



Policies & Procedures

Gano Excel USA, Inc. | 2017



Gano Excel™ Policies & Procedures

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SUBJECT TO CHANGE without notice.

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GANO EXCEL™ POLICIES & PROCEDURES

SECTION I: AFFILIATE/COMPANY RELATIONS

1. PURPOSE OF THESE POLICIES AND PROCEDURES

This document must be read in its entirety. Affiliates must be intimately familiar with these Policies and Procedures and agree to comply with all policies set forth herein. Affiliates are subject to the regulations of the Policies and Procedures from the time they receive their Affiliate Identification Number. Submission of the Affiliate Application and acceptance of any Commissions constitutes acknowledgement on the part of the Affiliate that he/she has read and agrees to abide by the Policies and Procedures. This manual, in its entirety, is applicable to all Affiliates. Some aspects of the manual may be modified by separate, local addendums for Affiliates in other countries, or regarding specific topics such as compensation. If a conflict should arise between the Policies and Procedures and any addendum, the terms of the addendum shall be controlling. Affiliates must regularly review the most recent Policies and Procedures as they are published at www.myganocafe.com (under the corporate tab of your Affiliate Back Office). Gano Excel (the "Company" or "Gano"), and its Affiliated companies (collectively "the Company" herein), is a direct sales Company which honors the Policies and Procedures (P&P) outlined hereafter. This document is an integral part of the Affiliate Agreement. It was created to protect the rights of all Affiliates and to provide a clear, procedural framework within which they may work effectively. Adherence to these P&P is required, and will assist in the success of the Company and its Independent Affiliates in several ways, including the following:

- A. By providing equal opportunity for rewards through the Compensation Plan.
- B. By providing to Independent Affiliates adequate definition and explanation of the Compensation Plan.
- C. By defining the contractual relationships between the Company and its Affiliates.
- D. By complying with regulatory requirements and by providing specific information about the programs to appropriate agencies.
- E. By providing to Independent Affiliates a guide that informs them of the Policies and Procedures to which they must adhere, both in terms of what they must do as well as what actions are prohibited.
- F. By establishing a basis for problem resolution between Affiliates and the Company.

2. INTERPRETATION, ENFORCEMENT, AMENDMENT, AND WAIVER OF POLICIES & PROCEDURES

- A. These P&P are incorporated herein by reference as part of the Independent Affiliate Application and made a part thereof, and the Independent Affiliate Application and Agreement, and the instruments and documents referred to herein constitute the entire understanding of the parties with respect to the subject matter. The P&P and Independent Affiliate Agreement shall be controlling in defining the relationships between the Company and the Affiliate.
- B. Interpretation: Any questions regarding interpretation of these P&P must be directed to the Compliance Department. Affiliates may only rely upon the opinion of the Compliance Department agents in interpreting these P&P. Affiliates must not rely upon the opinion expressed by the employees of any other departments of the Company or by other Affiliates.

- C. Enforcement: The most recent and applicable P&P will be posted in each Affiliate's Back Office under the corporate tab at us.ganoexcel.com. The P&P posted on the Company websites will be enforced from the date of posting. It is recommended that Affiliates refer to these P&P in their Back Office each month in order to check for updates.
- D. The P&P set forth herein shall be deemed severable. The invalidity of or inability to enforce any provision shall not affect the validity or enforceability of any other provisions. If any provision of these P&P or application thereof to any person or any circumstance is invalid or unenforceable, then the following shall occur:
 - A suitable and equitable provision shall be substituted in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision.
 - The remainder of these P&P and the application of the provision in question to other persons or circumstances shall not be affected by such invalidity or inability to enforce, nor shall such invalidity or inability to enforce affect the validity or enforceability of the provision in question, or the application thereof, in any other jurisdiction.
- E. Amendment: The Company reserves the right to amend these P&P at any time and will publish these P&P so that the Affiliate can make examination. The Affiliate will be responsible to adhere to these P&P upon publication, in any form, by the Company. Amendments shall be in effect and binding to all Affiliates upon publication by the Company in any form generally made available to all Affiliates.
- F. No failure of the Company to exercise any power given to it under these P&P or Affiliate Application and Agreement, to insist upon strict compliance by an Affiliate, or to allow any variance of the terms shall constitute a waiver of the Company's right to demand exact compliance with these P&P. No delayed action shall preclude Company from taking that action later, with full effect. Only an authorized Compliance Department officer, in writing, can grant waiver by the Company. In no instance shall Company be responsible for any delays or failures in performing its obligations or rights herein due to any force majeure occurrences, including without limitation circumstances such as fire, death, public insurrection, labor strikes or difficulties, interruption of Company's supply chain, government decree or orders, or any other example of occurrence that might reasonably be termed an Act of God.

3. AFFILIATE STATUS AS INDEPENDENT CONTRACTOR

- A. Affiliates are not employees or agents of their Sponsor or of the Company. The Company does not dictate Affiliate hours, expenditures, selling or marketing methods or plans, etc. No printed or verbal representations may be made stating or implying otherwise.
- B. As independent contractors, all Affiliates are responsible for any expenses which result from building or maintaining a Downline, including, but not limited to, responsibility for any required licenses, fees, insurance, liabilities, operating expenses, and taxes including sales, income, social security, and unemployment taxes.

4. AFFILIATE STATUS AS INDEPENDENT CONTRACTOR

- A. To enroll as an Independent Affiliate, an applicant must fill out, sign, and submit to the Company a current Independent Affiliate Application Form (appropriate to the country within which the Affiliate resides) and pay the Independent Affiliate Application fee, if applicable, and applicable shipping, handling, and tax. International applications and Product shipments will be

charged a higher S&H fee depending upon destination (US call 626.338.8081). Applicants who have paid the enrollment fee are provisionally authorized as Affiliates.

- B. The Independent Affiliate Application fee is a non-refundable fee, and, includes the Electronic Gano Business Kit containing marketing and demonstration materials. There are no Commissionable Products in the Electronic Gano Business Kit. Additionally the Affiliate Application fee will provide the Affiliate with their own personal Back Office to manage their business and the availability of a personal marketing website (more advanced versions of the Back Office and personal marketing websites may be offered by the company for a minimal monthly fee, which is also non-refundable if selected).
- C. The Recruiting Affiliate has the duty to provide the Company with correct documentation concerning Sponsor and/or Placement of the new Affiliate at the time of enrollment of the new Affiliate.
- D. The Company reserves the right to reject any application, thus terminating provisional Affiliate authorization. Internet or telephone applications are generally processed immediately. Faxed applications will be processed when they are received by the Company and may be deemed as originals. The Company may require that a faxed version be followed with an original, signed form. The initial enrollment fee is meant to pay for services provided to the Affiliates by the Company in support of sales and marketing of Company Products.
- E. Fabricated and/or duplicate Affiliate accounts, as well as signing-up any individual as a Gano Affiliate without their knowledge and/or consent, is prohibited. Any fees and/or costs incurred by the Company due to violation of these P&P will be forwarded directly to the responsible party.
- F. Applicants understand that no Gano product purchase is required to become a Gano Independent Affiliate, and they further agree that the compensation opportunities available to them are sufficient. However, each applicant must enroll for \$25, and will then receive a free Electronic Gano Business Kit, Affiliate Back Office and personal marketing website. The enrollment fee covers the \$25 membership fee, which Independent Affiliates pay to also cover administrative costs in establishing their Affiliation. Certain promotional enrollment offers may be offered where the \$25 membership fee is included or waived. An Affiliate may return product through the Return Policies outlined herein, but the standard \$25 enrollment fee is non-refundable.

5. RESTRICTIONS ON BECOMING AN AFFILIATE

- A. All individual Affiliate applicants must be of the age of majority (usually 18 years of age) in the jurisdiction in which they reside.
- B. Simultaneous Interests: An Affiliate may not have a simultaneous beneficial interest or participate in more than one Affiliation. An Affiliate may not encourage or facilitate a simultaneous, beneficial interest in more than one Affiliation. A simultaneous, beneficial interest includes, but is not limited to, any ownership or benefit interest directly or indirectly in a Affiliation as a shareholder, partner, trustee, beneficiary, or principal; any control or ability to control a Affiliation; any direct or indirect receipt of income derived from a Affiliation; and any other similar interests pertaining to a Affiliation. If a spouse or cohabitant of an Affiliate wishes to become an Affiliate, he/she must be added to the Affiliation previously formed by the spouse or cohabitant.
- C. In the case of two (2) Affiliates subsequently marrying, the Company shall not cause the Affiliates to abandon either Affiliation. In this case only, both husband and wife shall be allowed to retain their existing Affiliations. Written notice should be given to the Company prior to and/or within 30 days after the marriage.
- D. If a married couple with a jointly held Affiliation divorces, written notification, including the notarized signatures of both parties,

must be provided to the Company indicating how the Affiliation is to be managed thereafter. Otherwise, the Company shall either consider the principal account holder as the sole continuing Affiliate or restructure the Affiliation pursuant to a court order. The Company reserves the right to charge the Affiliate a fee in connection with such reorganization. These rules shall also be applied to non-married, co-applicant Affiliations.

6. AFFILIATION RENEWAL

- A. Gano Excel does not charge an annual Affiliation Renewal fee and therefore your Affiliation will automatically renew. Gano Excel does reserve the right to amend this free annual renewal policy and any such change will be provided to the Affiliate by the publication of an updated P&P. It is the responsibility of the Affiliate to regularly check for any such updates.
- B. After six (6) months of inactivity, an Affiliate is automatically terminated and forfeits all sponsorship rights, Placement rights, and positions earned. The Company reserves the right to re-activate terminated positions upon request by an Affiliate and approval by the Company.

