeks advance notice to Globallee is recommended on all changes.

## 5.2 - Continuing Development Obligations 5.2.1 - Ongoing Training

Any IBA who sponsors another IBA into Globallee must perform a bona fide assistance and training function to ensure that his or her Downline is properly operating his or her Globallee business. IBAs must have ongoing contact and communication with the IBAs in their Downline Organizations. Examples of such contact and communication may include, but are not limited to, newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail and the accompaniment of Downline IBAs to Globallee meetings, training sessions, and other functions. Upline IBAs are also responsible to motivate and train new IBAs in Globallee product knowledge, effective sales techniques, the Globallee Compensation Plan and compliance with Company Policies and Procedures. Communication with and the training of Downline IBAs must not, however, violate Section 4.2 (regarding the development of IBA -produced sales aids and promotional materials). IBAs cannot charge for training. Upon request, every IBA should be able to provide documented evidence to Globallee of his or her ongoing fulfillment of the responsibilities of a sponsor.

### 5.2.2 - Increased Training Responsibilities

As IBAs progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge and understanding of the Globallee program. They will be called upon to share this knowledge with less experienced IBAs within their organization.

### 5.2.3 – Method of Sales and Sales Restrictions

Globallee encourages each IBA to share the products to their friends and associates through sampling. The best methods of growing your business are often the people who already know the IBA. The company encourages you to find new customers through this group of people that you already know.

Globallee prohibits the sale of its products on discount websites or as resell products on discount websites.

- Internet Sales. IBA acknowledges and agrees that the advertising and selling of Products on the Internet may only be done on a Company Licensed Website. An IBA may not, directly or indirectly, sell or offer for sale Products on any Unauthorized Website, including, but not limited to, Amazon, EBay, Walmart Marketplace, and Craigslist. The provisions of this Section survive the termination of the Contract.

### 5.2.5 - Ongoing Sales Responsibilities

Regardless of their level of achievement, IBAs have an ongoing obligation to continue to personally promote sales to new preferred customers and to new retail customers and to new customers of other IBAs in their organization.

## 5.3 - Non-disparagement

Globallee wants to provide its IBAs with the best products, compensation plan and service in the industry. Accordingly, we value your constructive criticisms and comments. All such comments

should be submitted in writing to the Globallee corporate offices. While Globallee welcomes constructive input, negative comments and remarks made in the field by IBAs about the Company, its products or Compensation Plan serve no purpose other than to sour the enthusiasm of other Globallee IBAs. For this reason, and to set the proper example for their Downline, IBAs must not disparage, demean or make negative remarks about Globallee, other Globallee IBAs, Globallee's services, the Compensation Plan or Globallee's directors, officers or employees.

#### 5.4 - Providing Documentation to Applicants

IBAs must provide the most current version of the Policies and Procedures and the Compensation Plan to individuals whom they are sponsoring to become IBAs before the applicant signs a IBA Agreement. Additional copies of Policies and Procedures can be found on the Globallee website.

#### 5.5 - Reporting Policy Violations

IBAs observing a policy violation by another IBA should submit a written report of the violation directly to the attention of the Globallee Compliance Department. Details of the incident(s), such as dates, number of occurrences, persons involved and any supporting documentation, should be included in the report.

#### 5.6 Representations to Other IBAs and Prospective IBAs

Globallee IBAs shall honestly and fairly describe the Globallee Compensation Program in all their discussions with other IBAs or potential IBAs. This obligation of fair and complete description shall include, without limitation, the following.

5.6.1 IBAs shall not misstate any significant or material fact about the Globallee Compensation Program and shall not omit any significant or material fact about the Globallee Program. IBAs shall provide each potential IBA with a copy of these Rules and Regulations prior to giving such person a IBA Application.

