

## **Epic Training International, LLC Policies and Procedures**

### **SECTION 1. CODE OF ETHICS**

Epic Training International, LLC (“Epic” or the “Company”) has made a commitment to provide the finest direct sales experience backed by impeccable service to its Scholars/Independent Business Owners (“IBO’s”). In turn, the company expects Epic’s Scholar/IBO to reflect that image in their relationships with Customers and fellow Scholar/IBO.

As an Epic Scholar/IBO, you are expected to operate your business according to the highest standards of integrity and fair practice in your role as an Epic Scholar/IBO. Failure to comply with the Code of Ethics can result in your termination as an Epic Scholar/IBO. The Code of Ethics, therefore, states:

As a Scholar/IBO:

- I will conduct my business in an honest, ethical, responsible, and professional manner at all times.
- A Scholar/IBO must show fairness, tolerance, and respect to all people associated with Epic, regardless of race, gender, social class or religion, thereby fostering a “positive atmosphere” of teamwork, good morale and community spirit.
- I will make no representations about the benefits of being a Scholar/IBO with Epic other than those contained in officially approved corporate literature and videos.
- I will provide support and encouragement to my customers to ensure that their experience with Epic is a successful one.
- I will motivate and actively work with Scholar/IBO of my downline organization to help them build their Epic business. I understand that this support is critical to each Scholar/IBO’s success with Epic.
- I will refrain from exaggerating my personal income or the income potential in general and will stress to Scholar/IBO prospects the level of effort and commitment required to succeed in the business.
- I will not abuse the goodwill of my association with Epic to further or promote other business interests (particularly those which may be competitive to Epic) without the prior written consent of Epic.
- I will not make disparaging remarks about other products, services, Scholar/IBO, or companies; likewise, I will not willfully denigrate the activities or personalities of fellow Epic Scholar/IBO.
- A Scholar/IBO shall strive to resolve business issues, including situations with upline and downline Scholar/IBO, by emphasizing tact, sensitivity, good will and taking care not to create additional problems.
- I will abide by all of the Policies and Procedures of Epic as included herein, or as may be amended from time to time.

- I will not make any payment(s) or promise to pay any prospective or existing Scholar/IBO in return for such Scholar/IBO's enrollment, continued enrollment, or team building or recruiting activities with Epic.
- I will strive to sell and promote the products of Epic in a professional manner to end user retail and preferred customers.

## **SECTION 2. INTRODUCTION**

- 2.1. Policies and Compensation Plan Incorporated into Scholar/IBO Agreement. These Policies and Procedures, in their present form and as amended at the sole discretion of Epic, are incorporated into, and form an integral part of, the Epic Scholar/IBO Agreement. Throughout these Policies, when the term "Agreement" is used, it collectively refers to the Epic Scholar/IBO Application and Agreement Form, these Policies and Procedures and the Epic Compensation Plan. These documents are incorporated by reference into the Epic Scholar/IBO Agreement (all in their current form and as amended by Epic).
- 2.2. Purpose of Policies. Epic is a direct sales company that markets products through Independent Scholars/IBOs. Independent Scholars/IBOs have the ability to receive commissions and bonuses by selling Epic products (see Epic Compensation Plan). It is important to understand that your success and the success of your fellow Scholars/IBOs depends on the integrity of those who market our services. To clearly define the relationship that exists between Scholars/IBOs and Epic, and to explicitly set a standard for acceptable business conduct, Epic has established the Agreement. Epic Scholars/IBOs are required to comply with all of the provisions set forth in the Agreement, which Epic may amend at its sole discretion from time to time, as well as with all federal, state and local laws governing their Epic business and their conduct. Because you may be unfamiliar with many of these standards of practice, it is very important that you read and abide by the Agreement. Please review the information in this document carefully. It explains and governs the relationship between you, as an independent contractor, and the Company. If you have any questions regarding any policy or rule, do not hesitate to seek an answer from the Epic corporate office.
- 2.3. Changes to the Agreement. Because laws and the business environment periodically change, Epic reserves the right to amend the Agreement, compensation plan and its prices at its sole and absolute discretion. By signing the Scholar/IBO Agreement, a Scholar/IBO agrees to abide by all amendments or modifications that Epic elects to make. Amendments shall be effective 30 days after publication of notice of amendments in official Epic materials. The Company shall provide or make available to all Scholar/IBO a complete copy of the amended provisions by one or more of the following methods: (a) posting on the Company's official website; (b) electronic mail (email); (c) inclusion in Company periodicals; (d) inclusion with commissions or bonus checks; or (e) special mailings. The continuation of a Scholar/IBO's Epic business or a Scholar/IBO's acceptance of bonuses or commissions constitutes acceptance of any and all amendments.
- 2.4. Delays. Epic shall not be responsible for delays or failures in performance of its obligations when performance is made commercially impracticable due to circumstances

beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, riot, war, fire, death, curtailment of a party's source of supply, pandemics, government decrees or orders, and acts of God.

- 2.5. Policies and Provisions Severable. If any provision of the Agreement, in its current form or as may be amended, is found to be invalid, or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect and shall be construed as if such invalid or unenforceable provision never comprised a part of the Agreement.
- 2.6. Waiver. The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of Epic to exercise any right or power under the Agreement or to insist upon strict compliance by a Scholar/IBO with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of Epic' right to demand exact compliance with the Agreement. Waiver by Epic can be affected only in writing by an authorized officer of the Company. Epic' waiver of any particular breach by a Scholar/IBO shall not affect or impair Epic' rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Scholar/IBO. Nor shall any delay or omission by Epic to exercise any right arising from a breach affect or impair Epic' rights as to that or any subsequent breach. The existence of any claim or cause of action of a Scholar/IBO against Epic shall not constitute a defense to Epic' enforcement of any term or provision of the Agreement.

### **SECTION 3. BECOMING A SCHOLAR/IBO**

- 3.1. Requirements to Become a Scholar/IBO. To become an Epic Scholar/IBO, each applicant must:
  - 3.1.1. Be at least 18 years of age;
  - 3.1.2. Reside in the 50 United States, US Territories or countries officially opened by the Company;
  - 3.1.3. Have a valid Social Security or Tax ID number;
  - 3.1.4. Submit an accepted Epic Scholar/IBO Application and Agreement.
  - 3.1.5. Submit payment of \$24.99 non-commissionable enrollment fee;
  - 3.1.6. Provide an e-mail address which is not already associated with another Epic account;
  - 3.1.7. Have a minimum of 3 personally sponsored Scholars/IBOs (customers).

The Company reserves the right to reject any applications for a new Scholar/IBO or applications for renewal.

- 3.2. Form of Application. For a potential new Scholar/IBO to enroll, he or she may enroll through either the Epic website or the replicated website of another Scholar/IBO. Enrollment is done through the acceptance of the web-enrollment and Scholar/IBO Agreement, as the new Scholar/IBO must accept the “electronic signature.” This electronic signature signifies the acceptance of the terms and conditions of the Scholar/IBO Agreement. Please note that such electronic signature constitutes a legally binding agreement between you and the Epic.
- 3.3. Availability of Documents to Epic. Epic reserves the right to require signed paperwork for any account, regardless of origin.
  - 3.3.1. If requested by the Epic, the signed Scholar/IBO Agreement should be sent within seven (7) days of electronic receipt.
- 3.4. Signed documents, including but not limited to, personal Scholar/IBO agreements, are legally binding contracts which must not be altered, tampered with, or changed in any manner after the affixture of a signature. False or misleading information, forged signatures, or alterations to any document (including business registration forms) made after a document has been signed may lead to sanctions up to and including involuntary termination of the Scholar/IBO’s business.
- 3.5. Scholar/IBO Benefits. Once a Scholar/IBO Application and Agreement has been accepted by Epic, the following benefits are available to the new Scholar/IBO.
  - 3.5.1. Scholar/IBO that enroll in Epic are allowed to:
    - 3.5.1.1. Sell Epic products to retail customers and receive profit from these sales;
    - 3.5.1.2. Receive periodic Epic literature and other Epic communications;
    - 3.5.1.3. Build a network of Scholar/IBO and participate in the Epic Compensation Plan.

