



excellent partners
USA, LLC

IP Guide

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Policies and Procedures

This Policies and Procedures Manual, and all forms noted in this Policies and Procedures manual can be found and downloaded at the Excellent Partners US website <http://excellent-partners.us>

1. COMPANY BACKGROUND

Excellent Partners USA, LLC (the "Company", "EP", we, our, or us) is a reseller of health supplement and skincare products under our distributor agreement with our independent supplier Excellent Partners Inc. of Japan. The Company introduces its business and products through a membership system consisting of a network of Independent Partners (IPs). Our mission is to change the lives of people with quality products that will improve their health. By participating in our business, members will receive financial rewards for their efforts, and the pursuit of quality of life for self and others.

2. DEFINITION OF TERMS

- (1) "**Active IP**" or "**AIP**" means an IP who can accumulate points to qualify for Commissions, and is eligible to buy Extra Product, during the relevant AIP Period.
- (2) "**Agreement**" means the IP Registration Agreement, which incorporates the Terms and Conditions appended thereto and the present Policies and Procedures.
- (3) "**AIP Period**" has the meaning, with reference to any AIP, as defined in Section 10.4
- (4) "**Applicant**" means an individual or corporate entity that applies for IP Membership by submitting a completed IP Registration Agreement.
- (5) "**Autoship**" means a regular automatic payment every month pursuant to standing instructions to a Member's credit card, following which the Regular Product will be shipped to the Member's designated address as provided in Section 6.1.
- (6) "**Branch Number**" means the 3-digit-number following the IP Number that identifies any members of a Family Unit, beginning with 001 and continuing numerically, e.g. 002, 003.
- (7) "**Business**" means the marketing and distribution of Products through participation in the System, as described in these Policies and Procedures.
- (8) "**Commission Plan**" means the plan and schedule for Commissions set out in Section 10, as they may be amended from time to time.
- (9) "**Commissions**" means payments to an IP for Products sales made by his or her Group as provided in Section 10.
- (10) "**Company**" or "**EP**" means Excellent Partners USA, LLC.
- (11) "**Corporate**" means any business entity such as a corporation, partnership, limited liability company, or other form of business organization legally formed under the laws of the state in which it was organized.
- (12) "**Downline**" means, with reference to any IP, all Members positioned below that IP in EP's auto-binary system.
- (13) "**EP Japan**" means Excellent Partners, Inc. of Japan, which is our independent supplier, and which calculates Commissions on a global basis.
- (14) "**Extra Product**" means Product in addition to the Regular Product purchased by an AIP.
- (15) "**Family Unit**" means a group of IP's registered as such in accordance with Section 4.9.
- (16) "**First Product**" means the first purchase of Product(s) required (one time only) in connection with registration as an IP, as provided in Section 4.1.
- (17) "**Group**" means all Members in the Downline of an IP.
- (18) "**Independent Partner**" or "**IP**" means a person who has completed an IP Registration Agreement that has been accepted by EP and whose status as an IP has not been terminated in accordance with these Policies and Procedures.
- (19) "**IP Membership**" means status as an IP and entitlement to the rights and benefits of such.
- (20) "**IP Number**" means a membership number assigned to a new IP upon acceptance of the relevant IP Registration Agreement, typically in the format 1234567-001.
- (21) "**IP Registration Agreement**" means the Agreement an Applicant is required to sign and submit to EP as part of the application to be accepted as an IP.
- (22) "**Main Position**" means the position in a Family Unit identified by the Branch Number 001.
- (23) "**Member**" means an Independent Partner or a Visitor Member.
- (24) "**My Chart**" means the chart of an IP's Group prepared and provided from time to time by EP Japan, as more fully described in Section 12.1.
- (25) "**Points**" means points given to an AIP for Products sold by the AIP's Group, on the basis of which EP Japan calculates Commissions.
- (26) "**Products**" means the products listed in Section 3, as the same may be amended from time to time.
- (27) "**Registration Date**" means, as to any IP, the day of the particular calendar month on which the relevant IP Registration Agreement has been approved by the Company and corresponding day of any succeeding calendar month following such approval.
- (28) "**Regular Product**" means Product that an IP is required to purchase every month in order to maintain AIP status, as more fully described in Sections 6.1 and 10.4.
- (29) "**Section**" followed by a number, means the corresponding part of these Policies and Procedures.
- (30) "**Sponsor**" means an IP who introduces the Products and Business to another person and successfully enrolls that person as an IP.
- (31) "**Supporter**" means, with respect to any IP, the IP who is placed directly above that IP in the Group.
- (32) "**System**" means the auto-binary partnership relational marketing system operated by the Company in conjunction with EP Japan.

(33) "Upline" means, with reference to any IP, all IP's positioned above that IP in EP's auto-binary system.

(34) "US IP" means an Independent Partner who is a resident of the United States.

(35) "Visitor Member" means a Member who is a resident of the United States and is purely a consumer of Products, does not wish to develop a Business, and does not have the benefits and distribution rights of an IP.

3. PRODUCTS

3.1 Supplement Products

Product Name	Excellent Pure
IP Member Price	\$165
Points	7,500 Points
Quantity	60 capsules
Ingredients	Coral Calcium, HPMC (the capsule)

4. IP MEMBERSHIP REGISTRATION

4.1 To Qualify as an Independent Partner

- An individual Applicant must be 18 years old or over and sponsored by an existing IP.
- A Corporate Applicant must submit the Partnership / Corporation Form, proof of its Federal Tax Identification Number and the identity of its company representative, who must be at least 18 years of age and must agree in writing to be personally responsible for all of the Corporate IP's obligations under the Agreement.
- The Applicant must be a resident of the United States or, in the case of a Corporate Applicant, must be incorporated under the laws of one of the United States.
- The Applicant must order a "First Product", and the order will become effective upon EP's acceptance of the IP Registration Agreement.

4.2 To sign up as a Corporate IP, the following requirements must be met:

- The IP Registration Agreement must be signed by the principal partner or representative of the Corporation. Upon request by the Company, the principal partner or representative the Corporation must provide proof of residency and proof of the ability to legally conduct business in the US. If a participant fails to provide that documentation, the Company, at its election, may declare the IP Registration Agreement void from its inception.
- A Partnership / Corporation Form must be completed and signed by all participants in a business entering an IP Registration Agreement. In the case of a Corporation, the Partnership / Corporation Form must contain the names and Social Security Numbers of the principal officers (president, vice-president(s), secretary, treasurer), members of the board of directors, and all shareholders. In the case of a partnership, the Partnership / Corporation Form must contain the names and Social Security Numbers of all general and limited partners, or members.
- Submit the Partnership / Corporation Form, Certificate of Incorporation, Articles of Organization, Partnership Agreement or trust documents, and the identity of its company representatives, who must be at least 18 years old and must agree in writing to be personally responsible for all of the Corporate IP's obligations under the Agreement.
- An IP may not convey, assign, or otherwise transfer any right conveyed by the IP Registration Agreement to any Person without the express, prior written consent of the Company. The IP may delegate his responsibilities but is ultimately responsible for ensuring compliance with the Contract and applicable laws and regulations. Any person working with or for the IP as part of his Membership will do so only under the IP's direct supervision.
- Each business will receive a separate IRS Form 1099.

4.3 Membership Disqualification:

An Applicant will not be accepted for IP Membership, and EP may terminate the IP Membership of and cancel any accrued Commissions otherwise payable to any IP, if EP determines that the Applicant or IP, as the case may be:

- Has been declared bankrupt or insolvent, is the subject of any bankruptcy proceeding, has had a receiver, liquidator or trustee in bankruptcy appointed or has entered into any compromise for the benefit of creditors;
- Lacks legal capacity, is under the control or supervision of a guardian or has been certified as incompetent to manage his or her affairs;
- Has been convicted of a felony, or of a misdemeanor punishable by imprisonment, or is currently serving a prison term;
- Has no established legal residence or has changed residence more than twice in the past 12 months;
- Has applied for IP Membership within the past 6 months and been rejected for any of the reasons for disqualification;
- Has previously held IP Membership which was terminated by EP for any reason other than failure to purchase Regular Product;
- Has terminated his, her or its IP Membership, or had such IP Membership terminated due to failure to purchase Regular Product in TWELVE (12) consecutive months, within the SIX (6) months prior to the submission of the new IP Registration Agreement;
- Has provided false or misleading information in the IP Registration Agreement; or
- Is deemed unsuitable by EP for other reasons it regards as of comparable seriousness.

