



POLICIES AND PROCEDURES v1.0

1.0 INTRODUCTION

1.1 Mutual Commitment Statement

Autowash Clean, LLC (hereafter "Autowash Direct" or simply the "Company") recognizes that in order to develop a long-term and mutually rewarding relationship with its business owners (known as "Automotive Appearance Advocates") and retail customers ("Customers") of the Autowash Direct products, the Company and each and every member of its sales organization must acknowledge and respect the true nature of the relationship between each other and pledge to support and assist Autowash Direct Customers.

- A. In the spirit of mutual respect and understanding, Autowash Direct pledges to:
 - I. Provide prompt, professional and courteous service and communications to all of its Automotive Appearance Advocates and Customers;
 - II. Provide the highest level of quality products at fair and reasonable prices;
 - III. Exchange or refund the purchase price of any product, service or business fee as provided in our *Return Policy* found within these Policies and Procedures;
 - IV. Deliver orders promptly and accurately and pay commissions correctly and on a timely basis;
 - V. Expedite orders or checks in the event of an error or unreasonable delay;
 - VI. Roll out new products and programs with Automotive Appearance Advocate input and planning;
 - VII. Support, protect and defend the integrity of the Autowash Direct sales opportunity;
 - VIII. Offer Automotive Appearance Advocates an opportunity to grow with the Company through and with the aid of appropriate leadership principles.
- B. In return, Autowash Direct expects you as an Automotive Appearance Advocate to:
 - I. Exhibit professional, honest and considerate conduct;
 - II. Present Autowash Direct corporate ("Corporate") and product information in an accurate and professional manner;
 - III. Present the Company Compensation Plan and *Return Policy* in a complete and accurate manner;





- IV. Refrain from any exaggerated income claims;
- V. Make reasonable effort(s) to support and train those (both Customers and Automotive Appearance Advocates) in your downline;
- VI. Refrain from cross-line recruiting, unhealthy competition or unethical business practices as defined more fully within these Policies and Procedures;
- VII. Provide positive guidance and training to Customers and Automotive Appearance Advocates in your downline while exercising caution to avoid interference with other downlines. As such, the Company discourages you from providing cross-line training to a Customer or Automotive Appearance Advocates in a different organization without first obtaining consent from the appropriate upline leader;
- VIII. Support, protect, and defend the integrity of the Autowash Direct sales opportunity;
- IX. Accurately complete and submit the Advocate Agreement and any requested supporting documentation in a timely manner.

1.2 Autowash Direct Policies and Compensation Plan Incorporated into the Advocate Agreement

- A. Throughout these Policies, when the term "Agreement" is used, it collectively refers to the Autowash Direct Advocate Agreement, these Policies and Procedures, and the Autowash Direct Compensation Plan.
- B. It is the responsibility of the Sponsoring Automotive Appearance Advocate to provide the most current version of these Policies and Procedures (available on the Autowash Direct website) and the Autowash Direct Compensation Plan to each applicant prior to his, her and/or its execution of an Advocate Agreement.

1.3 Purpose of Policies

- A. Autowash Direct is a direct sales company that markets products and services through a network of business owners. To clearly define the relationship that exists between Automotive Appearance Advocates and Autowash Direct, and to explicitly set a standard for acceptable business conduct, the Company hereby puts forth these Policies and Procedures.
- B. Autowash Direct Automotive Appearance Advocates are required to comply with: (i) all of the terms and conditions set forth in the Advocate Agreement, which the Company may amend from time to time in its sole discretion; (ii) all federal, state, and/or local laws governing an Autowash Direct business; and (iii) these Policies and Procedures.





- C. Autowash Direct Automotive Appearance Advocates must review the information in these Policies and Procedures carefully. Should an Automotive Appearance Advocate have any questions regarding a policy or rule, he or she is encouraged to seek an answer from their Sponsor or any other upline Automotive Appearance Advocate. If further clarification is needed the Automotive Appearance Advocate may contact Autowash Direct Customer Service.

1.4 Changes, Amendments, and Modifications

- A. Because federal, state, and local laws, as well as the business environment, periodically change, Autowash Direct reserves the right to amend the Advocate Agreement and the prices in its Autowash Direct Product Price List in its sole and absolute discretion. Notification of amendments shall appear in Official Company Materials. ***This provision does NOT apply to the arbitration clause found in Section 12, which can only be modified via mutual consent.***
- B. Any such amendment, change, or modification shall be effective immediately upon notice by one of the following methods:
 - I. Posting on the official Corporate website;
 - II. Electronic mail (e-mail); or
 - III. In writing through Company newsletters or other Corporate communication channels.

1.5 Delays

Autowash Direct shall not be responsible for delays or failures in performance of its obligations when such failure is due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, transportation difficulties, riot, war, fire, and/or weather, curtailment of a source of supply, or government decrees or orders.

1.6 Effective Date

These Policies and Procedures shall become effective as of November 8, 2018 ("Effective Date") and, at such time, shall automatically supersede any prior Policies and Procedures (the "old Policies and Procedures"). As of the Effective Date, any old Policies and Procedures shall cease to have any force or effect.





2.0 BASIC PRINCIPLES

2.1 Becoming an Autowash Direct Automotive Appearance Advocate

- A. To become an Automotive Appearance Advocate, an applicant must comply with the following requirements:
 - I. Be of the age of majority (not a minor) in his or her state of residence;
 - II. Reside or have a valid address in the United States;
 - III. Have a valid taxpayer identification number (i.e. Social Security Number, Federal Tax ID Number, ITIN, etc.);
 - IV. Submit a properly completed and signed Advocate Agreement to the Company by way of either hard copy or via electronic signature;
 - V. Not be an Autowash Direct employee, the Spouse of an Autowash Direct employee or related to an employee of Autowash Direct and living in the same household as such Autowash Direct employee; and
 - VI. Purchase an Autowash Direct Starter Kit. Please note that the payment required for the purchase of this Starter Kit is a non-commissionable fee.

2.2 Automotive Appearance Advocate Registration

- A. A potential new Automotive Appearance Advocate may self-enroll on the Sponsor's website. In such event, instead of a physically signed Advocate Agreement, the Company will accept the Advocate Agreement via web-enrollment through the Automotive Appearance Advocate's submission of an "electronic signature." The electronic signature denotes that the new Automotive Appearance Advocate has accepted the terms and conditions of the Advocate Agreement. Please note that such electronic signature constitutes a legally binding agreement between you and the Company.
- B. Autowash Direct reserves the right to require signed paperwork for any account, regardless of origin.
- C. If requested, a signed Advocate Agreement must be submitted to and received by the Company within seven (7) business days of enrollment.
- D. Signed documents, including, but not limited to, Advocate Agreements, are legally binding contracts which must not be altered, tampered with or changed in any manner after they have been signed. 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 an Automotive Appearance Advocate's business and position in the Autowash Direct genealogy.





2.3 Rights Granted

- A. Autowash Direct hereby grants to you a non-exclusive right, based upon the terms and conditions contained in the Advocate Agreement and these Policies and Procedures, to:
 - I. Purchase Autowash Direct products and services;
 - II. Promote and sell Autowash Direct products and services; and
 - III. Sponsor new Customers and Automotive Appearance Advocates in the United States.

2.4 Identification Numbers

Each Automotive Appearance Advocate is required to provide his or her Social Security Number, or Federal Tax Identification Number to the Company on the Advocate Agreement. The Company reserves the right to withhold commission payments from any Automotive Appearance Advocate who fails to provide such information or who provides false information. Upon enrollment, the Company will provide an Autowash Direct Identification Number to you. This number will be used to place orders, structure organizations, and track commissions and bonuses.

2.5 Renewals and Expiration of the Advocate Agreement

- A. If you allow your Agreement to expire due to nonpayment of the annual \$20 fee, you will lose any and all rights to your downline organization unless you re-activate within sixty (60) days following the expiration of your Advocate Agreement.
- B. If the former Automotive Appearance Advocate re-activates within the 60-day time limit, he or she will resume the rank and position held immediately prior to the expiration of the Advocate Agreement. However, such Automotive Appearance Advocate's paid as level will not be restored unless he, she and/or an entity (as explained pursuant to Section 2.6 below) qualifies at that payout level in the new month. The Automotive Appearance Advocate is not eligible to receive commissions for the time period that the Automotive Appearance Advocate's business/position was expired.
- C. Any Automotive Appearance Advocate who was terminated or whose Agreement has expired and lapsed the 60-day grace period is not eligible to re-apply for an Autowash Direct business for twelve (12) months following the expiration of the Advocate Agreement.
- D. The downline of the expired Automotive Appearance Advocate will roll up to the immediate, active upline Sponsor.

2.6 Business Entities





A corporation, partnership, LLC, or trust (collectively referred to as a "Business Entity") may apply to be an Autowash Direct Automotive Appearance Advocate. This business and position will remain *temporary* until the proper documents are submitted. The Business Entity must submit one of the following documents: Certificate of Incorporation, Articles of Organization, Partnership Agreement or appropriate Trust documents. Autowash Direct must receive these documents within seven (7) business days from the execution date of the Advocate Agreement.

An Autowash Direct Automotive Appearance Advocate may change their status under the same Sponsor from an individual to a partnership, LLC, corporation, trust or from one type of business entity to another.

2.7 Independent Business Relationship; Indemnification for Actions

- A. As an Automotive Appearance Advocate, you are an independent contractor and not a purchaser of a franchise or business opportunity. Therefore, your success depends entirely upon your own independent efforts.
- B. The Agreement between Autowash Direct and its Automotive Appearance Advocates does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Advocate.
- C. An Autowash Direct Automotive Appearance Advocate shall not be treated as an employee of Autowash Direct for any purposes, including, without limitation, for federal or state tax purposes. All Automotive Appearance Advocates are responsible for paying local, state, and federal taxes due from all compensation earned as an Automotive Appearance Advocates of the Company. Any other compensation received by Automotive Appearance Advocates from Autowash Direct will be governed by applicable U.S. tax laws (or the tax laws of any other applicable jurisdiction). The Automotive Appearance Advocates has no express or implied authority to bind the Company to any obligation or to make any commitments by or on behalf of the Company. Each Automotive Appearance Advocate, whether acting as management of a Business Entity or represented as an individual, shall establish his or her own goals, hours, and methods of operation and sale, so long as he or she complies with the terms of the Advocate Agreement, these Policies and Procedures, and applicable local, state and federal laws.
- D. As an Autowash Direct Automotive Appearance Advocate, you are fully responsible for all of your verbal and written communications made regarding the Company products, services, and the Compensation Plan that are not expressly contained within official Company materials. Automotive Appearance Advocates shall indemnify and hold harmless the Company, its directors, officers, employees, product suppliers and agents from any and against all liability including judgments, civil penalties, refunds, attorney fees and court costs incurred by Autowash Direct as a result of the Automotive Appearance Advocate's unauthorized representations or actions. This Provision shall survive the termination of the Advocate Agreement.

