



COMPANY POLICIES AND PROCEDURES

2011

TABLE OF CONTENTS

INTRODUCTION	4	SECTION 5: MARKETING PLAN	17
DEFINITION OF TERMS	4	5.1. The Business	17
SECTION 1: AUTHORIZATION AS A DISTRIBUTOR	7	5.2. Ways to Earn	17
1.1. Who may be a Distributor?	7	5.2.1. Retailing	17
1.2. How to become a Distributor?	7	5.2.2. Direct Sponsoring	18
1.3. Entitlements of a Distributor	7	5.2.3. Matched Sales Bonus	18
1.4. Loyalty	8	5.2.4. Uni-Level Bonus	19
SECTION 2: THE DISTRIBUTOR	8	5.2.5. Stair Step Bonus	20
2.1. One Individual Distributorship	8	5.2.6. Royalty Bonus	20
2.2. Husband and Wife Distributorship	8	5.2.7. Travel Incentives	21
2.3. Legal Entities	9	5.3. Payment Schedule	21
2.4. Relationship and Representation	9	5.4. Promos	22
2.5. Proxy Distributorship	9	5.5. Taxation	22
2.6. Multiple Heads/Slots	9	5.6. Re-inventing the Marketing Scheme	22
2.7. Reselling of Accounts/Slots	9	SECTION 6: PRODUCT SALES	22
2.8. Prohibition on Bonus Buying	10	6.1. Product Maintenance	22
2.9. Prohibition on Buy-Ins	10	6.2. New Product Policy	23
2.10. Managing the Accounts	10	6.3. Direct Sales Only	23
2.10.1. Inactive Account	10	SECTION 7: PRODUCT REFUND AND BUY BACK POLICY	23
2.10.2. Transfer of Account	10	SECTION 8: PRODUCT EXCHANGE	24
2.11. Change of Sponsorship	11	SECTION 9: BUY BACK PROCEDURE	24
2.12. Indemnity Agreement	11	SECTION 10: ADVERTISING	25
2.13. Confidentiality Agreement	12	10.1. On Promotional Materials	25
2.13.1. Personal Information	12	10.2. Websites	25
2.13.2. Confidential Information	12	10.3. Fairs and Trade Shows	26
2.14. Termination of Distributorship	13	SECTION 11: BUSINESS CENTER PROGRAM QUALIFICATIONS	26
2.14.1. Voluntary Termination	13	11.1. Business Center Program	26
2.14.2. Involuntary Termination	13	11.2. Business Center Operator (BCO)	26
2.15. Due Observance of Policies	13	11.3. Duration of Right to Operate as BCO	26
SECTION 3: THE SPONSOR	13	11.4. Qualifications for a BCO	27
3.1. Responsibility of the Sponsor	13	11.5. Business Center Requirements	27
3.2. Exclusive Territories	14	11.5.1. BCO Profile	27
SECTION 4: CODE OF CONDUCT AND ETHICAL STANDARDS	14	11.5.2. Accessibility	28
CODE NO. 1: LOYALTY	14	11.5.3. Office Space	28
CODE NO. 2: PROTECTION OF REPUTATION	14	11.5.4. Communication	28
CODE NO. 3: HONESTY IN DEALINGS	14	11.5.5. Manpower	29
CODE NO. 4: HONESTY AMONG MEMBERS	15	11.5.6. Capitalization	29
CODE NO. 5: HUMILITY AND RESPECT	15	11.6. Business Center Program Benefits	29
CODE NO. 6: FAIRNESS	15	11.6.1. Immediate Financial Benefit	29
CODE NO. 7: DECENCY	16	11.6.2. Immediate Product Inventory	29
CODE NO. 8: NON-TOLERANCE OF FRAUD	16	11.6.3. Long-term Financial Benefit	29
4.1. Penalty for Violation of Section 4	17	11.6.4. Network Leadership	30

SECTION 12: GENERAL PROVISIONS	30
12.1. Contract Changes	30
12.2. Waivers and Exceptions	30
12.3. Governing Law and Jurisdiction	30
12.4. Severability	31

INTRODUCTION

The rules and procedures embodied in this document are being implemented to regulate sales and marketing operations as well as prevent improper, illegal or abusive acts within the company. These policies shall govern the relationship between the Distributor and ALLIANCE IN MOTION GLOBAL, INC. and such other matters related to these policies.

