



POLICIES AND PROCEDURES

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These Policies and Procedures were established to explain and define the rights and responsibilities of hempSMART and its Independent Health Consultants or IHC. These Policies and Procedures are an integral part of the Independent Health Consultant IHC Agreement and shall have the same force and effect as a contract, and together with said Agreement and Compensation Plan shall constitute the entire understanding between hempSMART and the IHC.

Section One - Rules and Regulations

- 1.1 In order to maintain a viable Marketing Program and to comply with changes in International, Federal, State or Local laws, or economic conditions, hempSMART may modify its customer services, charges, marketing programs, and may alter the Policies and Procedures and Rules and Regulations from time to time, as well as modify its IHC Compensation Plan. All changes, upon notice by hempSMART shall become a binding part of the original IHC Agreement.
 - A. In addition to any specific remedy set forth herein for a breach of any Rule or Regulation, hempSMART shall be entitled to have the benefit of any additional remedy provided to it by law or in equity.
 - B. hempSMART honors and complies with all international, federal, state and

local regulations governing direct sales, network marketing and its products, and requires every IHC in the program to do the same.

- c. IHCs shall safeguard and promote the reputation of the products and services of hempSMART. IHCs shall refrain from all conduct that might be harmful to such reputation. IHCs shall not engage in any discourteous, deceptive, misleading or unethical practices.
- D. As an IHC with hempSMART, you are required to understand and comply with the rules, regulations, policies and procedures of hempSMART.
- E. hempSMART reserves the right to approve or disapprove all IHCs change of business names, formation of partnerships, corporations and trusts for tax, estate planning and limited liability purposes. If hempSMART approves such a change by an IHC, the organization's name and the names of the principals of the organization must appear on the IHC Agreement along with a Social Security Number, Federal Identification Number or foreign country identification number. Approval of these changes will not be unreasonably withheld.
- F. The identities of IHCs and customers are trade secrets and, therefore, considered proprietary information and shall not be sold, released or otherwise disclosed to anyone at any time.
- G. Any IHC found to be in violation of any of these rules will lose their buying privileges with hempSMART, be suspended from participation in the hempSMART Marketing Plan and will be terminated from his or her IHC status.

1.2 Communication, Suggestions, Complaints. Communication is very important at hempSMART. It is crucial that IHCs have all questions answered. To that end, IHCs are encouraged to make inquiries and discuss issues. Every IHC will be given the opportunity to discuss whatever he wishes with management to whatever level is necessary to receive due consideration for his/her ideas.

- A. IHC's Sponsor. It is expected that the IHC will first discuss his/her concerns with the Sponsor. If that is not satisfactory, the IHC may then discuss a problem or idea with the corporate staff of hempSMART.
- B. Suggestions. Suggestions for improving hempSMART are always welcome. Please email your suggestion to your upline and/or corporate staff.
- C. Complaints. Any complaints or misunderstandings should first be brought to the attention of your Sponsor, then to their upline. If not finally resolved, please write or fax your complaint to the corporate staff.

Section Two - Rights and Responsibilities

2.1 Services to be provided by the IHC. The IHC agrees to develop clients for the products offered by hempSMART.

2.2 No Contracts. No IHC shall enter into any agreements or make purchases in the name of hempSMART. No IHC shall involve hempSMART in any contractual relationship. IHCs cannot and will not sign any contract, rent or lease office space or equipment, open any bank account, secure credit, cash any negotiable instrument, make purchases or enter into agreements of any kind in the name of hempSMART. Each IHC shall hold harmless hempSMART from any claims, damages or liabilities arising out of said IHC's business practices.

2.3 No Authority to Bind. IHCs have no authority to bind hempSMART or any of its subsidiaries to any obligation.

- 2.4 Indemnification of Liability. The IHC shall indemnify and hold hempSMART harmless against any and all liability imposed or claimed, including attorney's fees and other legal expenses, arising directly or indirectly from any act or failure of the IHC or his/her assistants, employees, or IHCs, including all claims relating to the injury or death of any person or damage to any property.
- 2.5 Territorial Rights. hempSMART imposes no franchise or territorial restrictions on IHCs nor shall any IHC imply or state that they have an exclusive territory with regard to sales, promotion and sponsoring efforts. Each IHC shall have the right to conduct business anywhere that hempSMART conducts its business, without exclusivity.