4.4 Benefits and Rights of an IP: An IP has the right, during the term of his, her or its IP Membership, to:

- Purchase Products and recruit other Members;
- Act as Sponsor of other IPs and Visitor Members;
- Earn Commissions under the Commission Plan; and
- Register a Family Unit under the IP's Main Position.

4.5 Duration of IP Membership

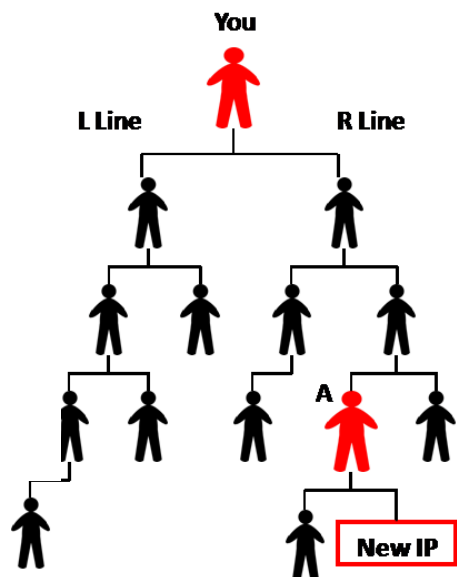
- Although IP Membership does not have a fixed expiry date, if an IP's Main Position fails in TWELVE (12) consecutive months to purchase a Regular Product, EP will terminate his, her or its IP Membership.
- In the case of a Family Unit, if the Main Position loses its IP Membership, the IP Memberships of the related Family Unit Members will also be terminated.

4.6 Appointing a Supporter (Direct Upline): A Sponsor can place a newly registered IP in any position under any Supporter in the Sponsor's Group so long as the following conditions are met:

- The Sponsor is an AIP and the placement is made during relevant AIP Period; and
- A duly completed Supporter Arrangement Application is submitted as an attachment to the properly completed IP Registration Agreement of the new IP.

4.7 Notes Regarding Positioning:

- Once the IP Registration Agreement has been confirmed the Supporter designation cannot be changed.
- If there are any complications regarding the IP Registration Agreement or the Supporter Appointment Application, the IP Registration Agreement will be processed first.
- If the Sponsor does not specify the Branch Number of the IP Number under which the Sponsor wishes to register the new recruit, EP will register the person under the Main Position of the IP Number indicated.



- For example, YOU introduced a new IP and assigned Mr. A as the Supporter, the picture shows that the new IP will automatically be placed at that specific position.

4.8 Registering a Family Unit

- An IP can register a Family Unit so that he/she can occupy multiple positions.
- When an individual IP registers a Family Unit, there is a limit of 5 positions including the Main Position. But if the Family Unit is registered under a Partnership / Corporation, the Corporate account can hold up to 10 total positions (i.e. 9 extra positions).
- Registration of a new Family Unit or conversion of an individual IP Membership to a Family Unit requires the following steps:
 1. Completion of the IP Registration Agreement, listing the additional IPs to be registered;
 2. Submission of orders for the "First Product" for each of the new IPs in the Family Unit;
 3. Authorization of payment for Regular Product for each IP in the Family Unit via Autoship.
- Branch Numbers for Members in a Family Unit will always start from -002 and follow numerically.
- The Family Unit's Supporter can be the Main Position or other Branch positions. However if the Branch Number is not indicated in the Registration Agreement, EP will register the new Family Unit under the Main Position 001 as Supporter.
- The personal information, including addresses and bank account details, for all Members in the Family Unit must be the same.
- The Family Unit's position in the binary System will be placed automatically by the System, unless the Main Position has fulfilled all requirements to designate a different Supporter and does so, in which case the Members of the Family Unit will be positioned in accordance with that designation.
- Each Member of a Family Unit must independently fulfill the same requirements as any other IP in order to receive Commissions and continue its IP Membership.
- Neither a change in the title of nor any transfer of any Member of a Family Unit is permitted unless the entire Family Unit, including the Main Position, is transferred together.

4.9 Restrictions on becoming an IP

- An IP who has engaged in Business activity may not at any time acquire an interest in or merge with a pre-existing IP under a

different Sponsor.

- An individual IP may also carry a Corporate IP position, but ONLY if the Sponsor is the individual IP himself / herself.
- Similarly, a representative of a Corporate IP position may at the same time carry an individual IP position, but ONLY if the Sponsor is the Corporate IP of which he/she is the representative.
- The same individual cannot register as the representative of multiple Corporate IPs.
- An IP who has a family who share the same address can be the Sponsor of the family members. On the other hand, Members from the same family can have Sponsors from outside the family, as long as the document supports that registration.
- If an IP of one family decides to terminate Membership, the rest of the family Members must also terminate their Membership and wait 6 months to register again.

4.10 Changes / Variations of Status

IPs must immediately notify EP of all changes to the information contained on his or her IP Application Agreement in writing via the Change of Information Form.

- **Changing from Individual IP to Corporate IP and Vice Versa:**
 - The individual IP must also be the legal representative of the registered Corporation.
 - Applicant should submit a Change of Information Form together with all other initial application documentation.
 - Changes to a Partnership / Corporate IP Membership must be submitted on a new Partnership / Corporation Form with "Amended" written across the top. The document must be signed by all parties to the IP Membership, and returned to EP. Please refer to Section 4.2 for necessary documentation details.
- **Change of name in the case of marriage, divorce, or adoption**
 - Requires submission of Change of Information Form together with copy of your birth certificate, driver license, or other official documentation that can prove your change in name.
- **Transfer of IP Membership:**

Although the IP is an independent contractor, the sale, transfer, or assignment of IP Membership is subject to certain limitations and EP reserves the ultimate right to approve transfer of Membership. If the IP wishes to sell or transfer his/her Membership, the following criteria must be met:

 - The buyer or transferee must not currently be a current or previous IP.
 - If the Membership had been transferred once previously, EP will not approve the transfer of the same Membership again.
 - If the Membership being transferred is a Corporate IP, please provide documentation indicating the company's participants have all given their consent of this transfer. A Partnership / Corporation Form must be completed and signed by all participants. In the case of a Corporation, the document must contain the names and signatures of the principal officers (president, vice-president(s), secretary, treasurer), members of the board of directors, and all shareholders. In the case of a partnership, the document must contain the names and signatures of all general and limited partners, or members.
 - Before the sale or transfer can be finalized and approved by EP, the selling IP must satisfy any debts to EP.
 - The IP must be in good standing and not in violation of any of the terms of the Agreement.
 - The IP must notify EP in writing of his or her intent to transfer the Membership.
 - No changes in the line of sponsorship can result from the sale or transfer of a Membership.
 - If the transferee violates any regulations of the Agreement, EP reserves the right to terminate the Membership and withhold all Commissions and other benefits.
- **To transfer a Membership:**
 - The IP must submit in writing a request to transfer the IP Membership
 - The proposed transferee must submit a duly executed IP Registration Agreement and all other documentation required for an initial application.
 - The Registration Date, Position, and IP Number shall continue once transfer is complete. The Sponsor / Supporters arrangement cannot be changed during Membership transfer.
 - There is a \$25.00 fee for the transfer requested, which must be included in check or money order with the written request and the completed IP Application Agreement. EP may, at its discretion, require notarized documents before implementing any changes to an IP position. Please allow thirty (30) days after the receipt of the request by EP for processing.
- **In case of Separation of an IP**

IPs often operate their EP business as husband-wife partnerships, regular partnerships, corporations or trusts. Sometimes these partnerships may dissolve, and arrangements must be made to assure that the separation or division of the business is done without adversely affecting the interests and income of the Upline or Downline Members. During these circumstances, the parties must adopt one of the following methods of operation:

 - (1) One of the parties may, with written consent of the other(s) (i.e. the relinquishing spouse, shareholders, partners, or trustees), operate the EP business. The parties involved must in writing authorize EP to deal directly and solely with the other spouse, non-relinquishing shareholder, partner or trustee.
 - (2) The parties may continue to operate the EP business jointly. All compensation paid by EP will be paid in the original individual account or business entity as the parties may agree between themselves.

