



spring | 2011

## GGC Rewards

Policies & Procedures

## **STATEMENT OF POLICIES AND PROCEDURES**

1. This statement of policies and procedures is a direct selling relationship in regards selling related products and/or services to the consumer through independent representatives. The policies and procedures herein are applicable to all independent representatives.

2. An Independent Representative is one who has completed an application and agreement and has been accepted as an independent representative. These Policies and Procedures, in their present form and as amended at the sole discretion of Global Gas Card, Inc (hereafter the "Company"), are incorporated into, and form an integral part of, the Global Gas Card Agreement. "The company" reserves the right to accept or reject anyone as an independent representative.

3. All Independent representatives must be the age of majority in the state in which they market products and/or services. "The company" reserves the right to reject any applications for new independent representatives or applications for renewal.

4. Independent Representatives are independent marketing representatives and are not to be considered purchasers of a franchise or a distributorship. The agreement does not create an employer\employee relationship, agency, partnership, or joint venture. Each independent representative shall hold harmless "the company" from any claims, damages or liabilities arising out of independent representative's business practices. Independent representatives have no authority to bind "the company" to any obligation. Each independent representative is encouraged to set up his\her own hours and to determine his\her own methods of sale, so long as he\she complies with the policies and procedures.

5. In the conduct of its business, the independent representative shall safeguard and promote the reputation of the products and/or services and shall refrain from all conduct which might be harmful to such reputation or to the marketing of such products or inconsistent with the public interest, and shall avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

6. The program is built upon retail sales to the ultimate consumer. It is also recognized that independent representatives may wish to purchase products and/or services in reasonable amounts for their own personal or family use. For this reason, a retail sale for bonus purposes shall include sales to nonparticipants as well as sales to representatives for personal or family use which are not made for purposes of qualification or advancement. However, the purchase of products and/or services or large quantities of inventory in unreasonable amounts solely for the

purpose of qualifying for bonuses or advancement in the marketing program is strictly prohibited. Independent Representatives may not inventory load nor encourage others in the program to load up on inventory. Independent Representatives must fulfill published personal and down line retail sales requirements, including requisite retail sales to nonparticipants, as well as supervisory responsibilities, to qualify for bonuses, overrides or advancements.

7. Any representative, who sponsors other representatives, must fulfill the obligation of performing a bona fide supervisory, distributing and selling function in the sale or delivery of product to the ultimate consumer and in the training of those sponsored. Representatives must have ongoing contact, communication and management supervision with his or her sales organization. Examples of such supervision may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, training sessions, directing individuals to training, sharing genealogy information with those sponsored. Independent Representatives should be able to provide evidence annually of ongoing fulfillment of sponsor responsibilities.

8. Retail/70 Percent Policy. This sales and marketing program is based upon retail sales to the ultimate consumer. Every aspect of the program is designed to assist our independent representatives in the marketing of fine products and/or services to the general consuming public. As a dual consumer safeguard, of the utmost importance is the policy that independent representatives should purchase products and/or services in commercially reasonable quantities and under no circumstances may independent representatives cause others to purchase products and/or services in amounts that are not reasonably expected to be sold to the consuming public or in unreasonable amounts for personal or family use. In furtherance of these policies, specific rules on retail sales and retailing referenced as the retail/70 percent rules have been adopted. In the interest of protecting the consumer and the opportunity of its independent representatives, this rule will be enforced through a verification program.

Retail/70 Percent Rule.

a. Retail Rule.

Although the primary function is to sell products and/or services to the general consuming public, it is also recognized that independent representatives may wish to purchase product for personal or family use in reasonable amounts. For this reason, a retail sale is defined to include sales to nonparticipants, as well as purchases for personal or family use in reasonable amounts, which are not made solely for purposes of qualification or advancement. This is a standard followed by leading direct selling companies. Notwithstanding this policy, in order to specifically further retail selling, has adopted a requirement that an independent representative will not be eligible for bonuses or overrides unless he or she has maintained at least 1 active sale per month to nonparticipant retail customers.

b. 70 Percent Rule.