7. AFFILIATE COMPLIANCE

- A. The Company may terminate an Affiliate's authorization for cause including, but not limited to, violation of these P&P; a breach of any other promise made in the Affiliate Application and Agreement, or any misstatement or misrepresentation made by the Affiliate in the agreement or on any other form as determined within the sole discretion of the Company.
- B. An Active Affiliate is an Affiliate who has a minimum of 50 PV in the Current Period (for purposes of being eligible to participate in the Gano Compensation Plan). To receive a Commission an Affiliate must have been active for the previous Commission period and be active at the time of the current Commission period run. When an affiliate is found to be inactive for four (4) consecutive pay periods (cycles), all carried over volume will reset to zero (0), also known as volume flush. After six (6) months of inactivity, an Affiliate is automatically terminated and forfeits all sponsorship rights, Placement rights, and positions earned.
- C. The Company will monitor an Affiliate's compliance with the established and published P&P. This may include, but is not limited to, reviewing advertising materials, electronic media, training materials, etc. Comments from the Company regarding compliance must not be interpreted or construed as approval, disapproval, or sanctioning by the Company, but must be considered only as the Company's demand and/or warning to the Affiliate to comply with the agreements and established P&P between the Affiliate and the Company.
- D. In accordance with the agreements and established P&P, the Company's Compliance Department shall make determinations as to whether an Affiliate has violated the Independent Affiliate Agreement or the established P&P. Investigation results shall be maintained as confidential between the accused Affiliate and the Company.
- E. Each Affiliate must be self-policing and ensure his/her own strict compliance with established P&P and agreements by being intimately familiar with such Policies and Procedures and agreements, as well as the rules, laws, statutes, and regulations of the jurisdiction within which the Affiliates operates his/her business. Failure to comply with these P&P may be cause for discipline.
- F. Affiliates shall comply with all instructions from the Company's Compliance Department in a reasonable time and shall promptly provide the Compliance Department with all requested information. It is the responsibility of the Affiliate to provide the Company with all of the Affiliate's contact information, including, but not limited to, address (es), telephone number(s), fax number(s), website address (es), and e-mail address (es), in

order to facilitate prompt communication between the Company and the Affiliate. It is the Affiliate's responsibility to ensure that all contact information is current and correct in the Company's records. The Company will not be held responsible for situations arising from communication that is delayed, misdirected, or returned to the Company due to incorrect or outdated information provided by the Affiliate.

- G. The Compliance Department shall respond to all questions posed by Affiliates as promptly as possible. Advice rendered by the Compliance Department shall not be construed as legal advice and the Affiliate should not rely upon the Company or any of its divisions to provide legal advice. Affiliates, if they need legal advice, should consult with legal counsel of their choosing.
- H. The Company reserves the right to discipline an Affiliate for inappropriate and/or nuisance communications to Affiliates and/or Customers. Affiliates will not participate in any unlawful practices.
- I. Affiliates shall not engage in the practice of generating, replicating, or repeating monthly, annual, or total sales figures of the Company unless such figures are publicly published by the Company.
- J. Affiliates who intentionally circumvent P&P to accomplish indirectly what is prohibited directly will be disciplined as if the applicable policy or rule had been broken directly. At its sole discretion, the Company shall have the right to adjust bonuses, Commissions, and/or the Placement or status of an Affiliate and of those in the Affiliate's upline who were affected. None of the P&P herein are intended to create third-party rights in any Affiliation regarding the conduct of any other Affiliate.

8. CONFLICTS OF INTEREST

- A. Company Affiliates may participate in other direct selling or network marketing or multilevel marketing ventures (collectively "direct sales" herein), and Affiliates may engage in selling activities related to non-Company Products and services if they desire to do so. However, if an Affiliate elects to participate in another direct sales opportunity, in order to avoid conflicts of interest and loyalties, Affiliates are prohibited from unauthorized recruiting, which includes the following (detailed in Section 8):
- B. During the term of this agreement, any actual or attempted recruitment or enrollment of Company Customers or Affiliates for other direct sales business ventures, either directly or through a third party may violate the terms of this agreement and may lead to your suspension or termination. This includes, but is not limited to, presenting or assisting in the presentation of other direct sales business ventures to any Company Customer or Affiliate, or implicitly or explicitly encouraging any Company Customer or Affiliate to join other business ventures. Because there is an extreme likelihood that conflicts will arise if an Affiliate operates two direct sales programs, it is the Affiliate's responsibility to first determine whether a prospect is Gano Customer or Affiliate before recruiting or enrolling the prospect for another network business venture.
- C. For a period of six months following the cancellation of an Independent Affiliate Agreement, the former Affiliate may not recruit any Company Affiliate or Customer for another direct sales program. Producing or offering any literature, tapes or promotional material of any nature for another direct sales business which is used by the Affiliate or any third person to recruit Company Customers or Affiliates for that business venture.
- D. Gano Independent Affiliates may not engage in selling, offering to sell, or promoting any competing non-Company Products to Company Customers or Affiliates. Any Product in the same generic category as a Company Product is deemed to be competing; e.g.; Any herbal supplement enriched coffees, teas, or any Ganoderma supplements are in the same generic category

as Company enriched beverages and dietary supplements, and is therefore a competing Product, regardless of differences in cost, quality, ingredients or nutrient content. Examples given herein shall not be considered a comprehensive list of "competing products and/or companies"; The Company reserves the right to declare any category (not defined herein) it reasonably deems competing and retains the right to enforce any penalties or sanctions for violation of this non-competing clause.

- E. Offering Company Products or promoting Company's Compensation Plan, in conjunction with any non-Products, services, business plan, opportunity, or incentive.
- F. Offering any non-Company Products, services, business plan, opportunity, or incentive at any Company meeting, seminar, launch, convention, or other Company function, or immediately following such event.

9. POLICY VIOLATION AND ACCOUNTABILITY PROCEDURES

- A. The Company reserves the exclusive right to discipline, terminate, and/or withhold payment of Commissions and bonuses to any Affiliate who violates any provision of the Affiliate Application and Agreement, the P&P, amendments, Addendums, or any other violation as determined by the Company upon proper notice to the Affiliate. The offending Affiliate will be notified of such action. Such termination revokes any and all rights under the Independent Affiliate Agreement and Compensation Plans and will be effective upon the verification by the Company of said violations. Upon cancellation, the Company shall be entitled to seek legal remedy for any damages to which it is entitled to by law and is authorized to contact any governmental entity responsible for oversight of any laws, rules, statutes, or regulations that the Affiliate may have violated.
- B. When the Company becomes aware of a violation or of an alleged violation, the following procedures may apply:
 - Warning: Notice of violation provided to the Affiliate. Request to cease non-compliant behavior.
 - Notice of Violation: Official commencement of disciplinary procedures. The accused Affiliate is informed of alleged violations in writing and is provided ten (10) days to respond to the allegations in writing. After ten (10) days, any response will be considered and a decision will be made by the Compliance Department as to appropriate discipline.
 - Probation: The Affiliate may not maintain leadership status, is prohibited from holding opportunity meetings, from initiating or requesting Sponsor/Placement changes, and from making changes to the information in the Back Office website. Affiliate has sixty (60) days to make corrective changes and must commit to comply with these P&P (Probation does not prevent an Affiliate from signing off on Sponsor/Placement change requests initiated by Affiliates in his/her Downline organization).
 - Suspension: The Affiliate is prohibited from placing orders, from receiving Commission and bonus checks, from receiving AS, and from sponsoring new Affiliates. Affiliate has sixty (60) days to make corrective changes and must commit to comply with these P&P.
 - Termination: The Affiliation of the violating Affiliate is terminated. Policies and Procedures pertaining to termination and re-application apply.
- C. The Company reserves the right to charge a fine as determined by the Compliance Department to a violating Affiliate at any stage of the disciplinary procedures. The fine will be taken from the Commission check or billed directly to the Affiliate (payable by any means that the Affiliate has provided to the Company for payment of Product). Failure to pay the fine after sixty (60) days

may result in the automatic advancement of that Affiliate to a higher disciplinary level.

10. TERMINATION

- A. Affiliate may terminate his/her Affiliation at any time by providing to the Company written notification of his/her intent to terminate. The written request must be signed by the Affiliate and any co-applicants (if applicable). An Affiliate may resign at any time for any reason.
- B. After an Affiliation has been terminated, either voluntarily or involuntarily, the former Affiliate loses all volume and his/her accrued Reward Points. The former Affiliate must immediately cease to represent himself/herself as an Affiliate of the Company. The Downline of a terminated Affiliate will ensue to his/her Sponsor/Placement upline.
- C. An affiliate who has resigned or who is terminated is eligible to reapply to be an affiliate no less than 1 year after termination. During the twelve (12) month period, he/she is not permitted to participate in any way in the building or development of their organization. The twelve (12) month waiting period will begin once the Compliance Department terminates the affiliate.
- D. The terminated Affiliate, upon re-application for Affiliate status, will be treated as if he/she had never been an Affiliate, will be required to follow standard application procedures, and will be asked to pay the enrollment fee. He/she will not retain prior rights to bonuses, rank, Downline organization, or position in any former line of descent.
- E. When an Affiliate is inactive for a consecutive period of six (6) months, his/her position automatically terminates, without notice. The Company reserves the right to re-activate a terminated position upon request by the Affiliate and approval by the Company. Should Gano Excel approve the reactivation of a terminated account due to 6 month inactivity, the affiliate in question will have 7 business days to make an initial purchase to remain in good standing with the company.
- F. Affiliate may be terminated for violation of Company's Standards of Conduct found in Appendix.

11. REWARD POINTS

- A. If an Affiliate returns an order that earned Reward Points and the return leaves the Affiliate with a negative Reward Point balance, Affiliate will be required to purchase reward points the necessary amount of points to bring their Reward Point balance to 0 at price of \$1.00 a point. This amount will be deducted from Affiliate's return.

12. CONFLICT RESOLUTION

- A. From time to time, disagreements or conflicts may arise between Affiliates pertaining to observance of the P&P. Problems should be handled as soon as possible after they arise. It is important that matters of dispute between Affiliates be resolved between the Affiliates, without Company involvement, by following the procedures described below.
- B. Affiliates noticing P&P violations should bring them to the attention of the Affiliate perceived to be in violation. This procedure should solve most problems, as most violations are caused by lack of understanding of the P&P. If this procedure does not solve the problem, violators should be reported to their upline Affiliate of the rank of Platinum or above, together with written details such as dates, witnesses, etc.
- C. If the problem isn't solved by the upline Affiliate, or if two (2) disputing parties have different rank Platinum or above Upline Affiliates, the problem may be referred to the Compliance Department in writing. When the dispute involves the Company as a party, Affiliates have a duty to bring such disagreements to the Company before taking any dispute public through the filing of any action seeking judicial and/or arbitration intervention.