2. 5.6.2 IBAs shall clearly state that the foundation of the Globallee Compensation Program is the retail sale of Globallee products to consumers and that Globallee IBAs cannot expect to be successful merely by sponsoring other IBAs without regard to retail sales.
3. 5.6.3 IBAs shall not state that high profits are guaranteed or certain for Globallee IBAs. IBAs shall state clearly that Globallee IBAs can expect to be successful only through hard work and substantial efforts.
4. 5.6.4 IBAs shall not distort or misrepresent any feature of the Globallee Compensation Program and shall not make any statements about the quality or benefits of the Globallee products except to the extent that such statements are made in Globallee written material describing the products.
5. 5.6.5 IBAs shall not guarantee any specific income, profit and /or success.
6. 5.6.6 IBAs shall not state or imply that the Globallee Compensation Program has been approved by any governmental agency or business group.
7. 5.6.7 IBA's may not allege or imply that he or she has a unique relationship, a unique preference or unique access to Globallee executives or employees.

8. 5.6.8 An IBA may not rely on Globallee to provide legal advice, tax advice, insurance advice, financial planning advice, or any other professional advice. Additionally, it is the responsibility of each IBA to seek independent and professional advice on these subjects.

## 5.7 Representations to Consumers

IBAs shall fairly and accurately describe the Globallee products in their sales and attempted sales to consumers and shall not distort or misrepresent any facts when discussing the Globallee products with consumers. This obligation of fair and complete discussion shall include, without limitation, the following:

5.7.1 IBAs shall not describe the Globallee products except as permitted in the materials published by Globallee describing the product.

5.7.2 IBAs shall not attempt to deceive or confuse any consumer regarding the nature and quality of the Globallee products, or the price of the Globallee products.

## 5.8 Offerings

An IBA may not offer or promote any non-Company plans, incentives, opportunities, non-approved Sales Tools, or Non-Globallee Products in conjunction with the promotion of Globallee Products.

## 5.9 Retail Sales Records

All IBAs are required to keep records of all Retail Sales for a period of [three] years. Globallee will randomly monitor compliance with Retail sales requirements from time to time. Each Product purchased by a customer is automatically counted on a monthly basis towards qualification requirements.

## 5.10 Privacy & Confidential Information

All information provided by an Applicant on an IBA Agreement will be used solely for the purposes of evaluating the IBA Agreement and for related activities of the IBA. An IBA authorizes Globallee to disclose its contact information to the IBA's Upline, but not to other members of Globallee. nor to a 3rd party. The IBA may acquire confidential information during the term hereof. As a receiver of confidential information, each IBA understands and agrees:

- The Confidential Information is for the exclusive and limited use of the IBA to facilitate work in building the respective Globallee IBA Business.

- The IBA will not disclose confidential information to a third party directly or indirectly (including other IBAs) and that doing so constitutes misuse, misappropriation, and a violation of the company's Policies & Procedures. The information is of such character as to render it unique and that disclosure of it will cause irreparable damage to Globallee.; Globallee is therefore entitled to immediate, temporary, preliminary, and permanent injunctive relief, in addition to all other remedies available in law or equity, to prevent or compensate for any violation of this policy.

- The IBA will not use confidential information to compete with Globallee directly or indirectly and improper use will result in termination.

#### 5.11 Release of Photos, Images, Audio, Video and Testimonial Endorsements

Globallee may take photos, audio or video recordings, or written or verbal statements of an IBA at company events or may request the same directly from an IBA. The IBA agrees to and hereby grants Globallee the absolute and irrevocable right and permission, to use, re-use,

## **SECTION 6 - PURCHASES AND SALES REQUIREMENTS**

### 6.1 – Purchases from Globallee

All Globallee IBAs have the right to purchase Globallee products from Globallee for personal consumption and retail sale to the public. IBAs are permitted to purchase as much or as little of the Globallee products as they desire, as long as they comply with the retail sales obligations as explained below. The following are the methods available for purchasing products from Globallee:

1. The IBA may purchase Globallee products by filling out an order form online and paying for the products with a debit or credit card. All orders must be accompanied by funds in the amount of the order. All payments mailed to Globallee must be in the form of an approved debit, or credit card as accepted by Globallee.
2. When purchasing products directly from Globallee, the IBA shall pay for the cost of shipping and handling as determined by the size of the order. These shipping and handling costs shall be set and published by Globallee and may be changed from time to time.
3. Globallee provides numerous services to its IBAs without charge. However, IBA's may

make requests to the company for information that is not typically published in the back office. Globallee reserves the right to charge separate fees for any additional services that are requested by an IBA. Such additional service fees, will be mutually agreed upon, in writing by both the company and the IBA.