2.8 Errors or Questions





If an Automotive Appearance Advocate has questions about, or believes any errors have been made regarding commissions, bonuses, business reports, orders, or charges, he, she or it must notify the Company in writing within thirty (30) days of the date of the error or incident in question. Any such errors, omissions or problems not reported within 30 days shall be deemed expressly waived by the Automotive Appearance Advocate.





3.0 AUTOMOTIVE APPEARANCE ADVOCATE RESPONSIBILITIES

3.1 Correct Addresses

- A. It is the responsibility of the Automotive Appearance Advocate or Customer to make sure Autowash Direct has the correct shipping address before any orders are shipped.
- B. An Automotive Appearance Advocate or Customer will need to allow up to thirty (30) days for processing after the notice of address change has been received by Autowash Direct.
- C. An Automotive Appearance Advocate or Customer may be assessed a \$20 fee for returned shipments due to an incorrect shipping address.

3.2 Training and Leadership

- A. Any Autowash Direct Automotive Appearance Advocate who Sponsors another Automotive Appearance Advocate into Autowash Direct must perform an authentic assistance and training function to ensure his or her downline is properly operating his or her Autowash Direct business. Sponsoring Automotive Appearance Advocates should have ongoing contact and communication with the Automotive Appearance Advocates in their downline organizations. Examples of communication may include, but are not limited to, newsletters, written correspondence, telephone, contact, team calls, voice-mail, e-mail, personal meetings, accompaniment of downline Automotive Appearance Advocates to Autowash Direct meetings, training sessions and any other related functions.
- B. A Sponsoring Autowash Direct Automotive Appearance Advocate should monitor the Automotive Appearance Advocates in his or her downline organizations to ensure that downline Automotive Appearance Advocates do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request, such Automotive Appearance Advocate should be able to provide documented evidence to Autowash Direct of his or her ongoing fulfillment of the responsibilities of a Sponsor.
- C. Upline Automotive Appearance Advocates are encouraged to motivate and train new Automotive Appearance Advocates about Autowash Direct's products and services, effective sales techniques, the Autowash Direct Compensation Plan and compliance with company Policies and Procedures.
- D. The marketing and sale of product to Customers is a required activity in Autowash Direct and must be emphasized in all recruiting presentations.
- E. Use of Sales Aids. To promote both the products and the opportunity Autowash Direct offers, Automotive Appearance Advocates must use the sales aids and support materials produced by Autowash Direct. If Appearance Advocates develop their own sales aids and promotional materials, which includes Internet advertising,





notwithstanding Automotive Appearance Advocates' good intentions, they may unintentionally violate any number of statutes or regulations affecting the Autowash Direct business. These violations, although they may be relatively few in number, could jeopardize the Autowash Direct opportunity for all Automotive Appearance Advocates. Accordingly, Automotive Appearance Advocates must submit all written sales aids, promotional materials, advertisements, websites and other literature to the Company for Company's approval prior to use. Unless the Automotive Appearance Advocate receives specific written approval to use the material, the request shall be deemed denied. All Automotive Appearance Advocates shall safeguard and promote the good reputation of Autowash Direct and its products. The marketing and promotion of Autowash Direct, the Autowash Direct opportunity, the Compensation Plan, and Autowash Direct products and services shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

3.3 Constructive Criticism; Ethics

- A. Autowash Direct desires to provide its independent Automotive Appearance Advocates with the best products and services and Compensation Plan in the industry. Accordingly, Autowash Direct values constructive criticism and encourages the submission of written comments addressed to Company Compliance Department.
- B. Negative and disparaging comments about Autowash Direct, its products or Compensation Plan, by Automotive Appearance Advocates made to Autowash Direct, in the Field or at Autowash Direct meetings or events, or disruptive behavior at Autowash Direct meetings or events, serve no purpose other than to dampen the enthusiasm of other Autowash Direct Automotive Appearance Advocates. Autowash Direct Automotive Appearance Advocates must not belittle Autowash Direct, other Autowash Direct Automotive Appearance Advocates, Autowash Direct products or services, the Compensation Plan, or Autowash Direct directors, officers, or employees, product suppliers or agents. Such conduct represents a material breach of these Policies and Procedures and may be subject to sanctions as deemed appropriate by Autowash Direct.
- C. **Autowash Direct endorses the following code of ethics:**
 - I. An Autowash Direct Automotive Appearance Advocate must show fairness, tolerance, and respect to all people associated with Autowash Direct, regardless of race, gender, social class or religion, thereby fostering a "positive atmosphere" of teamwork, good morale and community spirit.
 - II. An Automotive Appearance Advocate shall strive to resolve business issues, including situations with upline and downline Automotive Appearance Advocates, by emphasizing tact, sensitivity, good will and taking care not to create additional problems.





- III. Autowash Direct Automotive Appearance Advocates must be honest, responsible, professional and conduct themselves with integrity.
 - IV. Autowash Direct Automotive Appearance Advocates shall not make disparaging statements about Autowash Direct, other Automotive Appearance Advocates, Autowash Direct employees, product suppliers or agents, products, services, sales and marketing campaigns, or the Compensation Plan, or make statements that unreasonably offend, mislead or coerce others.
- D. Autowash Direct may take appropriate action against an Automotive Appearance Advocate if it determines, in its sole discretion, that an Automotive Appearance Advocate's conduct is detrimental, disruptive, or injurious to Autowash Direct or to other Automotive Appearance Advocates.

3.4 Reporting Policy Violation

- A. An Automotive Appearance Advocate who observes a policy violation by another Automotive Appearance Advocate should submit a written and signed letter (e-mail will not be accepted) of the violation directly to the Corporate office. The letter shall set forth the details of the incident as follows:
 - I. The nature of the violation;
 - II. Specific facts to support the allegations;
 - III. Dates;
 - IV. Number of occurrences;
 - V. Persons involved; and
 - VI. Supporting documentation
- B. Once the matter has been presented to the Company, it will be researched thoroughly by the Compliance Department and appropriate action will be taken if required.
- C. This section refers to the general reporting of Policy violations as observed by other Automotive Appearance Advocates for the mutual effort to support, protect, and defend the integrity of the Autowash Direct business and opportunity. If an Automotive Appearance Advocate has a grievance or complaint against another Automotive Appearance Advocate which directly relates to his or her Autowash Direct business, the Procedures set forth in these Policies must be followed.

3.5 Sponsorship





- A. The Sponsor is the person who introduces an Automotive Appearance Advocate or Customer to Autowash Direct, helps them complete their enrollment, and supports and trains those in their downline.
- B. Autowash Direct recognizes the Sponsor as the name(s) shown on the first:
 - I. Physically signed Autowash Direct Automotive Appearance Advocate Agreement on file; or
 - II. Electronically signed Automotive Appearance Advocate Agreement from a website or Autowash Direct Automotive Appearance Advocate's website.
- C. An Advocate Agreement that contains notations such as "by phone" or the signatures of other individuals (i.e., Sponsors, Spouses, relatives, or friends) is not valid and will not be accepted by the Company.
- D. Autowash Direct recognizes that each new prospect has the right to ultimately choose his or her own Sponsor, but the Company will not allow Automotive Appearance Advocates to engage in unethical sponsoring activities.
- E. All Active Automotive Appearance Advocates (as defined in the Glossary of Terms) in good standing have the right to Sponsor and enroll others into Autowash Direct. While engaged in sponsoring activities, it is not uncommon to encounter situations when more than one Automotive Appearance Advocate will approach the same prospect. It is the accepted courtesy that the new prospect will be sponsored by the first Automotive Appearance Advocate who presented a comprehensive introduction to Autowash Direct products or business opportunity.
- F. A *Protected Prospect* is a guest of any Autowash Direct Automotive Appearance Advocate or Customer who attended an Autowash Direct event or conference call. For sixty (60) days following the event, a Protected Prospect cannot be solicited or sponsored by any other Autowash Direct Automotive Appearance Advocate who attended the same event. An Autowash Direct event can be defined as the following:
 - I. Any Autowash Direct training session;
 - II. Conference call;
 - III. Fly-in meeting; or
 - IV. Presentation, including but not limited to an Autowash Direct at home presentation, whether sponsored by Autowash Direct, an Automotive Appearance Advocate, a Customer, or an agent or agency designated by Autowash Direct.

3.6 Cross Sponsoring Prohibition





- A. "Cross sponsoring" is defined as the enrollment into a different line of sponsorship of an individual, or Business Entity, that already has a signed Advocate Agreement. Actual or attempted cross sponsoring is not allowed. If cross sponsoring is verified by Autowash Direct, sanctions up to and including termination of an Automotive Appearance Advocate's business/position may be imposed.
- B. The use of a Spouse's or relative's name, trade names, assumed names, DBA names, corporation, partnership, trust, Federal ID numbers, or fictitious ID numbers to evade or circumvent this Policy is not permitted.
- C. This Policy does not prohibit the transfer of an Autowash Direct business in accordance with the Sale or Transfer Policy set forth in these Policies.