- D. Upon notice of such violation, the Company may confer with anyone at any time concerning any alleged violation of the Affiliate Agreement and/or the P&P as may be necessary to conduct an investigation. Upon Company request, an Affiliate must provide to the Company all documentation directly related to an alleged violation. Upon completion of an investigation, the Company may notify the involved Affiliates of a hearing on the issues relating to the alleged violation. Any information ascertained during an investigation or hearing shall be treated as confidential, except in cases where the accused Member has been determined to have violated federal, state, or local statutes. The Company's failure to request or initially obtain documentation does not waive the Company's rights to obtain such information and/or documentation.
- E. For US if the involved Affiliates are unable to resolve the dispute and the Company is involved, then such Affiliates and the Company must submit to binding arbitration in California using the rules of the American Arbitration Association prior to filing any cause of action in a court having jurisdiction. The jurisdiction and venue shall be the State of California, in the judicial district where the Company is located. For Canada, binding arbitration will be subject to local jurisdiction of Richmond BC, Canada. Each party having a concern shall first give notice of intent to submit to arbitration prior to filing for arbitration. However, if the Company is not involved with the dispute, the involved Affiliates are free to use any method of solution available to them under the law.
- F. Affiliates violating any of the P&P may be required to cancel advertising, destroy unauthorized literature, remove offending signs, disconnect phones, and/or any other relevant remedy. Affiliate authorization may be cancelled. Violators will be liable to the Company for any damages, including attorney fees, resulting from violations.

13. SPECIAL REQUESTS

- A. The Company provides numerous services to its Affiliates without charge. However, Affiliates occasionally make requests that require special time and effort to fulfill. Requests in this category would include copies of receipts, paperwork, in-depth bonus information that must be calculated or extracted, research, banking instructions, stop-payment requests, reissue of payments, etc. These and other special requests are available to the Affiliate for a cost of \$35 (USD) per hour, plus actual costs, with a minimum charge of \$35 (USD), plus actual costs, per request. Costs would include banking fees, photocopy fees or expenses, legal fees, accounting fees, etc.
- B. Affiliates may be asked for a signed confirmation of special work requests before they are started. If a special service is requested due to an error caused by the Company, charges for this request may be waived.

14. PRIVACY POLICY

- A. All information provided by an Applicant on the Affiliate Application will be used for the purpose of appointing that Applicant an Affiliation and for purposes relative to the activities of that Affiliation. No other use of the information will be made.
- B. All information held by the Company with reference to Downline, genealogy, and/or Placement of Independent Affiliates is the property of the Company. As such, this information is confidential and proprietary. The Affiliate maintains no rights or ownership with reference to this information and/or data. Affiliates must treat this information as confidential and proprietary to the Company. Improper and unauthorized use of this information by an Affiliate may be cause for termination and/or any other legal remedy available to the Company.
- C. By signing up, the Affiliate authorizes the Company to disclose the provided contact information to upline Sponsors. This

information will be available for business use only and will not be provided to any other parties, including other Gano International Affiliates. The information is proprietary and owned by the Company. It may not be sold, disseminated, or provided to any other parties.

- D. The Company will supply data processing information and reports to the Affiliate concerning his/her Downline sales organization (This information does not include personal information such as tax identification numbers). The Affiliate agrees that he/she will not disclose such information to a third party directly or indirectly (including other Gano International Affiliates) nor use the information to compete with the Company directly or indirectly. The Affiliate agrees that this information is, and remains, the property of the Company. Violation of this confidentiality requirement is grounds for termination. The Privacy Policy remains in effect even after an Affiliate chooses to resign his/her Affiliation. Resignation does not bring exemption to this policy.

15. TAXATION

- A. The Applicant must provide a tax identification number with the Application. If the Applicant is an individual, then a Social Security number (or equivalent tax identification number) is required with the application. A tax identification number issued by a national or federal taxing authority (Form W-9, or equivalent, in the U.S.) is required for individuals and business entities such as partnerships, organizations, corporations, trusts, limited liability companies, etc.
- B. Falsification of Tax Information: Affiliates must provide accurate and truthful tax information. If a person establishes an Affiliation using a false national insurance or tax identification number, or uses another person's information without permission, the Affiliation may be terminated immediately and the Affiliate will forfeit any rights associated with the Affiliation. The Company reserves the right to contact the person, their Sponsor, or a government body to determine if the tax information is false. The terminated Affiliate and his/her Sponsor may be required to compensate the Company for any Commissions and bonuses paid out during the existence of the falsified Affiliation.
- C. Invalid Social Security number (or equivalent tax identification number): If Company has an invalid Social Security number (or equivalent tax identification number) on file and Commissions and bonus for the calendar year exceed six-hundred (\$600 USD) dollars, Company reserves the right to withhold paying future Commissions and bonuses until Company has a valid Social Security number (or equivalent tax identification number) on file.
- D. Income Tax: Affiliates will not be treated as an employee for taxation purposes. Affiliates are independent contractors for all purposes and do not have income (or equivalent) tax withheld from Commissions, unless the Affiliate fails to provide the Company with information required by law. Affiliates must fulfill their tax obligations as independent contractors. Affiliates shall provide to the Company all relevant tax forms required by the jurisdiction in which they live. Failure to provide such information to the Company may result in withholding a portion of the Affiliate's Commission, as required by law. The Company will report income or sales information to the appropriate governmental authority, as required by the applicable law. Affiliates are responsible for contacting proper taxing authorities or an accountant for up-to-date information on tax law. All Affiliates agree to indemnify and hold harmless the Company for any tax related penalties and charges incurred because of incorrect or incomplete information provided by Affiliate.
- E. 1099 Forms: 1099 forms are generated and mailed by the Company by January 31 of the each year only for those Affiliates whose Commissions and bonuses total equals or exceeds the

amount of six-hundred (\$600 USD) dollars or other amounts foreign laws requires.

- F. Sales Tax (or Applicable Tax) & Exemption: If an Affiliate has registered as a withholding agent through their local sales tax agency and submitted their state resell certificate to the Company's Compliance Department, the collection of sales tax, VAT, GST, indirect tax (or any other "Sales Tax Equivalent") will be the responsibility of the Affiliate. The Company will not withhold sales taxes after the appropriate documentation is received and approved by the Company. Such information must be provided to the Company in an appropriate form, before the order is submitted. If the Affiliate does not provide such certification from the appropriate taxing authority, the Company will collect sales tax based on the suggested retail price. The applicable tax rate will be calculated based on the area in which the sale is made or Products are shipped to by the Company. It is the responsibility of the Affiliate to provide an updated copy of their certification for exemption from sales tax each year. Pursuant to California Sales and Use Tax Law Section 6015, unless the Affiliate has a storefront as defined in California law, the providing of a California sales tax number will not exempt the Affiliate from California sales tax and the Company will continue to collect sales tax based on the suggested retail price.
- G. Self-Employment Tax: Affiliates must individually pay appropriate self-employment taxes unless an adequate amount of tax is being paid as a result of other employment. Forms and instructions may be obtained from the local taxation authority.
- H. Unemployment Tax: The Company makes no contribution to any of the various unemployment funds because of the Affiliate's independent contractor status. Because contributions are not made, an Affiliate is not eligible to claim unemployment compensation, Labor, Social Security (or equivalent), or make workman's compensation claims as a result of having been an Affiliate.
- I. Affiliates must not give any assurance concerning the present or future income tax consequences or estate, gift, or inheritance tax consequences of any Commission benefits. All such consequences are subject to change.

16. AFFILIATIONS FOR NON-INDIVIDUALS

- A. For taxation purposes, when Affiliate Applicants are not individuals, the application must be signed by a representative legally authorized to bind the applying entity and may have attached the following documents (The Company requests this documentation within 30 days of all Affiliate entities, including but not limited to non-profit organizations, corporations, syndicates, partnerships, trusts, and LLCs):
- The tax identification number certificate.
 - A copy of the Articles of Organization (if LLC.), Articles of Incorporation (if corporation or non-profit), Syndication Agreement (if syndicate), Partnership Agreement (if partnership), or Trust Agreement (if trust).
 - A signed authorization or resolution from the business entity, authorizing the person who signs the application to do so.
- B. A Statement of Beneficial Interest form must accompany each application for which the applicant is not an individual. The signature and tax identification number (e.g., Social Security number) of each person having a beneficial interest in the entity becoming an Affiliate must appear on the form. Principal officers and members of the board of directors of non-profit organizations are considered to have beneficial interest and are required to be listed on the Statement of Beneficial Interest. Businesses and other non-individual entities may not enroll as Affiliates by phone or internet. The Affiliate Application and Statement of Beneficial Interest form must be submitted by fax or

- by mail.
- C. An Affiliate may change their status from an individual to partnership or corporation or from partnership or corporation to an individual but must notify the Company in writing. The written authorization must be signed by the individual or entity changing the status, as well as the individual or entity accepting the change. He/she must also comply with the provisions of Section 14A in providing the information requested for that entity. The Company charges a processing fee consistent with a Sale or Transfer fee in connection with this transaction. The Company reserves the right in its absolute discretion to decline acceptance of a replacement organization without being required to give reasons.

17. SELLING OR TRANSFERRING AN AFFILIATION

- A. An Affiliate may sell, assign, or otherwise transfer his/her rights or position only after receiving the express written approval of the Company. The Company reserves the right to approve the transaction, but will not unreasonably withhold permission. A Sale or Transfer occurs whenever one individual or entity with an identified taxpayer identification number transfers ownership or control to another individual or entity with a different taxpayer identification number.
- B. If an Affiliate receives a legitimate offer from an individual or entity to purchase that Affiliation; the Affiliate must complete and submit a Request for Transfer of Affiliation form. Gano has the right to deny the request with or without grounds of the denial.
- C. To transfer an Affiliation, the Affiliate must be active and in good standing with the Company. A currently existing Affiliate may not purchase any part of another Affiliate's business. In addition, a "Request for Transfer of Affiliation" form and a \$100 (USD) transfer processing fee must be submitted. If request is approved, the Affiliation will be assigned a new Affiliate identification number, but will maintain the same Sponsor/Placement position as before the approved transfer.
- D. Once a Request for Transfer of Affiliation form is received by The Company, notification to the applying Affiliate will be delivered within 10 business days and if approved the request will be entered within the 10 business days.
- E. Incomplete, incorrect, inappropriate, submitted forms for Request of Transfer of Affiliation will be assessed an additional fee of \$35 (USD) and require resubmission.
- F. An Affiliate who sells his/her Affiliation will not be eligible to re-qualify as an Affiliate for a period of at least six (6) months after the Company has approved the sale.
- G. The Company will not approve any Sale or Transfer if it is aware that the Affiliation in question is subject to an existing garnishment order or tax violation.
- H. If an Affiliate permanently changes their country of residence, the change will be considered a Sale or Transfer. All Policies, Procedures, and fees associated with the Sale or Transfer are applicable. The Affiliate will be responsible for complying with all P&P and Addendums specific to the new country of residence.
- I. Affiliates must comply with the restrictions described in the Termination Section 10 as well as all other P&P.