As with other leading direct selling companies, a 70 percent rule has been adopted. Under this rule, independent representatives may not order additional products and/or services unless they have sold or used for personal or family use at least 70 percent of previously purchased inventory-type product. This verification is also intended to support the 70 percent rule policy.

Retail Sales/70 Percent Rule Audit Verification Program.

In its effort to support and enforce the retail sales/70 percent rule, random audit verifications will be conducted on an annual basis. Independent Representatives will be contacted verify compliance with the retail sale/70 percent rule. Independent Representatives should maintain records and be prepared to assist there down line independent representatives in their task.

9. Sales Volume Qualification by Order Taking. As with other leading direct selling companies, a minimum personal and group sales volume requirements have been adopted. With respect to tangible products, which may be offered for purchase for resale, minimum sales volume requirements may also be fulfilled by taking orders from retail customers which will be fulfilled or drop-shipped by the directly to the retail customer.

10. All independent representatives are responsible for paying local, state and federal taxes due on earnings from commissions or any other earnings generated as a seller products and/or services.

11. Independent representatives shall only advertise approved products and/or services. Independent representatives agree to make no false or fraudulent representations about the products and/or services, bonuses, the compensation plan, or income potentials.

12. All independent representatives are required to purchase a applicable online sales kit at the time of submission of their independent representative application. The sales kit is sold "at cost." This sum is not a service or franchise fee, but rather is strictly to offset costs incurred for educational and business materials required for an independent representative. No product and/or service purchase by the independent representative is required. Data processing fees, if any, will be deducted from commissions and bonuses.

13. Trademark, Trade Names, Advertising.

a. All proprietary information is of great value and is supplied to independent representative for independent representative's use only in an expressly authorized manner. Independent Representative agrees not to advertise the

product and/or service in any way other than the advertising or promotional materials made available. Independent Representative agrees not to use any written, printed, recorded or any other material in advertising, promoting or describing the product or the marketing program, or in any other manner, any material which has not been copyrighted and supplied, unless such material has been submitted and approved in writing before being disseminated, published or displayed.

b. The independent representative, as an independent contractor, is fully responsible for all of his\her verbal and written statements made regarding the product and/ or service including bonuses and marketing program which are not expressly contained in writing in the current independent representative agreement, and advertising or promotional materials supplied directly. Independent Representative agrees to indemnify "the company" and hold it harmless from any and all liability including judgments, civil penalties, refund, attorney fees, court costs or lost business incurred by the as a result of and independent representative's unauthorized representations.

c. The use of its copyrights, designs, logos, trade names, trademarks, etc. without its prior written permission is not permitted.

d. All materials whether printed, on film, produced by sound recording, or on the Internet, are copyrighted and may not be reproduced in whole or in part by independent representatives or any other person. Permission to reproduce any materials will be considered only in extreme circumstances. Therefore, an independent representative should not anticipate that approval would be granted.

e. Independent representatives may not produce, use or distribute any information relative to the contents, characteristics or properties of product and/or services including bonuses which has not been provided . This prohibition includes but is not limited to print, audio or video media.

f. Independent representatives may not produce, sell or distribute literature, films or sound recordings which are deceptively similar in nature to those already produced, published and provided. Nor may an independent representative purchase, sell or distribute non materials.

g. Independent representatives may charge no more than \$25 for events in order to off set costs incurred. If they wish to charge more than \$25 per event, then a request must be made in writing to the corporate office with an explanation as to why this would warrant higher cost.

h. Independent representatives may not charge, or sell for their own products & services as a leader of GGC Rewards unless written approval has been obtained from corporate.

i. Any display ads or institutional or trademark advertising copy, other than covered in the foregoing rules, must be submitted and approved in writing prior to publication.

j. All advertising copy, direct mailing, radio, TV, newspaper and display copy must be approved in writing before being disseminated, published or displayed with the exception of blind ads where no reference is made to the product and/or service including bonuses.

k. No claims as to therapeutic or curative properties about the products and/ or services may be made except those officially approved in writing or as contained in the official website. In particular, no independent representative may make any claim that the products and/or services are useful in the treatment or cure of any disease. Such statements can be perceived as medical claims. Not only is this totally policy, but it is also against the laws governed by the United States Food and Drug Administration.