### 6.2 - Product Sales

The Globallee Compensation Plan is based upon the sale of Globallee products and services to end user consumers. IBAs must fulfill personal and Downline organization sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions and advancement to higher levels of achievement. It is important that IBAs do not try to place customers into products or services that they either do not need or cannot afford.

### 6.3 – Retail Sales

6.3.1 - The Globallee program is based on sales to actual customers who use the Globallee Products. Therefore, each IBA is obligated to purchase Globallee products only for sale at retail or for personal consumption and is obligated to make continuing substantial efforts to make retail sales. Because of the difficulty of computing retail sales, Globallee shall pay its bonuses based

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upon purchases from Globallee with purchase volume intended to represent actual sales volume. To assure that IBA purchases do correspond to the IBA's retail sales, each IBA shall certify with each order of Globallee products that a) the amount of the order represents the IBA's reasonably expected requirements for retail sales and personal consumption for the period covered by that order, b) he or she is not stockpiling unsold Globallee products for the purpose of qualifying for bonuses. Specifically, Globallee IBAs must meet the following requirements to qualify for bonuses: Globallee will not pay compensation as outlined in the Globallee rewards plan to its IBAs unless the majority of the IBA's group sales of goods or services are to persons who are retail customers and preferred customers.

6.3.2 IBAs shall purchase Globallee products at the published wholesale prices of Globallee plus the appropriate shipping and handling fee. Globallee shall be free to change its suggested wholesale prices, or the bonus values, from time to time at its own discretion, and will notify its IBAs of any such changes. This provides that every IBA must sell at wholesale and/or retail. This serves to prevent inventory loading and encourage retailing. We make the assumption that all of the product that you order will be resold at the suggested retail price. Our products are not intended for sale below wholesale price.

#### 6.4 - Territory Restrictions

There are no exclusive territories granted to anyone. No franchise fees are required.

### **SECTION 7 – COMMISSIONS AND BONUSSES**

#### 7.1 – Payment of Commissions and Bonuses

Globallee will pay its respective commissions and bonuses according to the rules that govern such commissions and bonuses as outlined in the compensation plan. The Globallee compensation plan may be changed or amended from time to time at the sole discretion of the company. Commissions and bonuses are paid in the name of the individual or business entity listed in the IBA Agreement.

#### 7.2 – No Manipulation of the Compensation Plan

Globallee expressly prohibits IBAs from purchasing large amounts of product in an attempt to qualify for commissions or bonuses in the compensation plan. IBAs should only purchase product that they are using for personal consumption, sampling to potential customers and/or selling to customers. Each IBA agrees to NOT take any actions that may violate state, federal or foreign anti-pyramid scheme laws. Creating IBA positions for the sole intent of qualification or manipulation of the compensation plan is prohibited. Such manipulations may, in the discretion of Globallee result in the suspension of Commissions and termination of the IBA business.

#### 7.3 - Promotions

Promotions are determined based on business organization and sales activity for each applicable period.

#### 7.3 - Adjustment to Bonuses and Commissions 7.3.1 - Adjustments for Returned Products

IBAs receive bonuses and commissions based on the actual enrollment for services to merchants. When a service is cancelled and refund is authorized by the Company, the bonuses and commissions attributable to the refunded service(s) will be deducted in the month in which the refund is given, and continuing every pay period thereafter until the commission is recovered from the IBA s who received bonuses and commissions on the sales of the refunded service(s).

#### 7.4 - Unclaimed Commissions and Credits

IBAs must deposit or cash commission and bonus checks within six months from their date of issuance. A check that remains uncashed after six months will be void. There shall be a \$50.00 charge for reissuing a check. These charges shall be deducted from the balance owed to the IBA.

#### 7.5 - Reports

All information provided by Globallee in online or telephonic Downline Activity Reports, including but not limited to personal and group sales volume (or any part thereof), and Downline sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors, including 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; and credit card and electronic check charge-backs, the information is not guaranteed by Globallee or any persons creating or transmitting the information. All personal and group sales volume information is provided “as is” without warranties, expressed 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, Globallee and/or other persons creating or transmitting the information will in no event be liable to any IBA or anyone else for any direct, indirect, consequential, incidental, special or punitive damages that arise out of the use of or access to personal and group 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 Globallee or other persons creating or transmitting the information shall have been advised of the possibility of such damages. To the fullest extent permitted by law, Globallee or other persons creating or transmitting the information shall have no responsibility or liability to you or anyone else under any tort, contract, negligence, strict liability, products liability or other theory with respect to any subject matter of this agreement or terms and conditions related thereto.