Section Three - Contractual Relationships

- 3.1 MLM Organization. hempSMART markets its products and services through a direct sales organization. As such, hempSMART honors all rules and regulations governing direct sales companies as defined by applicable governmental authorities.
- 3.2 Contractual Relationship. The policy statements that follow were established to explain and define the relationship and responsibilities between hempSMART and its IHCs. The relationship begins with the completion of the IHC Application, which constitutes a binding agreement between the parties, and the policy statements contained in this Handbook are, by reference, an integral part of that IHC Application. The application, the policies and procedures accompanying the application, will constitute the entire understanding between hempSMART and the IHC.
- 3.3 Policy changes. hempSMART may revise the Policies and Procedures as may be necessary in order to comply with changes in federal, state, or local laws or that may be necessary for the successful operation of hempSMART.
- 3.4 Selection of IHCs. hempSMART will make every effort to select as its IHCs, persons of integrity and ability without regard to race, religion, color, national origin, or sex.
- 3.5 Acceptance of application. The term of this Agreement begins when a completed IHC Application is received, processed and accepted by hempSMART, which reserves the right, in its sole discretion, to decline any application it receives and notifies the prospect by email. This Agreement will continue until terminated in accordance with the provisions of the termination section of this Policy and Procedure manual. The IHC is subject to all conditions set forth in this Policies & Procedures Manual.
- 3.6 Application. Please be sure to provide all information requested on the IHC Application. Failure to do so may result in the application being denied. If the IHC is a USA citizen or foreign citizen working in the USA, they must provide hempSMART with an American social security number or tax ID in order to earn commissions. All citizens foreign to the USA and not living or working in the USA must provide an identification number for that country where they report income.
 - A. Completing your application:
 - 1. Be sure to provide all the information requested; incomplete applications are not accepted into our computer system.
 - 2. Applicant information must be submitted on the hempSMART.com website
- 3.6 IHC's Replicating website. IHCs will create a name to be used when they give out their site to others. Example is bill.hempSMART.com

3.7 Change of Address. It is the IHCs responsibility to keep hempSMART informed of their current address. IHCs planning to change their address should notify hempSMART by email of their new address.

3.8 Legal and Business Entities as IHCs.

- a) Individuals. hempSMART will recognize individuals as representatives of hempSMART.
- b) Partnerships. IHCs wishing to do business under a partnership must notify hempSMART by email. This notice must provide the names and social security number (if applicable) of each partner and the Federal Tax Identification number (if applicable) of the partnership. The notice will designate which partner will be the responsible party for the distributorship. Individuals applying to hempSMART to operate as a partnership may not have been members of another hempSMART IHC partnership or individual IHC, or as a member of hempSMART within the last six months preceding the execution of this agreement. If an active IHC changes status from individual to partnership, this policy does not apply, provided there is no change in sponsor.
- c) Corporations. Corporations must submit the following items with their IHC Agreement:
 1. Articles of Incorporation.
 2. Copy of minutes authorizing the corporation to be an IHC.
 3. List of officers with names, addresses, and phone numbers and emails of each.
 4. Federal Tax ID number for the Corporation (if incorporated in USA).
 5. Name of responsible/accessible party and phone number.

The officers who submit the form must be authorized to enter into binding contracts on behalf of the corporation. It is not permissible for stockholders, officers and directors of the corporation applying as an IHC to have been hempSMART IHCs as individuals, members of another hempSMART IHC partnership, or as members of an hempSMART IHC corporation within six months preceding the execution of this agreement. If the active IHC desires to change status from that of individual to a corporation, the notice also requires that the corporation designate an individual as the responsible/accessible party for the corporation's operations and sales.

3.9 Inheritance. Upon death or incapacity of an IHC, his/her rights to commission and marketing position shall pass to his/her successors, provided the successor complies with all the terms of the hempSMART IHC Agreement, the Marketing Plan and the duties required of an IHC. hempSMART shall not recognize such a transfer until the successor-in-interest has submitted an IHC Application, together with certified copies of the death certificate and the will, trust or other transferring instrument and a check for \$75.00 to cover administrative costs. The successor thereafter shall be entitled to all the rights and subject to all the obligations as any other IHC.

3.10 Marriage. hempSMART requires married couples to operate as a single IHC. Should a divorce occur, hempSMART must be notified by email as to who will remain the IHC. Otherwise, hempSMART will consider the individuals originally listed on the Agreement to continue as a single entity. IHCs who marry after becoming IHCs must maintain separate distributorships unless one is a direct sponsor of the other, in which case their IHC entities are consolidated.