14. Independent representatives are allowed to advertise on the Internet through an approved program, which allows independent representatives to choose from among home page designs that can be personalized with the independent representative's message and the contact information. This will give the independent representative a professional and -approved presence on the internet. No independent representative may independently design a site that uses the website domain, logos, or product descriptions including bonuses, nor may an independent representative use "blind" ads on the internet making product and/or service or income claims which are ultimately associated with products and/or service or the compensation plan. Any person using the website, logos, trademarks, etc. on the internet or any other advertising medium, except as permitted by Rules and Regulations, shall be subject to immediate discipline, including termination of their independent representative status.

15. No Spam Policy. It is specific policy to prohibit unsolicited email (spamming) or information by facsimile relating to the 's opportunity and products. There is a zero tolerance policy of spamming practices. Independent Representatives who violate the "no spam policy" are subject to termination, suspension or disciplinary action.

16. Retail Establishments. products and/or services may only be displayed and sold in retail establishments where the nature of the business is to make appointments with customers (such as salons, doctors' offices, and health clubs where appointments are made for personal training or classes are scheduled) the sale of such products and/or services within such retail facilities must be conducted by an independent representative and must be preceded by a discussion where the independent representative introduces the prospect to the products and/or service and opportunity just as they would if they had met outside of the retail facility. Any applicable produced literature, banners, or signage only

may be displayed on a shelf, counter, or wall and must be displayed by itself. Product and/or services may not be sold from a shelf or taken from a display for purchase by a customer. Products and/or services may not be sold in any retail establishment, even by appointment, if competitive products are sold in the establishment.

17. Trade Shows. With written authorization only may the products and/or services and opportunity be displayed at trade shows by independent representatives. Request for participation in trade shows must be received in writing at least one month prior to the show. Written authorization must be received before participating in the trade show. Products and/or service and opportunity are the only products and/or service and/or opportunity that may be offered in the trade show booth. Only approved marketing materials may be displayed or distributed. No independent representative may sell or promote the products and/or service including bonuses or business opportunity at flea markets, swap meets, or garage sales.

18. International Sales. No independent representative may export or sell directly or indirectly to others who export the products and/or service, literature, sales aids or related promotional material in regards to products and/or services or the 's program from the United States or its possessions or territories to any other country. Independent representatives who choose to sponsor internationally may do so only in countries in which have been registered to operate its business and must comply fully with the Rules of Operation of an independent representative in that country. Any violation of this rule constitutes a material breach of this contract and is grounds for immediate termination of the independent representative.

19. "The company" reserves the right to approve or disapprove independent representative's change of business names, formation of partnerships, corporations, and trusts for tax, estate planning, and limited liability purposes. If approved such a change by independent representative, the organization's name and the names of the principals of the organization must appear on the independent representative application agreement along with a social security number or federal identification number.

20. The independent representative agreement may be canceled at any time and for any reason by an independent representative in writing.

21. If a representative elects not to renew his\her independent representative agreement, all rights to commissions, bonuses, marketing position and wholesale purchases cease. The terminated independent representative's sales organization may be transferred.