18. DISSOLVING A JOINTLY HELD AFFILIATION

- A. Dissolution of a jointly held Affiliation must be done in a way that does not disturb the income or interests of the Upline and Downline organizations of the Affiliation in question. Affiliates should consider the following when deciding whether to dissolve a jointly held Affiliation:
- After dissolution of a jointly held Affiliation, any one of the joint owners may operate the Affiliation, but the other joint owners must relinquish their rights to, and interests in, the Affiliation.

- Dissolution will never entail the division or re-assignment of the Downline organization of the jointly held Affiliation. Downline Commissions will not be split between joint owners.

19. DEATH OF AN AFFILIATE

- A. In the case of an Affiliate's death, Affiliate rights will be transferred to the legal successor in accordance with law. The Company requires certified photocopies of the death certificate (or a doctor's statement) and a certified will, court order, or other appropriate legal documentation before the transfer can be effective. Successors in interest must comply with current program requirements and are subject to these P&P. Upon notice of demise, the Company reserves the right to make payments to the estate of the deceased Affiliate.

SECTION II: ORDERS

20. PRICING CHANGES

- A. The Company reserves the right to make retail and Wholesale pricing changes. This would include Product price changes, collateral material price changes, shipping and handling price changes, and any other pricing changes deemed necessary by the Company without prior notification.

21. ORDERING PROCEDURES

- A. Orders may be placed over the telephone for U.S, Canada and Puerto Rico by calling the Customer Service Department at (626) 338-8081.
- B. When GE affiliates place an order in bulk form (GE defines a bulk order as any order over \$1,000 PV not including ESP purchases) a Bulk Order Agreement Form must be completed and submitted. By submitting the bulk order form, you agree to adhere to the terms of the bulk order form which may include, and is not limited to, waiver of Gano Excel's return policies, restrictions on where you may sell and advertise the product, and restriction on the minimum sale price of the products. Please see the form for the exact terms.
- C. To mail in an order, send a completed Order Form, along with full payment, to: Gano Excel - Orders, 15439 Dupont Ave, Chino, CA 91710 USA. For Canada send to Gano Excel Orders, 110-13151 Vanier Place, Richmond BC V6V 2J1, Canada.
- D. Orders may be placed by fax US (888) 748-GANO (4266) or call (626) 338-8161, for Canada fax to (800) 883-3205, call (866) 426-6226, or on the internet through the Company provided websites.
- E. To receive Personal Volume (PV) credit for a given period, orders must be received in the corporate office by the assigned cutoff date. Mail orders will be processed according to the date they are received and entered into the system at the corporate office and not according to their postmarked date.
- F. Faxed/mailed orders must be submitted using a current Independent Affiliate Product Order form. Shipping and handling fees are calculated according to location; contact Customer Service to find information relative to specific regions. The Company will normally ship prepaid ground freight. If an Affiliate chooses a shipping method other than the standard for his/her area, he/she will be billed for the difference in shipping costs.

22. WILL CALL PICK-UP

- A. Where Will Call service is available; an Affiliate may pick up his/her order at the warehouse. **Affiliates picking up product will be asked to verify information on his or her account to ensure the product is being released to the correct individual. Please be ready to verify information such as your address, phone number, email address credit card on file, last order placed or**

personal Sponsor-Enroller.

- B. The Company will ship Product that has been marked for “will call pick-up” if the Product has not been picked up by the Affiliate within ten (10) business days of the scheduled pickup date. Applicable shipping fees will be billed to any payment method noted on the Affiliation. Orders placed for Will Call pickup cannot be changed at time of pickup; any desire to return or modify a Will Call order will need to follow The Company’s standard Return Policy and must be initiated by contacting Gano customer service.

Authorization

- We understand at time certain affiliates or customers send a friend, family member, or fellow affiliate to pickup product on their behalf and we’ll continue to accommodate this need. If others will be picking up your product, for your security we simply ask each affiliate to fill out our Authorization form and add the desired individuals to your account for product pickup authorization.

23. AUTOSHIP PROGRAM (AS)

- A. An Affiliate may choose to participate in the Autoship Program (AS), participation is fully elective. If the affiliate chooses to participate in the AS program, the affiliate may set AS orders via back office or contact our customer service. AS orders may not exceed \$300 PV, if AS order exceeds indicated amount, a pop up window will appear directing you to contact our customer service. All AS orders exceeding \$300 PV will require approval by the company. Approval may take up to 24 hours to process. Once the affiliate calls for AS approval (orders exceeding \$300 PV) and approval is granted, AS will be set to release monthly. Should the affiliate change AS, it will be the affiliates responsibility to contact customer service once more to repeat process for AS approval (orders exceeding \$300 PV). This helps the Affiliate by ensuring that they always have product available, without having to order it during each four-week period. There are 13 four-week periods per year. To establish an AS order after original sign-up, the Affiliate must inform the Company of the amount of Product to be shipped each four-week period, the method of payment to be used, and select a day they’d like their AS processed. An AS may be established at the time or anytime after Affiliate application by internet, phone, fax, or via paper application. An AS account will be charged on the day the order is processed for shipping. AS orders are processed and shipped according to Company published AS dates.
- B. Upon establishing AS, the Affiliate will receive the AS shipment every four-week period, regardless of the Volume ordered by that Affiliate at other times of any given month.
- C. If an Affiliate returns an order that earned Reward Points and the return leaves the Affiliate with a negative Reward Point balance, Affiliate will be required to purchase reward points the necessary amount of points to bring their Reward Point balance to 0 at price of \$1.00 a point. This amount will be deducted from Affiliate’s return.
- D. Product Refusal: If an Affiliate refuses any Product order that is not due to Company error, this refusal is considered grounds to cancel their Autoship which may result in loss of Active Affiliate status.
- E. Payment: All payments will be verified with the credit card company prior to processing both traditional and AS orders. In the event authorization is declined, the Customer Service Department may attempt to contact the Affiliate as well as re-attempt to obtain authorization. If authorization is not achieved prior to the close of a commission period, the order will be considered “unprocessed” and will not be included in Commission computation and processing.

- F. It is solely the responsibility of the Affiliate to ensure their AS orders are processed successfully (by monitoring their order status and immediately notifying Gano customer service if a scheduled AS order doesn’t show as processed) furthermore the Affiliate agrees to not hold The Company responsible/liable for any loss due to non-processing of an AS order.
- G. Changing/Cancellation of AS: In order for the Company to change an Affiliate’s billing address or start/stop AS, a written request, including the authorizing signature of the Affiliate whose information is to be changed, must be received by the Company no less than five (5) business days before the AS shipment is to be shipped. Any requests received after this date will be applied to the following month. No changes can be made to any AS during the five (5) business days before the actual Autoship shipment. Such requests include, but are not limited to, changing the number of ordered items, the shipping address, the payment method, etc. Affiliates may also cancel or modify their AS via the internet, but the same policies for changing/cancellation apply.

24. ORDER PAYMENT

- A. Product orders must be accompanied by a form of payment acceptable by the Company. Payment must be for the exact amount of the order. By placing a Product order, an Affiliate certifies that he/she has sold or consumed seventy (70) percent of all Products previously ordered from the Company and that he/she is not stockpiling Product or “front-loading”.
- B. Affiliates may pay for orders using any of the following payment forms: • Cashier’s Check or Money Order • Personal or Business Check • VISA, MasterCard, American Express, and Discover Card • Bank Debit Card • Cash (USD)
- C. Telephone orders must be paid by credit card or bank debit card (for order to be posted while on the phone). If check is being mailed in for an order previously placed on the phone, the payment will be posted and order prepared for shipping once the check is processed by Gano Excel. After taking the order, the Customer Service agent will read back the order for approval. It is the Affiliate’s responsibility to make corrections at that time. Once the call is completed, the order is released to the shipping center and no corrections or additions can be made. An Affiliate may contact the Customer Service Department regarding cutoff times for same day shipping.
- D. The only person(s) allowed to pay for an order using a credit card or bank debit card are the authorized signer(s) on the credit or bank account. The Company cannot honor requests to pay for an order using a different person’s credit card or debit card unless the authorized signer on the credit or bank account is on the phone or has provided prior written authorization to the Company.
- E. Gano Excel USA, Inc. takes precaution to safeguard your credit card information from unauthorized use by other affiliates. However, Gano Excel is not responsible for any misuse of your credit card information by an affiliate to whom you have shared your credit card information with. It is your responsibility to protect your credit card information from unauthorized use by others. If you willfully give your credit card information to another affiliate, it is not the responsibility of Gano Excel to monitor and/or police your credit card activity. Gano Excel may choose to issue a refund on an unauthorized purchase order, but only upon the return and the Company’s receipt of the unused, sealed product.

25. UNCOLLECTED CHECK FEE

- A. The Company will assess a handling fee of \$35 (USD) or an amount equal to five (5) percent of the face amount of the check, whichever is greater, on any check that is returned uncollected from an Affiliate’s bank. After a second returned check a fee of \$50 (USD) will be assessed and the Affiliate may lose the privilege of placing orders by using a check for a period of six (6) months.

During that six (6) month period, the Affiliate must use cash, credit card, cashier's check, or money order to place orders. Any returned check that is not resolved in a timely manner is grounds for termination and for legal action to obtain payment. Any uncollected amount may be deducted from current or future Commissions. In addition to the above described fees, the Company is entitled to interest of one and one-half (1.5) percent of any uncollected balance per month. All charge backs due to credit card declines, non-sufficient funds (NSF) checks, or any other charge back, must be resolved by the last business day of the commission period or the Volume on such sales will not be included in the computation of Commission for that period's Commission payments. Charge backs may also be sent to a collections agency as deemed appropriate by the Company.

26. BACK ORDERS

- A. If any product is temporarily out of stock (on Back Order), the Affiliate will receive notification of the back-order on the invoice. Since Back Orders are already paid for the PV/CV of Back Orders are issued according to the normal commission cycle (i.e. PV/CV will not necessarily be applied to the commission cycle in which the order is shipped). The Company will typically fill Back Orders first and may elect to not charge additional shipping when Back Orders are fulfilled.