Every Distributor is expected to be knowledgeable of the following rules and abide by the same to ensure his or her success as well as that of the company.

DEFINITION OF TERMS

In all contractual agreements you sign with ALLIANCE IN MOTION GLOBAL, INC. and ALLIANCE IN MOTION GLOBAL, INC. published literature, unless the context otherwise requires, the following words and phrases shall have the following meanings:

“Applicant” – A person who is interested to become an ALLIANCE IN MOTION GLOBAL, INC. Distributor.

“Alliance Success Achievement Program (ASAP)” – This is an advance training on the importance of Multi-Level Marketing (MLM) in relation to the business of ALLIANCE IN MOTION GLOBAL, INC. and basic skills in doing the business.

“Business Center” – The venue where the Business Center Owner conducts seminars, trainings and direct selling of products in a specific area.

“Business Center Owner (BCO)” – The only official and authorized Distributor who can operate a Business Center outside of the Head Office of ALLIANCE IN MOTION GLOBAL, INC. No two BCOs are allowed to operate in the same area.

“Commercial Website” – www.allianceinmotion.com is the official website of ALLIANCE IN MOTION GLOBAL, INC.

“Commission Points” – Points used in computing Uni-level and Stair Step commission.

“Cross-lining” – This is the Distributors’ act of transferring from one Distributors’ organization to another. This is strictly prohibited.

“Down line” – He/She is the sponsored distributor who eventually formed part of the network of the sponsor or upline, either directly sponsored by the latter or not.

“Direct Down line” – He/She is the one directly invited by a sponsor to avail of the Global Package and become an independent distributor.

“Distributorship” – The authorization by ALLIANCE IN MOTION GLOBAL, INC. to become a distributor.

“Distributor Application Form (DAF)” – When a person desires to become a distributor of ALLIANCE IN MOTION GLOBAL, INC. he/she must sign the Distributor Application Form, which contains the terms and conditions of the company. If a person registers as a distributor online or via the company website, an applicant is considered to have read, understood and agreed to the policies of the company.

“Distributors Price (DP)” – The price of products set for registered distributors of Alliance in Motion Inc.

“Distributors Tracking Center (DTC)” – This is commonly known as the “Distributors’ Website”. This is where a distributor can view and manage his / her account reflecting the personal information, genealogy, income and encashment. The DTC is accessed by clicking on the “Member’s Login” link in the commercial website of ALLIANCE IN MOTION GLOBAL, INC.

“Executive Distributor” – Any distributor who has qualified as such according to the marketing plan of ALLIANCE IN MOTION GLOBAL, INC. It includes Silver Executive (SE), Gold Executive (GE) and Global Ambassador (GA).

“Flush Out” – The safety measure in the Matched Sales/Binary System, wherein a distributor/sponsor will only be paid for a maximum of sixteen (16) pairs/matched sales per day or eight (8) pairs per cycle. This mechanism is followed to balance the methods of earning through recruiting new distributors and direct sales of products. See Marketing Plan for more details.

“Global Package (GP)” – Commonly known also as the BUSINESS KIT or the start up sales kit for a New Distributor, containing 5 Blister Packs (BP) C24/7, folder presentation kit, scholarship discount certificate, insurance certificate, distributor application form (DAF), ATM and I.D. application forms, product brochures and a DVD of the product and marketing plan presentation. Products included in the package may vary quarterly or semi-annually as part of promotional activities.

“Group” – A Distributor may have two (2) groups when he starts his network under one account; the Left Group and the Right Group. For each group, the Distributor may have as many down lines as he or she can manage.

“Live streaming” – The Opportunity Plan Presentation (OPP) may be viewed via live streaming on this website: www.justin.tv/allianceinmotionglobal. Permission for access must be obtained from management.

“Network” – This consists of the Distributors’ organization/s or groups, which include the entirety of the Distributors’ down lines.

“New Distributor Orientation (NDO)” – This is a seminar on how and why to do the business.

“Opportunity Plan Presentation (OPP)” – This is the marketing plan presentation discussing the Global Package, benefits, products and compensation plan.

“Position Points” – Points used in computing current position as Silver Executive (SE), Gold Executive (GE) or Global Ambassador (GA).

“Sponsor” – A distributor who introduces and registers a person to ALLIANCE IN MOTION GLOBAL, INC., who eventually becomes a distributor by virtue of the company’s acceptance of the Distributor Application. Sponsors are commonly known as “Direct Uplines”. A sponsor is responsible for training and supporting his down lines in the conduct of business.