22. If the independent representative has purchased products for inventory purposes or mandatory sales aids while the independent representative agreement was in effect, all products in a resalable condition then in possession of the

independent representative, which have been purchased within 12 months of cancellation, shall be repurchased. The repurchase shall be at a price of not less than ninety percent (90%) of the original net cost to the participant returning such goods, taking into account any sales made by or through such participant prior to notification to the of the election to cancel. Buyback is 12 months in Massachusetts, Maryland, Montana, Georgia, Louisiana, Wyoming, Texas, Oklahoma and Puerto Rico. In addition, all statutory mandated buyback requirements of every jurisdiction will be honored. This does not apply to unused subscription services.

23. Commissions and bonuses will not exceed 70% of the daily subscription revenue minus processing. Commissions and bonuses are subject to daily adjustments in the e-cash statement.

24. "The Company" shall be entitled to change product and/or service prices at any time and without notice along with the compensation plan and bonuses, and to make changes in the statement of policy and procedures.

25. Each representative shall comply with all state and local taxes and regulations governing the sale of products and/or services.

26. Subscription Refund Policy - Our goal is to effectively and fairly serve those subscribers registered with "the company" both individuals and institutions. Due t the nature of our product, GGC has a strict No Refund Policy.

27. Independent Representative shall not sell to other independent representatives, other than personally sponsored representatives, non-products and/or services or in any way promote to such independent representatives opportunities in marketing programs of other companies. Such admissible promotion to designated personally sponsored representatives may not take place on the occasion or at the place designated for or associated with a business opportunity meeting or -related activity.

28. On a periodic basis data processing information and reports to the independent representative are supplied which will provide information to the independent representative concerning the independent representative's down line sales organization, product purchases and product mix. Independent Representative agrees that such information is proprietary and confidential and is transmitted to the independent representative in confidence. The independent representative agrees that he or she will not disclose such information to any third party directly or indirectly, nor use the information to compete with the directly or indirectly. The independent representative agree that but for this agreement of confidentiality and nondisclosure, this information would not be provided due to the above confidential information being made available to the independent representative.

29. Vendor Confidentiality. All business relationship with vendors, manufacturers and suppliers are confidential. An independent representative shall not contact, directly or indirectly, or speak to or communicate with any representative

of any supplier or manufacturer except at a sponsored event at which the representative is present at the request of "the company". Violation of this regulation may result in termination and possible claims for damages if the vendor/manufacturer's association is compromised by the independent representative contact.

30. Upon the death or incapacity of the independent representative, his or her rights to commissions, bonuses and marketing position, together with independent representative responsibilities, shall pass to his or her successors in interest upon written application and approval by "the company". The successor independent representative must fulfill all responsibilities of the independent representative.

31. An independent representative may not sell, assign or otherwise transfer his or her marketing position or other independent representative rights without written application and approval. The potential buyer must be at the equivalent or higher rank as the selling independent representative or have been an independent representative for at least an one-year period prior to the sale. The independent representative must be offered in writing first to the independent representative's sponsor. If the sponsor declines the offer, the independent representative may offer the independent representative for sale to other qualified independent representatives, but only on the same terms and conditions as offered to the sponsor. An independent representative who sells his or her representativeship shall not be eligible to requalify as an independent representative for a period of at least six months after the sale. "The company" reserves the right to review the sale agreement and to verify waiver from the up line sponsor in the event the up line sponsor declines to purchase the representativeship.

32. This statement of policies and procedures is incorporated into the independent representative agreement and constitutes the entire agreement of the parties regarding their business relationship.

33. "The Company" expressly reserves the right to alter or amend prices, Rules and Regulations, Policies and Procedures, product and/or service availability, bonuses and compensation plan. Upon notification, such amendments are automatically incorporated as part of the agreement.