3.7 Adherence to the Autowash Direct Compensation Plan

- A. An Automotive Appearance Advocate must adhere to the terms of the Autowash Direct Compensation Plan as set forth in these Policies and Procedures as well as in official Company literature. Deviation from the Compensation Plan is prohibited.
- B. An Automotive Appearance Advocate shall not offer the Autowash Direct opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official Company literature.
- C. An Automotive Appearance Advocate shall not require or encourage a current or prospective Customer or Automotive Appearance Advocate to participate in Autowash Direct in any manner that varies from the Compensation Plan as set forth in official Company literature.
- D. An Automotive Appearance Advocate shall not require or encourage a current or prospective Customer or Automotive Appearance Advocate to make a purchase from or payment to any individual or other entity as a condition to participating in the Autowash Direct Compensation Plan, other than such purchases or payments required to naturally build their business.

3.8 Adherence to Laws and Ordinances

Many cities and counties have laws regulating certain home-based businesses. In most cases, these ordinances do not apply to Automotive Appearance Advocates because of the nature of the business. However, Automotive Appearance Advocates must check their local laws and obey the laws that do apply to them. Nevertheless, an Automotive Appearance Advocate shall comply with all federal, state, and local laws and regulations in their conduct of an Autowash Direct business.

3.9 Compliance with Applicable Income Tax Laws

- A. Autowash Direct will automatically provide a complete 1099 Miscellaneous Income Tax form (nonemployee compensation) to each US Automotive Appearance Advocate whose earnings for the year is at least \$600 or who has purchased more than \$5,000 of Autowash Direct products for resale, or who received trips, prizes or





awards valued at \$600 or more. If earnings and purchases are less than stated above, IRS forms will be sent only at the request of the Automotive Appearance Advocate, and a minimum charge of \$20 may be assessed by Autowash Direct.

- B. An Automotive Appearance Advocate accepts sole responsibility for and agrees to pay all federal, state and local taxes on any income generated as an independent Automotive Appearance Advocate, and further agrees to indemnify Autowash Direct from any failure to pay such tax amounts when due.
- C. If an Automotive Appearance Advocate's business is tax exempt, the Federal Tax Identification number must be provided to the Company in writing.
- D. Autowash Direct encourages all Automotive Appearance Advocates to consult with a tax advisor for additional information for their business.

3.10 One Autowash Direct Business Per Automotive Appearance Advocate

An Automotive Appearance Advocate may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one (1) Autowash Direct business. No individual may have, operate or receive compensation from more than one Autowash Direct businesses. Individuals of the same family unit may each enter into or have an interest in their own separate Autowash Direct businesses, only if each subsequent family position 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.

3.11 Actions of Household Members or Affiliated Parties

If any member of an Automotive Appearance Advocate's immediate household engages in any activity which, if performed by the Automotive Appearance Advocate, would violate any provision of the Agreement, such activity will be deemed a violation by the Automotive Appearance Advocate and Autowash Direct may take disciplinary action pursuant to these Policies and Procedures against the Automotive Appearance Advocate. Similarly, if any individual associated in any way with a corporation, partnership, LLC, trust or other entity (collectively "Business Entity") violates the Agreement, such action(s) will be deemed a violation by the Business Entity, and Company may take disciplinary action against the Business Entity. Likewise, if an Automotive Appearance Advocate enrolls in Autowash Direct as a Business Entity, each Affiliated Party of the Business Entity shall be personally and individually bound to, and must comply with, the terms and conditions of the Advocate Agreement.

3.12 Solicitation for Other Companies or Products

- A. An Autowash Direct Automotive Appearance Advocate may participate in other direct sales, multilevel, network marketing or relationship marketing business ventures or marketing opportunities. However, during the term of this Agreement, an Autowash Direct Automotive Appearance Advocate may not recruit any Autowash Direct Customer or Automotive Appearance Advocate for any other direct sales or network marketing business, unless that Customer or Automotive Appearance Advocate was personally sponsored by such Automotive Appearance Advocate.





- B. 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 Customer or Automotive Appearance Advocate to enroll or participate in any direct sales or network marketing opportunity. This conduct represents recruiting even if the Automotive Appearance Advocate's actions are in response to an inquiry made by another Customer or Automotive Appearance Advocate.
- C. During the term of this Agreement and for a period of six (6) months thereafter, any Autowash Direct Automotive Appearance Advocate must not sell, or entice others to sell, any competing products or services, including training materials, to Autowash Direct Customers or Automotive Appearance Advocates. Any product or service in the same category as an Autowash Direct product or service is deemed to be competing (i.e., any car detailing and/or car washing products regardless of cost).
- D. However, an Automotive Appearance Advocate may sell non-competing products or services to Autowash Direct Customers and Automotive Appearance Advocates that they personally sponsored.
- E. An Automotive Appearance Advocate may not display or bundle Autowash Direct products or services, in sales literature, on a website or in sales meetings, with any other products or services to avoid confusing or misleading a prospective Customer or Automotive Appearance Advocate into believing there is a relationship between the Autowash Direct and non-Autowash Direct products and services.
- F. An Autowash Direct Automotive Appearance Advocate may not offer any non-Autowash Direct opportunity, products or services at any Autowash Direct related meeting, seminar or convention, or immediately following a Company event.
- G. A violation of any of the provisions in this section shall constitute unreasonable and unwarranted contractual interference between Autowash Direct and its Automotive Appearance Advocates and would inflict irreparable harm on the Company. In such event, Autowash Direct may, at its sole discretion, impose any sanction it deems necessary and appropriate against such Automotive Appearance Advocate or such Automotive Appearance Advocate's business and position including termination, or seek immediate injunctive relief without the necessity of posting a bond.

3.13 Presentation of the Autowash Direct Opportunity

- A. In presenting the Autowash Direct opportunity to potential Customers and Automotive Appearance Advocates, you are required to comply with the following provisions:
 - I. You shall not misquote or omit any significant material fact about the Compensation Plan.





- II. You shall make it clear that the Compensation Plan is based upon sales of Autowash Direct products and services and upon the sponsoring of other Automotive Appearance Advocates.
- III. You shall make it clear that success can be achieved only through substantial independent efforts and hard work.
- IV. You shall not make unauthorized income projections, claims, or guarantees while presenting or discussing the Autowash Direct opportunity or Compensation Plan to prospective Automotive Appearance Advocates or Customers.
- V. You may not make any claims regarding products or services of any products offered by Autowash Direct, except those contained in official Company literature.
- VI. You may not use official Company materials to promote the Autowash Direct sales opportunity in any country where Autowash Direct has not established a "presence."
- VII. In an effort to conduct best business practices, Autowash Direct has developed an income disclaimer ("Income Disclaimer"). The Autowash Direct Income Disclaimer is designed to convey truthful, timely, and comprehensive information regarding the income that Autowash Direct Automotive Appearance Advocates may earn. In order to accomplish this objective, a copy of the Disclaimer must be presented to all prospective Automotive Appearance Advocates.

More specifically, a copy of the Disclaimer must be presented to a prospective Automotive Appearance Advocate 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 but is not exclusively limited to 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 Automotive Appearance Advocate earned over eight hundred thousand dollars last year" or "Our average-ranking Automotive Appearance Advocate makes three hundred and fifty dollars per month." An example of a "statement of earnings ranges" is "The monthly income for our higher-ranking Automotive Appearance Advocates is six thousand dollars on the low end to twenty-five thousand dollars a month on the high end."

3.14 Sales Requirements are Governed by the Compensation Plan





- A. Autowash Direct Automotive Appearance Advocates may purchase Autowash Direct products and only re-sell them at a price specified by the Company. Autowash Direct will provide suggested selling prices. There are no exclusive territories granted to anyone. No franchise fees are applicable to an Autowash Direct business.

- B. The Autowash Direct program is built on sales to ultimate consumers. Autowash Direct encourages its Automotive Appearance Advocates to only purchase inventory that they and their family will personally consume, will be used as a sales tool, or will be resold to others for their ultimate consumption. **Automotive Appearance Advocates must never attempt to influence any other Automotive Appearance Advocate to buy more products than they can reasonably use or sell to Customers in a month.**





4.0 ORDERING

4.1 General Order Policies

- A. "Bonus Buying" is strictly and absolutely prohibited. Bonus Buying includes: (1) the enrollment of individuals or entities without the knowledge of and/or execution of an Agreement by such individuals or Business Entities; (2) the fraudulent enrollment of an individual or entity as an Automotive Appearance Advocate or Customer; (3) the enrollment or attempted enrollment of non-existent individuals or Business Entities as Automotive Appearance Advocates or Customers ("phantoms"); (4) purchasing Autowash Direct products or services on behalf of another Automotive Appearance Advocate or Customer, or under another Automotive Appearance Advocate's or Customer's ID number, to qualify for commissions or bonuses; (5) purchasing excessive amounts of products or services that cannot reasonably be used or resold in a month; and/or (6) 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.

An Automotive Appearance Advocate shall not use another Automotive Appearance Advocate's or Customer's credit card or debit checking account to enroll in Autowash Direct or purchase products or services without the account holder's *written permission*. Such documentation must be kept by the Automotive Appearance Advocate indefinitely in case Autowash Direct needs to reference this.

- B. Regarding an order with an invalid or incorrect payment, the Company will attempt to contact the Automotive Appearance Advocate by phone, mail or e-mail in order to obtain another form of payment. If these attempts are unsuccessful after ten (10) business days, the order will be cancelled.
- C. If an Automotive Appearance Advocate wants to move an order to another Automotive Appearance Advocate's position, he, she or it must have prior authorization of all parties involved. Autowash Direct will charge the Automotive Appearance Advocate a \$20 fee for processing.
- D. Prices are subject to change without notice.
- E. An Automotive Appearance Advocate or Customer who is a recipient of a damaged or incorrect order must notify Autowash Direct within thirty (30) calendar days from receipt of the order and follow the Procedures as set forth in these Policies.

4.2 Insufficient Funds

- A. All checks returned for insufficient funds will be re-submitted for payment. A \$35 fee will be charged to the account of the Automotive Appearance Advocate/Customer for all returned checks and insufficient funds.
- B. Any outstanding balance owed to Autowash Direct by an Automotive Appearance Advocate/ Customer of the Automotive Appearance Advocate from NSF (non-





sufficient funds) checks, returned check fees or insufficient fund fees (ACH) will be withheld by Autowash Direct from an Automotive Appearance Advocate's future bonus and commission checks.