#### **SECTION 4. INCOME DISCLAIMER POLICY**

- 4.1. Due Diligence. Company makes no guarantees, warranties, or representations as to the extent by which the Company's services may affect your own independent trading. All Scholar/IBOs understand and agree that the Company is not liable for any loss suffered in the facilitation, conduct and oversight of the Epic services. Furthermore, you acknowledge that you have conducted sufficient due diligence with regards to the risks associated with trading and recognize the risk that financial loss(es) may occur.
  - 4.1.1. Epic is NOT providing investment advice as all trade signals are delivered to all participants uniformly without regard to an individual's trade objectives, financial

condition or suitability. Moreover, Epic does not exercise trading authority over your trades. You and you alone exercise discretionary trading authority.

4.1.2. Epic Trading International, LLC has some trading disclosures present on its website (<https://www.epictrading.com>). A copy of these Disclosures must be presented to a prospective Customer or Scholar/IBO any time an Epic business is discussed.

#### 4.2. Income Disclaimer

4.2.1. In an effort to conduct best business practices, Epic has developed the income disclaimer ("Income Disclaimer"). The Epic Income Disclaimer is designed to convey truthful, timely, and comprehensive information regarding the income that Scholar/IBOs may earn. In order to accomplish this objective, a copy of the Income Disclaimer must be presented to all prospective Scholar/IBOs.

4.2.2. A copy of the Income Disclaimer must be presented to a prospective Scholar/IBO (someone who is not a party to a current Epic Scholar/IBO Application & Agreement) anytime the Compensation Plan is presented or discussed, or any type of income claim or earnings representation is made. The terms "income claim" and/or "earnings representation" (collectively "income claim") includes any of the following: (1) statements of average earnings, (2) statements of non-average earnings, (3) statements of earnings ranges, (4) income testimonials, (5) lifestyle claims, and (6) hypothetical claims. Examples of "statements of non-average earnings": include, "Our number one Independent Business Owner earned over a million dollars last year" or "Our average ranking Independent Business Owner makes five thousand per month." An example of a "statement of earnings ranges" is "The monthly income for our higher-ranking Independent Business Owners is ten thousand dollars on the low end to thirty thousand dollars a month on the high end."

4.2.3. In any meeting that is open to the public in which the Compensation Plan is discussed or any type of income claim is made, you must provide every prospective Scholar/IBO with a copy of the Income Disclaimer. Copies of the Income Disclaimer may be printed or downloaded without charge from the company website at <https://www.epictrading.com/incomedislosure>

4.3. Prices Subject to Change. The prices of Epic products are subject to change without notice.

4.4. Business Entities. A Partnership, LLC or Corporation may hold a Scholar/IBO business upon completion of the Scholar/IBO Application form, and providing on that form in the appropriate space, a Federal tax ID number. An individual may not participate in a position; however, all must be under the same business name. The person signing the application on behalf of a business entity must have the authority of said entity for entering into the transaction. In addition, by signing for as a business entity, you certify that no person with an interest of debt or equity in the business has had an interest in a Scholar/IBO business in Epic within six (6) months of the date of signature.

#### 4.5. Changes to an Epic Business

- 4.5.1. General. Each Scholar/IBO must immediately notify Epic of all changes to the information contained in his or her Scholar/IBO Application and Agreement. Scholar/IBO may modify their existing Scholar/IBO Agreement Form by submitting a written request and appropriate supporting documentation.
- 4.5.2. Change of Sponsor. To protect the integrity of all marketing organizations and safeguard the hard work of all Scholar/IBO, Epic does not allow changes in sponsorship for active Scholar/IBO. Maintaining the integrity of sponsorship is critical for the success of every Scholar/IBO and marketing organization. Accordingly, the transfer of an Epic business from one sponsor to another is not permitted.
- 4.5.2.1. Exception. A request for a change in sponsor, due to Epic error, will be accepted within 10 days of completion of the application.
- 4.5.3. Terms and Renewal of Epic Business/ Cancellation and Re-application. A Scholar/IBO may legitimately change organizations by:
- 4.5.3.1. A Scholar/IBO must renew their business by submitting a monthly renewal fee of \$24.99. This payment is due on the anniversary of the Scholar/IBO's enrollment date. If you allow your business to expire due to nonpayment of the renewal fee, you will lose any and all rights to your downline organization unless you re-activate within sixty (60) days following the expiration of Agreement.
- 4.5.3.2. If a former Scholar/IBO re-activated within the 60-day time limit, he or she will resume the rank and position held immediately prior to the expiration of the Agreement. However, such Scholar/IBO's paid as level will not be restored unless he or she qualifies at that payout level in the new month. The Scholar/IBO is not eligible to receive commissions for the time period that his or her business was expired.
- 4.5.3.3. Any Scholar/IBO terminated by the Company whether voluntary or involuntary may not reapply to do business for six (6) months from their termination date.
- 4.5.3.4. Voluntarily cancelling his or her Epic Agreement and remaining inactive (i.e., no purchases of Epic products for resale; no sales of Epic products; no sponsoring; and no attendance at any Epic functions, participation in any other form of Scholar/IBO activity, or operation of any other Epic business) for six (6) full calendar months. Any Scholar/IBO whose agreement has expired and lapsed the 60-day grace period is not eligible to reapply for Epic business for six (6) months following the expiration of the Agreement.

Following the six (6) calendar month period of inactivity, the former Scholar/IBO may reapply under a new sponsor. However, the former Scholar/IBO will permanently lose any and all right to their former Scholar/IBO downline organization.

#### 4.6. Unauthorized Claims and Actions

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

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

Moreover, the Federal Trade Commission and all states have laws or regulations that regulate or even prohibit certain types of income claims and testimonials made by persons engaged in network marketing. While Scholar/IBO may believe it beneficial to provide copies of checks, or to disclose the earnings of themselves or others, such approaches have legal consequences that can negatively impact Epic as well as the Scholar/IBO making the claim unless appropriate disclosures required by law are also made contemporaneously with the income claim or earnings representation. Because Scholar/IBO do not have the data necessary to comply with the legal requirements for making income claims, a Scholar/IBO may NOT make income projections, income claims or disclose his or her Epic income (including the showing of checks, copies of checks, bank statements or tax records).

#### 4.7. Conduct at Epic Events

4.7.1. No Selling or Recruiting at Epic Events. Selling and recruiting at Epic events is not permitted. These activities take away from the primary focus of the event and can negatively reflect on the professional image of Epic as a company. You may, however, offer a business card and/or catalog.

4.7.2. No Selling or Recruiting for other Companies at Epic Events. Epic Scholar/IBO shall not sell any products or recruit for any business during Epic events. This restriction most specifically applies to sales and recruitment efforts for any other direct sales or marketing program, regardless of the product category, including those that do not compete with Epic' product line.