3.11 Acquisition of Business. Any IHC desiring to acquire an interest in another IHC's distributorship must first terminate all rights to his or her existing distributorship and wait for a period of six (6) months from the date hempSMART receives notice of

resignation or allows his or her renewal status to elapse, before becoming eligible to acquire the other interest.

3.12 Transferability or Sale. The sale, assignment or transfer of all or part of an IHC's distributorship is subject to the following rules and conditions:

- a) No Selling Except As Provided Herein. Except as provided herein, an IHC may not sell, assign or otherwise transfer his or her hempSMART distributorship entity to another hempSMART IHC.
- b) No Sale to Current IHC. An IHC may sell, assign or transfer their Distributorship entity to another, as long as the transferee is not an hempSMART IHC, married to or a dependent of an IHC, or has a corporate, partnership, or trust interest in another IHC's distributorship, subject to the provisions of this Rule and only upon the prior written and notarized approval of the upline IHCs and hempSMART which may be withheld in hempSMART 's sole and absolute discretion.
- c) First Right of Refusal. hempSMART shall have a first right of refusal to purchase or have assigned or transferred to it the distributorship of an IHC desiring to sell, assign or transfer his or her distributorship, the "Transferring IHC", on the same terms and conditions as contained in the offer or transferring document (the "Offer") received or generated by the Transferring IHC. The Transferring IHC shall provide hempSMART and the IHC's Sponsor with the terms and conditions of the Offer by email, including, without limitation, the purchase price and terms of payment, if any. hempSMART shall have a period of fifteen (15) days to acquire the Distributorship of the Transferring IHC. hempSMART may exercise its option to acquire the Distributorship by giving email notice of its exercise to the Transferring IHC. The consummation of such transfer shall occur within fifteen business days after the notice of exercise of its option.
- d) Second Right of Refusal. If hempSMART elects not to acquire the distributorship within the fifteen day period, then it shall send email notice of such refusal to the Sponsor of the Transferring IHC and to the Transferring IHC. The Sponsor shall then have a right of first refusal to acquire the Distributorship of the Transferring IHC on the same terms and conditions as contained in the Offer. If the Sponsor desires to acquire the Distributorship, the Sponsor shall send written notice of such exercise to hempSMART and the Transferring IHC within ten (10) days of receipt from hempSMART of its refusal to exercise its first right of refusal. The closing shall occur at such location mutually agreed upon between the Sponsor and the Transferring IHC, within ten (10) days of his or her emailed notice of election to transfer or purchase.
- e) IHC May Sell As Per Original Offer. If the Sponsor and hempSMART elect not to acquire the distributorship, then the Transferring IHC may sell or transfer the Distributorship according to the original Offer subject to the terms and provisions and upon prior written approval by hempSMART. In the event the terms of the Offer change after the expiration of the above-described option periods, then hempSMART and/or the Sponsor shall have the right to exercise their right of refusal to purchase or have transferred the Distributorship on the new terms.
- f) Transferring Document Must Contain Non-Competition Covenant. Any transfer or sale document shall contain a covenant made by the Transferring IHC for the benefit of the purchaser or transferee to not compete with or recruit or attempt to recruit the downline organization of the Distributorship being purchased for a period of two (2) years from the date of the sale or transfer.
- g) Transfer Null and Void if Circumvention Intended. If it is determined, in hempSMART 's sole discretion, that a Distributorship was transferred in an effort to circumvent compliance with the Rules and Regulations, the transfer shall be declared null and void and shall revert back to the Transferring IHC. The Transferring IHC shall be treated as if he or she had never transferred the

- Distributorship, and, if necessary, appropriate action shall be taken against the Transferring IHC to ensure compliance with the Rules and Regulations.
- h) Your Downline does not move with you. If the sale of interest involves moving customers from their current position to an already existing IHC in a different Downline Organization, permission must be obtained from all seven (7) levels in the Upline Organization who would otherwise be paid commission on those customers.
 - i) Cancellation. If an IHC does not renew, his or her membership agreement with hempSMART, the IHC's customer accounts and downline will roll-up one level to that IHC's sponsor who will assume control of all their customer accounts and downline.
 - j) Conflicts of Interest. An individual may not participate or have an interest in more than one (1) hempSMART IHC distributorship. Members in a hempSMART IHC partnership may not apply to become individual IHCs. Members of a corporation as well as shareholders, officers, and directors in an hempSMART IHC corporation may not apply to become Individual IHCs.
 - k) Fictitious and/or Assumed Names. A person or business entity may not apply as an IHC using a fictitious or assumed name.