Access to and use of Globallee’s online reporting services and your reliance upon such information is at your own risk. All such information is provided to you “as is.” If you are dissatisfied with the accuracy or quality of the information, your sole and exclusive remedy is to discontinue use of and access to Globallee’s online reporting services and your reliance upon the information.

## **SECTION 8 - RETURNS AND SALES AIDS REPURCHASE**

### 8.1 - Retail Sales

Personal service and retail sales to the customer are the foundation of Globallee. The entire

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commission structure is based upon volume of retail sales referred by the individual IBA as well as their entire organization.

#### 8.2 - Money Back Guarantee for Customers

Globallee issues a 60-Day Money Back Guarantee for all Retail Customers and Preferred Customers, and IBAs. If a Retail or Preferred Customer is unsatisfied with a product purchased directly from Globallee, the Customer may return the product for a full refund of the purchase price within 60 days of the date of purchase. To obtain a refund, the Customer must contact the Globallee customer service department in order to obtain the refund and follow the correct steps to obtain the refund. If a retail customer or a preferred customer does not contact customer service and instead uses a credit card charge-back process, Globallee, Inc. reserves the right to terminate the customer.

#### 8.3 - Money Back Guarantee for IBA's

IBAs may return product for a refund if they are unsatisfied with a product purchased from Globallee. The same 60 day return policy applies to IBAs. Contact Globallee customer service, and follow the procedures outlined by the company. Any sales commissions earned through the Globallee compensation plan, bonuses or awards achieved as a result of these purchases will be reversed during the refund transaction. Any Commissions paid to the IBA and his or her Upline for the Product returned by an IBA or Customer may be debited from the respective Upline IBA's account or withheld from present or future Commission payments. An IBA agrees that he

or she will not rely on existing Downline Organization Volume at the close of a Commissions period, as returns may cause changes to his or her Title, Rank and/or Commission payout. If an IBA does not contact customer service and instead uses a credit card charge-back process, Globallee, Inc. reserves the right to terminate the customer.

#### 8.4 - Montana Residents

A Montana resident may cancel his or her IBA Agreement within 15 days from the date of enrollment and may receive a full refund within such time period for good and resalable sales aids or trainings that have not been attended.

### **SECTION 9 - DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS**

#### 9.1 - Disciplinary Sanctions

Violation of the Agreement, these Policies and Procedures or any illegal, fraudulent, deceptive or unethical acts shall be cause for immediate corrective measures; Globallee's discretion, in one or more of the following:

- Imposition of a fine, which may be withheld from bonus and commission checks;
- Loss of rights to one or more bonus and commission checks;
- The withholding from an IBA of all or part of the IBA's bonuses and commissions

during the period that Globallee is investigating any conduct allegedly in violation of the Agreement. If an IBA's business is canceled for disciplinary reasons, the IBA will not be entitled to recover any commissions withheld during the investigation period;

- Suspension of the individual's IBA Agreement for one or more pay periods;
- Involuntary termination of the offender's IBA Agreement;
- Any other measure expressly allowed within any provision of the Agreement or that

Globallee deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the IBA's policy violation or contractual breach; or

- In situations deemed appropriate by Globallee, the Company may institute legal proceedings for monetary and/or equitable relief.

#### 9.2 - Grievances and Complaints

When a IBA has a grievance or complaint with another IBA Representative regarding any practice or conduct in relationship to their respective Globallee businesses, the complaining IBA should first report the problem to his or her sponsor, who should review the matter and try to resolve it with the other party's Upline sponsor. If the matter cannot be resolved, it must be reported in writing to the Company. The Company will review the facts and determine if a policy violation has occurred and take appropriate action.

#### 9.3 - Notification of Adverse Action

An IBA shall immediately notify Globallee's legal department in writing of any potential or actual legal claims from third parties against the IBA arising from, or associated with, the IBA Business that may adversely affect Globallee.