#### 4.8. Conflicts of Interest

- 4.8.1. Non-compete Policy. Epic Scholar/IBO are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively “network marketing”), with the exception of those products in the same generic category as an Epic product that is deemed to be competing. Scholar/IBO may not display Epic products with any other products or services in a fashion that might in any way confuse or mislead a prospective customer, merchant or Scholar/IBO into believing there is a relationship between the Epic and non-Epic products or services.
- 4.8.2. Social Media. During the term of this Agreement, Epic Scholar/IBO shall not post about Epic or any other Multi-level marketing business, whether competing or not competing with Epic products. Social media platforms include, but not limited to, Facebook, Twitter, Instagram, and Myspace.
- 4.8.3. Non-solicitation. During the term of this Agreement, Scholar/IBO may not recruit other Epic Scholar/IBO or Merchants or customers for any other network marketing business. Following the cancellation of this Agreement, and for a period of one year thereafter, a former Scholar/IBO may not recruit any Epic Scholar/IBO or customer for another network marketing business, with the exception of a Scholar/IBO who is personally sponsored by the former Scholar/IBO. The Scholar/IBO and Epic recognize that because network marketing is conducted through networks of independent contractors dispersed across the entire United States and internationally, and business is commonly conducted via the Internet and telephone, an effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, the Scholar/IBO and Epic agree that this non-solicitation provision shall apply to all markets in which Epic conducts business.

The term “recruit” means actual or attempted solicitation, enrollment, encouragement or effort to influence in any other way, either directly or through a third party, another Epic Scholar/IBO or customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity. This conduct constitutes recruiting even if the

Scholar/IBO’s actions are in response to an inquiry made by another Scholar/IBO or customer.

- 4.8.4. Downline Activity (Genealogy) Reports. Downline Activity Reports made available for Scholar/IBO access and viewing at Epic’s official website, are considered confidential. Scholar/IBO access to their Downline Activity Reports is password protected. All Downline Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets belonging to Epic. Downline Activity Reports are provided to Scholar/IBO in the strictest of confidence and are made available to Scholar/IBO for the sole purpose of assisting Scholar/IBO in working with their respective Downline Organizations in the



development of their Epic business. Scholar/IBO should use their Downline Activity Reports to assist, motivate and train their Downline Scholar/IBO. The Scholar/IBO and Epic agree that, but for this agreement of confidentiality and nondisclosure, Epic would not provide Downline Activity Reports to the Scholar/IBO. A Scholar/IBO shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- Directly or indirectly disclose any information contained in any Downline Activity Report to any third party;
- Directly or indirectly disclose the password or other access code to his or her Downline Activity Report;
- Use the information to compete with Epic or for any purpose other than promoting his or her Epic business;
- Recruit or solicit any Scholar/IBO or Customer of Epic listed on any report or in any manner attempt to influence or induce any Scholar/IBO or customer of Epic to alter their business relationship with Epic;
- Use or disclose to any person, partnership, association, corporation or other entity any information contained in any Downline Activity Report.
- Upon demand by the Company, any current or former Scholar/IBO will return the original and all copies of Downline Activity Reports to the Company.

During the term of the Epic Brand Agreement and for a period of five (5) years after your termination or the Agreement's expiration, you shall not:

- Use the information in the Downline Activity Reports to compete with Epic or for any purpose other than promoting his or her Epic business;
- Use or disclose to any person or entity any confidential information contained in the Downline Activity Reports, including the replication of the genealogy in another network marketing company.

4.9. Restrictions on the Disclosure of Account Information. This policy is to ensure that all Customers and Scholar/IBO understand and adhere to the basic principles of confidentiality. Epic will not share non-public personal information or financial information about current or former Customers or Scholar/IBO with third parties, except as permitted or required by laws and regulations, court orders, or to serve the Customers' or Scholar/IBO' interests or to enforce its rights or obligations under these Policies, the Scholar/IBO Agreement, or with written permission from the accountholder on file.

4.10. Detrimental Conduct. A Scholar/IBO must not engage in conduct that is detrimental, disruptive, or injurious to Epic or other Scholar/IBO.

4.11. Cross-Sponsoring. Actual or attempted cross-sponsoring is strictly prohibited. "Cross-sponsoring" is defined as the enrollment of an or entity that already has a current Customer, Merchant or Scholar/IBO Agreement on file with Epic, or who has had such an agreement within the preceding 6 calendar months, within a different line of sponsorship. The use of a spouse or relative's name, trade names, assumed names or fictitious ID

numbers to circumvent this policy is prohibited. Scholar/IBO shall not demean, discredit or defame other Epic Scholar/IBO in an attempt to entice another Scholar/IBO to become part of the first Scholar/IBO's marketing organization. If a prohibited organization transfer occurs, Epic shall take disciplinary action against the Scholar/IBO(s) who engaged, acquiesced and/or knowingly participated in the improper cross-sponsoring. However, it shall be entirely within Epic's discretion where in the genealogical structure, the cross-sponsored organization in question shall be placed or otherwise distributed.

Because equities often exist in favor of both upline organizations, Scholar/IBO WAIVE ANY AND ALL CLAIMS AND CAUSES OF ACTION AGAINST THE COMPANY FOR ITS DECISION REGARDING THE FINAL DISPOSITION OR PLACEMENT OF THE CROSSSPONSORED ORGANIZATION.

4.12. Errors or Questions. If a Scholar/IBO has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports, or charges, the Scholar/IBO must notify the Scholar/IBO Care Department at Epic's headquarters in Hillsborough, Florida, in writing, within 15 days of the date of the purported error or incident in question. Epic will not be responsible for any errors, omissions or problems not reported to the Company within 15 days.

4.13. Sales Aids. Epic to promote both the products and services, and the tremendous opportunity that Epic offers, Scholar/IBO must use the sales aids and support materials produced by Epic. The rationale behind this requirement is simple. Epic has carefully designed its products, product labels, Compensation Plan and promotional materials to ensure that each aspect of how Epic represents itself is fair, truthful, substantiated, and complies with the vast and complex legal requirements of federal and state laws. If Epic Scholar/IBO were allowed to develop their own sales aids, clothing, brochures and other promotional materials, notwithstanding their integrity and good intentions, the likelihood that they would unintentionally violate any number of statutes or regulations affecting an Epic business is almost certain. These violations, although they may be relatively few in number, would jeopardize the Epic business opportunity for all Scholar/IBO.

Accordingly, Scholar/IBO must submit all written sales aids, lead generation systems, promotional materials, advertisements, and other literature to the Epic for approval to the VP of Sales at corporate via email to [support@epictrading.com](mailto:support@epictrading.com). Unless the Scholar/IBO receives specific written approval to use such tools, sales aids, materials, the request shall be deemed denied. Independently produced websites are not permitted unless approved by Epic FIRST.

Epic shall not permit Scholar/IBO to sell sales aids, training, marketing materials, to other Epic Scholar/IBO. Therefore, Scholar/IBO who receive written authorization from Epic to produce their own sales tools may not sell those materials to any other Epic Scholar/IBO. Scholar/IBO may make approved material available to other Scholar/IBO free of charge if they wish. Scholar/IBO are prohibited from reproducing or copying written documents or marketing materials, films or sound recordings identical or deceptively similar to any materials produced by Epic.

Epic further reserves the right to rescind approval for any sales tools, promotional materials, advertisements, or other literature, and Scholar/IBO waive all claims for damages or remuneration arising from or relating to such rescission.”