- EP will not divide the organization of the divorced spouses or dissolving entity. Neither will EP split the commission and bonus checks between the divorced spouses or dissolving entities.
 - If a former spouse has completely relinquished all rights in his/her original EP business, he/she is thereafter free to enroll under any Sponsor, and need not wait a six (6) months before reapplying.
 - If a former entity affiliate has completely relinquished all rights in his/her original EP business, he/she must remain inactive for six (6) months before becoming eligible to acquire, inherit, or re-apply as an IP.
 - However, the relinquishing parties will not be able to resume or share their former downline organizations. They must develop the new business as would any other new IPs.
- **In case of Incapacitation of an IP**
To transfer a Membership position due to an IP's incapacity, the successor must provide the following to EP:
 - A notarized copy of an appointment as trustee;
 - A notarized copy of the trust document or other documentation establishing the trustee's right to administer the EP business;
 - A Completed IP Registration Agreement executed by the trustee, establishing that the trustee has read and agreed with the terms and provisions of the Agreement. The trustee must then meet all the qualifications for the incapacitated IP's status.
- **In case of Death of an IP**
The EP business may be passed to his/her heirs or trustee. Legal documentation must be submitted to EP to ensure the transfer is done properly. The legal successor to the Membership position must provide:
 - The original death certificate and a notarized copy of the will or other documents establishing the legal successor's status to the Membership;
 - A Change of Information form
 - A new IP Registration Agreement establishing that the successor complies with the terms and provisions of the Agreement.
 - If the EP business is bequeathed to or inherited by more than one individual, then the parties involved must form a business entity and acquire a Federal Tax Identification Number. EP will issue all commission checks and one IRS Form 1099 to the business entity. The successors must provide EP with an address and bank account details to which all commission checks will be deposited into.
 - If EP does not receive a request within 3 months of the IP's death, EP reserves the right to take control or terminate the IP Membership.
- **Changing from a Visitor Member to an IP Member**
 - The Member must submit a Change of Information Form and the IP Registration Agreement Form;
 - The order for the First Product must be submitted, subject to approval of the IP Registration Agreement;
 - The position, IP Number and Sponsor will remain unchanged after the switch; and this change will be approved only once. (i.e. From Visitor Member -> Regular IP Member -> Visitor Member)
- **Changing from an IP Member to a Visitor Member**
 - The Member must submit the Change of Information Form;
 - Accumulated Points and right to receive commission will be eliminated;
 - Any Members in the same Family Unit will all switch to Visitor Member;
 - The position, IP Number and Sponsor will remain unchanged after the switch; and
 - This change will be approved only once. (i.e. From Regular IP Member -> Visitor Member -> Regular IP Member)
- **Other Changes**
 - Besides the above mentioned changes, any other information change occurred after registration, for example, address, contact numbers, bank account for receiving commission, etc. should be immediately submitted to EP. To guarantee proper delivery of product and commission checks to be deposited to the correct account, please give two (2) weeks advance notice to EP on all changes.

4.11 Online Sign-up

- EP's Web site is <http://excellent-partners.us>. Once an Applicant has agreed to the Independent Partner Application Agreement shown on the screen and completed the Online Sign-up process, after EP approves the application, he/she will become an IP of EP:
- Recruitment and Registration
 - When using online sign-up, the Sponsor must provide his/her name, IP Number and registered telephone number.
 - When registering online, the new Member will have to fill out the information personally.
- Corporate IP Registration
 - Please follow the Online Sign-up process and complete the application. In addition to the information submitted online, please also include other required documentation as indicated in Section 4.2.
- Family Unit Registration
 - When registering a Family Unit, please apply at the same time you register a new Member. Please contact customer service at (808)566-8110 or email accounts@excellent-partners.us. The Family Unit's Sponsor (i.e. 002, 003, etc) will be 001. When signing up a Family Unit online, all the units will automatically be required to apply for Autoship.
 - If you decide to add additional Members of the Family Unit after completing the online sign-up process, please submit another IP Registration Agreement; in this case, you may be able to use a Branch unit as the Sponsor.

4.12 Management of Personal Information

- EP may use your personal information provided during registration to send you brochures or information regarding company events, changes in the Agreement, or other notices via direct mail, email, or by phone.
- Third party: Once an IP or Visitor Member has registered an IP's personal information (including name, address, telephone, purchase history, IP activity history), this information will be owned and managed by EP. EP will use reasonable efforts to keep this information confidential. However, EP may provide this personal information to third parties for its reasonable business purposes. By signing up as IP or Visitor Member you have given your consent for us to provide your information to:

5. OPERATING AS AN EP INDEPENDENT PARTNER

5.1 An IP must adhere to the terms of EP's Organization and Commission Plan as set forth in Section 10 of the Official EP Policies.

IPs shall not offer the EP opportunity through, or in combination with any other system, or program other than that specifically stated in the EP materials. IPs shall not require or encourage other current or prospective customers or IPs to execute any agreement or contract other than the official IP Registration Agreement in order to become an EP IP.

5.2 Marketing and Advertising

IPs shall protect and promote the good reputation of EP and its products. The marketing of EP's opportunity, the Commission Plan, and EP's products must avoid all deceptive, misleading, unethical or immoral conduct or practices. To promote the products and the business opportunity EP offers, IPs should use the materials provided by EP. IPs must submit all self developed sales aids and promotional materials, advertisements, websites and other literature to EP for EP's approval prior to use.

5.3 Corporate Marketing Efforts

EP encourages IPs to participate in the Company's marketing efforts. IPs are welcomed to submit their marketing ideas to the Company and share ideas with other IPs during Company held functions. All submissions to the Company become the property of EP. All Company sponsored functions are copyrighted material owned by EP and are intended for IP's individual use. Any rebroadcast, reproduction or distribution of this copyrighted material without EP's written consent is prohibited.

5.4 Trademarks and Copyrights

The names of Excellent Partners are proprietary trade names and trademarks of EP. These marks are supplied to IPs for their use only in an authorized manner. Use of EP's name or any form thereof, including their use within Internet domain names, on any item not produced by the Company is prohibited except as follows:

IP's Name
Independent Partner of Excellent Partners, USA

If an IP uses the name EP and/or any of EP's products in his or her advertising, the IP must identify the mark as the property of Excellent Partners USA, LLC. IPs may list themselves in the telephone directory under their own name. No IP may place telephone directory ads using EP's name or logo and may not answer the telephone by saying Excellent Partners, or any other manner that would lead the caller to believe that he or she has reached Corporate offices of EP. IPs may not produce for sale, or any other purpose, any recorded Company events, and speeches without written consent from EP; nor may any IPs reproduce for sale or for personal use any recording of Company-produced audio or video tape presentations.

5.5 Media and Media Inquiries

IPs must not respond to media inquiries regarding EP, its products or their independent business. All inquiries by any type of media must be immediately referred to EP's Corporate Office.

5.6 Product Claims

No claims as to any products offered by EP may be made except those stated in official EP materials. No IPs may make any claim that EP products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases. Such statements can be perceived as medical or drug claims.

5.7 Income Claims

IPs when presenting or discussing the EP opportunity to a prospective customer, must not make income projections income claims or disclose his or her EP income (including the showing of checks, copies of checks or bank statements), as the IPs may not have the data necessary to comply with the legal requirements for making income claims. These actions may have legal consequences and negatively impact EP as well as the IP making the claim. In addition, new IPs may be discouraged when their results are not as extensive or rapid as the results others have claimed to achieve.

5.8 Indemnification for Unauthorized Claims and Actions

An IP is fully responsible for all of his/her verbal and/or written statements made regarding EP's products and the marketing and Commission Plan which are not stated in official EP materials. IPs agree to indemnify EP and hold it harmless for any and all liability including judgments, civil penalties, refunds, attorney fees, court costs or lost business incurred by EP as a result of the IP's unauthorized representations or actions. This provision shall survive the cancellation of the IP's Application Agreement.