“Suggested Retail Price (SRP)” – The selling price set for consumers.

“Technical Training” – Training on the terms & conditions and code of conduct of the company, how to manage the distributors tracking center (DTC), how to encode recruits’ information and how to manage flush out.

“Transferable Scholarship Certificate” – Certificate of Discount on tuition fees for each school affiliated to ALLIANCE IN MOTION GLOBAL, INC. (see website for list of affiliated schools). The discount may vary depending on each Memorandum of Agreement (MOA). School discount certificates must have the dry seal of ALLIANCE IN MOTION GLOBAL, INC. duly signed by an authorized officer and in good condition to be considered valid. This is transferable and may thus be given to anyone you know.

SECTION 1 AUTHORIZATION AS A DISTRIBUTOR

1.1. WHO MAY BE AN ALLIANCE IN MOTION GLOBAL, INC. DISTRIBUTOR?

Any person of at least eighteen (18) years old, a corporation, partnership or legal entity may apply and become an ALLIANCE IN MOTION GLOBAL, INC. Distributor. An applicant who wishes to become a Distributor must be capable of entering into a contract in accordance with the laws of the Philippines and must comply with all legal requirements for conducting business in the Philippines.

1.2. HOW TO BECOME AN ALLIANCE IN MOTION GLOBAL, INC. DISTRIBUTOR?

1.2.1. To become an ALLIANCE IN MOTION GLOBAL, INC. Distributor, an applicant must purchase of the Global Package amounting to Php 7,980 or Php 1,980 for Quick Start.

1.2.2. The applicant must then sign the Distributor Application Form found in the Global Package or register on the Distributors' website.

1.2.3. An applicant shall read the Terms and Conditions of the company, indicated in the ALLIANCE IN MOTION GLOBAL, INC. Distributor Application form (DAF) and Distributor website and agree to abide by all their provisions.

1.2.4. The accomplished DAF and online registration form shall signify the Distributor's acceptance of the terms and conditions of the company, which shall serve as the contract between the Distributor and ALLIANCE IN MOTION GLOBAL, INC.

1.2.5. The ALLIANCE IN MOTION GLOBAL, INC. Distributor Application Form (DAF) must be submitted immediately upon completion to any of ALLIANCE IN MOTION GLOBAL, INC. Business Centers. The authorization is effective upon submission of the DAF or upon registration onto the Distributor website.

1.2.6. The placing of order for products with ALLIANCE IN MOTION GLOBAL, INC. is a reaffirmation of such commitment to abide by the company policies.

1.3. ENTITLEMENTS OF A DISTRIBUTOR

1.3.1. As an ALLIANCE IN MOTION GLOBAL, INC. Distributor, he/she/it can now engage in the direct selling of all ALLIANCE IN MOTION GLOBAL, INC. products and shall be entitled to corresponding commissions, rebates, discounts and privileges given by the company.

1.3.2. Resigned or terminated Distributors, however, are no longer entitled to avail of the aforementioned commissions and benefits.

1.3.3. The rights and privileges that come with the Identification Card issued by the company cannot be transferred to another person.

1.4. LOYALTY

Distributors shall remain loyal to the company and its policies and are not allowed to join any other Multi-Level Marketing (MLM) companies directly competing with ALLIANCE IN MOTION GLOBAL, INC. while they are an active member in the latter.

SECTION 2 THE DISTRIBUTOR

2.1. ONE INDIVIDUAL DISTRIBUTORSHIP

Only one individual may apply for a Distributorship and sign the Distributor Application Form.

2.2. HUSBAND AND WIFE DISTRIBUTORSHIP

2.2.1. A husband and wife may become individual distributors following the procedure above, PROVIDED, they register under THE SAME GROUP. This means that either the husband or wife becomes the upline or down line of the other spouse.

2.2.2. In the event that the spouses previously registered under different networks/groups, either spouse must choose in which group he/she wishes to belong, PROVIDED, the transferring spouse does not have any down lines. The transferring spouse will be given a period of thirty (30) days from notice to choose his/her group of preference, after which period management shall exercise its discretion on the transfer. The spouse required to transfer shall not be permitted to have any down lines pending such transfer.

2.2.3. The transfer contemplated in the previous section shall be accomplished by purchasing another Global Package from a sponsor in the group to which the concerned spouse shall transfer. The transferring spouse may sell his/her account/s acquired under the previous group with the approval of management.