- 4.14. Use of Company Names and Protected Materials. A Scholar/IBO must safeguard and promote the good reputation of Epic and the products and services it markets. The marketing and promotion of Epic, the Epic opportunity, the Compensation Plan, and Epic products and services will be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct and practices.
- 4.14.1. All promotional materials supplied or created by Epic must be used in their original form and cannot be changed, amended or altered except with prior written approval from Epic.
- 4.14.2. The name of Epic, each of its product and service names and other names that have been adopted by Epic in connection with its business are proprietary trade names, trademarks and service marks of Epic. As such, these marks are of great value to Epic and are supplied to Scholar/IBO for their use only in an expressly authorized manner.
- 4.14.3. Further procedures relating to the use of the Epic name are as follows:
- 4.14.3.1. All stationary (i.e., letterhead, envelopes, and business cards) bearing the Epic name or logo intended for use by the Scholar/IBO must be approved in writing by the Epic.
- 4.14.3.2. Scholar/IBO may not use the name “Epic” or “Epic Corporate” in answering the telephone, creating a voice message or using an answering service, such as to give the impression to the caller that they have reached the corporate office. They may state, “Scholar/IBO of Epic.”
- 4.14.4. Certain photos and graphic images used by Epic in its advertising, packaging, and websites are the result of paid contracts with outside vendors that do not extend to Scholar/IBO. If a Scholar/IBO wants to use these photos or graphic images, they must negotiate individual contracts with the vendors for a fee.
- 4.14.5. A Scholar/IBO shall not appear on or make use of television or radio, or make use of any other media to promote or discuss Epic or its programs, products or services without prior written permission from the Epic.
- 4.14.6. A Scholar/IBO may not produce for sale or distribution any Company event or speech, nor may a Scholar/IBO reproduce Epic audio or video clips for sale or for personal use without prior written permission from the Epic.

4.14.7. Epic reserves the right to rescind its prior approval of any sales aid or promotional material to comply with changing laws and regulations and may request the removal from the marketplace of such materials without financial obligation to the affected Scholar/IBO.

4.14.8. A Scholar/IBO shall not promote non- Epic products or services in conjunction with Epic products or services on the same websites, same advertisement, or on shows without prior approval from Epic.

4.15. Governmental Approval or Endorsement. Neither federal nor state regulatory agencies nor officials approve or endorse any direct selling program. Therefore, Scholar/IBO shall not represent or imply that Epic or its Compensation Plan have been “approved,” “endorsed” or otherwise sanctioned by any government agency.

4.16. Holding Applications or Enrollments. Scholar/IBO must not manipulate enrollments of new applicants or Merchant enrollments. All Scholar/IBO Applications and Agreements and Service orders must be sent within 72 hours from the time they are signed by a Scholar/IBO or placed by a merchant.

4.17. Identification. All Scholar/IBO are required to provide their Social Security Number or Federal Tax Identification Number to Epic on the Scholar/IBO Application and Agreement.

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

4.18. Income Taxes. Each Scholar/IBO is responsible for paying local, state and federal taxes on any income generated as a Scholar/IBO. If an Epic business is tax exempt, the Federal Tax Identification Number must be provided to Epic. Every year, Epic will provide IRS Form 1099 (non-employee compensation) earnings statement to each U.S. resident who (a) had earnings of over \$600 in the previous calendar year or (b) made purchases during the previous calendar year in excess of \$5,000 wholesale. Epic cannot accept a tax-exempt certificate from a Scholar/IBO who resides in a state where tax exempt status is not granted for Direct Sales businesses. Scholar/IBO are encouraged to check with their state government before sending a form to Epic.

4.19. Independent Contractor Status. Scholar/IBO are independent contractors and are not purchasers of a franchise or a business opportunity. The agreement between Epic and its Scholar/IBO does not create an employer/employee relationship, agency, partnership or joint venture between the Company and the Scholar/IBO. Scholar/IBO shall not be treated as an employee for his or her services or for federal or state tax purposes. All Scholar/IBO are responsible for paying local, state and federal taxes due from all compensation earned as a Scholar/IBO of the Company. The Scholar/IBO has no authority (expressed or implied) to bind the Company to any obligation. Each Scholar/IBO shall establish his or her own goals, hours, and methods of sale, so long as he or she complies

with the terms of the Scholar/IBO Agreement Form, and these Policies and Procedures, and applicable laws. If required by law to declare any Epic representatives be classified as employees, Epic reserves the right to discontinue operating within the jurisdiction making such declaration.

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

Scholar/IBO's Name  
Independent Epic Scholar/IBO

All Scholar/IBO may list themselves as an "Independent Epic International Scholar/IBO" in the residential telephone directory ("white pages") under their own name. Scholar/IBO may not place telephone directory display ads in the classified directory ("Yellow Pages") using Epic's name or logo. Scholar/IBO have no right to use the name "Epic" not in the syntax of "Epic" on any item not produced by the company.

Scholar/IBO may not answer the telephone by saying "Epic," "Epic Processing," or in any other manner that would lead the caller to believe that he or she has reached the corporate offices of Epic.

Advertising is not limited to print media; it also includes internet advertising and other forms of advertising. It is prohibited for a Scholar/IBO to use an internet or email address that utilizes the trade name Epic or includes Epic in a portion of the address. It is also prohibited for a Scholar/IBO to use any website materials that reference or relate to Epic that are not authorized in writing by Epic on a website. It is also prohibited for a Scholar/IBO to place links to unauthorized websites or webpages onto a website or webpage that has been authorized by Epic. It is also prohibited for a Scholar/IBO to use any website materials on a website that references or relates to Epic that is not authorized in writing by Epic.

#### 4.20. Insurance

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

4.21. International Marketing. Because of critical legal product and tax considerations, Epic must limit the marketing and enrollment of Epic services and the presentation of the Epic business to prospective customers, Merchants and Scholar/IBO located within the 50 United States of America and any other jurisdiction officially opened by Epic. Scholar/IBO are only authorized to do business in the countries in which Epic has announced are open for business in official Company literature.

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

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

4.24. Actions of Household Members or Scholar/IBO Individuals. If any member of a Scholar/IBO's household, family, or other Scholar/IBO individual engages in any activity that, if performed by the Scholar/IBO, would violate any provision of the Agreement, such activity will be deemed a violation by the Scholar/IBO and Epic may take disciplinary action pursuant to the Statement of Policies against the Scholar/IBO.

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

4.24.1. Epic Household Restrictions. Individuals of the same family unit may each enter in to or have an interest in their own separate Epic businesses, only if each subsequent family business is placed frontline to the first family member enrolled. A "family unit" is defined as spouses and dependent children living at or doing business at the same address.

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

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

4.27. Sale, Transfer or Assignment of Epic Business

4.27.1. Although an Epic business is a privately owned, independently operated business, the sale, transfer or assignment of an Epic business, and the sale, transfer or assignment of an interest in a Business Entity that owns or operates an Epic Scholar/IBO business, is subject to certain limitations. If a Scholar/IBO wishes to

sell his or her Epic business, or interest in a Business Entity that owns or operates an Epic business, the following criteria must be met:

- The selling Scholar/IBO must offer Epic the right of first refusal to purchase the business on the same terms as agreed upon with a third-party buyer. Epic shall have fifteen (15) days from the date of receipt of the written offer from the seller to exercise its right of first refusal.
- The buyer or transferee must become a qualified Scholar/IBO. Before the sale, transfer or assignment can be finalized and approved by Epic, any debt obligations the selling party has with Epic must be satisfied.
- The selling party must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer or assign an Epic Scholar/IBO business.

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

4.28. Separation of an Epic Scholar/IBO Business. In the event of a dissolution of marriage of an Epic Scholar/IBO, and a spouse, arrangements must be made to assure that any division of the business assets is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship. If the separating parties fail to provide for the best interests of other Scholar/IBO and the Company, Epic may be forced to involuntarily terminate the Scholar/IBO Agreement. Epic will make no arrangements without court approval or direction.

4.28.1. During the pendency of a divorce or dissolution, the Company shall treat the business according to the status quo as existed prior to the filing of the divorce or dissolution. Under no circumstances will the Downline Organization of divorcing spouses be divided. Similarly, under no circumstances will Epic split commission and bonus checks between divorcing spouses. Epic will recognize only one Downline Organization and will issue only one commission check per Epic business per commission cycle. Commission checks shall always be issued to the individual whose name appears on the Scholar/IBO Agreement. Epic will in no case be liable or responsible for any error in payment to either party to the divorce.