#### 9.4 - Arbitration

Any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association or other recognized arbitration service, under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. IBAs waive all rights to trial by jury or to any court. All arbitration proceedings shall be held in the county of Dallas, State of Texas unless the laws of the state in which a IBA resides expressly require the application of its laws, in which case the arbitration shall be held in the capital of that state. 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 that the American Arbitration Panel provides. The prevailing party shall be entitled to receive from the losing party, OR 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 Globallee 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 Globallee'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.

#### 9.5 - Governing Law, Jurisdiction and Venue

Jurisdiction and venue of any matter not subject to arbitration shall reside in Texas. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of Texas shall govern all other matters relating to or arising from the Agreement.

9.5.1 - Louisiana Residents: Notwithstanding the foregoing, Louisiana residents may bring an action against the Company with jurisdiction and venue as provided by Louisiana law.

### **SECTION 10 - INACTIVITY AND CANCELLATION**

#### 10.1 - Effect of Cancellation

So long as a IBA remains active and complies with the terms of the IBA Agreement and these Policies and Procedures, Globallee shall pay commissions to such IBA in accordance with the Compensation Plan. A IBA's bonuses and commissions constitute the entire consideration for the IBA's efforts in generating sales and all activities related to generating sales (including building a Downline Organization). Following an IBA's termination for inactivity, or voluntary or involuntary termination of his or her IBA Agreement (all of these methods are collectively referred to as "termination"), the former IBA shall have no right, title, claim or interest to the marketing organization that he or she operated, or any commission or bonus from the sales

generated by the organization. An IBA whose business is terminated will lose all rights as an IBA. This includes the right to sell Globallee products and services and the right to receive future commissions, bonuses or other income resulting from the sales and other activities of the IBA's former Downline sales organization. In the event of termination, IBAs agree to waive all rights they may have, including but not limited to property rights, to their former Downline organization and to any bonuses, commissions or other remuneration derived from the sales and other activities of his or her former Downline organization.

Following a IBA's termination of his or her IBA Agreement, the former IBA shall not hold himself or herself out as a Globallee IBA. The affected IBA will remove and discontinue use of and will not thereafter use the Names and Marks or any and all signs, labels, stationery, advertising, and/or literature referring to Globallee. An IBA whose IBA Agreement is terminated shall receive commissions and bonuses only for the last full pay period he or she was active prior to cancellation (less any amounts withheld during an investigation preceding an involuntary termination). Further, An IBA must return all Confidential Information, including any information derived there from, over which he or she has direct or indirect control to Globallee upon termination. If any such Confidential Information cannot be returned because it is in

electronic format, the IBA shall permanently delete and erase the Confidential Information upon termination or upon demand.

#### 10.2 - Involuntary Termination

A IBA's violation of any of the terms of the Agreement, including any amendments that may be made by Globallee in its sole discretion, may result in any of the sanctions listed in Section 9.1, including the involuntary termination of his or her IBA Agreement. Cancellation shall be effective on the date on which written notice is mailed, faxed or delivered to an express courier to the IBA's last known address (or fax number), or to his or her attorney, or when the IBA receives actual notice of termination, whichever occurs first.

#### 10.3 - Voluntary Termination

An IBA has a right to cancel, at any time, regardless of reason. Termination must be submitted in writing to the Company at its principal business address. The written notice must include the IBA's signature, printed name, address and IBA ID number. IBAs who have resigned may re-apply to become an IBA with Globallee after 6 months. An IBA's position is subject to termination due to inactivity (i.e., merchant enrollments, no commissions, no sponsoring; and no attendance at any Globallee functions, participation in any other form of IBA activity, or operation of any other Globallee business) after being inactive for 6 full calendar months.

#### 10.4 - Non-Renewal

An IBA may also voluntarily cancel his or her IBA Agreement by failing to maintain the Agreement annually. The Company may also elect not to renew an IBA's Agreement.

10.5 - Customer's may cancel at any time without penalty. If there is need to return product, Globallee's 60 day money back guarantee is in effect. Customer should contact customer service for cancellation.

#### 10.6- Complete Agreement

These Policies and Procedures, any and all modifications made by the Company, along with the Terms and Conditions and the Compensation Plan make up the entire agreement between IBA and Company.