5.9 Governmental Approval or Endorsement

Federal and state regulatory agencies / officials do not approve or endorse any network marketing or direct selling companies. Therefore, IPs shall not represent or imply that EP or its business and Commission Plan have been "approved",

“endorsed” or otherwise sanctioned by any government agency.

5.10 Conflicts of Interests / Non-Solicitation

IPs are free to participate in other multilevel or network marketing business ventures or marketing opportunities. However, during the term of this Agreement, IPs may not recruit other EP IPs for any other multilevel or network marketing business. During the term of this Agreement, and for a period of six (6) months following the cancellation / termination thereof, an IP or former IP may not recruit any EP IPs for another network marketing business. This policy shall apply to all countries where EP is officially open for business. The term “recruit” means actual or attempt solicitation, enrollment, encouragement, or effort to influence in any way, directly or through a third party, another IP to participate in another network marketing or direct sales opportunity. IPs may not offer the EP opportunity or products to prospective or existing IPs in conjunction with other non-EP product or opportunity. In addition, IP may not offer any non-EP products or opportunity at any EP related meeting, seminar, convention, or activities.

5.11 Downline Information

All downline information are confidential, proprietary business trade secrets that belong to EP. Downline information are provided to IPs for the sole purpose of assisting the IPs in developing their EP organization and business. IPs should use their downline information to manage, motivate and train their downline IPs, and shall not, on his/her own behalf, or on behalf of any other person, partnership, corporation or other entity:

- Directly or indirectly disclose any downline information to any third party;
- Use the information for any purpose other than promoting his/her EP business; recruit or solicit any IPs of EP to change their business relationship with EP;

5.12 Cross-Group Enrollment

An individual or entity who already has a current IP number on file with EP, or who has had such an agreement within the preceding six (6) months, may not use a spouse or relative’s name, DBAs, assumed names, corporations, partnerships, or trusts to enroll under a different line of sponsorship, i.e. enroll under a different group before a six (6) month period has been satisfied.

5.13 Right of Publicity

IPs authorize EP to use their name, photograph, personal story and/or likeness in the Company’s advertising and/or promotional materials and waive all claims for remuneration for such use.

5.14 Income Taxes

Every year, EP will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident as required by the Internal Revenue Service. Each IP is responsible for paying local, state, and federal taxes on any income generated as an IP.

5.15 Status as an Independent Contractor

An IP is an independent contractor and is not a purchaser of a franchise or a business opportunity under state or federal law. An IP does not acquire any interest in a security, or granted an exclusive territory. The Agreement between EP and an IP does not create an employer / employee relationship, agency, partnership, or joint venture between the Company and the IP. An IP shall not be treated as an employee for his or her services or for Federal or State tax purposes. An IP has no authority to bind the Company to any obligation. An IP shall establish his or her own goals, hours, and methods of sale, so long as he/she complies with the terms of the IP Registration Agreement, these policies, and applicable laws.

5.16 International Promotion

IPs are authorized to sell EP products and promote the business opportunity to prospective customers located within the United States and U.S. Territories, and countries where EP is authorized to conduct business (Japan, Hong Kong, Korea, and Taiwan). IPs may not in any unauthorized country: (1) conduct sales or training meetings (2) enroll or attempt to enroll potential customers; or (3) conduct any activity for the purpose of selling EP products, establish a downline organization, or promote the EP business opportunity.

5.17 Reselling of EP Products

IPs may display or promote EP products at trade shows and professional expositions with prior written approval from EP. However IPs may not sell EP products at any retail outlets, garage sales, flea markets, farmer’s markets or internet auction sites at any time.

5.18 Repackaging and Re-Labeling of EP Products

IPs may not repack, re-label, refill, or alter the packages of any EP products. EP products must be sold in their original containers only. Re-packaging or re-labeling would likely violate federal and state laws, which could result in criminal penalties. In addition, civil liability may arise as a consequence of the repackaging or re-labeling of products, should the person using the product suffer any type of injury.

5.19 Compliance with Laws and Regulations

IPs shall comply with all federal, state and local laws and regulations when conducting their businesses. The violation of any law, or any conduct that is unethical in relation to the EP business that may damage EP’s reputation and goodwill, shall be grounds for disciplinary action in EP’s sole discretion.

6. TO ORDER PRODUCTS & PAYMENT METHODS

6.1 Payment Method for Regular Product:

- Autoship – (via debit or credit card payment) every month EP will automatically debit the appropriate product cost from a debit or credit card. After payment is processed, the Product will be mailed to the designated address.
 - The payment date depends on your Registration Date.
 - If Autoship debit is unsuccessful, there will be no shipment that month, and the account will be placed under “suspension” mode until notification is given to EP to re-activate the credit card transaction. If the IP would like to re-purchase the Regular Product during the month when Autoship was not successful, please request by fax or phone customer service, and pay via a debit / credit card, cash check or money order.
 - Product delivery maybe delayed during the holiday season.

6.2 Extra Product

- AIPs may purchase Extra Product by calling the Customer Service line or faxing a completed Product Ordering Form to EP.
- Each AIP is limited to 3 packs of Extra Product per month.
- Members of Family Units other than the Main Position are not permitted to purchase Extra Product.

6.3 Re-purchase or Re-delivery

- If Products delivered are returned to EP due to absence of the IP or any other reasons, EP will resend the Product upon receipt of a completed Product Ordering Form indicating Re-delivery or Re-order and payment of the handling charges described on the Form.
- Members who make purchases via Autoship may, in the case of unsuccessful credit card transaction, re-arrange the unsuccessful purchase by faxing to EP a completed Product Ordering Form, including debit / credit card details. EP reserves the right in its sole discretion to refuse an order based on a declined credit card authorization or negative history with processing personal checks or check transfers.

7. ADJUSTMENT PAYMENT

- 7.1 Adjustment relating to First Product** – if an IP requests refund for their First Product, and the Sponsor of this IP has already received commission, the Sponsor must bear the adjustment payment of \$18. The \$18 adjustment payment will not be refunded even if the IP requests re-delivery of the First Product.
- 7.2 Adjustment as a result of Refund for Regular Product or Extra Product** – if an IP requests refund for Regular or Extra Product, and the Sponsor of this IP has already received commission, the Sponsor must bear the adjustment payment of \$15. However, if the IP requests re-delivery of the Regular or Extra Product, then the \$15 adjustment payment will be refunded upon written request.
- 7.3 Adjustment after Commission is paid** – for any product refund or cancellation after commission has been paid, the amount of commission paid on the entire Upline as a result of the product sold will be adjusted during the next commission payment, plus, the accumulated Points will also be adjusted accordingly.
- 7.4 Adjustment as a result of Over payment** – when calculating commission payment, if the overall commission during that period exceeds **40%** of sales revenue, then EP may make adjustments to commission payments.

8. TERMINATION OF MEMBERSHIP

8.1 IP Membership:

- An IP may terminate his/her Membership at any time, without charge, by sending a written statement via registered mail to EP confirming his/her intention to terminate Membership.
- The statement should contain the IP’s name, IP Number, address, the Sponsor’s name and the IP’s first Registration Date.
- Once the statement is submitted, the decision cannot be revoked and the IP will cease to enjoy the rights and benefits of Membership, including entitlement to any accrued Commissions.
- The terminated IP must complete a 6-month waiting period before he/she can again register as a Member, in which event he/she will not resume his/her former position in the organization but will be positioned in the same way as any other new Member.
- If the Main Position in a Family Unit terminates his/her Membership, the other Members in the Family Unit will also be terminated.
- The position of a terminated IP will remain unchanged in the organization and will not be replaced, nor can it be transferred to a new Member after termination has occurred.

8.2 Visitor Member - Termination of Membership:

- A Visitor Member who wishes to terminate his/her Membership should send a written request to EP.
- The cancellation will take effect immediately based on the date when the request is posted.