4.29. Marketing and Promotion Consistent with Public Interest. The marketing and promotion of Epic, the Epic sales opportunity, the Compensation Plan, and Epic products and services shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

4.30. Sponsoring. All active Scholar/IBO in good standing have the right to sponsor and enroll others into Epic. Each prospective Scholar/IBO has the ultimate right to choose his or her own sponsor. If two Scholar/IBO claim to be the sponsor of the same new

Scholar/IBO, the Company shall regard the first application received by the Company as controlling. Epic will not allow Scholar/IBO to engage in unethical sponsoring activities.

Unethical sponsoring activities include, but are not limited to, enticing, bidding or engaging in unhealthy competition in trying to acquire a prospect or new Scholar/IBO from another Scholar/IBO or influencing another Scholar/IBO to transfer to a different sponsor.

- 4.30.1. Allegations of unethical sponsoring must be reported in writing to Epic within the first 90 days of enrollment. If the reports are substantiated, Epic may transfer the Scholar/IBO or the Scholar/IBO's downline to another sponsor, Placement or organization without approval from the current up-line Sponsor or Placement Scholar/IBO. Epic remains the final authority in such cases.

Epic prohibits the act of "Stacking." Stacking is the unauthorized manipulation of the Epic compensation system and/or the marketing plan in order to trigger commissions or cause a promotion off a downline Scholar/IBO in an unearned manner. One example of stacking occurs when a Sponsor places participants under an inactive downline without his or her knowledge in order to trigger unearned qualification for commissioning. Stacking is unethical and unacceptable behavior, and as such, it is a punishable offense with measures up to and including the termination of the businesses of all individuals and/or entities found to be directly involved.

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

- 4.31. Telemarketing. The Federal Trade Commission and the Federal Communications Commission each have laws that restrict telemarketing practices.

Both federal agencies (as well as a number of states) have "do not call" regulations as part of their telemarketing laws. While you may not consider yourself a "telemarketer" in the traditional sense of the word, these regulations broadly define the term "telemarketer" and "telemarketing" so that your inadvertent action of calling someone whose telephone number is listed on the federal "do not call" registry could cause you to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties (up to \$11,000.00 per violation).

Therefore, Scholar/IBO must not engage in telemarketing relative to the operation of their Epic businesses. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of an Epic product or service, or to recruit them for the Epic opportunity. "Cold calls" made to prospective customers or



Scholar/IBO that promote either Epic' products or services or the Epic opportunity constitute telemarketing and are prohibited. However, a telephone call(s) placed to a prospective customer or Scholar/IBO (a "prospect") is permissible under the following situations:

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

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

4.32. Intellectual Property. Scholar/IBO may not use the Epic logo or other intellectual property without the written consent of Epic. If a Scholar/IBO wishes to use marketing materials, all requests must be sent to [support@epictrading.com](mailto:support@epictrading.com) for VP of Sales.

4.33. Internet and Third Party Website Restrictions. A Scholar/IBO may not use or attempt to register any of Epic's trade names, trademarks, service names, service marks, product names, URLs, advertising phrases, Epic's name or any derivative thereof, for any purpose including, but not limited to, Internet domain names (URL), third party websites, e-mail addresses, web pages, or blogs.

A Scholar/IBO may not sell Epic products, services or offer the business opportunity using "online auctions," such as eBay® or craigslist.

All Scholar/IBO may have one (1) approved website. This is the Scholar/IBO's replicated website ("Replicated Website") hosted by Epic servers. No Scholar/IBO may develop their own third party websites.

Social Media sites may be used to sell or offer to sell Epic products or services. PROFILES A SCHOLAR/IBO GENERATES IN ANY SOCIAL COMMUNITY WHERE PEARL RESERVE IS DISCUSSED OR MENTIONED MUST CLEARLY IDENTIFY THE SCHOLAR/IBO AS A PEARL RESERVE CONSULTANT, and when a Scholar/IBO participates in those communities, they must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. The determination of what is in appropriate is at Epic's sole discretion, and offending Scholar/IBO will be subject to disciplinary action. Banner ads and images used on these sites must be current and must come from Epic approved library. If a link is provided, it must link to the posting Scholar/IBO's Replicated Website.

Anonymous postings or use of an alias on any Social Media site is prohibited, and offending Scholar/IBO will be subject to disciplinary action.

Scholar/IBO may not use blog spam, spamdexing or any other mass-replicated methods to leave blog comments. Comments Scholar/IBO create or leave must be useful, unique, relevant and specific to the blog's article.

Scholar/IBO must disclose their full name on all Social Media postings, and conspicuously identify themselves as a sales consultant for Epic. Anonymous postings or use of an alias is prohibited.

Postings that are false, misleading, or deceptive are prohibited. This includes, but is not limited to, false or deceptive postings relating to Epic sales opportunity, Epic's products and services, and/or your biographical information and credentials.

Scholar/IBO are personally responsible for their postings and all other online activity that relates to Epic. Therefore, even if a Scholar/IBO does not own or operate a blog or Social Media site, if a Scholar/IBO posts to any such site that relates to Epic or which can be traced to Epic, the Scholar/IBO is responsible for the posting. Scholar/IBO are also responsible for postings which occur on any blog or Social Media site that the Scholar/IBO owns, operates, or controls.

As a Scholar/IBO, it is important to not converse with any person who places a negative post against you, other Scholar/IBO, or Epic. Report negative posts to Epic Compliance Department. Responding to such negative posts often simply fuels a discussion with someone carrying a grudge that does not hold themselves to the same high standards as Epic, and therefore damages the reputation and goodwill of Epic.

The distinction between a Social Media site and a website may not be clear-cut, because some Social Media sites are particularly robust, Epic therefore reserves the sole and exclusive right to classify certain Social Media sites as third-party websites and require that Scholar/IBO using, or who wish to use, must get prior permission from Epic.

If your Epic business is cancelled for any reason, you must discontinue using Epic name, and all of Epic's trademarks, trade names, service marks, and other intellectual property,

and all derivatives of such marks and intellectual property, in any postings and all Social Media sites that you utilize. If you post on any Social Media site on which you have previously identified yourself as an independent consultant of Epic, you must conspicuously disclose that you are no longer a Scholar/IBO.

Failure to comply with these Policies for conducting business online may result in the Scholar/IBO losing their right to advertise and market Epic products, services and Epic's business opportunity online in addition to any other disciplinary action available under these Policies.

- 4.34. Advertising and Promotional Materials. No special enticement advertising is allowed. This includes, but is not limited to, offers of a free Epic business, free shipping, or other such offers that grant advantages beyond those available through Epic.

Advertising and all forms of communications must adhere to principles of honesty and propriety. All advertising, including, but not limited to, print, Internet, computer bulletin boards, television, radio, etc., are subject to prior Epic written approval.

Epic approval is not required to place blind ads that do not mention Epic, its employees, any of its products, services, designs, symbols, programs, and trademarked, copyrighted, or otherwise protected materials.

Epic reserves the right to rescind its prior approval of submitted advertising or promotional materials in order to comply with changing laws and regulations, and may require the removal of such advertisements from the marketplace without obligation to the affected Scholar/IBO.

- 4.35. Testimonial Permission. By signing the Scholar/IBO Agreement, a Scholar/IBO gives Epic permission to use his or her testimonial or image and likeness in corporate sales materials, including but not limited to print media, electronic media, audio and video. In consideration of being allowed to participate in Epic business opportunity, a Scholar/IBO waives any right to be compensated for the use of his or her testimonial or image and likeness even though Epic may be paid for items or sales materials containing such image and likeness. In some cases, a Scholar/IBO's testimonial may appear in another Scholar/IBO's advertising materials. If a Scholar/IBO does not wish to participate in Epic sales and marketing materials, he or she should provide a written notice to Epic to ensure that his or her testimonial or image and likeness will not be used in any corporate materials, corporate recognition pieces, advertising or recordings of annual events.