27. ACTIVE AFFILIATION PRODUCT RETURN/EXCHANGE

- A. Any Active Affiliate (those who are not voluntarily or involuntarily terminating their Affiliation) may return or exchange products purchase according to the following policies/conditions in addition to the return policies in section 27 and 28:
- Product exchange must be of equal or higher value.
 - Product exchange/return is initiated by Affiliate (through contacting customer service and acquiring an RMA number) no more than 45 days after the order was initially placed.
 - Authorized exchanges/return is sent to The Company within 10 days of receiving the RMA number.
 - Affiliate must return the product in its original packing along with the original invoice and the Product must be in resalable condition (i.e. must not be opened/damaged/or expired). The Company will solely be responsible for deeming a product "in resalable condition".
 - Product must be returned by Affiliate through a reputable shipping provider that offers traceable method of product tracking (i.e. UPS, FedEx). Affiliate assumes full responsibility for shipping charges including insurance and/or package tracking.
- B. Upon receipt of the return/exchange and once the above conditions are met, the company will (at its discretion) notate the Affiliate's account and issue a refund/exchange within thirty (30) days. If a refund is granted ninety (90) percent of the "net cost" (see section 27) of the Product will be issued. In the case of an exchange the Affiliate must pay a 10% restocking fee on the original purchase.

28. RETURN POLICY

- A. Affiliates may only return "resalable", unused, unencumbered Product inventory with current labels and intact seals in good condition, within forty-five (45) days of purchase. This Product must be shipped, pre-paid, to the Company's Headquarters after following the procedures outlined in the Returns Procedure.
- B. In order to be classified as "resalable", the Product must be unopened. This condition will be determined after thorough

examination by the Company. The Affiliate will then be refunded 10, 20 or 30 percent of the net cost of the Product depending on how many days follows after date of purchase. Less any Commissions (shipping, rebates, promotions, etc.) previously credited to the Affiliate for purchasing the inventory being returned. Any bonuses or Commissions paid to the Affiliate's upline on the returned merchandise Product Volume will be debited from any upline beneficiaries' account.

- C. If this policy conflicts with a particular law of a jurisdiction, where a specific buyback requirement has been enacted by law, the Company shall repurchase resalable Products in accordance with the applicable statute. The Returns Procedures must be followed in order to return Product.
- D. If, in Gano's sole discretion, any Product was ordered in an effort to qualify a Leg, such Product is not returnable and no refunds will be given on such orders.
- E. When Affiliates have been in possession of any given AS shipment for more than thirty (30) days without written notification to terminate the AS, the Company will assume that the account status is active and will maintain the account as a regular AS. Requests to retroactively refund AS shipments for multiple, previous months will not be honored by the Company.
- F. The Company will not regard inventory as "resalable" if the shelf life or expiration date is within thirty (30) days of expiration, if the Product seals have been broken or tampered with, if the item has been discontinued, or if a particular item had been originally sold under a clearly defined, discontinued, seasonal, or special promotion.
- G. Refunds or buy backs will not occur on inventory previously certified as "sold" under the Seventy (70) Percent Rule required for Affiliate orders.
- H. The Independent Affiliate Application enrollment fee is non-refundable as it provides services, and marketing and demonstration materials.
- I. Returns are typically not allowed on promotional, sales tools and marketing materials, but if granted these items may be classified as "resalable," if currently being offered for sale by the Company. This condition will be determined after examination by the Company. The Affiliate will then be refunded ninety (90) percent of the net cost of the materials, less any shipping, rebates, promotions, etc., previously credited to the Affiliate for purchasing the materials being returned or exchanged.

29. RETURN PROCEDURE

- A. In order for an Affiliate to obtain a refund for returned merchandise, the Affiliate must do the following:
- Request the refund from the Company and provide verification of the original orders, receipts, or proofs of purchase.
 - Contact the Company's Customer Service Department to obtain a Returned Merchandise Authorization (RMA) number for the refund request. The RMA number shall be valid only for thirty (30) days from issuance by the Company.
 - Ship the Product, prepaid, to the Company in a protective container or carton, along with a brief explanation of the contents and the RMA number given by the Customer Service representative. The Affiliate's return address and RMA number should be printed clearly on the outside of the package.
- B. Any and all shipping or courier costs for the return of Product to a distribution center will be borne solely by the Affiliate. Any damage or loss that occurs to returned Product during shipping will also be the responsibility of the Affiliate. Should the package

containing returned Product arrive at the Company damaged (thereby rendering it non-resalable), the Company's distribution center will reject the shipment. It is recommended that a reliable, traceable courier service be used for shipping.

- C. When the above procedure has been completed and the return process and Product have been verified, a refund for up to ninety (90) percent of the Wholesale Product value will be issued and sent to the Affiliate. Refunds will be made through the method used to pay for the order initially (credit card and check) within thirty (30) days. Local, state, or provincial repurchase laws or requirements may cause variance to this procedure.
- D. If the Company has given a refund for which the Affiliate has been paid Commission on the sale; the Affiliate may be required, at the Company's option, to return any applicable Commission received.
- E. Retail Return Policy: Retail Customers may return Product following the return procedures outlined herein.

30. DAMAGED, DEFECTIVE, OR UNDELIVERED PRODUCT

- A. Product Care. All Company Product should be stored in a cool, dry, and hygienically safe area or as otherwise directed by the label. As a general rule, the Product should be kept at least four inches (4") above the floor. The Company is not responsible for Product that is damaged due to improper storage.
- B. Do not consume any Products produced by the Company if the seal is broken or tampered with in any way.
- C. If Product is damaged or defective; an Affiliate should contact the Company within ten (10) days of receipt of the order. The Company will issue a call tag for the Product and immediately send a replacement order. The Company will inspect the undesirable Product upon receipt.
- D. In the event that a shipment does not arrive at the address specified for the order, the Affiliate must report to Customer Service that the Product was not received. Such report must occur within fourteen (14) days after the order was placed.
- E. In the event an Affiliate receives extra Product, he/she will contact the Company. The Affiliate can either refuse the Product upon delivery or send payment to cover the cost of the additional items.

31. BUY BACK POLICY

- A. Within forty-five (45) days of either voluntary or involuntary canceling an Affiliation, a canceling Affiliate may return, for repurchase by the Company, any resalable products, which were purchased within the preceding twelve (12) months. Local, state, or provincial repurchase laws or requirements may cause variance to this procedure.
- B. The canceling Affiliate requesting a refund will be charged a 10% restocking fee and it is the responsibility of the Affiliate (at their cost) to return all product to the company through a traceable shipping provider (such as FedEx or UPS). A refund, minus restocking fees and any commission, bonus, rebate, or incentive amount paid to the canceling Affiliate by the Company in association with the products being returned will be issued within thirty (30) days of the Company receiving the returned product at their facility.
- C. The Company will recover from the canceling Affiliate's sponsors and enroller, any commission, bonus, rebate, or incentive amounts paid out to them in association with the returned product.
- D. Refunds or buy backs will not occur on inventory previously certified as "sold" under the Seventy (70) Percent Rule required for Affiliate orders.

32. INTELLECTUAL PROPERTY

- A. The Company extends no Product warranties, either expressed or implied, beyond those specifically articulated in Company

publications. The Company disclaims and excludes all warranties regarding possible infringement of any United States or foreign patent, trademark, trade name, copyright, etc. by the Affiliates' operations and the Affiliate shall not have claim therewith. The Affiliate shall immediately notify the Company as soon as he/she learns of any claim or suit relating to any of the matters discussed in this paragraph.

33. UNFAIR BUSINESS PRACTICES

- A. Affiliates shall not violate any applicable unfair competition or business practice statutes, including any statute or ordinance prohibiting the advertising, offer to sell, or sale of merchandise at less than cost, which shall mean the invoice cost of the merchandise.

SECTION III: SPONSOR & PLACEMENT

34. SPONSOR AND PLACEMENT POLICY

- A. All currently authorized Affiliates may enroll other Affiliates in the Company program. An Affiliate may not use the Placement function to place an Affiliate outside of his/her "enrollment tree."
- B. Each Affiliate is solely responsible for the development and success of his/her Independent Affiliate business. All new Affiliates may request free, reasonable training and support from their Sponsor, or upline with regard to Company Products, P&P, and business practices. Each Sponsor is encouraged to maintain an ongoing, positive, professional association with the Affiliates in his/her organization. When requested by a Downline Affiliate, a Sponsor may choose to provide reasonable training, sales, and business development support. All Affiliates must understand that their perception of reasonable training and support may differ from that of their Sponsor. Failure to agree to sign a Sponsor and/or Placement Change Request does not constitute failure to support. Any potential disagreement on this matter should be resolved between the Affiliates involved; the Company will not mediate such disagreements.
- C. Any Affiliate found signing on behalf of another Affiliate without an authorized Power of Attorney is subject to discipline.
- D. Occasionally, one or more Affiliates may contact the same prospective Affiliate and a question may arise as to who has recruiting rights for that prospective Affiliate. The Company will not mediate such disputes and will recognize as the Sponsor the individual whose name appears on the original, written Independent Affiliate Application first received and accepted by the Company. The Company reserves the right to consult with the applicant regarding the possibility of error. Once an Affiliate has submitted an application to become an Independent Affiliate, other Affiliates shall not attempt to convince the applicant to change Sponsor and/or Placement to another Downline organization or encourage the violation of the letter and/or spirit of these P&P. All requests for modification of Affiliate status, including Sponsor and/or Placement, should be submitted in writing to the Compliance Department.

35. SPONSOR AND/OR ENROLLER CHANGE

- A. An Affiliate may apply to change their Sponsor and/or Enroller and have their Affiliation moved to another Sponsor/Enroller. The Company reserves the right to refuse a change request for Sponsor and/or Enroller, but will not unreasonably prevent Affiliates from being able to make such modifications, as long as the below conditions have been met.
- B. For a change to be considered, a Sponsor/Enroller Change Request form must be submitted. The submission fee is \$100 (USD) and if approved the change will take place within 28

business days. The submission fee is non-refundable, even if the request is rejected. If additional research is required in order to process a request The Company reserves the right to require additional charges, for the processing of the request to continue. The completed Sponsor/Enroller Change Request form must contain the signature of the Affiliate requesting the move along with the signatures nine (9) current upline Sponsors accepting the request being submitted.