8.3 Automatic Termination of Membership:

- There is no time limit or renewal fee associated with the continuation of Membership.
- If an IP fails to purchase a Regular Product for **TWELVE (12)** consecutive months, his/her Membership will automatically be terminated.

8.4 Right of the Company to Terminate: EP may terminate the rights of an IP by providing written notice in the event that the IP:

- fails to comply with any of the terms or conditions of the Agreement as it may be amended from time to time;
- makes any misrepresentation or engages in any unethical practice as an IP, as determined by EP in its sole discretion;
- engages in any conduct or activity that is or could be detrimental to EP or any other Members, as determined by EP in its sole discretion; or

8.5 Consequences of Termination:

- When an IP loses his/her Membership, the Downline IP will not replace him/her in the former position.
- When a Member terminates Membership there is no cancellation fee, and EP will not seek compensation from a Member except for purchased Product not returned or returnable under EP's return policy.
- When an IP terminates his/her IP Membership, he/she will lose all rights of Membership and must return all information relating to the Company and its Business (including but not limited to 'My Chart') in his/her possession.

9. PRODUCT RETURNS AND REFUNDS

9.1 Product Refund as a result of Termination of Membership - The following conditions must be met in order to receive a full refund for Products

- You are an individual IP and you have been a Member for less than 1 year
- You bought the Products personally.
- The Products must be returned unused and unopened, within 30 days after receiving the product. The IP will be responsible for shipping cost.
- Please also provide a written statement along with the returned product stating:
 - IP Number, your name, your address, contact details, Sponsor's name
 - Your Registration date, the date when you received the product
 - Your intention to terminate Membership. Please refer to section 8.1 above for details.
- The product return policy, Section 9.2 must be satisfied.

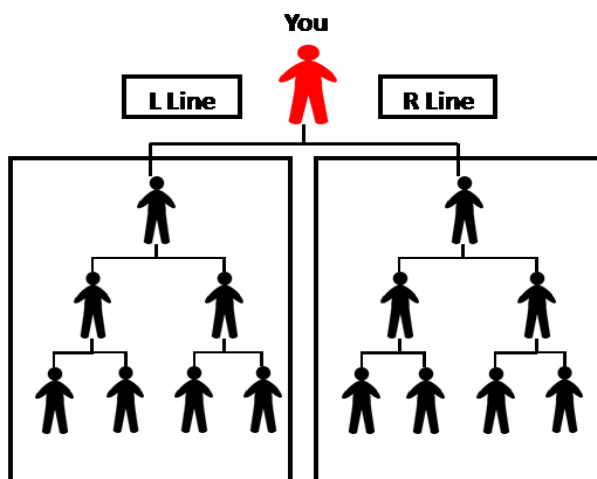
9.2 Product Return Policy:

- For other product returns, EP will refund 90% of the cost of the Product, reflecting deduction of a 10% handling fee, provided that the Product is returned unused and undamaged within 30 days after the Member receives the product. The Member will be responsible for shipping costs.
- Please also provide a written statement with the returned product stating:
 - IP Number, your name, your address, contact details, Sponsor's name
 - Your Registration date, the date when you received the product
 - Reason for returning the product
- EP reserves the right to refuse to provide refunds if the Member has violated provisions of the Agreement, or is otherwise at fault.

9.3 Product Replacement Policy

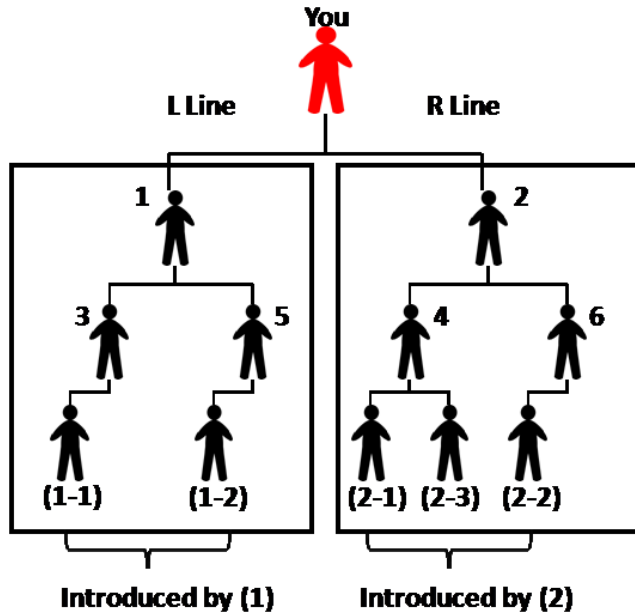
- If the Product is received in damaged condition or the packaging seal is broken upon delivery, the Member should submit to EP, within 7 days after receipt of the Product, a Product Ordering Form specifying that the order is for replacement of a defective Product.
- The Form must include the Member's name, IP Number, address, telephone number and a statement of the reason you would like the replacement and must be accompanied by the Product in the condition in which it was received.
- The replaced item can only be exchanged for the same item.
- EP will pay for shipment charges both ways.

10. EP ORGANIZATION AND SYSTEM



10.1 General Structure:

- EP is a network marketing company that operates what is known as a Partnership Relational Marketing System.
- Each IP's commission is dependent upon his/her own Group's purchasing activities, the number of Products sold, and Points accumulated from those purchases.
- EP operates under a semi-binary automatic System.
- Each IP has two Downlines consisting of a left hand line and a right hand line.
- These two Downlines are the IP's Group.



10.2 Newly Introduced IP's positioning

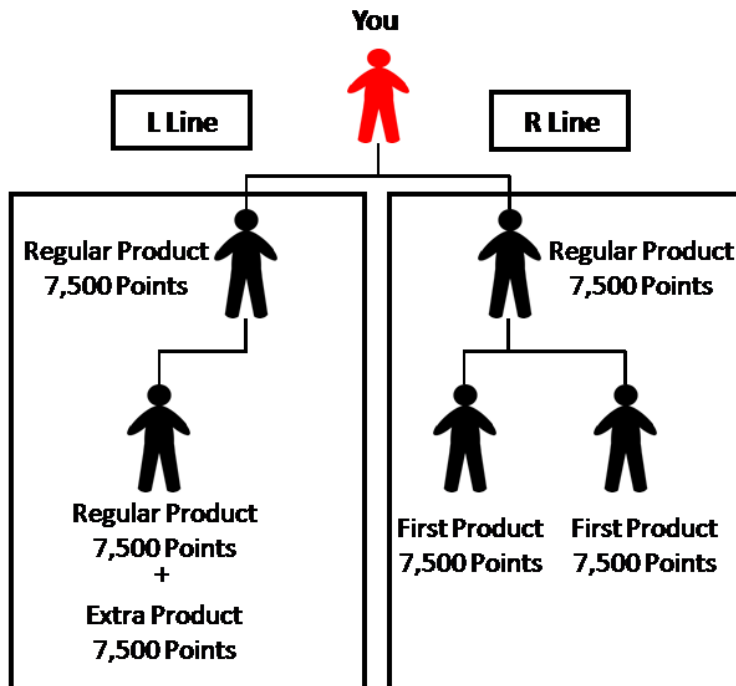
- The position of a new recruit in the IP's Group will be placed either in the left hand or the right hand side of your organization, depending on which side has fewer people.
- If both sides have the same number of Members, then the new Member will be placed on the Left line.
- For example, if an IP has introduced 6 people into EP, the positioning of these people will be done numerically from 1 to 6. If (1) also introduces 2 people, these people will be placed in (1-1) and (1-2) positions. If (2) introduces 3 people, then these people will be placed in (2-1), (2-2), and (2-3)'s positions.
- Under this System, those introduced by Members of the IP's Group will also become a part of that Upline Group.
- This Group format encourages team support and sharing of experience, helps the formation of Groups and increases the rewards for everybody.

10.3 The Point System

- An AIP who has introduced at least one Member who is also an AIP will accumulate Points according to number of Products purchased by Members in his/her Group.
- When any Member buys a Product, Points will be awarded to AIPs in the Upline.
- When an AIP buys Regular Product, Points will NOT be awarded to the purchasing AIP.
- When an AIP buys Extra Product, Points will be awarded to the purchasing AIP.