- C. All transactions involving returned checks or insufficient funds through ACH or credit card, which are not resolved in a timely manner by the Automotive Appearance Advocate, constitute grounds for disciplinary sanctions.
- D. If a credit card order or automatic debit is declined the first time, the Customer or Automotive Appearance Advocate will be contacted for an alternate form of payment. If payment is declined a second time, the Customer or Automotive Appearance Advocate may be deemed ineligible to purchase Autowash Direct products or services in the future.

4.3 Sales Tax Obligation

- A. The Automotive Appearance Advocate shall comply with all state and local taxes and regulations governing the sale of Autowash Direct products and services.
- B. The Company will collect and remit sales tax on Automotive Appearance Advocate orders unless an Automotive Appearance Advocate furnishes Autowash Direct with the appropriate Resale Tax Certificate form. When orders are placed with Autowash Direct, sales tax is prepaid based upon the suggested retail price. The Company will remit the sales tax to the appropriate state and local jurisdictions. The Automotive Appearance Advocate may recover the sales tax when he or she makes a sale. Autowash Direct Automotive Appearance Advocates are responsible for any additional sales taxes due on products marked up and sold at a higher price.
- C. Autowash Direct encourages each Automotive Appearance Advocate to consult with a tax advisor for additional information for his or her business.





5.0 PAYMENT OF COMMISSIONS & BONUSES

5.1 Bonus and Commission Qualifications and Commission Discrepancies

- A. An Automotive Appearance Advocate must be active (as per the terms of the Compensation Plan) and in compliance with Autowash Direct Policies and Procedures to qualify for bonuses and commissions. So long as an Automotive Appearance Advocate complies with the terms of the Advocate Agreement, the Company shall pay commissions to such Automotive Appearance Advocate in accordance with the Compensation Plan.
- B. Autowash Direct will not issue a payment to an Automotive Appearance Advocate without the receipt of a completed and signed Autowash Direct Advocate Agreement by way of a hard copy or electronic signature.
- C. The Company reserves the right to postpone bonus and commission payments until such time the cumulative amount exceeds \$25.
- D. An Autowash Direct Automotive Appearance Advocate must review his, her or its monthly statement and bonus/commission reports promptly and report any discrepancies within thirty (30) days of receipt. After the 30-day "grace period" no additional requests will be considered for commission recalculations.
- E. For additional information on payment of commissions, please review the Compensation Plan.

5.2 Adjustments to Bonuses and Commissions for Returned Products

- A. An Automotive Appearance Advocate receives bonuses and commissions based on the actual sales of products and services to end consumers and to Automotive Appearance Advocate through product and service purchases. When a product or service is returned to Autowash Direct for a refund from the end consumer or by an Automotive Appearance Advocate, the bonuses and commissions attributable to the returned product or service will be deducted from the Automotive Appearance Advocate 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 bonus/and or commission is recovered.
- B. In the event that an Automotive Appearance Advocate terminates his, her or its business/position, and the amounts of the bonuses or commissions attributable to the returned products or services have not yet been fully recovered by Autowash Direct, the remainder of the outstanding balance may be offset against any other amounts that may be owed by the Company to the terminated Automotive Appearance Advocate.





6.0 SATISFACTION GUARANTEED AND RETURN OF SALES AIDS

Autowash Direct offers a one hundred percent (100%) one (1) year money back guarantee for all Customers. If a Customer purchased a product or service and is not satisfied with the product or service, the Customer may request a refund from their corresponding Automotive Appearance Advocate. If you as an Automotive Appearance Advocate are not 100% satisfied with our products, you may return the items for a refund if (1) neither you nor we have terminated the Agreement; (2) the products or services were purchased within twelve (12) months; and (3) the products remain in resalable condition ("Resalable Condition" as defined in the Glossary of Terms). The refund shall be ninety percent (90%) of the purchase price. Shipping and handling charges incurred will not be refunded.

Upon cancellation of the Advocate Agreement, the Automotive Appearance Advocate may return all generic sales aids purchased within one (1) year from the date of cancellation for a refund if he, she or it is unable to sell or use the merchandise. An Automotive Appearance Advocate may only return sales aids he, she or it personally purchased from the Company under his, her or its Automotive Appearance Advocate Identification Number, and which are in Resalable Condition. Any custom orders of printed sales aids (i.e., business cards, brochures, etc.) whereon the Automotive Appearance Advocate's contact information is imbedded or hard printed, or has been added by the Automotive Appearance Advocate, are not able to be returned in resalable condition thus are nonrefundable. Upon Autowash Direct's receipt of the products and sales aids, the Automotive Appearance Advocate will be reimbursed ninety percent (90%) of the net cost of the original purchase price(s), less shipping and handling charges. If the purchases were made through a credit card, the refund will be credited back to the same credit card account. The Company shall deduct from the reimbursement paid to the Automotive Appearance Advocate any commissions, bonuses, rebates or other incentives received by the Automotive Appearance Advocate which were associated with the merchandise that is returned.

6.1 Return Process

- A. All returns, whether by a Customer or Automotive Appearance Advocate, must be made as follows:
 - I. Obtain Return Merchandise Authorization ("RMA") from Autowash Direct;
 - II. Ship items to the address provided by Autowash Direct Customer Service when you are given your RMA.
 - III. Provide a copy of the invoice with the returned products or service. Such invoice must reference the RMA and include the reason for the return.
 - IV. Ship back product in manufacturer's box exactly as it was delivered.
- B. All returns must be shipped to Autowash Direct pre-paid, as the Company does not accept shipping collect packages. Autowash Direct recommends shipping returned product by UPS or FedEx with tracking and insurance as risk of loss or damage in shipping of the returned product shall be borne solely by the Customer/Automotive Appearance Advocate. If returned product is not received at Autowash Direct





Distribution Center, it is the responsibility of the Customer/Automotive Appearance Advocate to trace the shipment and no credit will be applied.

- C. The return of \$500 or more of products accompanied by a request for a refund within a calendar year, by an Automotive Appearance Advocate, may constitute grounds for involuntary termination.





7.0 PRIVACY POLICY

7.1 Introduction

This Privacy Policy is to ensure that all Customers and Automotive Appearance Advocates understand and adhere to the basic principles of confidentiality.

7.2 Expectation of Privacy

- A. Autowash Direct recognizes and respects the importance its Customers and Automotive Appearance Advocates place on the privacy of their financial and personal information. Autowash Direct will make reasonable efforts to safeguard the privacy of, and maintain the confidentiality of its Customers', and Automotive Appearance Advocates' financial and account information and nonpublic personal information.
- B. By entering into the Advocate Agreement, an Automotive Appearance Advocate authorizes Autowash Direct to disclose his or her name and contact information to uplines Automotive Appearance Advocates solely for activities related to the furtherance of the Autowash Direct business. An Automotive Appearance Advocate hereby agrees to maintain the confidentiality and security of such information and to use it solely for the purpose of supporting and servicing his or her downline organization and conducting the Autowash Direct business.

7.3 Employee Access to Information

Autowash Direct limits the number of employees who have access to Customer's and Automotive Appearance Advocates' nonpublic personal information.

7.4 Restrictions on the Disclosure of Account Information

Autowash Direct will not share non-public personal information or financial information about current or former Customers or Automotive Appearance Advocates with third parties, except as permitted or required by laws and regulations, court orders, or to serve the Customers', or Automotive Appearance Advocates' interests or to enforce its rights or obligations under these Policies and Procedures, or Advocate Agreement or with written permission from the accountholder on file.





8.0 PROPRIETARY INFORMATION AND TRADE SECRETS

8.1 Business Reports, Lists, and Proprietary Information

By completing and signing the Autowash Direct Advocate Agreement, the Automotive Appearance Advocate acknowledges that Business Reports, lists of Customer and Automotive Appearance Advocate names and contact information and any other information, which contain financial, scientific or other information both written or otherwise circulated by Autowash Direct pertaining to the business of Autowash Direct (collectively, "Reports"), are confidential and proprietary information and trade secrets belonging to Autowash Direct.

8.2 Obligation of Confidentiality

- A. During the Term of the Autowash Direct Advocate Agreement and for a period of five (5) years after the termination or expiration of the Advocate Agreement between the Automotive Appearance Advocate and Autowash Direct, the Automotive Appearance Advocate shall not:
 - I. Use the information in the Reports to compete with Autowash Direct or for any purpose other than promoting his or her Autowash Direct business;
 - II. Use or disclose to any person or entity any confidential information contained in the Reports, including the replication of the genealogy in another network marketing company.

8.3 Breach and Remedies

- A. The Automotive Appearance Advocate acknowledges that such proprietary information is of such character as to render it unique and that disclosure or use thereof in violation of this provision will result in irreparable damage to Autowash Direct and to independent Autowash Direct businesses. Autowash Direct and its Automotive Appearance Advocates will be entitled to injunctive relief or to recover damages against any Automotive Appearance Advocate who violates this provision in any action to enforce its rights under this section. The prevailing party shall be entitled to an award of attorney's fees, court costs and expenses.

8.4 Return of Materials

- A. Upon demand by Autowash Direct, any current or former Automotive Appearance Advocate will return the original and all copies of all "Reports" to Autowash Direct together with any Autowash Direct confidential information in such person's possession.





9.0 ADVERTISING, PROMOTIONAL MATERIAL, USE OF COMPANY NAMES AND TRADEMARKS

9.1 Labeling, Packaging, and Displaying Products

- A. An Autowash Direct Automotive Appearance Advocate may not re-label, re-package, refill, or alter labels of any Autowash Direct product, or service, information, materials or program(s) in any way. Autowash Direct products and services must only be sold in their original containers from Autowash Direct. Such re-labeling or re-packaging violates Federal, and State and Provincial laws, which may result in criminal or civil penalties or liability.
- B. An Autowash Direct Automotive Appearance Advocate shall not cause any Autowash Direct product or service or any Autowash Direct trade name to be sold or displayed in retail establishments except:
 - I. Where the retail establishment is owned or managed by the Automotive Appearance Advocate and the store does not exceed \$1 million in annual gross revenue, and there are 5 or fewer stores under common ownership of management.
- C. Autowash Direct will permit Automotive Appearance Advocates to solicit and make Commercial Sales upon *prior written approval* from Autowash Direct. For the purpose of these Policies and Procedures, the term "Commercial Sale" means the sale of:
 - I. Autowash Direct products that equal or exceed \$5,000 in a single order;
 - II. Products sold to a third party who intends to resell the products to an end consumer.
- D. An Automotive Appearance Advocate may sell Autowash Direct products and services and display the Autowash Direct trade name at any appropriate display booth (such as trade shows) upon *prior written approval* from Autowash Direct.
- E. Autowash Direct reserves the right to refuse authorization to participate at any function that it does not deem a suitable forum for the promotion of its products and services, or the Autowash Direct opportunity.