- 4.36. Separating an Epic Business. Pending a divorce, the parties must adopt one of the following methods of operation: (a) one of the parties may, with the written consent of the other(s), operate the Epic business whereby the relinquishing spouse authorizes Epic to deal directly and solely with the other spouse; or (b) the parties may continue to operate the Epic business jointly on a "business as usual" basis, whereupon all compensation paid by Epic will be paid in the name designated as the Scholar/IBO or in the name of the entity to be divided, as the parties may independently agree between them. If no name is

stipulated, Epic will pay compensation to the name on record and in such event, the Scholar/IBO named on the account shall indemnify Epic from any claims from the other spouse with respect to such payment.

Epic recognizes only one downline organization and will issue only one commission check per Epic business per commission cycle. Under no circumstances will the downline of an organization be divided, nor will Epic split commission and/or bonus checks.

If a relinquishing spouse has completely relinquished (“Relinquishing Party”), in writing, all rights to the original Epic business, he or she may immediately thereafter re-enroll under the Sponsor and Placement of his or her choice. In such cases, however, the Relinquishing Party shall have no rights to, and shall not solicit, any Scholar/IBO or active Customer in the former organization, and must develop a new business in the same manner as any other new Epic Scholar/IBO.

- 4.37. Succession. Upon the death or incapacity of a Scholar/IBO, the Scholar/IBO’s business may be passed on to his or her legal successors in interest (successor). Whenever an Epic business is transferred by will or other testamentary process, the successor acquires the right to collect all bonuses and commissions of the deceased Scholar/IBO’s sales organization. The successor must: (a) Complete and sign a new Epic Scholar/IBO Agreement; (b) comply with the terms and provisions of the Scholar/IBO Agreement; and (c) meet all of the qualifications for the last rank achieved by the former Scholar/IBO.

## **SECTION 5. OPERATING AN EPIC INTERNATIONAL BUSINESS**

- 5.1. Non-Exclusive Rights. Epic hereby grants to you a non-exclusive right, based upon the terms and conditions contained in the Scholar/IBO Agreement and these Policies, to: (a) purchase Epic products and services; (b) promote and sell Epic products and services; and (c) sponsor new Customers and Scholar/IBO in the United States and in countries where Epic may become established after the effective date of these Policies.
- 5.2. Adherence to the Epic Compensation Plan. Scholar/IBO must adhere to the terms of the Epic Compensation Plan as set forth in official Epic literature. Scholar/IBO shall not offer the Epic opportunity through, or in combination with, any other system, program or method of marketing other than that specifically set forth in official Epic literature. Scholar/IBO shall not require or encourage other current or prospective customers or Scholar/IBO to participate in Epic in any manner that varies from the program as set forth in official Epic literature. Scholar/IBO shall not require or encourage other current or prospective customers or Scholar/IBO to execute any agreement or contract other than official Epic agreements and contracts in order to become an Epic Scholar/IBO. Similarly, Scholar/IBO shall not require or encourage other current or prospective customers or Scholar/IBO to make any purchase from, or payment to, any individual or other entity to participate in the Epic Compensation Plan other than those purchases or payments identified as recommended or required in official Epic literature.

- 5.3. Bonus Buying Prohibited. Bonus buying is strictly and absolutely prohibited. “Bonus buying” includes:
- 5.3.1. The enrollment of individuals without their knowledge and agreement and/or without execution of a Scholar/IBO Application;
  - 5.3.2. The fraudulent enrollment of an individual as a Scholar/IBO or merchant;
  - 5.3.3. The enrollment or attempted enrollment of non-existent individuals as Scholar/IBO or merchants;
  - 5.3.4. The use of a credit card by or on behalf of a Scholar/IBO or merchant when the Scholar/IBO or customer is not the account holder of such credit card;
  - 5.3.5. Purchasing Epic products on behalf of another Scholar/IBO, or under another Scholar/IBO’s ID number, to qualify for commissions or bonuses.

## **SECTION 6. ORDERS AND TRANSACTIONS**

- 6.1. Epic strictly requires that Scholar/IBO's and Clients use their own credit or debit cards for any and all purchases made through Epic. Scholar/IBO's and Clients may not use a credit or debit card with a cardholder name that does not match their account information as provided during registration unless written consent has been obtained prior from Epic (support@epictrading.org)
- 6.2. Subscription Billing. The program is automatically renewed each month with a credit or debit card maintained on file with Epic. The subscription billing cycle is four (4) weeks, which is exactly 28 days. The Scholar/IBO or Client may view their next billing date at any time in the back office of the Epic website. Cancellation of any subscriptions must be done by submitting written notice to Epic via support@epictrading.com and then following the procedures provided.
- 6.3. Refund Policy. Epic Refund & Cancellation policies are provided and detailed at <https://epictrading.com/Refund-Policy/> . When a refund is requested, the bonuses and commissions attributable to the refunded service will be deducted from the Scholar/IBO who received bonuses or commissions on such sales. Deductions will occur in the month in which the refund is given and continue every pay period thereafter until the commission is recovered. Epic offers all customers a ten (10) day full money back guarantee on any Scholar Package (\$99.99 per month). Monthly Scholars/IBOs subscription payments (\$24.99) must be cancelled prior to the recurring due date. A three (3) day grace period will be permitted from the date the monthly Scholar/IBO fee is processed for a refund on the monthly Scholar/IBO payment.

Epic reserves the right to remove volume from cancelled orders to recoup and balance commissions already paid on the returned order(s).

- 6.4. Charge Backs. If an IBO and/or Client believes that an erroneous charge has been made to his/her debit or credit card, he/she should immediately contact Epic at support@epictrading.com to initiate an investigation and a resolution. Under no circumstances will any Scholar/IBO and/or Client charge back or dispute a previously submitted subscription payment. If a Scholar/IBO and/or Client notifies his/her banking institution and requests a charge back for a previously submitted subscription payment with Epic, any and all associated accounts for that Scholar/IBO and/or Client will be immediately and indefinitely terminated upon Epic's notification of such actions.

## **SECTION 7. RESPONSIBILITIES OF SCHOLAR/IBO**

- 7.1. Change of Address or Telephone. To ensure timely delivery of products, support materials and commission checks, it is critically important that Epic' files are current. Scholar/IBO planning to move should mail Epic corporate office, at support@epictrading.com their new address and telephone numbers. In the alternative, Scholar/IBO may email Epic at customer service email provided on website. To guarantee proper delivery, two-weeks advance notice to Epic is recommended on all changes. A Customer or Scholar/IBO may be assessed a \$20 fee for returned shipments due to an incorrect shipping address.

### 7.2. Continuing Development Obligations

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

Upon request, every Scholar/IBO should be able to provide documented evidence to Epic of his or her ongoing fulfillment of the responsibilities of a sponsor.

- 7.2.2. Increased Training Responsibilities. As Scholar/IBO progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge and understanding of the Epic program. They will be called upon to share this knowledge with lesser-experienced Scholar/IBO within their organization.