For all Products, each unit purchased by an IP Member will produce the following Points:

- First Product (7,500 Points) – one time purchase
- Regular Product (7,500 Points) – monthly purchase
- Extra Product (7,500 Points)

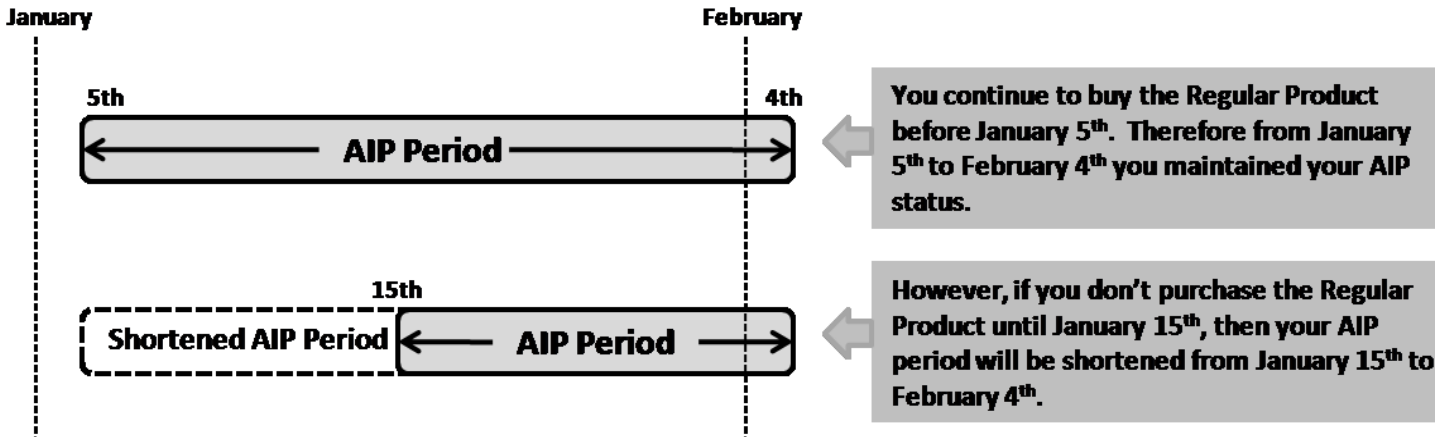


For example, please refer to the diagram on the left.

According to this diagram, You have achieved 22,500 Points on the Left Line, and 22,500 points on the Right Line.

10.4 AIP (Active IP) period

- AIP period starts from the day an AIP buys the First Product or Regular Product in any month and ends the day before the Registration Date in the next month.
- During this period, an AIP can accumulate Points from Products purchased by Members in his/her Group, and he/she also has the right to buy Extra Products.
- For example, your Registration Date is on the 5th of December. In January you continued your purchase on the 5th of January. Therefore, please see below diagram:



10.5 How to Achieve Commission

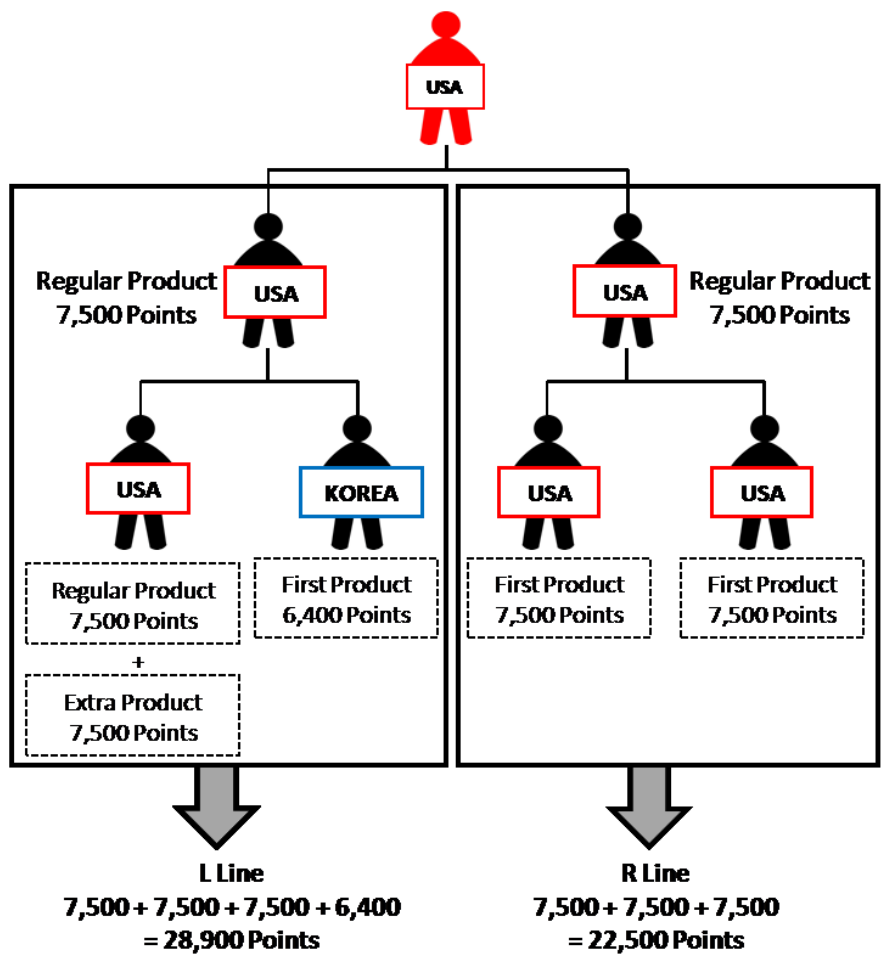
- Commission is the reward an IP will receive for his/her efforts in building the EP Business. Points are accumulated according to number of Products sold, and when certain point levels are achieved an IP will be eligible to receive commission.
- To receive commission, you must meet the following 3 conditions:
 - You must be an AIP during that period.
 - Amongst the IPs you have introduced to EP, one of them must also be an AIP during that period.
 - You have accumulated enough Points to be eligible for rewards.

10.6 Overseas Commission

- Since EP now has overseas offices in Japan, Korea, Taiwan, and Hong Kong, we have established point Systems for different countries depending on their operating environment. IPs are encouraged to introduce individuals who are overseas as first time new Members to their Groups.
- AIP's will receive 80% of the total Points for each purchase by overseas Members in the following countries.

Please see the following table for overseas Points details:

	Domestically (100%)	Overseas (80%)
USA	7,500 Points →	6,000 Points
Japan	10,000 Points →	8,000 Points
Korea	8,000 Points →	6,400 Points
Taiwan	7,500 Points →	6,000 Points
Hong Kong	8,500 Points →	6,800 Points



For example, an AIP in the US with a Downline Member in Korea will get 6,400 Points for the purchases by the Member in Korea.

11. COMMISSION PLANS

You

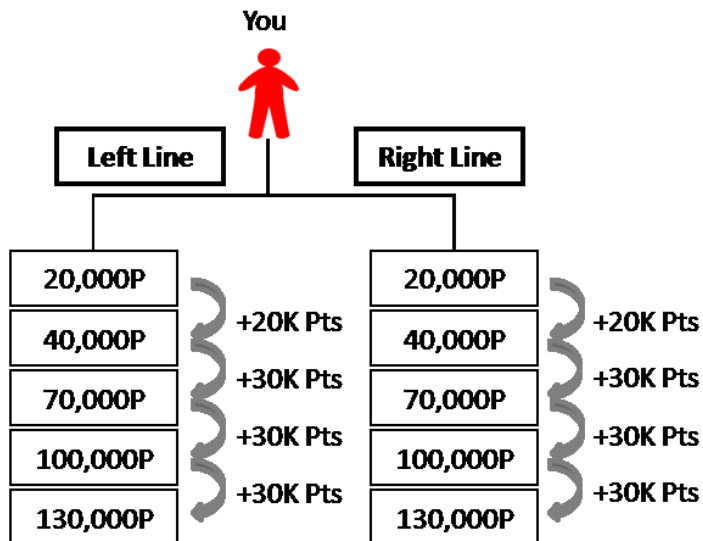
L Line

R Line

		Commission
20,000P	20,000P	\$30
40,000P	40,000P	\$60
70,000P	70,000P	\$120
100,000P	100,000P	\$180
130,000P	130,000P	\$240
160,000P	160,000P	\$300
190,000P	190,000P	\$360
220,000P	220,000P	\$420
250,000P	250,000P	\$480

11.1 Frequency Program

- Points are accumulated daily during the AIP Period, and every 2 weeks EP will calculate Commission payment.
- Commission is based on Points on your left and right lines, whichever line has fewer Points.
- An AIP can receive anywhere from \$30 to a maximum of \$960 per day, per position.
- The maximum amount of Commission an AIP can receive each day is also dependent upon the number of AIPs he/she has directly introduced to EP.