9.2 Use of Company Names and Protected Materials

- A. An Autowash Direct Automotive Appearance Advocate must safeguard and promote the good reputation of Autowash Direct and the products and services it markets. The marketing and promotion of Autowash Direct, the Autowash Direct opportunity, the Compensation Plan, and Autowash Direct products and services will be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct and practices.





- B. All promotional materials supplied or created by Autowash Direct must be used in their original form and cannot be changed, amended or altered except with prior written approval from the Company Compliance Department.
- C. The name of Autowash Direct, each of its product and service names and other names that have been adopted by Autowash Direct in connection with its business are proprietary trade names, trademarks and service marks of Autowash Direct. As such, these marks are of great value to Autowash Direct and are supplied to Automotive Appearance Advocates for their use only in an expressly authorized manner.
- D. An Autowash Direct Automotive Appearance Advocate's use of the name "Autowash Direct" is restricted to protect Autowash Direct proprietary rights, ensuring that the Autowash Direct protected names will not be lost or compromised by unauthorized use. Use of the Autowash Direct name on any item not produced by Autowash Direct is prohibited except as follows:
 - I. [Automotive Appearance Advocate's name] Independent Autowash Direct Automotive Appearance Advocate
 - II. [Automotive Appearance Advocate's name] Independent Automotive Appearance Advocate of Autowash Direct products and services.
- E. Further procedures relating to the use of the Autowash Direct name are as follows:
 - I. All stationary (i.e. letterhead, envelopes, and business cards) bearing the Autowash Direct name or logo intended for use by the Automotive Appearance Advocate must be approved in writing by the Company Compliance Department.
 - II. Autowash Direct Automotive Appearance Advocates may list "Independent Autowash Direct Automotive Appearance Advocate or "Autowash Direct Automotive Appearance Advocate" in the white pages of the telephone directory under his or her own name.
 - III. Autowash Direct Automotive Appearance Advocates may not use the name Autowash Direct or Autowash Direct in answering his or her 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, "Independent Autowash Direct Automotive Appearance Advocate."
- F. Certain photos and graphic images used by Autowash Direct in its advertising, packaging, and websites are the result of paid contracts with outside vendors that do not extend to Automotive Appearance Advocates. If an Automotive Appearance Advocate wants to use these photos or graphic images, they must negotiate individual contracts with the vendors for a fee.





- G. An Autowash Direct Automotive Appearance Advocate shall not appear on or make use of television or radio, or make use of any other media to promote or discuss Autowash Direct or its programs, products or services without prior written permission from the Company Compliance Department.
- H. An Automotive Appearance Advocate may not produce for sale or distribution any Company event or speech, nor may an Automotive Appearance Advocate reproduce Autowash Direct audio or video clips for sale or for personal use without prior written permission from the Company Compliance Department.
- I. Autowash Direct 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 Automotive Appearance Advocate.
- J. An Automotive Appearance Advocate shall not promote non-Autowash Direct products or services in conjunction with Autowash Direct products or services on the same websites or same advertisement without prior approval from Autowash Direct Compliance.
- K. Claims (which include personal testimonials) as to therapeutic, curative or beneficial properties of any products offered by Autowash Direct may not be made except those contained in official Autowash Direct literature. In particular, no Automotive Appearance Advocate may make any claim that Autowash Direct products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases. Such statements can be perceived as medical or drug claims. Not only do such claims violate Autowash Direct policies, but also they potentially violate federal and state laws and regulations, including the federal Food, Drug, and Cosmetic Act and Federal Trade Commission Act.

9.3 Faxes and E-mail Limitations

- A. Except as provided in this section, an Automotive Appearance Advocate may not use or transmit unsolicited faxes, email, mass email distribution, or "spamming" that advertises or promotes the operation of his or her Autowash Direct business. The exceptions are:
 - I. Faxes or e-mailing any person who has given prior permission or invitation;
 - II. Faxing or e-mailing any person with whom the Automotive Appearance Advocate has established a prior business or personal relationship.
- B. In all States, Provinces or Territories where prohibited by law, an Automotive Appearance Advocate may not transmit, or cause to be transmitted through a third party, (by telephone, facsimile, computer or other device), an unsolicited advertisement to any equipment, which has the capacity to transcribe text or images





from an electronic signal received over a regular telephone line, cable line, ISDN, T1 or any other signal carrying device, except as set forth in this section.

- C. All faxes, e-mail or computer broadcasted documents subject to this provision shall include each of the following:
 - I. A clear and obvious identification that the fax or e-mail message is an advertisement or solicitation. The words "advertisement" or "solicitation" should appear in the subject line of the message;
 - II. A clear return path or routing information;
 - III. The use of legal and proper domain name;
 - IV. A clear and obvious notice of the opportunity to decline to receive further commercial facsimile or e-mail messages from the sender;
 - V. Unsubscribe or opt-out instructions should be the very first text in the body of the message box in the same size text as the majority of the message;
 - VI. The true and correct name of the sender, valid senders' fax or e-mail address, and a valid sender physical address;
 - VII. The date and time of the transmission;
 - VIII. Upon notification by recipient of his or her request not to receive further faxed or e-mailed documents, an Autowash Direct Automotive Appearance Advocate shall not transmit any further documents to that recipient.

- D. All e-mail or computer broadcasted documents subject to this provision shall not include any of the following:
 - I. Use of any third-party domain name without permission;
 - II. Sexually explicit materials.

9.4 Internet and Third-Party Website Restrictions

- A. An Automotive Appearance Advocate may not use or attempt to register any of Autowash Direct's trade names, trademarks, service names, service marks, product names, URLs, advertising phrases, the Company'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.

- B. An Autowash Direct Automotive Appearance Advocate may not sell Autowash Direct products, services or offer the Business Opportunity using "online auctions," such as eBay®.





- C. All Automotive Appearance Advocates may have one (1) Approved third-party website. A third-party website is an Autowash Direct-approved personal website that is hosted on non-Autowash Direct servers and has no affiliation with Autowash Direct. Any Automotive Appearance Advocate who wishes to develop their own third-party website must submit a properly completed third-party website Application and Agreement along with the proper Website registration fee and receive Autowash Direct's prior written approval before going live with their third-party website. Third-party websites may be used to promote your business and Autowash Direct's products so long as the third-party website adheres to Autowash Direct's advertising policies. Moreover, no orders may be placed through third-party websites, and no enrollments may occur through a third-party website. If you wish to use any third-party website, you must do the following:
 - a. Identify yourself as an Automotive Appearance Advocate for Autowash Direct;
 - b. Use only the approved images and wording authorized by Autowash Direct;
 - c. Adhere to the branding, trademark, and image usage policies described in this document.
 - d. Adhere to any other provision regarding the use of a third-party website described in this document;
 - e. Agree to give the Compliance Department at Autowash Direct access to the third-party website and, if the website is password protected, the Compliance Department must receive passwords or credentials allowing unlimited access.
 - f. Agree to modify your website to comply with current or future Autowash Direct policies.

- D. All marketing materials used on an Automotive Appearance Advocate's third-party website must be provided by Autowash Direct or approved in writing by Autowash Direct.

- E. To avoid confusion, the following three elements must also be prominently displayed at the top of every page of your third-party website:
 - 1. The Autowash Direct Automotive Appearance Advocate Logo
 - 2. Your Name and Title
 - 3. Autowash Direct Corporate Website Redirect Button

- F. An Automotive Appearance Advocate may not use third-party sites that contain materials copied from corporate sources (such as Autowash Direct brochures, CDs, videos, tapes, events, presentations, and corporate websites). This Policy ensures brand consistency, allows Customers and Automotive Appearance Advocates to stay up-to-date with changing products, services and information, facilitates enrollment under the correct Sponsor, and assists in compliance with government regulations.

- G. Autowash Direct products may be displayed with other products or services on an Automotive Appearance Advocate's third-party websites so long as the other products and services are consistent with Autowash Direct values and are not marketed or sold by a competing network-marketing company.





- H. If the independent Autowash Direct business of an Automotive Appearance Advocate who has received authorization to create and post a third-party website is voluntarily or involuntarily canceled for any reason, or if Autowash Direct revokes its authorization allowing the Automotive Appearance Advocate to maintain a third-party website, the Automotive Appearance Advocate shall assign the URL to his/her third-party website to the Autowash Direct within three (3) days from the date of the cancellation and/or re-direct all traffic to the site as directed by the Autowash Direct. Autowash Direct reserves the right to revoke any Automotive Appearance Advocate's right to use a third-party website at any time if Autowash Direct believes that such revocation is in the best interest of Autowash Direct, its Automotive Appearance Advocates, and Customers. Decisions and corrective actions in this area are at Autowash Direct's sole discretion.
- I. Social Media sites may not be used to sell or offer to sell Autowash Direct products or services. PROFILES AN AUTOMOTIVE APPEARANCE ADVOCATE GENERATES IN ANY SOCIAL COMMUNITY WHERE AUTOWASH DIRECT IS DISCUSSED OR MENTIONED MUST CLEARLY IDENTIFY THE AUTOMOTIVE APPEARANCE ADVOCATE AS AN AUTOWASH DIRECT AUTOMOTIVE APPEARANCE ADVOCATE, and when an Automotive Appearance Advocate participates in those communities, Automotive Appearance Advocates must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. The determination of what is inappropriate is at Autowash Direct's sole discretion, and offending Automotive Appearance Advocates will be subject to disciplinary action. Banner ads and images used on these sites must be current and must come from the Autowash Direct approved library. If a link is provided, it must link to the posting Automotive Appearance Advocate's Replicated website or an approved third-party website.
- J. Anonymous postings or use of an alias on any Social Media site is prohibited, and offending Automotive Appearance Advocates will be subject to disciplinary action.
- K. Automotive Appearance Advocates may not use blog spam, spamdexing or any other mass-replicated methods to leave blog comments. Comments Automotive Appearance Advocates create or leave must be useful, unique, relevant and specific to the blog's article.
- L. Automotive Appearance Advocates must disclose their full name on all Social Media postings, and conspicuously identify themselves as an independent Automotive Appearance Advocate for Autowash Direct. Anonymous postings or use of an alias is prohibited.
- M. Postings that are false, misleading, or deceptive are prohibited. This includes, but is not limited to, false or deceptive postings relating to the Autowash Direct income opportunity, Autowash Direct's products and services, and/or your biographical information and credentials.