2.2.4. From the effectivity of this policy, spouses shall not be permitted to register under sponsors from different groups. Spouses found guilty of circumventing this policy shall not be allowed to have any down lines and any credited down lines shall be

forfeited and credited to the nearest upline of the guilty spouse. Management may also impose appropriate sanctions for violation of this provision, which may include suspension or termination of accounts.

2.3. PARTNERSHIPS, CORPORATIONS AND OTHER LEGAL ENTITIES

A duly registered Partnership, Corporation or other legal entity may become an authorized Distributor. Such Distributorship may be approved by ALLIANCE IN MOTION GLOBAL, INC. on a case-to-case basis. The legal entity must submit a certification of authorization of its duly authorized representative to ALLIANCE IN MOTION GLOBAL, INC. and such other documents as the management may require.

2.4. RELATIONSHIP AND REPRESENTATION

ALLIANCE IN MOTION GLOBAL, INC. members are considered “Independent Distributors” and as such, there shall be **no employer-employee relationship** between them and ALLIANCE IN MOTION GLOBAL, INC. shall not be responsible for any misrepresentation made by its Distributors.

No Distributor possesses the authority to bind ALLIANCE IN MOTION GLOBAL, INC. to any obligation.

2.5. ON PROXY DISTRIBUTORSHIP

A Distributorship, and any resulting group, created or operated by proxy, whether intentionally or inadvertently, is not allowed and shall be adjusted for compliance with company policies.

2.6. MULTIPLE HEADS/SLOTS

ALLIANCE IN MOTION GLOBAL, INC. Distributors shall be allowed to purchase only up to a maximum of seven (7) heads/slots registered under his/her name.

2.7. ON RE-SELLING OF ACCOUNTS/HEADS/SLOTS

With the exception of Section 2.2.3 on Husband and Wife Transfers, re-selling of accounts/heads/slots of a Distributor to any individual is strictly NOT ALLOWED whether he or she belongs to the same group, cross line, upline, down line, relative or otherwise.

2.8. PROHIBITION ON BONUS BUYING

The following acts constitute bonus buying and are strictly prohibited:

- a. Registration of individuals without the knowledge of and/or execution of an Independent Distributor Application Form by such individual;
- b. The fraudulent registration of an individual as a Distributor (i.e. without purchasing the Global Package);
- c. The registration or attempted registration of non-existent individuals as Distributors to qualify for bonus or commissions;
- d. Any other ways or mechanisms by which strategic purchases are made to maximize commissions or bonuses when a Distributor does not have a bona fide use for the products purchased.

2.9. PROHIBITION ON BUY-INS

Buy-In is the purchase of products in excess of immediate sales needs. Such act is not permitted and will lead to the termination of the Distributors' account.

To discourage any Distributor from bonus buying and buy-ins, the company reserves the right to pay or not to pay any bonus or commission to the Distributor and uplines who benefited from such transactions. Distributors who took part in the bonus buying and/or buy-in will be dealt with severely, which may include termination and/or legal action for damages.

2.10. MANAGING THE DISTRIBUTORSHIP ACCOUNTS

The Distributor is responsible for keeping the information in his accounts accurate. ALLIANCE IN MOTION GLOBAL, INC. reserves the right to take disciplinary action, which may include the termination of the account, in the event that the company determines that false or inaccurate information was given.

2.10.1. INACTIVE ACCOUNT

An account is considered inactive when there has been no personal product purchase, personal sponsoring nor income encashment for a period of six (6) months. Inactive accounts will automatically be deactivated in the DTC.

2.10.2. ON TRANSFERRING OF ACCOUNT / SUCCESSION

Upon the death of the Distributor, his/her account/s are transferable only to the latter's immediate family (father, mother, brothers, sisters and children).

Upon written request and approval by ALLIANCE IN MOTION GLOBAL, INC., a Distributor may voluntarily pass on to his/her successor all rights including rights to

income and marketing position, together with Distributorship responsibilities and obligations.

The Company reserves the right to approve such voluntary transfers only on the basis of highly meritorious reasons.

2.11. CHANGE OF SPONSORSHIP/ TRANSFERRING TO ANOTHER GROUP

2.11.1. Except for authorized change of sponsorship, it is against company policy for any distributor to change sponsors. Unauthorized transfers are considered as acts of cross-lining and are strictly prohibited. ALLIANCE IN MOTION GLOBAL, INC. will only consider the first valid registration and any subsequent applications or registrations will not be allowed.