11.2 Half Unit Commission

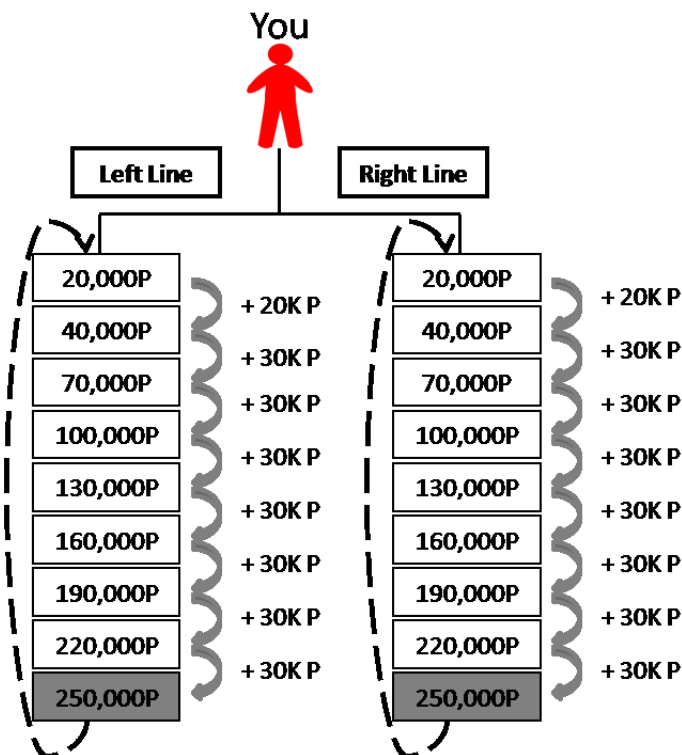
Qualifying conditions and Commission amount:

- The AIP has directly introduced **ONE (1)** AIP in his/her Group.
- Between the left and right lines, the line with fewer Points has accumulated at least 130,000 Points.
- If an AIP is able to achieve one Half Unit every day, the maximum Commission he/she can receive each day is \$240
- After achieving a Half Unit Commission, if the AIP has additional Points left over, it will remain under his/her point System and carry over to accumulate additional Points until he/she reaches the next Commission point level.
- The maximum number of Points he/she can carry over to the next day is 260,000 Points on each line.
- When the AIP achieves Half Unit Commission, EP will deduct 130,000 Points from his/her accumulated Points. He/she will then continue to accumulate Points until he/she reaches the next Full Unit.

11.4 Full Unit Commission

Qualifying conditions and commission amount:

- The AIP has directly introduced **TWO (2)** AIPs in his/her Group.
- Between the left and right lines, the line with fewer Points must have at least 250,000 Points.
- If an AIP is able to achieve one Full Unit every day, the maximum commission he/she can receive each day is \$480.
- After achieving a Full Unit Commission, if the AIP has additional Points left over, it will remain under his/her point System and carry over to accumulate additional Points until he/she reaches the next Commission point level.
- The maximum number of Points an AIP can carry over each day is 500,000 Points on each line.
- When the AIP achieves Full Unit Commission, EP will deduct 250,000 Points from his/her accumulated Points. He/she will then continue to accumulate Points until he/she reaches the next Full Unit.



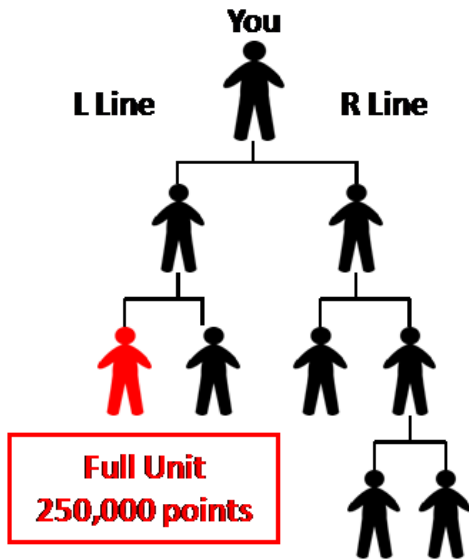
11.5 Double Unit Commission

Qualifying conditions and commission amount:

- The AIP has directly introduced **THREE (3)** AIPs in his/her Group.
- Double Unit means the AIP has achieved Full Unit Commission twice in a day
- Between the AIP's left and right lines, the line with fewer Points must have at least 500,000 Points.
- If an AIP is able to achieve one Double Unit every day, the maximum commission he/she can receive each day is \$960.
- After achieving Full Unit Commission, if an AIP has additional Points left over, it will remain under his/her point System and continue to accumulate additional Points until he/she reaches the next Commission point level.
- The maximum number of Points an AIP can carry over each day is 1 million Points on each line.
- When the AIP achieves Double Unit Commission, EP will deduct 500,000 Points from his/her accumulated Points. He/she will then continue to accumulate Points until he/she reaches the next Full Unit Commission.

The Commission Plan is summarized in the following chart:

	Condition	Commission Limit		Unit	Max. Points Carry Over per day
		1 day	1 week		
Half Unit	Introduced 1 AIP	\$240	\$1,680	130,000 (once a day)	260,000 Points
Full Unit	Introduced 2 AIPs	\$480	\$3,360	250,000 (once a day)	500,000 Points
Double Unit	Introduced 3 AIPs	\$960	\$6,720	250,000 (twice a day)	1,000,000 Points

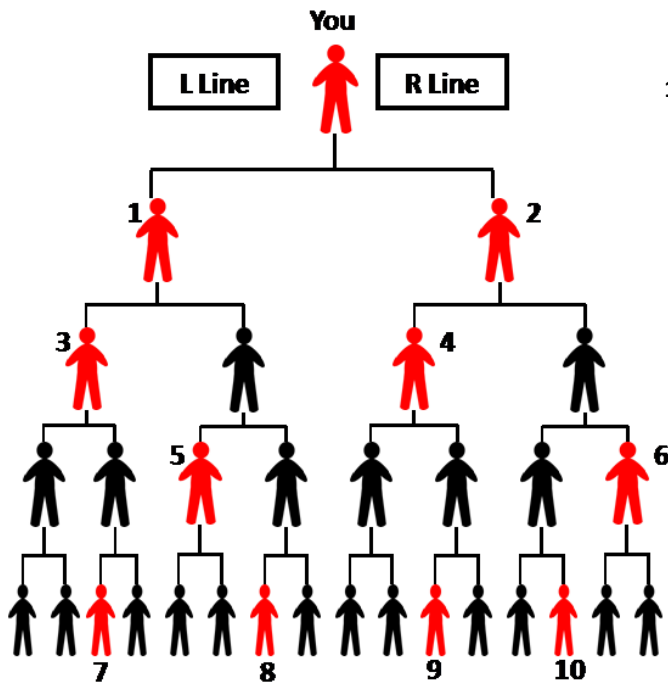


11.6 Management Program

One-to-One Unit Commission:

To qualify:

- When an AIP's directly introduced IP achieves a Full Unit, the AIP will receive US\$120 for each downline IP who achieves a Full Unit.
- There is no limit on the amount of One-to-One Commissions an AIP can receive.
- An AIP can receive this commission even if he/she personally doesn't achieve a Full Unit.
- For example, if the AIP has directly introduced another AIP who achieves a Double Unit for 30 days, the first AIP will receive \$120 X 30 days X 2 times a day = \$7200
- The illustration on the left shows You introduced the person in Red, who then achieves a Full Unit. The Red IP will receive \$480, and as a result you as the introducing AIP will also receive \$120.