- N. Automotive Appearance Advocates are personally responsible for their postings and all other online activity that relates to Autowash Direct. Therefore, even if an Automotive Appearance Advocate does not own or operate a blog or Social Media site, if an Automotive Appearance Advocate posts to any such site that relates to Autowash Director which can be traced to Autowash Direct, the Automotive Appearance Advocate is responsible for the posting. Automotive Appearance Advocates are also responsible for postings which occur on any blog or Social Media site that the Automotive Appearance Advocate owns, operates, or controls.
- O. As an Autowash Direct Automotive Appearance Advocate, it is important to not converse with any person who places a negative post against you, other Automotive Appearance Advocates, or Autowash Direct. Report negative posts to Autowash Direct at customerservice@autowashdirect.com. 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 Autowash Direct, and therefore damages the reputation and goodwill of Autowash Direct.
- P. The distinction between a Social Media site and a website may not be clear-cut, because some Social Media sites are particularly robust, Autowash Direct therefore reserves the sole and exclusive right to classify certain Social Media sites as third-party websites and require that Automotive Appearance Advocates using, or who wish to use, such sites adhere to the Autowash Direct's policies relating to third-party websites.
- Q. If your Autowash Direct business is cancelled for any reason, you must discontinue using the Autowash Direct name, and all of Autowash Direct'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 Autowash Direct Automotive Appearance Advocate, you must conspicuously disclose that you are no longer an independent Autowash Direct Automotive Appearance Advocate.
- R. Failure to comply with these Policies for conducting business online may result in the Automotive Appearance Advocate losing their right to advertise and market Autowash Direct products, services and Autowash Direct's business opportunity online in addition to any other disciplinary action available under the Policies and Procedures.

9.5 Advertising and Promotional Materials

- A. You may not advertise any Autowash Direct products or services at a price LESS than the highest company published, established retail price of ONE offering of the Autowash Direct product or service plus shipping, handling and applicable taxes. No special enticement advertising is allowed. This includes, but is not limited to, offers of free membership, free shipping, or other such offers that grant advantages beyond those available through the Company.





- B. Advertising and all forms of communications must adhere to principles of honesty and propriety.
- C. All advertising, including, but not limited to, print, Internet, computer bulletin boards, television, radio, etc., are subject to prior written approval by the Company Compliance Department.
- D. All requests for approvals with respect to advertising must be directed in writing to the Company Compliance Department.
- E. Autowash Direct approval is not required to place blind ads that do not mention Autowash Direct, its employees, any of its products, services, designs, symbols, programs, and trademarked, copyrighted, or otherwise protected materials.
- F. Autowash Direct 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 Automotive Appearance Advocate.

9.6 Testimonial Permission

By signing the Advocate Agreement, an Automotive Appearance Advocate gives Autowash Direct 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 the Autowash Direct Business Opportunity, an Automotive Appearance Advocate waives any right to be compensated for the use of his or her testimonial or image and likeness even though Autowash Direct may be paid for items or sales materials containing such image and likeness. In some cases, an Automotive Appearance Advocate's testimonial may appear in another Automotive Appearance Advocate's advertising materials. If an Automotive Appearance Advocate does not wish to participate in Autowash Direct sales and marketing materials, he or she should provide a written notice to the Autowash Direct Compliance Department 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.

9.7 Telemarketing - Limitations

- A. An Autowash Direct Automotive Appearance Advocate must not engage in telemarketing in relation to the operation of the Automotive Appearance Advocate's Autowash Direct business. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of Autowash Direct products or services, or to recruit them for the Autowash Direct opportunity.
- B. The Federal Trade Commission ("FTC") and the Federal Communications Commission ("FCC") 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.





C. While an Automotive Appearance Advocate may not consider himself or herself a "telemarketer" in the traditional sense, these regulations broadly define the term "telemarketer" and "telemarketing" so that the unintentional action of calling someone whose telephone number is listed on the Federal "Do Not Call" registry could cause the Automotive Appearance Advocate to violate the law. These regulations must not be taken lightly, as they carry significant penalties (up to \$11,000 per violation).

D. "Cold calls" or "state-to-state calls" made to prospective Customers, or Automotive Appearance Advocates that promote either Autowash Direct products, services or the Autowash Direct opportunity is considered telemarketing and is prohibited.

E. Exceptions to Telemarketing Regulations

An Autowash Direct Automotive Appearance Advocate may place telephone calls to prospective Customers, or Automotive Appearance Advocates under the following limited situations:

- I. If the Automotive Appearance Advocate has an established business relationship with the prospect;
- II. In response to the prospect's personal inquiry or application regarding a product or service offered by the Autowash Direct Automotive Appearance Advocate, within three (3) months immediately before the date of such a call;
- III. If the Automotive Appearance Advocate receives written and signed permission from the prospect authorizing the Automotive Appearance Advocate to call;
- IV. If the call is to family members, personal friends, and acquaintances. However, if an Automotive Appearance Advocate makes a habit of collecting business cards from everyone he/she meets and subsequently calls them, the FTC may consider this a form of telemarketing that is not subject to this exemption; and
- V. Autowash Direct Automotive Appearance Advocates engaged in calling "acquaintances," must make such calls on an occasional basis only and not as a routine practice.

F. An Automotive Appearance Advocate shall not use automatic telephone dialing systems in the operation of his or her Autowash Direct businesses.

G. Failure to abide by Autowash Direct policies or regulations as set forth by the FTC and FCC regarding telemarketing may lead to sanctions against the Automotive Appearance Advocate's business/position, up to and including termination of the position.

H. By signing the Advocate Agreement, or by accepting commission checks, other payments or awards from Autowash Direct, an Automotive Appearance Advocate gives permission to Autowash Direct and other Automotive Appearance Advocates to contact them as permitted under the Federal Do Not Call regulations.





- I. In the event an Automotive Appearance Advocate violates this section, Autowash Direct reserves the right to institute legal proceedings to obtain monetary or equitable relief.





10.0 CHANGES TO AN AUTOMOTIVE APPEARANCE ADVOCATE'S BUSINESS

10.1 Modification of the Advocate Agreement

An Autowash Direct Automotive Appearance Advocate may modify his or her existing Advocate Agreement (i.e., change a social security number to a Federal ID number, add a Spouse or partner to the account, or change the form of ownership from an individual to a Business Entity owned by the Automotive Appearance Advocate) by submitting a written request, accompanied by a new Advocate Agreement and the Business Registration Form, if applicable, completed with fresh signatures (not a "crossed out" or "white-out" version of the first Agreement), and any appropriate supporting documentation.

10.2 Change Sponsor or Placement for Active Automotive Appearance Advocates

- A. Maintaining the integrity of the organizational structure is mandatory for the success of Autowash Direct and our independent Automotive Appearance Advocates. As such, under exceptional circumstances at the discretion of the Company, a request to change placement may only be made within the first 30 days of initial enrollment as an Automotive Appearance Advocate. Furthermore, such changes may only occur within the same organization.
- B. Sponsors may make "Placement changes" from one Automotive Appearance Advocate to another for personally Sponsored (frontline) Automotive Appearance Advocates during the first 30 days of enrollment.
- C. New Automotive Appearance Advocates or their original Sponsor may request a change of Sponsor or Placement within the first 30 days of enrollment for the purpose of structuring an organization. The new Advocate Agreement must be received within the calendar month for commission calculations to be effective with the requested change.
- D. To change or correct the Sponsor, an Automotive Appearance Advocate must comply with following procedures:
 - I. Submit a Sponsor Placement Transfer Form;
 - II. Submit an Autowash Direct Advocate Agreement showing the correct Sponsor and Placement, and any appropriate supporting documentation;
 - III. The Advocate Agreement must be a new, completed document bearing "fresh" signatures, not a "crossed-out" or "white-out" version of the first Agreement.
- E. Upon approval, the Automotive Appearance Advocate's downline, if any, will transfer with the Automotive Appearance Advocate.
- F. If one transfer has already been made a \$20 fee will be assessed for the second and for each transfer thereafter.





- G. After the first 30 days from initial enrollment, Autowash Direct will honor the Sponsor/Placement as shown:
 - I. On the most recently signed Advocate Agreement on file; or
 - II. Self-enrolled on the website (i.e., electronically signed Web Agreement).
- H. Autowash Direct retains the right to approve or deny any requests to change Sponsor or Placement, and to correct any errors related thereto at any time and in whatever manner it deems necessary.

10.3 Change Sponsor or Placement for Inactive Automotive Appearance Advocates

- A. At the discretion of Autowash Direct, Automotive Appearance Advocates who did not participate in an auto ship or have not ordered products or services for at least twelve (12) months, and who have not tendered a letter of resignation, are eligible to re-enroll in Autowash Direct under the Sponsor/Placement of their choice.
- B. Upon written notice to Autowash Direct that a former Automotive Appearance Advocate wishes to re-enroll, Autowash Direct will "compress" (close) the original account. A new Autowash Direct ID number will then be issued to the former Automotive Appearance Advocate.
- C. Such Automotive Appearance Advocate does not retain former rank, downline, or rights to commission checks from his or her former organizations.
- D. Autowash Direct reserves the right to correct Sponsor or Placement errors at any time and in whatever manner it deems necessary.