Section Four- Independent Contractor

It is the express intention of the parties that the IHCs are all independent contractors and not an employee, joint venture, or partner of hempSMART. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between hempSMART and the IHC or any employee of the IHC. Both parties acknowledge that the IHC is not an employee nor is anyone under the employ of that IHC considered an employee of hempSMART for local, state or federal tax purposes.

- 4.1 Expenses of IHC. As an independent contractor, an IHC is responsible for any expenses that result from his/her business operations. These expenses include, but are not limited to: licenses or permits required to operate a business, legal fees connected with the use of a fictitious business name, and other expenses and product or service advertising. Further, it is agreed that the IHC will hold hempSMART harmless from all said costs, and to further hold hempSMART and/or any other IHC harmless from and to indemnify and exonerate hempSMART from any loss, causes of action, litigation, claim, debt, judgment, attachment, execution, demand, cost (including, but not limited to, attorney's fees), or other obligation of any kind arising out of the IHCs acts, words, or conduct as an independent contractor for the sale of hempSMART service and/or products.
- 4.2 Responsible for all Taxes. The IHC is responsible for any and all taxes that may derive from his distributorship and which may come due to the USA or to any foreign country, including but not limited to unemployment insurance or social security contributions. Further the IHC indemnifies hempSMART against any loss that hempSMART incurs with regard to said taxes.
- 4.3 Issuance of 1099. hempSMART does not deduct any personal taxes from commissions and/or bonuses. At the end of the USA calendar year as required by law, hempSMART will provide the U.S. IHCs and the Internal Revenue Service a 1099 form which reports the total income earned by the IHC from hempSMART during the year.
- 4.4 IHCs Set Own Work Hours. The IHC is responsible for setting their own hours to pursue the sales or services marketed by hempSMART.
- 4.5 Method of Performing Services. The IHC will determine method, details, and means of performing the services described above. hempSMART shall not have the right

to, and shall not, control the manner or determine the method of accomplishing the IHC services, provided the IHC shall abide by all hempSMART rules and regulations.

- 4.6 Place of Work. The IHC shall perform the services required by the Agreement at any place or location as he/she shall determine. hempSMART does not intend to secure office space for the IHC to perform his/her duties.
- 4.7 Worker's Compensation. The IHC agrees to hold harmless and indemnify hempSMART for any and all claims arising out of any injury, disability, or death of any of the IHC's employees or IHCs.

Section Five - Compensation Plan

With hempSMART, you will earn a commission on all of the purchases of the customers you sign up. This is monthly residual income that you will continue to be paid on for as long as your IHC distributorship account is active.

When you sponsor someone into hempSMART, they become the first level of your affiliate marketing structure. When the people on your first level sign others into the organization, these new people are considered your second level. You are eligible to earn monthly residual income on all the personal sales of everyone in your organization through seven levels.

5.1 Commissions - In General

- A. Commission Eligibility. All active IHCs are automatically eligible to receive commissions. All IHC's must be active in order to be eligible to receive any compensation.
- B. Payment of Commissions. hempSMART will pay commission in accordance with the current hempSMART compensation plan..
1. All commission are paid in U.S. dollars
 2. State and Federal Taxes. As the IHC is not hempSMART 's employee, the IHC is responsible for paying all required state and federal taxes. In particular, hempSMART will not withhold FICA (Social Security) for IHC's payment; hempSMART will not make state or federal unemployment insurance contributions on behalf of the IHC; and hempSMART will not obtain worker's compensation insurance on behalf of the IHC.

Detailed information on the compensation plan can be found at www.hempSMART.com

Section Six - Sponsoring

- 6.1 Sponsoring New IHCs. An existing IHC may sponsor other individuals as new IHCs to hempSMART at any time. The existing IHC must qualify in accordance with the Compensation Plan before they may receive overrides from personally sponsored IHC's.
- 6.2 Sponsor Support. Each sponsor has the responsibility to provide necessary assistance to all personally sponsored IHCs. Sponsors assume the responsibility to answer questions asked by personally sponsored IHCs. If the sponsor does not know the answer to the question, they should ask their respective upline. If their upline is unable to answer the question, they may contact the corporate staff. These

mandatory procedures are necessary for the efficiency of organizational and operational communications throughout the entire hempSMART organization.