- C. Rejected Requests: In the event that a change request is rejected, the rejected request will be considered invalid. If the change is still desired, the Affiliate must re-submit all of the relevant paperwork and the processing fee.
- D. Each Affiliation will be allowed to request a maximum of one (1) change of Sponsor/Enroller, once a request has been granted by The Company, additional requests will not be accepted for review.
- E. Once an Affiliation has reached the rank of Diamond or above, they will not be allowed to submit a request for change of Sponsor and/or Enroller.
- F. Resignation: Affiliates may change Enroller by resigning from the Company program, remaining outside the program for six (6) months, and then re-applying under a new Enroller. The Affiliate would lose his/her original position over all previously sponsored Downline Affiliates. In the case of resignation, the Enrolled downline of the resigning Affiliate will move up to the resigning Affiliate's Enroller position. The Sponsor in the organization will also move up to the resigning Affiliate's Sponsor position.

36. SPONSOR/ENROLLER CORRECTION REQUEST

- A. Sponsor/Placement errors made at the time of enrollment can be corrected by submitting a Sponsor/Enroller Correction Request form to the Compliance Department. If the error is submitted within two (2) business days of the enrollment date of the new Affiliate then the following must be submitted:
 - Processing fee: \$10 (USD)
 - Sponsor/Enroller Correction Request form
 - Completed, corrected Affiliate Application (for the new Affiliate)

If the error is submitted after two (2) business days, then the request must follow the standard request for Sponsor and/or Enroller policy outlined in section 33. If a request is approved by The Company the modification will be made by The Company within 14 business days. The Company reserves the right to reject any request for Sponsor/Enroller Correction request it deems inappropriate and this rejection does not entitle the Affiliate to have their processing fee refunded.

- B. If the Company is responsible for an incorrect Sponsor or Placement listing; the processing fee will be waived. If a Company error concerning Sponsor and/or Placement is not brought to Company's attention within thirty (30) days of the entry error, such error will be deemed to be an Affiliate error. Any corrections then must be made as an Affiliate Sponsor/Placement Change request and must follow the policies specified in section 33.

37. SIGNING ON BEHALF OF ANOTHER PARTY

- A. All documentation being signed on behalf of another party must be submitted with a valid and notarized Power of Attorney (or equivalent legal document). Such document must grant authority to the signing person by the person on whose behalf the document is being executed.

38. INCENTIVE TRIPS, AWARDS, AND EXECUTIVE GETAWAYS

- A. From time to time, the Company may award incentive programs, possibly in the form of "getaway trips." These awards or trips are based on high Affiliate performance. The Company rewards the Affiliate(s) whose name appears on the original application of

the Affiliation which has qualified for the applicable award. Trip substitutions will not be made. No payment or credit will be given to those who cannot or choose not to attend. Trip qualifiers may not defer attendance toward future trips. Children on trips may be allowed, at the Affiliate's expense, if approved by the Company.

- B. Although the Company may pay the cost of such "getaway trips," the Affiliate, as an independent contractor, agrees to indemnify and hold harmless the Company for any injuries sustained in association with the trip by the Affiliate and/or their guests. The Affiliate cannot make claim upon, or rely upon, any insurance policy of the Company to cover the costs and expenses of any injuries to the Affiliate and/or the Affiliate's guests.
- C. The Company is required by law to include the fair market value of any incentive awards, trips, etc. on the end of the year tax report (1099 and/or other applicable form). The Affiliate is liable for applicable taxes and agrees to hold the Company harmless from claims of tax liability relating to these incentive programs.
- D. If it is discovered that the Affiliate has made any misrepresentations or has violated any of these P&P in becoming eligible for these incentives, the Company has the right to charge back the costs incurred by the Company relative to these incentives.

39. CORPORATE MEETINGS

- A. Affiliates may not use video or audio recording devices at any meetings or events hosted by The Company, unless the company has provided written authorization stating otherwise. No documents regarding such meetings may be created or circulated, unless provided by The Company to those in attendance.

SECTION IV: AFFILIATE ADVERTISING AND SALES

40. USE OF THE NAME 'GANO' or 'GANO EXCEL'

- A. An Independent Affiliate may not use the name 'Gano' or 'Gano Excel', or any confusingly similar variation, in a business name, e-mail address, website domain name or sub-domain name, telephone number, or in any other way other than in advertising text referring to the Company or to the Product without prior approval of the Compliance Department.
- B. No Affiliate business name will imply that it constitutes a regional or organizational component of the Company.
- C. An Independent Affiliate may select a business title. This business title must clearly state that he/she is an Independent Affiliate and may not imply that the Affiliate is an employee or agent of the Company. Permissible Business Title: John Smith, Gano Excel Independent Affiliate.

41. ADVERTISEMENTS

- A. Only Company-issued materials reflect the position of the Company with respect to the uses and benefits of any Company Product(s) or service(s). Affiliates are prohibited from using any advertisement or commercial enticement that is not provided directly by Company. Affiliates are personally liable for any and all advertising and media they produce in direct contradiction to this prohibition. Affiliates agree to indemnify and hold the Company harmless from any claims made as a result of advertising and promotional materials produced and distributed by the Affiliate. If an advertisement published by an Affiliate contains non-compliant health and/or income claims, disciplinary action may be taken against the Affiliate. The Company may take action when the Company's trademarks are utilized or when any harm to the Company may result from the claims as determined by the Company.
- B. Company Logos: The approved Independent Affiliate logos may not be modified, changed, or altered in content or design. The

logos should be placed at the top of, or in a prominent place on, any printed or electronic media published and used by an Independent Affiliate in the promotion of his/her business. This includes, but is not limited to, websites, flyers, ads, brochures, pamphlets, posters, banners, business cards, stationery, envelopes, letterhead, etc. The Company reserves all rights to revoke or rescind prior approval of the use of the Company's registered marks and/or usage of its name.

- C. Newspaper: An Affiliate may advertise in newspapers, provided the advertisement conforms to these P&P. However, Affiliates may not use untrue or dishonest enticements to attract potential new Affiliates or Customers, such as job postings, management training opportunities, income amounts or salaries, taste tests or scientific studies, or any other misleading statement.
- D. Phone Directory: Any Affiliate may place a listing of his/her name in the white or yellow pages of the telephone directory followed by "Gano Excel Independent Affiliate."
- E. Business Cards, Stationary, Pens, etc.: Gano has provided authorized letterhead, business cards, and promotional items for Affiliate use in the United States and Canada. No other unauthorized items, including but not limited to the above, pens, key chains, letter openers, calendars, may be created by Affiliates, with or without the Gano Excel Independent Affiliate Logo or any other Gano trademark. Gano will endeavor to provide access to all such items in other countries, but in circumstances where Gano cannot provide such items, Affiliates interested in creating them for their own use must receive written approval from Gano prior to creating them.
- F. Electronic Mail Advertisements: All advertisements sent over the email, telephone or facsimile, must comply with all anti-spamming laws for the state or country where the intended recipient resides. The Affiliate is under obligation to research and comply with all laws concerning unsolicited commercial e-mail. Under United States law, it is unlawful "to use any telephone, facsimile machine, computer, or other device to send an unsolicited advertisement. Electronic mail advertisement means any email message, the principal purpose of which is to promote, directly or indirectly, the sale or other distribution of goods or services to the recipient." In every case, Affiliates using e-mail to advertise Gano Products or the Gano opportunity must send e-mails from a fully functional and recognizable return e-mail address, and must allow anyone to 'opt-out' of receiving future e-mails.

42. WEBSITES

- A. Gano has provided authorized replicating websites for its Independent Affiliates, and urges Affiliates not to expend effort to create such tools for themselves or for their organization. If an Affiliate opts to create their own website, it must comply in full with the Policies and Procedures. This compliance is the responsibility of the Affiliate creating or causing the creation of the website in question. The Compliance Department will not review or approve the contents of a website for adherence to the P&P. Using the word 'Gano' or 'Gano Excel' in a domain name is not permitted. However, Gano does not waive its rights or obligations to enforce the compliance either before or after the completion of the website in question.
- B. Affiliates must use the approved Gano Excel Independent Affiliate Banner at the top of each published website page. The banner must be static (i.e., it must remain visible at the top of each page, even after downward scrolling). Affiliates must also include the words "Independent Affiliate" in the title of the website.
- C. On the far right side of the Independent Affiliate Banner, an Affiliate must include an image of the flag of each country in which he/she is authorized to do business. To be authorized to do business, the Affiliate must comply with all laws necessary in the jurisdiction in which the Affiliate operates. Proof of such

authorization must be provided to the Company upon request.

- D. If the Affiliate's website is linked to a third party website, then such link must follow the "two click rule" (i.e., linking to a neutral website before linking to the referred website).
- E. As a general rule, Gano discourages Affiliates from using any website for promotion other than those replicating websites provided by Gano to its Affiliates. Affiliates using weblogs ('blogs'), chat rooms, social networking sites or systems, video streaming websites, online forums, or other Internet-based systems are subject to the guidelines of the Gano Excel Policies and Procedures. Gano reserves the right to investigate reported infractions, and to enforce its Policies and Procedures.

43. RETAIL SALES

- A. Retail Establishments: The Company has chosen a Direct Selling business model instead of other possible retail models. The Company therefore encourages its Affiliates to rely on networking to sell Product and recruit new Customers and Affiliates. The Company has established Policies and Procedures relative to the sale of Company Products in retail establishments. No Affiliate shall engage in a retail structure where:
 - The place of sale is permanent and freely accessible to the general public
 - The sale constitutes part or all of the regular business of the retail establishment (i.e., where the Product is displayed together with other retail Products and is processed through the cash register in a fashion similar to Products offered for retail sale through the retail establishment).
 - Such retail establishments may include, but are not limited to, (health food stores, flea markets, grocery stores, drug stores, pharmacies, etc.)
- B. No Affiliate shall encourage Affiliates in his/her Downline organization to retail Product in violation with the foregoing restrictions. Such encouragement is grounds for disciplinary action pursuant to these P&P. No Affiliate shall sell Company Product for the purpose of resale by others if the manner of that resale violates these P&P. In countries or regions The Company operates as a "Not-For-Resale" opportunity, meaning that its Affiliates may not resell or retail Gano Products in any fashion, but may become Affiliates and encourage others to do the same. In such instances, Affiliates engaging in retailing or reselling Gano Products may be subject to disciplinary actions in keeping with the Gano Excel Policies and Procedures.
- C. Displays/Advertisements in Retail Establishments: The display of Independent Affiliate information within the premises of a retail establishment is acceptable if it complies with the restrictions in this and other Sections of the P&P. It is permissible to incorporate one image of the Product per retail establishment, and/or several images of the Product, into a display for the sole purpose of advertising. No Product, including the display, may be sold on the premises of the retail establishment. No retail establishment shall display or advertise Company Product(s) or opportunity in a manner that is visible from outside the store. The Company-designated disclaimer must be prominently posted near the displayed Product. The disclaimer may not be altered in size, color, content, etc. The disclaimer should state the following: "Thank you for your interest in Gano Excel. As a direct selling company, Gano Excel is distributed and sold by Independent Affiliates and not in retail stores. Please contact (Affiliate's Name) at (Affiliate's Contact Information) in order to purchase your Gano's (Product name)."
- D. Private offices: Company Product(s) may be sold in private or restricted access offices, businesses, or private associations. Such establishments are those where the general public does not have ready access, unless through appointment or membership, and/

or where the primary function of the business is the rendering of professional services.