- 7.2.3. Ongoing Sales Responsibilities. Regardless of their level of achievement, Scholar/IBO have an ongoing obligation to continue to personally promote sales through the generation of new customers or merchants and through servicing their existing customers or merchants.
- 7.3. Non-disparagement. Epic wants to provide its Scholar/IBO with the best products, compensation plan and service in the industry. Accordingly, we value your constructive criticisms and comments. All such comments should be submitted in writing to the Epic corporate offices. While Epic welcomes constructive input, negative comments and remarks made in the field by Scholar/IBO about the Company, its products or Compensation Plan serve no purpose other than to sour the enthusiasm of other Epic Scholar/IBO. For this reason, and to set the proper example for their Downline, Scholar/IBO must not disparage, demean or make negative remarks about Epic, other Epic Scholar/IBO, Epic' services, the Compensation Plan or Epic' directors, officers or employees.
- 7.4. Providing Documentation to Applicants. Scholar/IBO must provide the most current version of the Policies and Procedures and the Compensation Plan to individuals whom they are sponsoring to become Scholar/IBO before the applicant signs a Scholar/IBO Agreement. Additional copies of Policies and Procedures can be found on the Epic website at [www.epictrading.com](http://www.epictrading.com).
- 7.5. Monitoring of Downline. A Sponsoring Scholar/IBO should monitor the Scholar/IBO in his or her downline organizations to ensure that downline Scholar/IBO do not make improper product or business claims, or engage in any illegal or inappropriate conduct.
- 7.6. Reporting Policy Violations. Scholar/IBO observing a policy violation by another Scholar/IBO should submit a written report of the violation directly to the attention of the Epic Compliance Department. Details of the incident(s), such as dates, number of occurrences, persons involved and any supporting documentation, should be included in the report. Once the matter has been presented to Epic, it will be researched thoroughly and appropriate action will be taken if required.
- 7.6.1. This section refers to the general reporting of policy violations as observed by other Scholar/IBO for the mutual effort to support, protect, and defend the integrity of Epic sales opportunity. If a Scholar/IBO has a grievance or complaint against another Scholar/IBO which directly relates to his or her Epic business, the procedures set forth in these Policies must be followed.

## **SECTION 8. SALES REQUIREMENTS**

- 8.1. Product Sales. The Epic Compensation Plan is based upon the sale of Epic products and services to end user consumers. Scholar/IBO must fulfill personal and Downline organization sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions and advancement to higher levels of achievement.

- 8.2. Retail Sales. Epic must give approval for products and services to be sold in a retail environment.

Scholar/IBO shall not sell Epic products through websites including Amazon, eBay, Facebook, or any other online platform.

## **SECTION 9. BONUSES AND COMMISSIONS**

- 9.1. Bonus and Commission Qualifications. In order to qualify to receive commissions and bonuses, a Scholar/IBO must be in good standing and comply with the terms of the Agreement and these Policies and Procedures. A Scholar/IBO will qualify to receive commissions and bonuses so long as he/she meets all qualifications pursuant to the Epic's Compensation Plan (for more information, please see that document). Epic shall pay commissions to such Scholar/IBO in accordance with the Compensation Plan. The minimum amount for which Epic will issue a commission payment is \$40.00. If Scholar/IBO bonuses and commissions do not equal or exceed \$40.00, the Company will accrue the commissions and bonuses until they total \$40.00. Commissions will be issued once \$40.00 has been accrued via paycard.
- 9.2. Errors or Questions. If a Scholar/IBO has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports, or charges, the Scholar/IBO must notify Epic in writing within thirty (30) days of the date of the purported error or incident in question. The Company will not be responsible for any errors, omissions, or problems not reported within 30 days.
- 9.3. Bonus Buying Prohibited. Bonus buying is strictly and absolutely prohibited. Bonus buying includes:
- 9.3.1. the enrollment of individuals or entities without the knowledge of and/or execution of an Agreement by such individuals or entities;
  - 9.3.2. the fraudulent enrollment of an individual or entity as a Customer/Scholar/IBO;
  - 9.3.3. the enrollment or attempted enrollment of non-existent individuals or entities as Customer/Scholar/IBOs ("phantoms");
  - 9.3.4. purchasing Epic services on behalf of another Customer/Scholar/IBO to qualify for commissions or bonuses; and/or
  - 9.3.5. any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions, or bonuses that is not driven by bona fide product or service purchases by end user consumers.



#### 9.4. Commission Payments and Promotions

9.4.1. Payments, Calculations, and Bonuses. Commissions will be mailed out and/or paid in accordance with the Compensation Plan. Commissions will be calculated according to the level for which a Scholar/IBO actually satisfied all of the requirements according to the Compensation Plan rather than the highest rank or title achieved. Commission reports will be provided to Scholar/IBO on-line, via web access.

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

#### 9.5. Adjustment to Bonuses and Commissions

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

#### 9.6. Unclaimed Commissions and Credits

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

9.7. Reports. All information provided by Epic in online or telephonic Downline Activity Reports, including but not limited to personal and group sales volume (or any part thereof), and Downline sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors, including the inherent possibility of human and mechanical error; the accuracy, completeness and timeliness of orders; denial of credit card and electronic check payments; returned products; and credit card and electronic check charge-backs, the information is not guaranteed by Epic or any persons creating or transmitting the information. All personal and group sales volume information is provided “as is” without warranties, expressed or implied, or representations of any kind whatsoever. In particular, but without limitation, there shall be no warranties of merchantability, fitness for a particular use or non-infringement.

To the fullest extent permissible under applicable law, Epic and/or other persons creating or transmitting the information will in no event be liable to any Scholar/IBO or anyone else for any direct, indirect, consequential, incidental, special or punitive damages that arise out of the use of or access to personal and group sales volume information (including but not limited to lost profits, bonuses, or commissions, loss of opportunity and damages that may result from inaccuracy, incompleteness, inconvenience, delay or loss of the use of the

information), even if Epic or other persons creating or transmitting the information shall have been advised of the possibility of such damages. To the fullest extent permitted by law, Epic or other persons creating or transmitting the information shall have no responsibility or liability to you or anyone else under any tort, contract, negligence, strict liability, products liability or other theory with respect to any subject matter of this agreement or terms and conditions related thereto.

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

## **SECTION 10. RETURNS AND SALES AIDS REPURCHASE**

10.1. Product Sales. Personal service and retail sales to the customer are the foundation of Epic. The entire commission structure is based upon volume of product sales referred by the individual Scholar/IBO as well as their entire organization.

10.2. Voluntary Cancellation of Contract. Requests by an Epic Scholar/IBO to return their sales aids for a refund will be treated as a request to voluntarily cancel that Scholar/IBO business. If a Scholar/IBO wishes to return sales aids purchased within the last 3-month period, the Company shall repurchase the sales aids and the Scholar/IBO's Agreement shall be canceled. A Scholar/IBO may only return sales aids purchased by him or her that are in new and resalable condition.

Upon receipt of the sales aids, the Scholar/IBO will be reimbursed 90% of the cost of the original purchase price(s), not to include shipping and handling charges. If the purchases were made through a credit card, the refund will be credited back to the same account.

- Scholar/IBO must inform the company of intent to exercise the sales aid buy-back option within 10 business days of resignation notice.
- All products to be returned for refund under this provision must be approved in advance of shipment to Epic, by calling the Customer Services Department.
- Scholar/IBO will be asked to submit invoices detailing the sales aid items to be returned.
- Upon approval from the company, returns may be sent to the company's headquarters and must be accompanied by an invoice copy for each item.
- The return of \$500 or more of products accompanied by a request for a refund within thirty (30) calendar days by a Scholar/IBO may constitute grounds for involuntary termination.