34. A partnership or corporation may be an independent representative. However, no individual may participate in more than one (1) representativeship in any form without express written permission. Only in the most extreme and extraordinary circumstances will this be considered.

a. An independent representative may change status under the same sponsor from individual to partnership or corporation or from partnership to corporation with proper and complete documentation.

b. To form a new independent representative as a partnership or corporation or to change status to one of these forms of business, you must submit your request in writing. This form must be submitted detailing all partners, stockholders, officers or directors in the partnership or corporation. The partner or officer who submits the form must be authorized to enter into binding contracts on behalf of the partnership or corporation. In addition, by submitting this request, you certify that no person with an interest in the business has had an interest in a representativeship within three (3) months of the submission of the form (unless it is the continuation of an existing representativeship that is changing its form of doing business

#### 34. Corporate and Partnership Guarantee for Owners.

Although "the company" has offered independent representatives the opportunity to conduct their representativeship as corporate or partnership entities, it is agreed that since the representativeship entity is under the control of its owners or principals, the actions of individual owners as they may affect the and the representativeship are also critical to the business. Therefore, it is agreed that actions of corporate shareholders, officers, directors, agents or employees and the actions of partnership partners, agents or employees, which are in contravention to the 's policies shall be attributable to the corporate or partnership entity.

36. Disciplinary Actions. An independent representative's violation of any policies and procedures, the agreement, terms and conditions or any illegal, fraudulent, deceptive, or unethical business conduct may result in one or more of the following disciplinary actions:

- a. Issuance of a written warning or admonition.
- b. Imposition of a fine, which may be imposed immediately or withheld from future and/or past commission checks.
- c. Reassignment of all or part of an independent representative's organization.
- d. Suspension, which may result in termination or reinstatement with conditions or restrictions.
- e. Termination of the independent representative.

37. The website owner reserves the right to terminate any independent representative at any time for cause when it is determined that the independent representative has violated the provisions of the independent representative agreement, including the provisions of these policies and procedures as they may be amended or the provisions of applicable laws and standards of fair dealing. Such involuntary termination shall be made by "the company" at its discretion. Upon an involuntary termination, "the company" shall notify the representative by notice in the independent representative's back office and/or email at the latest email address listed for the independent representative. In the

event of a termination, the terminated independent representative agrees to immediately cease representing him/herself as an independent representative.

38. Termination.

a. When a decision is made to terminate an independent representative, "the company" will inform the independent representative in writing that the representative is terminated immediately, effective as of the date of the written notification. The termination notice will be posted in the independent representative's back office and/or emailed to the independent representative's email address on file.

b. The independent representative will have 15 days from the date of notification in which to appeal the termination in writing. The independent representative's appeal correspondence must be received within 20 days of the 's termination notice. If the appeal is not received within the 20-day period, the termination will be automatically deemed final.

c. If an independent representative files a timely appeal of termination, "the company" will review and reconsider the termination, consider any other appropriate action, and notify the independent representative of its decision. The decision of "the company" will be final and subject to no further review. In the event the termination is not rescinded, the termination will be effective as of the date of "the company's original termination notice.

39. All independent representatives have the right to sponsor others. In addition, every person has the ultimate right to choose his/her own sponsor. If two independent representatives should claim to be the sponsors of the same new independent representative, "the company" shall regard the first online application received as controlling.

a. As a general rule, it is good practice to regard the first independent representative to meaningfully work with a prospective independent representative as having first claim to sponsorship, but this is not necessarily controlling. Basic tenets of common sense and consideration should govern.

b. There is no "magic" involved in this or in any business. Those who sponsor widely but who do not help new independent representatives develop their business meet with limited success. Therefore, a responsibility of sponsorship is to work with new independent representatives, helping them learn the business and encouraging them during the critical early months.

40. Transfer of Sponsorship. Transfer is rarely permitted and is actively discouraged. Maintaining the integrity of sponsorship is absolutely mandatory for the success of the overall organization.

a. Transfers will generally be approved in three (3) circumstances only:

(1) In the case of unethical sponsoring by the original sponsor. In such cases, "the company" will be the final authority.

(2) With the written approval of the immediate five (5) up line sponsors.