- E. Restaurants: Sale of Company Product(s) by restaurants is prohibited without prior written Company approval. Cafés and juice bars are included in the general category of restaurants.
- F. Auctioning Product: Affiliates may not sell or facilitate the sale of Company Product(s) on websites where an auction is the mode of selling/buying (e.g., www.ebay.com). This policy does not prohibit the sale of Gano Excel on the internet (see Section 40). Affiliates must comply with the following guidelines:
- An Affiliate may not personally list Product(s) for sale on any auction-style website (e.g., eBay).
 - An Affiliate may not employ or provide Product to any non-Affiliate third party (such as a spouse, family member, friend, neighbor, coworker, etc.) for the purpose of selling Product on their behalf on any auction-style website. Such practices will be found as a violation of this policy.
 - An auction listing will be considered a violation even if the price is equal to or greater than the retail value of the Product. Affiliates found in violation of this policy may have their Affiliate status altered (see Section 9B), a fine issued (\$100 USD per product item listed). The prohibition of auction style sales remains in effect even after an Affiliate chooses to resign his/her Affiliation. Resignation does not bring exemption to this policy.
- G. Telemarketing: As a general rule, Gano Affiliates are discouraged from using telemarketing attempts to promote and sell Gano Products or the Gano opportunity. Using calling services or machines in telemarketing efforts falls under the restrictive laws of the FTC and FCC, and carries heavy penalties and fines for those using such methods. As such, Affiliates are discouraged from using such methods, and expressly indemnify and protect Company from legal, financial, or other damages that might result from telemarketing efforts in their Gano Excel Independent Affiliate efforts.

44. TRADE SHOWS, EXPOSITIONS AND OTHER SALES FORUMS

- A. Affiliates may display and/or sell Company Products at trade shows and professional expositions. Before submitting a deposit to the event promoter, Affiliates must contact the Affiliate Support Department in writing for conditional approval, as the Company's policy is to authorize only one Company business per event. Final approval will be granted to the first Affiliate who submits an official advertisement of the event, a copy of the contract signed by both the Affiliate and the event official, and a receipt indicating that a deposit for the booth has been paid. Approval is given only for the event specified. Any requests to participate in future events must again be submitted to the Affiliate Support Department. The Company further reserves the right to refuse authorization to participate at any function which it does not deem a suitable forum for the promotion of its Products or the Company opportunity.

45. SEVENTY (70%) PERCENT RULE

- A. The Affiliate certifies that he/she has sold, or intends to sell, at least seventy (70) percent of all Products purchased at any given time by the Affiliate from the Company. Each Affiliate that receives Commissions agrees to retain documentation that demonstrates compliance with this policy, including evidence of retail sales, for a period of at least four (4) years. Affiliates agree to make this documentation available to the Company at the Company's request. Failure to comply with this requirement constitutes a breach of the contract and agreements between the Affiliate and the Company. Furthermore, a breach entitles the

Company to recover any Commissions for any period of time during which such documentation is not maintained. The Affiliate must also be aware of the applicable "cooling off" period required in the jurisdiction where he/she is making sale. The Affiliate must give notice to the purchaser of any "cooling off" requirements in such applicable jurisdiction.

- B. "The Cooling Off Period": The Federal Trade Commission has initiated a regulation to protect consumers entitled "The Cooling Off Rule." This regulation is designed to allow consumers the opportunity to reconsider a purchase from a direct seller. Customers are allowed to cancel the sale within three business days of the purchase for the full purchase price; they do not need to provide a reason for the return. Gano Excel Affiliates are responsible to orally disclose this law to Customers. They must also provide the designated Gano Excel sales receipt to the Customer, while maintaining a copy for personal records, with written disclosure of this law. The designated receipt can be made available to the Affiliate requesting it through Customer Service.
- C. Sales Receipt: Affiliates shall provide all Customers with an official Sales Receipt which includes the Affiliate's name, date, address, phone number, a complete list of Products sold, their prices, and the "The Cooling Off Period" or cancellation notice information where applicable. The Sales Receipt shall conform to all local, regional, state, and country requirements.

SECTION V: PROHIBITED BEHAVIOR

46. CROSS-LINE RECRUITING

- A. An Affiliate may not solicit or entice any other Affiliate whom he/she did not personally recruit and who is not on their frontline to sell or purchase Products or services other than those offered by the Company. To do so constitutes an unwarranted and unreasonable interference with the contractual relationship between the Company and its Affiliates. Affiliates may not sell or promote any directly competing Products or services to Gano Excel Affiliates. This includes any Product or service in the same generic category as a Gano Excel Product. The Affiliate agrees that a violation of this rule inflicts irreparable harm on the Company and agrees that injunctive relief is an appropriate remedy to prevent that harm.
- B. Affiliates may not promote Company Products, programs, or opportunities in conjunction with any non-Company Products, plans, or incentives. Affiliates may not offer any non-Company Products or opportunities in conjunction with the promotion of Company Products or opportunities.
- C. Affiliates may not recruit a prospective Member who accompanies another Affiliate to any recruiting meeting or function for a minimum of forty-five (45) days after the meeting or until notified of the prospect's decision not to enroll. Furthermore, an invitation to an Affiliate by another Affiliate (where the invited Affiliate is not in the Sponsor or Placement Downline of the inviting Affiliate) to sales training is prohibited.
- D. If an Affiliate observes a violation of this policy, the Affiliate must submit a written complaint to the Compliance Department.
- E. Affiliates will not enroll or create fictitious Affiliates in order to achieve a specific rank Qualification.
- F. Affiliates who used to or still participate in direct selling in other companies may yet be subject to that company's policies and procedures, specifically with regard to recruiting and participating in other programs. As such, Affiliates may be sued or involved in arbitration/mediation with past or current companies. Affiliate agrees to defend and home harmless Gano Excel in all such instances. The Company will not be liable for the defense of Affiliates, their legal fees, or lost incomes, nor will The Company indemnify Affiliates from any such actions or the result of such actions.

47. COMPANY AND PROGRAM CLAIMS

- A. Affiliates shall neither misstate nor omit any significant material fact about the Company's programs, Products, or organization. Affiliates shall truthfully describe Products and programs in discussions with Customers, potential Customers, other Affiliates, and potential Affiliates.
- B. Affiliates are expressly forbidden to state or imply that additional Products or services will be added to the Products and services currently offered, that enhancements to the Compensation Plan are forthcoming, or that specific areas are about to be added to existing areas of operation unless and/or until the event has been announced by the Company. Doing so is grounds for immediate termination.
- C. No government body; whether it be a State Attorney General's Office, Secretary of State's Office, Consumer Protection Agency, State or Federal Trade Commission, or any other regulatory body approves or endorses any marketing program. Therefore, no Affiliate may ever imply that the promotion, operation, or organization of the Company has been approved, sanctioned, or endorsed by any regulatory authority. Such statement or implication constitutes grounds for termination from the program. Information and statements regarding dietary supplements have not been evaluated by the Food and Drug Administration and are not intended to diagnose, treat, cure, or prevent any disease.

48. PRODUCT CLAIMS

- A. Unjustified Product claims shall not be made or used to sell and/or promote a Product or service. The Affiliate shall not distort or misrepresent any statements about the quality of Company Products.
- B. Curative Claims: The Affiliate shall not make any expressed or implied medical claims relating to the Products of the Company. No claims as to therapeutic or curative properties of any Products offered by the Company may be made. In particular, no Affiliate may make any claims that Company Products are useful to cure, treat, diagnose, mitigate, or prevent any disease or class of diseases, or for the improvement of health. Such statements can be perceived as medical or drug claims. Not only are such claims in violation of the Affiliate Agreement and these P&P, but they may also violate the laws and regulations in the jurisdiction where Company Products are available.
- C. An Affiliate may not diagnose or treat illnesses or other body conditions, or otherwise provide medical advice, unless he/she is a licensed health care professional. Any information provided by the Company is not meant to substitute for the advice provided by a physician or other licensed health care professional.
- D. Affiliates may not combine Company-produced information with information provided by outside sources. This prohibition is specifically meant to prevent the Company's Product(s) from being inappropriately labeled and to avoid any other violations of law. Affiliates may not repackage, re-label, or otherwise change the trademark branding of Gano Excel Products. Affiliates may reference third-party literature in the sale of Company Product if the literature complies with the following guidelines:
 - The third-party literature is reprinted in its entirety.
 - It is not false or misleading.
 - The information does not promote a specific brand or manufacturer.
 - It is presented with other materials to present a balanced view of the scientific information.
 - The materials are physically separate from the Company's Product.
 - The literature does not have appended to it any information by sticker or any other method.

49. INCOME CLAIMS

- A. Affiliates will clearly state in all presentations to prospective Affiliates the following:
 - No Product purchase is required of anyone at anytime to participate as a Gano Excel Affiliate.
 - Commissions will not be provided solely for sponsoring a new Affiliate.
- B. Affiliate will not make untrue, deceptive, misleading, or exaggerated claims about the Company's Compensation Plan or Affiliate income potential. If income examples, extrapolations, or geometric progression are used to project earnings, growth, or success, actual current average income of all Company Affiliates at all levels shall be stated. Any earnings or sales representations that are made by Affiliates shall be based on documented facts. Any Affiliate representation that does not comply with this policy will result in disciplinary action by the Company.
- C. Affiliates shall make clear that profits are not guaranteed and that the Commissions program is based upon sales of Commissionable Products.