6.3 Training Requirements. IHCs who sponsor a new IHC are required to ensure that the new IHC is properly trained with respect to hempSMART Code of Professional Ethics, the policy and procedures, the product line, sound business practices, sales and marketing plans and sales strategies.

6.4 Group Leadership

A. As an IHC progresses through the various levels of leadership, his/her responsibilities to train and motivate his/her organization will increase. They should work in depth with their organization at least as deep as the number of levels for which hempSMART pays performance bonuses.

B. IHCs will set an example of professionalism and integrity for their group by communicating the need to practice the correct principles of network marketing and by training their organization to recognize and utilize correct networking skills and principles. They will do all in their power to expose and reject any activity that would be injurious to the network marketing industry. They will monitor their group to make sure that no IHC makes false claims or attempts to front-end load or stack the organization.

C. IHCs will teach their organization to practice the Golden Rule (do unto others as you would have them do unto you) in all relationships with other IHCs and with customers.

Section Seven - Training

7.1 Requirements. All IHCs are required to comply with hempSMART training requirements.

7.2 Training. An IHC will receive training in the selling of the products marketed by hempSMART by reviewing our web site www.hempSMART.com.

7.3 Downline Communication. IHCs, as independent contractors, are encouraged to promote training information and direction to their respective downline organizations. The proper use of internal newsletters, training workshops, and other organizational programs is encouraged, provided they are consistent and in compliance with hempSMART's Rules and Regulations and all applicable laws and regulations.

Section Eight - Code of Professional Ethics and Confidentiality Agreement

8.1 Honesty. hempSMART insists that its products be marketed in an honest and reputable manner. IHCs shall sell hempSMART products by making statements which are accurate or truthful in respect to price, quality, warranty, availability or otherwise. No person shall engage in any deceptive or unlawful business practices.

8.2 Integrity. All IHCs are to possess the highest standards of integrity. hempSMART's home office pledges to do all within its power to maintain the highest quality service and unfailing support to the individual salespeople in its marketing program.

8.3 Maintaining Good Standing. All IHCs are to abide by the corporate policies and procedures to remain in good standing. Only those people in good standing will be eligible for commission incentives, overrides, awards, travel incentives, etc.

8.4 Maintaining Legality. IHCs agree to make, execute, file, and fulfill any and all reports

required by law or public authority with respect to the sale of hempSMART's services and shall at all times abide by any and all Federal, State, Provincial, and Municipal laws and regulations (or foreign country laws where applicable) connected with selling, advertising, or distributing HEMPSMART's services and products.

8.5 Confidentiality/Proprietary Information and Agreement

- a. The IHC hereby acknowledges that all information regarding hempSMART's genealogical or "downline" reports, subscriber lists, utilization of facilities, in whatever form conveyed, expressed, or transmitted, relating to the past, present or future business affairs of hempSMART including without limitation, its research, development, or business plans, specifications, drawings, documentation, sketches, models, samples, computer programs, technical information, financial, manufacturing and other business information, whether written or oral, which is disclosed by hempSMART to the IHC or is produced or developed during the working relationship between the parties and which, if disclosed to competitors of hempSMART, would give or increase such competitors' advantage over hempSMART or diminish hempSMART 's advantage over its competitors, shall be "Confidential/Proprietary Information" for the purpose of this agreement.
- b. The IHC shall not communicate, divulge or use for its pecuniary benefit or the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any Confidential Information, except with the written consent of hempSMART. The IHC shall not at any time copy, duplicate, record or otherwise reproduce any Confidential/Proprietary Information, in whole or in part, nor otherwise make the same available to any unauthorized person.
- c. It is the intention of the parties hereto that any person or entity having any legal or beneficial interest in, or traceable to, down, or through the IHC shall be bound by the provisions of the Agreement, regardless of how many levels or tiers may be between any such described person or entity and the IHC. The parties acknowledge that the Confidential/Proprietary Information is valuable and unique, and that the disclosure and breach of the provisions hereof will result in irreparable injury to hempSMART.