10.4 Change Organizations

- A. If an Autowash Direct Automotive Appearance Advocate wishes to transfer organizations, he or she must submit a letter of resignation to the Autowash Direct Customer Service Department and remain inactive (place no orders, or be on an auto ship) with or in Autowash Direct for 6 months from the receipt of the letter before being eligible to re-enroll under a different Sponsor/Placement.
- B. Autowash Direct retains the right to approve or deny any request to re-enroll after an Automotive Appearance Advocate's resignation.
- C. If re-enrollment is approved, the former Automotive Appearance Advocate will be issued a new Autowash Direct ID number and will be required to submit a new Advocate Agreement. The Automotive Appearance Advocate will not be entitled to keep any former rank, downline, or rights to commission checks from any prior organization.
- D. Transfers may not be done outside of the original organization.





10.5 Unethical Sponsoring

- A. Unethical sponsoring activities include, but are not limited to, enticing, bidding or engaging in unhealthy competition in trying to acquire a prospect or new Automotive Appearance Advocate from another Automotive Appearance Advocate or influencing another Automotive Appearance Advocate to transfer to a different sponsor.
- B. Allegations of unethical sponsoring must be reported in writing to the Autowash Direct Compliance Department within the first 90 days of enrollment. If the reports are substantiated, Autowash Direct may transfer the Automotive Appearance Advocate or the Automotive Appearance Advocate's downline to another sponsor, Placement or organization without approval from the current up-line Sponsor or Placement Automotive Appearance Advocates. Autowash Direct remains the final authority in such cases.
- C. Autowash Direct prohibits the act of "Stacking." Stacking is the unauthorized manipulation of the Autowash Direct compensation system and/or the marketing plan in order to trigger commissions or cause a promotion of a downline Automotive Appearance Advocate 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 independent consultant positions of all individuals and/or entities found to be directly involved.
- D. Should Automotive Appearance Advocates engage in solicitation and/or enticement of members of another direct sales company to sell or distribute Autowash Direct products and services to, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against an Automotive Appearance Advocate alleging that they engaged in inappropriate recruiting activity of another company's sales force or Customers, Autowash Direct will not pay any of Automotive Appearance Advocate's defense costs or legal fees, nor will Autowash Direct indemnify the Automotive Appearance Advocate for any judgment, award, or settlement.

10.6 Sell, Assign or Delegate Ownership

- A. In order to preserve the integrity of the hierarchical structure, it is necessary for Autowash Direct to place restrictions on the transfer, assignment, or sale of a position.
- B. An Autowash Direct Automotive Appearance Advocate may not sell or assign his or her rights or delegate his or her position as an Automotive Appearance Advocate without *prior written approval* by Autowash Direct, which approval will not be unreasonably withheld. Any attempted sale, assignment, or delegation without such approval may be voided at the discretion of Autowash Direct.





- C. Should the sale be approved by Autowash Direct, the Buyer assumes the position of the Seller at the current qualified title, but at the current "paid as" rank, at the time of the sale and acquires the Seller's Downline.
- D. To request corporate authorization for a sale or transfer of an Autowash Direct position, the following items must be submitted to the Autowash Direct Compliance Department:
 - I. A Sale/Transfer of position Form properly completed, with the requisite signatures;
 - II. A copy of the Sales Agreement signed and dated by both Buyer and Seller;
 - III. An Autowash Direct Advocate Agreement completed and signed by the Buyer;
 - IV. Payment of the \$100 administration fee; and
 - V. Any additional supporting documentation requested by Autowash Direct.
- E. Any debt obligations that either Seller or Buyer may have with Autowash Direct must be satisfied prior to the approval of the sale or transfer by Autowash Direct.
- F. An Autowash Direct Automotive Appearance Advocate who sells his or her position is not eligible to re-enroll as an Autowash Direct Automotive Appearance Advocate in any organization for six(6) full calendar months following the date of the sale except as otherwise expressly set forth in these Policies and Procedures.

10.7 Separating an Autowash Direct Business

- A. Pending a divorce or dissolution of a partnership or other business entity, the parties must adopt one of the following methods of operation:
 - I. One of the parties may, with the written consent of the other(s), operate the Autowash Direct business whereby the relinquishing Spouse, shareholders, partners, members or trustees authorize Autowash Direct to deal directly and solely with the other Spouse, non-relinquishing shareholder, partner, member or trustee.
 - II. The parties may continue to operate the Autowash Direct business jointly on a "business as usual" basis, whereupon all compensation paid by Autowash Direct will be paid in the name designated as the Automotive Appearance Advocates or in the name of the entity to be divided, as the parties may independently agree between them. If no name is stipulated, Autowash Direct will pay compensation to the name on record and in such event, the Automotive Appearance Advocate named on the account shall indemnify





Autowash Direct from any claims from the other business owner(s) or the other Spouse with respect to such payment.

- B. Autowash Direct recognizes only one Downline organization and will issue only one commission check per Autowash Direct business per commission cycle. Under no circumstances will the Downline of an organization be divided, nor will Autowash Direct split commission and/or bonus checks.
- C. If a relinquishing Spouse, partner or owner of the business has completely relinquished ("Relinquishing Party"), in writing, all rights to the original Autowash Direct 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 Automotive Appearance Advocate or active Customer in the former organization, and must develop a new business in the same manner as any other new Autowash Direct Automotive Appearance Advocate. An Automotive Appearance Advocate in the Relinquishing Party's former Downline who wishes to transfer to the Relinquishing Party's new organization or to any other organization, must comply with the requirements in Section 12.5.

10.8 Succession

- A. Upon the death or incapacity of an Automotive Appearance Advocate, the Automotive Appearance Advocate's business may be passed on to his or her legal successors in interest (successor). Whenever an Autowash Direct business is transferred by will or other testamentary process, the successor acquires the right to collect all bonuses and commissions of the deceased Automotive Appearance Advocate's sales organization. The successor must:
 - I. Complete and sign a new Autowash Direct Advocate Agreement;
 - II. Comply with the terms and provisions of the Advocate Agreement; and
 - III. Meet all of the qualifications for the last rank achieved by the former Automotive Appearance Advocate.
- B. Bonus and commission checks of an Autowash Direct business transferred based on this section will be paid in a single check to the successor. The successor must provide Autowash Direct with an "address of record" to which all bonus and commission Payments will be sent. Payments will be based on the current performance of the position, not the highest rank or volume achieved.
- C. If the business is bequeathed to joint devisees (successors), they must form a business entity and acquire a Federal taxpayer identification number. Autowash Direct will issue all bonus and commission payments and one 1099 Miscellaneous Income Tax form to the managing business entity only.
- D. Appropriate legal documentation must be submitted to Autowash Direct Compliance Department to ensure the transfer is done properly. To affect a





testamentary transfer of an Autowash Direct business, the successor must provide the following to Autowash Direct Compliance Department:

- I. A certified copy of the death certificate; and
 - II. A notarized copy of the will or other appropriate legal documentation establishing the successor's right to the Autowash Direct business.
- E. To complete a transfer of the Autowash Direct business because of incapacity, the successor must provide the following to the Autowash Direct Compliance Department:
- I. A notarized copy of an appointment as trustee;
 - II. A notarized copy of the trust document or other appropriate legal documentation establishing the trustee's right to administer the Autowash Direct business; and
 - III. A completed Advocate Agreement executed by the trustee.
- F. If the successor is already an existing Automotive Appearance Advocate, Autowash Direct will allow such Automotive Appearance Advocate to keep his or her own position plus the inherited position active for up to six (6) months. By the end of the 6-month period, the Automotive Appearance Advocate must have compressed (if applicable), sold or otherwise transferred either the existing position or the inherited position.
- G. If the successor wishes to terminate the Autowash Direct business/position, he or she must submit a notarized statement stating the desire to terminate the position, along with a certified copy of the death certificate, appointment as trustee, and/or any other appropriate legal documentation.
- H. Upon written request, Autowash Direct may grant a 1 month bereavement waiver and pay out at the last "paid as" rank.

10.9 Resignation/Voluntary Termination

- A. An Automotive Appearance Advocate may immediately terminate his or her position by submitting a written notice or email to the Autowash Direct Compliance Department [Compliance@AutowashDirect.com]. The written notice must include the following:
- I. The Automotive Appearance Advocate's intent to resign;
 - II. Date of resignation;
 - III. Autowash Direct Identification Number;





- IV. Reason for resigning; and
 - V. Signature.
- B. An Automotive Appearance Advocate may not use resignation as a way to immediately change Sponsor and Placement. Instead, the Automotive Appearance Advocate who has voluntarily resigned is not eligible to reapply for a position or have any financial interest in or any Autowash Direct business for 6 months from the receipt of the written notice of resignation.

10.10 Involuntary Termination

- A. Autowash Direct reserves the right to terminate an Automotive Appearance Advocate's business/position for, but not limited to, the following reasons:
 - I. Violation of any Terms or Conditions of the Advocate Agreement;
 - II. Violation of any provision in these Policies and Procedures;
 - III. Violation of any provision in the Compensation Plan;
 - IV. Violation of any applicable law, ordinance, or regulation regarding the Autowash Direct business;
 - V. Engaging in unethical business practices or violating standards of fair dealing;
or
 - VI. Returning over \$500 worth of products, services and/or sales tools for a refund within a twelve (12) month period.
- B. Autowash Direct will notify the Automotive Appearance Advocate in writing *by certified mail, return receipt requested or overnight documented mail*, at his or her last known address of its intent to terminate the Automotive Appearance Advocate's position and the reasons for termination.
- C. The termination will be effective as of the date of the original termination notice by Autowash Direct. The former Automotive Appearance Advocate shall thereafter be prohibited from using the names, marks or signs, labels, stationery, advertising, or business material referring to or relating to any Autowash Direct products or services. Autowash Direct will notify the active Upline Sponsor within ten (10) days after termination. The organization of the terminated Automotive Appearance Advocate will "roll up" to the active Upline Sponsor on record.
- D. The Autowash Direct Automotive Appearance Advocate who is involuntarily terminated by Autowash Direct may not reapply for a position, either under his or her present name or any other name or entity, without the *express written consent of an officer of Autowash Direct, following a review by the Autowash Direct Compliance*





Committee. In any event, such Automotive Appearance Advocate may not re-apply for a position for twelve (12) months from the date of termination.