11.7 Reach Unit

To qualify:

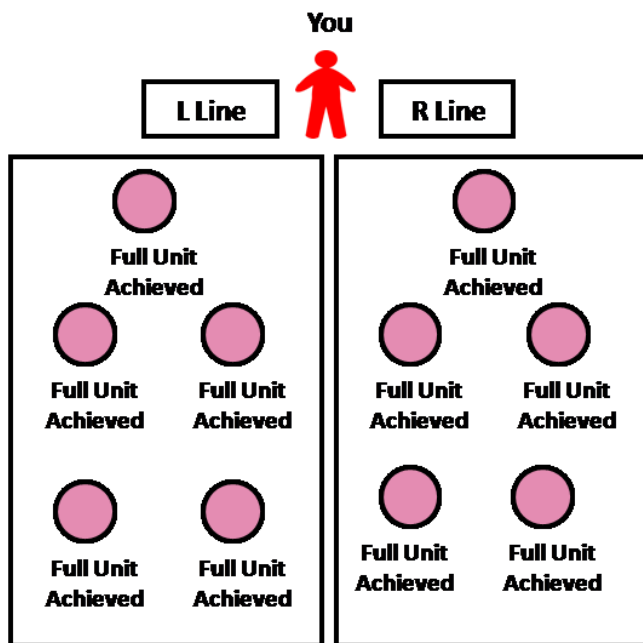
- A Member must be an AIP.
- By the end of EACH MONTH, an AIP has directly introduced to EP at least **TEN (10)** other AIPs.

Calculation Method:

- 10 person = 1 unit, for example if you have 10-19 AIPs you have directly introduced to EP, you have 1 unit. If you have 20-29 AIPs you have directly introduced to EP, you have 2 units.

The Calculation Formula:

$$\frac{1\% \text{ of Global Revenue}}{\text{Number of IPs who qualified for Reach Unit}} \times \text{Number of Reach Units You Achieved}$$



11.8 Partner Share Program

The Partner Share Commission operates at three levels.

Level 1 Commission:

An AIP qualifies if:

- Under his/her Group, within one period**, the Left line and Right line BOTH SIDES contain **FIVE (5)** AIPs who have achieved Full Unit.
- He/she has directly introduced **TWO (2)** or more AIPs to EP, of whom **ONE (1)** has achieved Full Unit Commission.

The Calculation formula:

$$\frac{1\% \text{ of Global Revenue}}{\text{Number of IPs who qualified for Level 1 commission}}$$

Level 2 Commission

An AIP qualifies if:

- He/she achieves Level 1 commission in each of 3 consecutive bimonthly periods.**

The Calculation formula:

$$\frac{1\% \text{ of Global Revenue}}{\text{Number of IPs who qualified for Level 2 commission}}$$

Level 3 Commission

An AIP qualifies if:

- He/she achieves Level 1 Commission in each of 6 consecutive bimonthly periods.**

The Calculation formula:

$$\frac{1\% \text{ of Global Revenue}}{\text{Number of IPs who qualified for Level 3 commission}}$$

** One period equals 2 months, from odd to even months. (January to February is one period, March to April is one period, May to June, July to August, September to October, November to December, and continuously)

Others

- Once an IP has achieved Level 3 commission, he/she will receive this commission for the rest of his/her Membership existence as long as he/she maintains AIP status.
- An AIP is eligible for receiving **ALL 3 LEVELS** of commission at the same time as long as he/she fulfills the requirements
- If an IP doesn't submit any questions or complaints within 30 days after commission is paid, EP will not be able to make any adjustments thereafter.

11.9 Commission Closing Date, Payment Date, and Handling Fee

- The following table shows Closing and Payment dates. If the payment day falls on a United States or State of Hawaii public holiday, commission will be paid within 3 business days.

Program Type	Property	Closing Day	Payment Day
Recruit Commission			
Frequency Program	Half Unit	Friday of every 2 weeks	The Friday 2 weeks after Closing Day
	Full Unit		
	Double Unit		
Management Program	One-to-One Unit		
	Reach Unit	End of each month	The first payment day 2 months after closing day
Partner Share Program	Level 1	End of the month of that period	The second payment day 2 months after closing day
	Level 2		The second payment day 2 months after closing day
	Level 3		The second payment day 2 months after closing day

- Commission is calculated on Points accumulated through each closing day.
- Should refund, product return, or Membership cancellation occur after commission is paid, the commission amount will be adjusted at the next payment date.
- If there is a negative balance situation, we will send out a written notification to the IP, and request the IP to pay the difference by wire transfer, money order, check or cash to EP. Handling charges will be the IP's responsibility.
- There is a Handling Fee for each IP Position's commission check based on the amount of commission paid (please see below table):

Commission Amount	Handling Fee
\$50 or below	\$3
\$51 to \$299	\$8
\$300 or above	\$10

12. OTHER SERVICES

12.1 Requesting an Organization Chart ("My Chart")

- IPs may order by submitting a completed My Chart Ordering form.
- My Chart shows the IP's entire Group as of a specified day.
- By becoming a Web Member an IP will be able to see his/her My Chart any time without extra fee.
- EP Japan reserves all ownership and intellectual property rights (including, but not limited to the copyright).
- The Company will charge an IP a fee for requesting his/her My Chart, as shown below.
- EP encourages all Members to utilize the Member Web Login provided to view their respective Organization Chart.

Basic Fee (For a Group with 500 people or less)		\$4 each order (basic fee plus shipping and handling.)		
Additional Fee (For a Group with 501 people or more, for each 500 person organization chart)		\$2 for each additional 500 person organization (plus shipping and handling.)		
No. of Pages	1-15	16-60	61-130	131-180
By Fax	FREE	Not available by fax	Not available by fax	Not available by fax

12.2 Web Membership

- Once registered as a Web Member, an IP will be able to see details on his/her Group.
- An IP can access My Chart via EP's Website at any time. There is an area for Web Members to login.
- After registration, EP will provide a personal security password.
- If an IP prefers not to reveal his/her name to the public, his/her name will not be displayed even the IP is in the Group.

Service	Content
Daily Commission Report	IPs will be able to see the amount of commission accumulated, any payment adjustment, handling charges, or other monetary related details.
Organizational Chart	An IP will be able to access his/her Group's organization chart. The IP can also search Members of their Group by their IP Number. However, if an IP prefers not to reveal his/her name to the public, his/her name will appear blank on the organization chart.
My Chart	Besides the above mentioned Organization Chart, an IP will be able to see: <ul style="list-style-type: none">- IP Numbers, names and addresses of Members of their Group;- Points accumulated during that period;- Number of Full Units since the IP has registered, Products ordered since the IP registered, number of active Members the IP has introduced to EP, Registration Dates, last ordering date, etc.;- It may take some time to download all the information if an IP has a large organization.
Recruitment	<ul style="list-style-type: none">- IPs will also be able to see Members, including Visitor Members, they have directly introduced to EP.- Information provided for each Member will include Registration Date, last ordering date, valid days, suspension days or a period when an IP cancels an order.
Password Change	An IP can change his/her password once logged into his/her page.

13. NOTICES TO MEMBERS

If there are any changes or updates to our Policies and Procedures, or to any of our Products, notices will be posted on our website <http://excellent-partners.us>. In case of any natural disasters or unforeseen incidents which prevent us from updating Members via the above mentioned methods, we may use other printed material methods to keep Members informed.

14. CHANGES TO POLICIES & PROCEDURES

EP may at times make changes to these Policies & Procedures to reflect changes in the economic or legislative environment. These changes are to ensure our Business abides by current laws and to protect the interests of EP and our Members. Should any amendments or additions occur to the Policies & Procedures, notice will be provided in writing (e.g. email and/or the EP website). EP reserves the right to make changes to the Policies & Procedures without Members' consent. Continuation of buying Products and receiving Commissions shall constitute a Member's acceptance of any and all amendments to the Policies & Procedures.