2.11.2. It is strictly prohibited to engage in any activity that involves the soliciting of any Distributor to transfer/move to a different group by making offers such as, but not limited to, free slots, marketing support, financial support, etc.

2.11.3. Should a Distributor wish to transfer from or change his or her sponsor, the following conditions must be strictly met:

- a. He/She must be inactive for at least six (6) months;
- b. He/She must submit a resignation letter to ALLIANCE IN MOTION GLOBAL, INC. with intent to transfer sponsorship. Any existing down line of the transferring Distributor will automatically roll up to the former sponsor and cannot be transferred to the next sponsor.
- c. The resignation letter with intent to transfer must be approved by ALLIANCE IN MOTION GLOBAL, INC. within 60 days.

2.11.4. Only complaints from active distributors affected by the transfers stated above shall be entertained by management.

2.12. INDEMNITY AGREEMENT

All Distributors agree to assure ALLIANCE IN MOTION GLOBAL, INC.'s officers, agents and directors that the latter be held harmless against any claim, demand, liability, loss, cost or expense, including but not limited to legal fees, that may arise concerning the Distributor or the Distributor's business.

2.13. CONFIDENTIALITY AGREEMENT

2.13.1. Authorization to Use Personal information of the Distributor

The Distributor authorizes ALLIANCE IN MOTION GLOBAL, INC. to:

- a) Transfer and disclose personal and/or confidential information, which:
 - i. Was provided to the Company in connection with the distributorship and the resulting group, or
 - ii. Has been developed as a result of the Distributor's activities as such

To:

- i. Its parent and affiliated companies wherever located;
 - ii. Applicable government agencies or regulatory bodies if required by law.
 - iii. The distributor's upline or sponsor when the Company determines it is appropriate. However, the Distributor will have the option to block the transfer of certain information that may be provided to the upline Distributors.
- b) Use personal information for Distributor recognition and the Company's literature (such as testimonials, etc.) unless the Distributor requests in writing that the Company not do so;
 - c) Any other disclosure, apart from the above will not be permitted.

2.13.2. Non-disclosure of Confidential Information from the Company

ALLIANCE IN MOTION GLOBAL, INC. provides its Distributors the necessary information for the sole purpose of furthering the company's business such as, but not limited to the sale of company products, and the sponsoring and training of applicants and down lines in the conduct of business. However, access to said information is conditioned upon the Distributors' commitment of non-disclosure and confidentiality.

During any term of the Distributor, and for a period of four (4) years after termination of the Distributorship, you will not, for any reason, disclose the following information on your behalf, or on behalf of another:

- a) Any confidential information obtained during your Distributorship was in effect, related to or contained in the network to any third party directly or indirectly;
- b) Any password or access codes of the company to any third party directly or indirectly.

The obligations of this section shall survive the termination of your account.

2.14. TERMINATION OF DISTRIBUTORSHIP

A Distributor's authorization is for life, unless terminated voluntarily or involuntarily.

2.14.1. Voluntary Termination

A Distributor is considered to have voluntarily terminated his distributorship upon receipt by the ALLIANCE IN MOTION GLOBAL, INC. Head Office of his/her written notice of resignation. He/She is thereafter disallowed to register under another network for a period of six (6) months.

2.14.2. Involuntary Termination

ALLIANCE IN MOTION GLOBAL, INC. reserves the right to terminate the account of any Distributor who violates the terms and conditions in the Distributor Application Form, ALLIANCE IN MOTION GLOBAL, INC. policies and procedures, or for other just cause. Involuntary termination is effective when the Distributor receives actual notice of the termination.

2.15. DUE OBSERVANCE OF COMPANY POLICIES

To preserve the integrity of the company's business, Distributors must observe the company's rules, regulations and Code of Conduct and Ethical Standards. Violation of these rules will mean automatic deactivation, suspension or termination of account, depending on the offense. After the deactivation of an account, the Distributor will be given two (2) months to clarify the issues pertaining to the deactivation by reporting to the management in person. Non-compliance will lead to the permanent deactivation of the account.