10.11 Effect of Cancellation

- A. Following an Automotive Appearance Advocate's cancellation for inactivity or voluntary or involuntary termination (collectively, a "cancellation") such Automotive Appearance Advocate:
 - I. Shall have no right, title, claim or interest to any commission or bonus from the sales generated by the Automotive Appearance Advocate's former organization or any other payments in association with the Automotive Appearance Advocate's former independent position;
 - II. Effectively waives any and all claims to property rights or any interest in or to the Automotive Appearance Advocate's former Downline organization;
 - III. Shall receive commissions and bonuses only for the last full pay period in which he or she was active prior to cancellation, less any amounts withheld during an investigation preceding an involuntary cancellation, and less any other amounts owed to Autowash Direct.

11.0 DISCIPLINARY SANCTIONS

11.1 Imposition of Disciplinary Action - Purpose

It is the spirit of Autowash Direct that integrity and fairness should pervade among its Automotive Appearance Advocates, thereby providing everyone with an equal opportunity to build a successful business. Therefore, Autowash Direct reserves the right to impose disciplinary sanctions at any time, when it has determined that an Automotive Appearance Advocate has violated the Agreement or any of these Policies and Procedures or the Compensation Plan as they may be amended from time to time by Autowash Direct.

11.2 Consequences and Remedies of Breach

- A. Disciplinary actions may include one or more of the following:
 - I. Monitoring an Automotive Appearance Advocate's conduct over a specified period of time to assure compliance;
 - II. Issuance of a written warning or requiring the Automotive Appearance Advocate to take immediate corrective action;
 - III. Imposition of a fine (which may be imposed immediately or withheld from future commission payments) or the withholding of commission payments ("Commission Hold") until the matter causing the Commission Hold is resolved or until Autowash Direct receives adequate additional assurances from the Automotive Appearance Advocate to ensure future compliance;





- IV. Suspension from participation in Company or Automotive Appearance Advocate events, rewards, or recognition;
- V. Suspension of the Autowash Direct Advocate Agreement and position for one or more pay periods;
- VI. Involuntary termination of the Advocate Agreement and position;
- VII. Any other measure which Autowash Direct deems feasible and appropriate to justly resolve injuries caused by the Automotive Appearance Advocate's Policy violation or contractual breach; OR
- VIII. Legal proceedings for monetary or equitable relief.





12.0 DISPUTE RESOLUTION

12.1 Grievances

- A. If Autowash Direct Automotive Appearance Advocate has a grievance or complaint against another Automotive Appearance Advocate regarding any practice or conduct relating to their respective Autowash Direct businesses, he or she is encouraged to resolve the issue directly with the other party. If an agreement cannot be reached, it must be reported directly to the Autowash Direct Compliance Department as outlined below in this Section.
- B. The Autowash Direct Compliance Department will be the final authority on settling such grievance or complaint and its written decision shall be final and binding on the Automotive Appearance Advocates involved.
- C. Autowash Direct will confine its involvement to disputes regarding Autowash Direct business matters only. Autowash Direct will not decide issues that involve personality conflicts or unprofessional conduct by or between Automotive Appearance Advocates outside the context of an Autowash Direct business. These issues go beyond the scope of Autowash Direct and may not be used to justify a Sponsor or Placement change or a transfer to another Autowash Direct organization.
- D. Autowash Direct does not consider, enforce, or mediate third party agreements between Automotive Appearance Advocates, nor does it provide names, funding, or advice for obtaining outside legal counsel.
- E. Process for Grievances:
 - I. The Autowash Direct Automotive Appearance Advocate should submit a written letter of complaint (e-mail will not be accepted) directly to the Company Compliance Department. The letter shall set forth the details of the incident as follows;
 - a. The nature of the violation;
 - b. Specific facts to support the allegations;
 - c. Dates;
 - d. Number of occurrences;
 - e. Persons involved; and
 - f. Supporting documentation.
 - II. Upon receipt of the written complaint, Autowash Direct will conduct an investigation according to the following procedures;
 - a. The Compliance Department will send an acknowledgment of receipt to the complaining Automotive Appearance Advocate;
 - b. The Compliance Department will provide a verbal or written notice of the allegation to the Automotive Appearance Advocate under investigation. If a written notice is sent to the Automotive Appearance





Advocate, he or she will have 10 business days from the date of the notification letter to present all information relating to the incident for review by Autowash Direct

- c. The Compliance Department will thoroughly investigate the complaint, consider all the submitted information it deems relevant, including information from collateral sources. Due to the unique nature of each situation, determinations of the appropriate remedy will be on a case by case basis, and the length of time to reach a resolution will vary.
 - d. During the course of the investigation, the Compliance Department will only provide periodic updates simply stating that the investigation is ongoing. No other information will be released during this time. Automotive Appearance Advocate calls, letters, and requests for "progress reports" during the course of the investigation will not be answered or returned.
- F. Autowash Direct will make a final decision and timely notify the Autowash Direct Automotive Appearance Advocates involved.

12.2 Arbitration

- A. **Any controversy or claim arising out of or relating to the Autowash Direct Advocate Agreement, these Policies and Procedures, or the breach thereof, the Automotive Appearance Advocate's business or any dispute between Autowash Direct and the Automotive Appearance Advocate, shall be settled by binding and confidential arbitration administered by the American Arbitration Association under its commercial arbitration rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.** Any such arbitration shall be held in Denver, Colorado. There shall be one arbitrator, who shall have expertise in business law transactions and who shall be knowledgeable in the direct selling industry, selected from a panel provided by the American Arbitration Association.
- B. The prevailing party in any such arbitration shall be entitled to receive from the losing party, all costs and expenses of arbitration, including reasonable attorney's fees and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to judgment in any court of competent jurisdiction.
- C. This agreement to arbitration shall survive any termination or expiration of the Advocate Agreement.
- D. Nothing in these Policies and Procedures shall prevent Autowash Direct from applying for or 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 Autowash Direct interests or its Confidential Information prior to, during or following the filing of an arbitration or other





proceeding, or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

- E. **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.**
- F. These Policies and Procedures and any arbitration involving an Automotive Appearance Advocate and Autowash Direct shall be governed by and construed in accordance with the laws of the state of Colorado, without reference to its principles of conflict of laws.

12.3 Severability

If any provision of these Policies and Procedures is found to be invalid, or unenforceable for any reason, only the invalid provision shall be severed. The remaining terms and provisions hereof shall remain in full force and shall be construed as if such invalid or unenforceable provision never had comprised a part of these Policies and Procedures.

12.4 Waiver

- A. Only an officer of Autowash Direct can, in writing, affect a waiver of the Autowash Direct Policies and Procedures. Autowash Direct's waiver of any particular breach by an Automotive Appearance Advocate shall not affect Autowash Direct's rights with respect to any subsequent breach, nor shall it affect the rights or obligations of any other Automotive Appearance Advocate.
- B. The existence of any claim or cause of action of an Automotive Appearance Advocate against Autowash Direct shall not constitute a defense to Autowash Direct's enforcement of any term or provision of these Policies and Procedures.

12.5 Successors and Claims

The agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

13.0 GOVERNING LAW

These Policies and Procedures shall be governed by and construed in accordance with the Laws of the State of Colorado and the exclusive jurisdiction of the United States courts.





14.0 AUTOWASH DIRECT GLOSSARY OF TERMS

ACTIVE AUTOMOTIVE APPEARANCE ADVOCATE: An Automotive Appearance Advocate who satisfies the minimum volume requirements, as set forth in the Compensation Plan, to ensure that they are eligible to receive bonuses and commissions.

AGREEMENT: The contract between the Company and each Automotive Appearance Advocate, which includes the Advocate Agreement, the Autowash Direct Policies and Procedures, and the Autowash Direct Compensation Plan, all in their current form and as amended by the Company in its sole discretion. These documents are collectively referred to as the "Advocate Agreement."

CANCEL: The termination of an Automotive Appearance Advocate's business. Cancellation may be either voluntary, involuntary, or through non-renewal.

COMPENSATION PLAN: The guidelines and referenced literature for describing how Automotive Appearance Advocates can generate commissions and bonuses.

CUSTOMER: A Customer who purchases Autowash Direct products and does not engage in building a business or retailing product.

AUTOMOTIVE APPEARANCE ADVOCATE: An individual who purchases product, generates retail sales and business building commissions.

LINE OF SPONSORSHIP (LOS): A report generated by Autowash Direct that provides critical data relating to the identities of Automotive Appearance Advocates, sales information, and enrollment activity of each Automotive Appearance Advocate's organization. This report contains confidential and trade secret information which is proprietary to Autowash Direct.

ORGANIZATION: The Customers and Automotive Appearance Advocates placed below a particular Automotive Appearance Advocate.

OFFICIAL COMPANY MATERIAL: Literature, audio or video tapes, and other materials developed, printed, published, and distributed by Autowash Direct.

PLACEMENT: Your position inside your Sponsor's organization.

RECRUIT: For purposes of Autowash Direct's Conflict of Interest Policy, the term "Recruit" means the actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another Autowash Direct Automotive Appearance Advocate or Customer to enroll or participate in another multilevel marketing, network marketing, or direct sales opportunity.

RESALABLE: Products shall be deemed "resalable" if each of the following elements is satisfied: (i) products are unopened and unused; (ii) the product(s) original packaging and labelling has not been altered or damaged; (iii) the products are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; and (iv) the product contains current Autowash Direct labelling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable.





SPONSOR: An Automotive Appearance Advocate who enrolls a Customer or another Automotive Appearance Advocate into the Company, and is listed as the Sponsor on the Advocate Agreement. The act of enrolling others and training them to become Automotive Appearance Advocates is called "sponsoring."

UPLINE: This term refers to the Automotive Appearance Advocate(s) above a particular Automotive Appearance Advocate in a sponsorship line up to the Company. It is the line of sponsors that links any particular Automotive Appearance Advocate to the Company.