8.6 Statement of Earnings. No IHC may state that any person has made, or may make, any specific income through the use of the hempSMART Compensation program by the sale of the products marketed by hempSMART, whether by specific example, geometric extrapolation, or otherwise, unless in the same presentation applicant states that said hypothetical or potential earnings do not constitute typical or average earnings, as earnings may vary due to individual efforts and geographic location. No guarantees of any income, nor assurances of any profits or success, are made by hempSMART. Furthermore, any profits or success resulting from activities as an IHC will only be from the sales volume of products or services offered by hempSMART; and any success achieved will be based completely upon the IHC's efforts, commitment, and skill. hempSMART will enforce this rule and will vigorously investigate any reports of violations of this rule. An IHC who makes such misstatement of facts in an attempt to induce anyone to participate in the hempSMART program will be subject to immediate suspension or cancellation of their membership as an IHC.

8.7 Anti-Inventory Loading.

- A. hempSMART program is built upon establishing customers with hempSMART. hempSMART recognizes that IHCs may wish to purchase product in reasonable amounts for their own personal retail purposes.
- B. It is hempSMART policy, however, to strictly prohibit the purchase of product in large quantities or in unreasonable amounts solely for the purpose of qualifying for bonuses or advancement in the Compensation Program. IHCs may not inventory load nor encourage others to load up on inventory

8.12 Misrepresentation.

- A. No IHC shall misrepresent products marketed by hempSMART in any manner whatsoever in all areas of business including public meeting testimonials. IHC is subject to legal recourse for damages and/or immediate termination for making ANY misrepresentation.
- B. No IHC shall state that any hempSMART product has any value or quality not specifically stated by hempSMART in its information of such product.
- C. In reviewing the hempSMART Compensation Program with any person, IHC must advise them that NO remuneration is received solely for enrolling or sponsoring new IHCs.
- D. IHCs are prohibited from repackaging or re-labeling any hempSMART product or service with the intention of offering those products for sale.

Section Nine - Termination

9.1 Voluntary Resignation. An IHC may voluntarily resign his or her IHC status by sending a NOTARIZED written notice to hempSMART that he or she desires to terminate his or her IHC status. Voluntary resignation is effective 30 days after the date renewal was due, or upon receipt of such notice by hempSMART at its corporate headquarters, as applicable. An IHC who VOLUNTARILY resigns his or her IHC distributorship may reapply after waiting six (6) months from hempSMART 's receipt of the resignation before reapplication.

9.2 Suspension and Termination.

- A. hempSMART reserves the right to suspend or terminate any IHC at any time should an IHC violate the terms of hempSMART IHC Agreement, the Code of Professional Ethics or the Policy and Procedures.
- B. If a violation has occurred, hempSMART shall send by e-mail, written notice of the violation, to the IHC's address of record. If the violation is not deemed curable, in hempSMART's sole and absolute discretion, then the notice shall state that the IHC is suspended and the date has been set for the Ethics Committee Hearing of the violation. If the violation is deemed curable, in hempSMART's sole and absolute discretion, the notice will state that the IHC shall have the opportunity to cure or cease the violation within ten (10) days of receipt of the notice. If acceptable remedy does not occur within ten (10) days from the date of the notice, the IHC shall be suspended, and written notice of the suspension and of an Ethics Committee hearing shall be sent to the IHC.

C. Hearing. Upon delivery of notice of suspension, the IHC shall have ten (10) days to request a hearing and to provide evidence in his or her defense, either by email, by recorded conversation, or in person. The IHC may request a hearing, which must be held within 30 days of the request for hearing. If no hearing is requested, the Ethics Committee may hear the evidence without the IHC there in person. Such evidence shall be presented to the Ethics Committee. The decision of the Ethics Committee shall be forwarded to the IHC. The suspension status shall remain in effect pending resolution of the hearing, any subsequent appeal of a termination, and until the termination is effective, as applicable. All notices given shall be sent by either Registered U.S. Mail or by Express Delivery to the violating IHC's address of record and shall be deemed delivered when deposited at such address by the carrier.

9.3 Appeal. A terminated IHC may appeal his or her termination by submitting a letter of appeal to hempSMART stating the grounds of the appeal. This letter must be sent Certified U.S. Mail, and must be received by hempSMART within fifteen (15) days of the date of delivery of the termination notice from hempSMART. If hempSMART has not received a letter of appeal by that deadline, the termination automatically shall become final. If an IHC files a timely appeal, hempSMART shall, in its sole discretion, review and reconsider that termination and notify the IHC of its decision. If the appeal is denied, the termination shall stand and shall be retroactive to the date of the original termination notice. The decision of hempSMART shall be final and subject to no further review.