50. TRADEMARKS

- A. Affiliates will not use the marks, Products, programs, trademarks, copyrighted materials, or any other materials produced by the Company in a manner that is likely to cause confusion, mistake, or deception as to the source of the Products. The following logos, terms, and trademarks are the sole property of the Company: Gano Excel, every use of the word "Gano", "Gano Excel", "Café 2.0", "Experience Café 2.0", "Experience Café 2.0 energize, socialize, revitalized : coffee enriched", "enriched living for the everyday you", and any other trademarks and registered trademarks of the Company, in any type of printed or electronic media, must be accompanied by the trademark (TM) or (R) identifiers.
- B. Affiliates are not authorized to use the Company's marks or proprietary information on advertising material beyond those specifically designed and authorized by the Company for the purpose of Affiliate advertising. Any unauthorized usage of the Company's marks or proprietary information may be cause for disciplinary action, pursuant to these P&P.
- C. The word 'Gano' or 'Gano Excel' may not be used in Independent Affiliate website names, Unified Resource Locators (URLs), e-mail addresses, or business names without the accompanying term 'Independent Affiliate'.
- D. Affiliates shall not re-label, alter, or repackage any Company Products, except in materials produced and/or approved by the Company in writing.
- E. An Affiliate who develops and/or uses materials of any kind that uses or describes Company names, Products, programs, trademarks, etc., in any way that does not comply with these P&P will be subject to disciplinary action.
- F. All Company literature and programs are copyrighted by the Company and may not be duplicated without written consent of the Company. The Company will terminate any Affiliate found to be making and/or distributing unauthorized copies of literature or programs that violate the Affiliate Agreement.
- G. An Affiliate shall not make purchases, enter into any transaction in the Company's name, or represent himself/herself as an agent for Company Products.
- H. Immediately upon expiration, termination, or cancellation of an Affiliate membership, the affected Affiliate will remove and discontinue the use of, and will not thereafter use names, marks, signs, labels, stationery, advertising, and reading material referring or related to any Company Products.

51. UNAUTHORIZED INTERNATIONAL AND/OR TERRITORIAL EXPANSION

- A. Affiliates shall not engage in the business of importation or exportation of Company Products. An Affiliate has no authority to take any steps in any country or other political jurisdiction to introduce or further the Company's business. This includes, but is not limited to, any attempt to register or reserve Company names, trademarks, or trade names; to secure approval for Products or business practices; or to establish business or governmental contacts of any kind in the Company's behalf. An Affiliate agrees to indemnify the Company for all costs and attorneys' fees incurred by the Company for any remedial action needed to exonerate the Company in the event the Affiliate improperly acts on behalf of the Company. The Affiliate agrees to assign immediately any registration of Company names, trademarks, or trade names registered or reserved in violation of this section to the Company. The provisions of this section survive the termination of the Contract.
- B. Affiliates are authorized to sell Company Products and services and to participate in the Compensation Plan in any location where the Company makes Product distribution available. Each individual country may have a P&P Addendum that pertains to that particular country. The Affiliates must obtain copies of the P&P for their particular country, read them, and comply with them. Affiliates are not authorized to enter into countries and/or markets where the Company has not made Product distribution available.
- C. There are no exclusive territories for anyone to sell Products or to sponsor other Affiliates. No Affiliate will profess that such territories exist. No Affiliate may allege or imply that they have a unique relationship with, advantage with, or access to the Company executives or employees that other Affiliates do not have.

52. THIRD PARTY CONTRACTS AND PROGRAMS

- A. An Affiliate may not solicit, entice, or enter into a third party relationship or contract with any vendor without expressed authorization from the Company.

53. EMPLOYEE GIFTING

- A. Gifts by Affiliates to Company employees are not to exceed \$50 USD value in any calendar month.

54. STANDARDS OF CONDUCT

In addition to providing high quality Products and developing strong corporate leadership and organization, the secret to success as a Gano Excel Independent Affiliate lies in an Affiliate's ability to build and maintain positive business relationships. Gano strongly encourages all Independent Affiliates to observe the highest standards of conduct in their relations with other Independent Affiliates, Retail Customers, prospective Affiliates and Customers, other Affiliates of other direct sales companies, and within the business world at large. These standards could include, but are not limited to, the following Standards of Conduct:

- I will strive to follow the spirit as well as the letter of the Company P&P.
- I am familiar with the rules, regulations, and laws of the jurisdiction within which I operate my business and will comply with such rules, regulations, and laws.
- I will strive to conduct my business affairs in a way that will contribute to a positive experience for other Affiliates, Customers, the Company, and myself.
- I will truthfully identify myself, the Company, the Products, and the purposes of any solicitation to all prospective Customers. Contact with the Customer will be made in a reasonable manner and during reasonable hours so as to avoid intrusiveness. I will

immediately discontinue a sales presentation upon the request of the Customer.

- I will offer Products for sale in an accurate and truthful manner as to price, grade, quality, make, value, performance, quantity, currency, and availability.
- I will not require or encourage an Independent Affiliate or Customer to purchase Product in any amount that unreasonably exceeds that which can be expected to be resold and/or consumed within a reasonable period of time.
- I will strive to make service the key principle of my Gano Excel business.
- I will strive to provide reasonable support, when it is requested, to the Affiliates I sponsor, realizing that my success is directly related to my ability to sell Gano Excel Products and to help others to do the same.
- I will strive to safeguard and protect the reputation of the Company and its Products. I will refrain from all conduct which might be harmful to the reputation of the Company and its Products or will damage the ability of others to participate in the Gano Excel business opportunity.

55. INVOLVEMENT WITH IMPROPER THIRD PARTY COMPANIES.

- A. While Affiliates are able to participate in other opportunities, as long as there are no conflicts of interest. Such participations are restricted to opportunities registered with the Direct Selling Association (DSA) or those clearly determined not to be pyramid schemes. This restriction is to protect the reputation of the Gano Excel opportunity and its members.

SECTION VI: GLOSSARY

- Many organizations and industries have special vocabularies. Our Company and industry are no exception. As you master the terms located in the glossary, all participants will be able to communicate with increased effectiveness.

ACTIVE AFFILIATE – An Affiliate who makes a 50 PV purchase at least every six (6) months, this is termed “active in terms of keeping their Affiliation”. This does not mean they are Active in terms of qualifying for compensation plan earnings (this requires a minimum of 50 PV every 4 weeks).

APPROVAL BY THE COMPANY - Written approval by a designated Company official.

AUTOSHIP - A service that anyone can elect to schedule a regular shipment of a specified amount of Product each four-week period.

COMMISSION - Monies earned by an Affiliate on sales made by Affiliates within their Downline organization. To be eligible for any Commissions, an Affiliate must have achieved the requirements currently in effect as detailed in the Compensation Plan.

COMPANY – For US, Gano Excel USA Inc, a California Company; the corporate entity, or any assignee or successor corporation in various geographic locations, or any Affiliate of Gano Excel, (Gano International Affiliate). For Canada, the company legal entity is Gano Excel Enterprises Canada Inc.

CURRENT PERIOD - Determined based upon Commission or bonus in question. Gano uses 13 separate four-week periods, called a 'period'. Each period is comprised of four seven-day weeks, called a 'cycle'. The term 'Current Period' may refer to either 'period' or a 'cycle' depending upon the use and connotation.

CURRENT RANK - Also referred to as Pay Rank. This is the real time rank currently achieved during the Current Period.

CUSTOMER - A Customer includes any Retail Customer, Preferred Customer, or Affiliate that you personally sponsor that has no Downline and makes a Volume Product purchase.

AFFILIATE (or Independent Affiliate) - An independent contractor who

is authorized to sell Company Products and services and to participate in the Gano Compensation Plan, as qualified, regardless of level attained in the plan.

DOWNLINE - All Affiliates emanating from and below any particular Affiliate in Sponsor and/or Placement.

EARNED RANK - Also referred to as Current Rank. This is the real time rank currently achieved during the Current Period. This is the rank used to determine Commission and bonus payouts.

ENROLLER - The Affiliate who has enrolled a new Affiliate in the Gano International program, regardless if the Enroller places the new Affiliate on their own front line (thus also becoming the Sponsor) or placing the new Affiliate on someone else's front line within their organization, making that Affiliate the new Affiliate's Sponsor.

FRONT LINE - An Affiliate who appears on the first level of his/her immediate upline through Sponsor and/or Placement.

INDEPENDENT AFFILIATE APPLICATION - A legally binding document that forms a part of and is incorporated into the Contract established between the Affiliate and Gano Excel. The Affiliate Application is to be completed by the person or entity applying to become an Affiliate and is subject to acceptance or rejection by Gano Excel. The terms and conditions are found on the reverse side of the Affiliate Application.

LEG - The organization resulting from either of two sponsored Affiliates in any Affiliate's first level. **MEMBER** - Term to describe all Customers and Affiliates of Gano Excel.

PERSONALLY RECRUITED - A Member who was personally recruited and enrolled. People personally recruited and signed up for Gano as a Customer or Affiliate.

SPONSOR "PLACEMENT" - Placement may be selected by the Enroller, thereby "placing" a recruited Affiliate in the sponsoring Affiliate's Downline to gain whatever advantage that the Enroller believes may be available through such Placement. In all instances, new Affiliates belong to the Enroller. In some cases, the Enroller may also be the Sponsor, if that new Affiliate is placed front line to the Enroller.

POINT - Unit of measure assigned to any given Product to quantify the value of that Product for Commissions and Qualifications (i.e. PV & CV).

PRODUCT - Company Product with a fixed value of Personal Volume associated with its purchase or sale.

PERSONAL VOLUME (PV) - The amount of Gano Product you personally order each month that you either consume or sell to others (retail customer purchases who you enrolled count towards your PV).

QUALIFICATION - A combination of PV/GV; and structure requirements to be eligible for a Commission check in any given period.

RECRUITER - Also referred as Enroller. Any Affiliate who has enrolled the new Affiliate in the Gano Excel program, regardless if the Recruiter has placed the new Affiliate on their front line or has placed the new Affiliate on the front line of another Affiliate in their organization, making that Affiliate the new Affiliate's Sponsor.

RESALABLE - Product or merchandise in original new condition, without fault or blemish that is fit for resale.

RETAIL (Customer Cost) - The price the Company charges Customers for Products. **RETAIL SALES** - Sales made to non-Affiliates and/or Retail Customers.

RETURNED MERCHANDISE AUTHORIZATION (RMA) NUMBER - To be obtained through Affiliate Support Department when an Affiliate wishes to return Product.

SPONSOR - The person on whose front line a particular Affiliate is placed. The Sponsor may be the person who enrolls a new Affiliate, or the new Affiliate may have been placed on the Sponsor's front line.

VOLUME - A PV or Point value assigned to an item for Commission purposes.

WHOLESALE (Affiliate Cost) - The price the Company charges Affiliates for Products.