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

## SECTION 11. DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

- 11.1. Disciplinary Sanctions. Violation of the Agreement, these Policies and Procedures or any illegal, fraudulent, deceptive or unethical business conduct by a Scholar/IBO may result, at Epic' discretion, in one or more of the following corrective measures:
- Issuance of a written warning or admonition;
  - Requiring the Scholar/IBO to take immediate corrective measures;
  - Imposition of a fine, which may be withheld from bonus and commission checks;
  - Loss of rights to one or more bonus and commission checks;
  - The withholding from a Scholar/IBO of all or part of the Scholar/IBO's bonuses and commissions during the period that Epic is investigating any conduct allegedly in violation of the Agreement. If a Scholar/IBO's business is canceled for disciplinary reasons, the Scholar/IBO will not be entitled to recover any commissions withheld during the investigation period;
  - Suspension of the individual's Scholar/IBO Agreement for one or more pay periods;
  - Involuntary termination of the offender's Scholar/IBO Agreement;
  - Any other measure expressly allowed within any provision of the Agreement or that Epic deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Scholar/IBO's policy violation or contractual breach; or
  - In situations deemed appropriate by Epic, the Company may institute legal proceedings for monetary and/or equitable relief.
- 11.2. Grievances and Complaints. When a Scholar/IBO has a grievance or complaint with another Scholar/IBO regarding any practice or conduct in relationship to their respective Epic businesses, the complaining Scholar/IBO should first report the problem to his or her sponsor, who should review the matter and try to resolve it with the other party's Upline sponsor. If the matter cannot be resolved, it must be reported in writing to the Company. The Company will review the facts and determine if a policy violation has occurred and take appropriate action.
- 11.3. Mediation. Prior to instituting arbitration, the parties shall meet in good faith and attempt to resolve any dispute arising from or relating to the agreement through non-binding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least ten (10) days in advance of the mediation. Each party shall pay its own attorneys fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in Dallas, Texas, and shall last no more than two business days.
- 11.4. Arbitration. Any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association or other recognized arbitration service, under its Commercial

Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Scholar/IBO waive all rights to trial by jury or to any court. All arbitration proceedings shall be held in the County of Clark, State of Nevada, unless the laws of the state in which a Scholar/IBO resides expressly require the application of its laws, in which case the arbitration shall be held in the capital of that state. All parties shall be entitled to all discovery rights pursuant to the Federal Rules of Civil Procedure. There shall be one arbitrator, an attorney at law, who shall have expertise in business law transactions, with a strong preference being an attorney knowledgeable in the direct selling industry, selected from the panel that the American Arbitration Panel provides. The prevailing party shall be entitled to receive from the losing party, OR each party to the arbitration shall be responsible for its own, costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitration shall survive any termination or expiration of the Agreement.

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

**NO CLASS ACTION, OR OTHER REPRESENTATIVE ACTION OR PRIVATE ATTORNEY GENERAL ACTION OR JOINDER OR CONSOLIDATION OF ANY CLAIM WITH A CLAIM OF ANOTHER PERSON OR CLASS OF CLAIMANTS SHALL BE ALLOWABLE.**

11.5. Governing Law, Jurisdiction and Venue. Jurisdiction and venue of any matter not subject to arbitration shall reside in Las Vegas, Nevada in Clark County. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of Nevada shall govern all other matters relating to or arising from the Agreement.

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

**SECTION 12. LIQUIDATED DAMAGES**

12.1. Liquidated Damages. In any case which arises from or relates to the wrongful termination of the Agreement and/or a Scholar/IBO business, the Company and Scholar/IBO agree that damages will be extremely difficult to ascertain. Therefore, the Company and Scholar/IBO stipulate that if the involuntary termination of the Agreement and/or loss of the Independent Business Owner's Epic business is proven and held to be wrongful under any theory of law, the Scholar/IBO's sole remedy shall be liquidated damages calculated as follows:

12.1.1. For Independent Business Owners earning an average of more than \$500 per month based on a six-month average, liquidated damages shall be in the amount of his/her gross compensation that he/she earned pursuant to the Epic Compensation Plan in the twelve (12) months immediately preceding the termination.

12.1.2. For Independent Business Owners earning an average of more than \$2500 per month based on a six-month average, liquidated damages shall be in the amount of his/her gross compensation that he/she earned pursuant to the Epic's Compensation Plan in the twenty-four (24) months immediately preceding the termination.

In any action arising from or relating to the Agreement, the Epic business, or the relationship between the Company and Scholar/IBO, both parties waive all claims for incidental and/or consequential damages, even if the other party has been apprised of the likelihood of such damage. The Company and Scholar/IBO further waive all claims to exemplary and punitive damages.

### **SECTION 13. INACTIVITY AND CANCELLATION**

13.1. Effect of Cancellation. So long as a Scholar/IBO remains active and complies with the terms of the Scholar/IBO Agreement and these Policies and Procedures, Epic shall pay commissions to such Scholar/IBO in accordance with the Compensation Plan. A Scholar/IBO's bonuses and commissions constitute the entire consideration for the Scholar/IBO's efforts in generating sales and all activities related to generating sales (including building a Downline Organization). Following a Scholar/IBO's termination for inactivity, or voluntary or involuntary termination of his or her Scholar/IBO Agreement (all of these methods are collectively referred to as "termination"), the former Scholar/IBO shall have no right, title, claim or interest to the marketing organization that he or she operated, or any commission or bonus from the sales generated by the organization. A Scholar/IBO whose business is terminated will lose all rights as a Scholar/IBO. This includes the right to sell Epic products and services and the right to receive future commissions, bonuses or other income resulting from the sales and other activities of the Scholar/IBO's former Downline sales organization. In the event of termination, Scholar/IBO agree to waive all rights they may have, including but not limited to property rights, to their former Downline organization and to any bonuses, commissions or other remuneration derived from the sales and other activities of his or her former Downline organization.

Following a Scholar/IBO's termination of his or her Scholar/IBO Agreement, the former Scholar/IBO shall not hold himself or herself out as an Epic Scholar/IBO. A Scholar/IBO whose Scholar/IBO Agreement is terminated shall receive commissions and bonuses only for the last full pay period he or she was active prior to cancellation (less any amounts withheld during an investigation preceding an involuntary termination).

13.2. Involuntary Termination. Epic reserves the right to terminate a Scholar/IBO's business for, but not limited to, the following reasons: (a) violation of any terms or conditions of the Scholar/IBO Agreement; (b) violation of any provision in these Policies;

(c) violation of any provision in the Compensation Plan; (d) violation of any applicable law, ordinance, or regulation regarding the Epic business; or (e) engaging in unethical business practices or violating standards of fair dealing.

13.2.1. Epic will notify the Scholar/IBO via email at his or her last known email address of its intent to terminate the Scholar/IBO's business and the reasons for termination.

13.2.2. After notice of termination, a Scholar/IBO may appeal the termination, but Epic can ignore such appeal and proceed with termination in its sole and absolute discretion.

13.2.3. If the termination is not rescinded, the termination will be effective as of the date of the original termination notice by Epic. The former Scholar/IBO shall thereafter be prohibited from using the names, marks or signs, labels, stationery, advertising, or business material referring to or relating to any Epic products or services. Epic will notify the active Upline Sponsor within ten (10) days after termination. The organization of the terminated Scholar/IBO will "roll up" to the active Upline Sponsor on record.

13.2.4. The Epic Scholar/IBO who is involuntarily terminated by Epic may not reapply for a business, either under his or her present name or any other name or entity, without the express written consent of an officer of Epic following a review by Epic. In any event, such Scholar/IBO may not re-apply for a business for six (6) months from the date of termination.

13.3. Voluntary Termination A Scholar/IBO may immediately terminate his or her business by submitting a written notice or email to Epic. The written notice must include the following: (a) the Scholar/IBO's intent to resign; (b) date of resignation; (c) Epic Identification Number; (d) reason for resigning; and (e) Signature.

13.3.1. A Scholar/IBO may not use resignation as a way to immediately change Sponsor and Placement. Instead, the Scholar/IBO who has voluntarily resigned is not eligible to reapply for a business or have any financial interest in an or any Epic business for six (6) months from the receipt of the written notice of resignation.

13.4. Non-Renewal. A Scholar/IBO may also voluntarily cancel his or her Scholar/IBO Agreement by failing to maintain the Agreement annually. The Company may also elect not to renew a Scholar/IBO's Agreement.

13.5. Complete Agreement. These Policies and Procedures, any and all modifications made by the Company, along with the Terms and Conditions and the Compensation Plan make up the entire agreement between Scholar/IBO and Company.