9.4 Effect of Suspension. Should an IHC be placed on suspension, he or she immediately shall have no right to:

- A. Represent, and shall cease representing, themselves as IHCs of hempSMART, its products or services,
- B. Purchase additional products from hempSMART except as a customer or
- C. Receive any Commissions, Bonuses or Royalty Overrides until his or her suspension is revoked.

Suspension status is retroactive to the beginning of the month in which the suspension is imposed by hempSMART and any applicable Commissions, Bonuses or Royalty Overrides due for the month and thereafter will be held in abeyance until resolution of the matter pursuant to the Rules and Regulations.

9.5 Effect of Resignation or Termination.

A. Resignation or termination results in the IHC's permanent loss of the rights to his or her sponsored Downline Organization. hempSMART reserves the right to either move up the Downline Organization to the next IHC in the resigning or terminating IHC's Upline Organization or to take the place of the resigning or terminating IHC in the Downline Organization, at hempSMART's discretion. All active customers of a resigned or terminated IHC will be considered customers of hempSMART.

Furthermore, the resigning or terminated IHC shall have no right to purchase additional products or receive additional compensation from hempSMART. If an IHC is terminated as an IHC of an hempSMART affiliated hempSMART in a foreign country, the IHC's hempSMART distributorship that is governed by these Rules and Regulations can be terminated.

B. An IHC who has had his or her IHC status terminated by hempSMART may make reapplication as an IHC after waiting twelve (12) months from the date that the termination became effective. Termination is retroactive to the

beginning of the month in which the termination is effective; thus, any payment of Commissions, Bonuses and/or Royalty Overrides will be made only for business completed during the last full month prior to termination. No terminated IHC shall represent themselves as an IHC of hempSMART products or services.

9.6 Compliance and Arbitration.

- A. These Policies and Procedures were created as guidelines for hempSMART and all IHCs and serve to protect the rights of both parties. The Policies and Procedures ensure the proper operating of hempSMART program for daily operations. Any IHC who violates any provision of the IHC Agreement, which, by reference, includes all Policies and Procedures herein, may be promptly terminated by hempSMART. A termination cancels any and all rights and will be effective upon verification of said violation(s) and notification of the offending IHC by hempSMART.
- B. In the event a dispute shall arise between the IHC and hempSMART as to their respective rights, duties and obligations under this Agreement, or in the event of a claim of breach of this Agreement by either party, such dispute shall be exclusively resolved by binding arbitration under the Commercial Rules of the Arbitration Association with arbitration to occur in San Diego, California. The arbitrator may award, in addition to declaratory relief, a permanent injunctive relief and compensatory damages, and shall award reasonable attorney's fees and cost to the prevailing party. The decision of the arbitrator shall be entitled to enforcement in any court of competent jurisdiction. This provision shall not be construed so as to prohibit hempSMART from obtaining preliminary and permanent injunctive relief in any court of competent jurisdiction.

Section Ten - Forms, Literature, Trademarks, Advertising

10.1 Forms. IHCs must use the authorized forms provided by hempSMART. Agreements and Orders will not be accepted on any other form(s).

10.2 Sales Aids & Literature.

- A. IHCs may purchase sales aids, brochures and literature approved and available from hempSMART or its authorized fulfillment facilities. The IHC agrees to use only hempSMART approved sales aids and literature.
- B. Advertising. All advertising must be approved by hempSMART headquarters, by email in advance of publication or distribution.

10.3 Media Inquiries and Personal Appearances by IHCs. IHCs are strictly forbidden from representing hempSMART in any public media and from using any uncompensated media form (news releases, articles, cable and/or television advertising, talk shows) to promote or publicize hempSMART or its services without the prior express written consent of hempSMART.

10.4 Conventions and Trade Shows.

- A. IHCs may promote their businesses at conventions and trade shows, provided they have received from hempSMART approval to use hempSMART corporate name, logo, and/or trademarks or those of its supplier(s) on signs, banners or any other promotional material, prior to commencement of the show.
- B. The phrase "Independent Health Consultant" must appear on all signs or banners.

10.5 Telephone Procedures. hempSMART prohibits IHCs from answering the telephone in any manner that may give callers reason to believe they have reached hempSMART Corporate Offices.