(3) Resigning entirely and waiting three (3) months to reapply under the new sponsor.

b. In cases of unethical sponsoring, the individual may be transferred with any downlines intact; in all other events, the individual alone is transferred without any down line independent representatives being removed from the original line of sponsorship.

41. To be eligible for commissions and bonuses, the independent representative must comply with:

a. Supervisory responsibility requirements as outlined herein.

b. 70% rule on resale of wholesale product ordered, and

c. Retail sales rule requiring maintaining at least 1 nonparticipant retail customer per month.

d. The requirement that his/her down line has retailed product, which has been purchased at wholesale.

42. The independent representative is encouraged to keep accurate sales records. The program is based upon retail sales to the ultimate consumers; therefore, all forms of stockpiling or pyramiding are prohibited. Products and/or services including bonuses are offered to independent representatives only for personal consumption and for resale to consumers.

43. Cumulative purchases during the first six months are limited to less than \$500 in Georgia, Louisiana, Indiana and Michigan. See specific addenda to representative agreement for specific states as to statutory purchasing limitations, buyback rules and other restrictions, disclosures and additional representative rights and responsibilities.

44. Income Claims. No income claims, income projections nor income representations may be made to prospective independent representatives. Obviously, any false, deceptive or misleading claims regarding the opportunity or product/service are prohibited. In their enthusiasm, independent representatives are occasionally tempted to represent hypothetical income figures based upon the inherent power of network marketing as actual income projections. This is counter-productive, since new independent representatives may be quickly disappointed if their results are not as extensive or as rapid as a hypothetical model would suggest. The income potential is great enough to be highly attractive in reality without resorting to artificial and unrealistic projections.

45. Representation of Status. In all cases, any reference the independent representative makes to him/herself must clearly set forth the representative's independent status. For example, if the representative has a business telephone, the telephone may not be listed under website name or in any other manner which does not disclose the independent contractor status of the representative.

46. Newspaper Advertisements. Some Independent Representatives use classified advertising in the newspapers to find prospects. The following rules apply:

- No advertisement may imply that a "job" or "position" is available.
- No specific income can be promised.
- Advertisements must contain no misleading facts or distortions of the opportunity or product line and/or service including bonuses.

47. Business Cards and Stationery. Any printed materials, including business cards and stationery, must be approved in advance. Criteria for approving these materials will include a judgment regarding the quality of the materials as well as properly setting forth the independent status of the representative.

48. Telephone Solicitation. The use of the website name or copyrighted materials may not be made with automatic calling devices or "boiler room" operations either to solicit independent representatives or retail customers. The use of these methods in ways that are legal and are the equivalent of the "blind ads" alluded to above cannot be regulated by "the company".

49. Press Inquiries. Any inquiries by the media are to be referred immediately to "the company". This policy is to assure accuracy and consistent public image.

50. Federal and state regulatory agencies rarely approve or endorse direct selling programs. Therefore, independent representatives may not represent that the program has been approved or endorsed by any governmental agency.

51. Waiver. "The company" never gives up its right to insist on compliance with these rules or with the applicable laws governing the conduct of a business. This is true in all cases, both specifically expressed and implied, unless an officer of the who is authorized to bind the in contracts or agreements specifies in writing that the waives any of these provisions. In addition, any time "the company" gives permission for a breach of the rules, that permission does not extend to future breaches. This provision deals with the concept of "waiver," and the parties agree that "the company" does not waive any of its rights under any circumstances short of the written confirmation alluded to above.

52. Governing Law. These rules are reasonably related to the laws of the state determined by "the company" and shall be governed in all respects thereby. The parties agree that jurisdiction and venue shall lie with the place of acceptance of the independent representative application determined by "the company".

53. Partial Validity. Should any portion of these Rules and Regulations, of the independent representative's application and agreement, or of any other instruments referred to herein or issued by the be declared invalid by a court of competent jurisdiction, the balance of such rules, applications, or instruments shall remain in full force and effect.