- 10.6 Trademarks. The name hempSMART. and the names of all hempSMART products are the legally registered trademarks of, and owned or licensed by, hempSMART. Only hempSMART is authorized to produce and market products and literature under these trademarks. Use of hempSMART name on any item not produced by hempSMART without its express written consent is prohibited except in the manner shown by the following example:
- 10.7 Imprinted Business Cards or Letterheads. hempSMART IHCs are permitted to "create" their own business card or letterhead graphics using hempSMART trademarks. Only the approved hempSMART graphics version and wording are permitted. IHCs may order hempSMART -produced business cards, letterhead and stationery bearing hempSMART name and logo, by using the order form obtained from hempSMART. All letterheads and business cards must expressly state "Independent Health Consultant" immediately after or below the IHC's name.
- 10.8 Literature, Flyers, Handouts. IHCs may produce flyers, handouts, handbills or any other literature that promotes hempSMART products, and/or its Sales and Marketing Plan, but IHCs must obtain approval from hempSMART before using the literature. Approval may be obtained by submitting the draft of the material to hempSMART. All such materials must state that you are an Independent IHC. Any approved literature, flyers and/or handouts must be distributed and displayed in compliance with all applicable federal, state and local laws, regulations and ordinances.
- 10.9 Print and Electronic Advertising. Only hempSMART approved materials may be used in the placement of any print or electronic media. No person shall use hempSMART name, logos, trademarks, or copyrighted material in any advertising produced unless prior express written permission has been obtained from hempSMART. All print and electronic advertising, including, without limitation, television ads, or infomercial require the prior written consent of hempSMART, which may be withheld in hempSMART's sole discretion. All materials must state that you are an Independent Health Consultant.

Section Eleven - Ordering, Shipping, Refunds

11. Refunds. All refunds will be made pursuant to and in accordance with the individual contracts of sale executed at the time of purchase. You may request a full refund of the purchase price within 30 days of purchase
- 11.1 Payments. Payments for refunds will occur within 30 business days of receipt of the written request for refund.
- 11.2 Back Orders. Any items not currently available are shipped as soon as possible. Back orders will be shipped by normal ground service and the IHC will receive a "Back Order" notice if any item is not available.
- 11.3 Non-Approval of Order. If your purchase is NOT approved for any reason, the order will not be shipped until approval is given. After three (3) days of non-approval, the IHC will be informed that his or her order is considered canceled. The IHC will have to resubmit the order.
- 11.4 Credit Card Charges. Any questions regarding a charge should be directed to hempSMART.

Section Twelve - In General

- 121 Entire Agreement. This Agreement constitutes the entire agreement between hempSMART and the IHC with respect to the subject matter hereof. This Agreement may be amended only by email and executed by hempSMART.
- 122 Controlling Law. This agreement shall be governed and construed in accordance with the laws of the State of California, USA.
- 123 Waiver. No term or condition shall be deemed to have been waived nor shall there be any estoppel to enforce any of the provisions of this agreement, except by written instrument of the authorized party charged with such waiver or estoppel. Further, a waiver at any time of any of the provisions of this agreement shall not be construed as a waiver of any of the other provisions of this agreement and that a waiver at any time of provisions of this agreement shall not be construed as a waiver of any subsequent terms of the same terms or provisions.
- 124 Severability. Should any portion of these Policies and Procedures or of any other instrument referred to herein or issued by hempSMART be declared invalid by a court of competent jurisdiction, the balance of such policies, agreement or instruments shall remain in full force and effect to the maximum extent possible.
- 125 Arbitration. Both parties agree that they will do their utmost in all circumstances and conditions to make an amicable settlement of any dispute or controversy, which may arise among them during the continuance of this Agreement. If, at any time, a dispute arises involving the interpretation of the Agreement or any other matter hereunder, the issues shall be submitted for settlement by arbitration in San Diego, Cal. in accordance with the Commercial Rules of the American Arbitration Association.
- 126 Fire, Flood, Etc. hempSMART shall not be responsible for acts beyond its control, including, but not limited to fire, flood, earthquake, storms, power outages, labor difficulty, equipment failures, supplier problems or other difficulties that might prevent HEMPSMART from fulfilling its obligations to its IHCs.

Note to Applicant: It is imperative that you understand that the IHC Application (together with these policies and procedures) is a contract which gives you and hempSMART certain rights and imposes certain duties. If you have questions about any aspect of the application, you should consult an attorney. By your enrolling into hempSMART, you are legally binding yourself to each provision of the application, the policies and procedures once it is accepted by hempSMART.