SECTION 3 THE SPONSOR

3.1. RESPONSIBILITY OF THE SPONSOR

Sponsors are responsible for their direct down lines in ensuring that they are properly trained with respect to ALLIANCE IN MOTION GLOBAL, INC.'s products, policies and procedures, marketing plan and sound business practices. Such responsibility includes:

- a) TRAINING by making sure that the down line attends all the required trainings and seminars of the company;

- b) COMMUNICATING to entertain the down line's inquiries and advising them regarding the proper steps/strategies to take;
- c) UPDATING by informing the down line regarding new policies and developments in the company.

3.2. EXCLUSIVE TERRITORIES

The Distributor may extend his or her sponsoring activities to any country where ALLIANCE IN MOTION GLOBAL, INC. exists and to other territories as may be approved by the management.

SECTION 4 CODE OF CONDUCT AND ETHICAL STANDARDS

CODE NO. 1: LOYALTY TO THE COMPANY

All members shall at all times, remain loyal to the company and its policies being issued from time to time. They must not commit acts, which include but are not limited to:

a) Joining, representing, associating, sponsoring, recruiting, conspiring in any mode or form for the benefit or advantage of companies, business groups, partnership or individual, directly competing with ALLIANCE IN MOTION GLOBAL, INC. either locally or abroad;

b) Introducing, presenting, selling, promoting, nor offering in any manner their products, services, businesses, marketing programs and plans or a combination thereof, whether tangible or intangible.

Note: If the Distributor/s was confirmed to have joined another MLM company, 2nd offense penalty will automatically apply.

CODE NO. 2: PROTECTION OF COMPANY REPUTATION

In consideration of the benefits and privileges given by the Company, all members must not make nor encourage written or oral remarks or statements, which tend to discredit and disrepute the company, its centers or any of its service branches and its officers, agents or representatives.

CODE NO. 3: HONESTY IN ALL DEALINGS

All members are strictly enjoined to be professionals in all acts and bearings, dealings or transactions. They must not make any false statements, such as, but not limited to misrepresentation, exaggeration, disinformation, vain promises, introducing fake or spurious products or services, or circumventing the marketing plans or programs of the company.

CODE NO. 4: HONESTY AMONG FELLOW MEMBERS

All members are strictly enjoined to be honest and credible in all their deeds by not committing acts against the company or fellow members, which are but not limited to:

- a) Imitating or counterfeiting any handwriting, or signature;
- b) Causing it to appear that a member has participated in any act or activity when he/she did not in fact so participate;
- c) Alluding or pointing to members who have participated in any act, activity or statements other than those made by them;
- d) Inserting false statements in a narration of facts such as those in the affidavit, deed and other documents similar thereto;
- e) Changing true dates;
- f) Modifying a genuine document, which alters or changes its meaning;
- g) Issuing in an authenticated form a document purporting to be a copy of an original document when no such original actually exists;

CODE NO. 5: HUMILITY AND RESPECT TOWARDS MEMBERS OF THE COMPANY

All members are strictly enjoined to observe humility and respect towards fellow members, officers and employees of the company, by not committing directly or indirectly any acts, which are but not limited to rudeness, disrespect and discourtesy.

***First Offense** - One (1) month deactivation of all the accounts with the forfeiture in favor of the company of all benefits, privileges, commissions and other remunerations either monetary or any kind, which accrued at the time of the commission of the violation.

***2nd Offense** - Six (6) months deactivation of all the accounts with the forfeiture in favor of the company of all benefits, privileges, commissions and other remunerations either monetary or any kind, which accrued at the time of the commission of the violation.

***3rd Offense** - Perpetual deactivation of all the accounts, which carries with it the forfeiture of all benefits, privileges, commissions and other remunerations either monetary or any kind in favor of the company, which accrued at the time of the commission of the violation.

CODE NO. 6: FAIRNESS TOWARDS FELLOW MEMBERS

All members are strictly enjoined to have a sense of equality and sincerity toward fellow members by not interfering with the sponsoring activities of their fellow members to the latter's prejudice. While it is generally the discretion of the recruit under whose sponsorship he/she will register, members are strictly prohibited from influencing other members' recruits to register under sponsors apart from the ones who invited them.

However, after six (6) months from the time a recruit is introduced to ALLIANCE IN MOTION GLOBAL, INC. and no registration has been accomplished by the original sponsor, another Distributor may sponsor him or her.

CODE NO. 7: DECENCY, GOOD MORALS AND BEHAVIOR

All members are strictly enjoined to observe decency and good behavior by not committing any immoral act or conduct, which tends to debase company policies and good morals within the company premises, its centers or service branches.

Members are strictly prohibited from influencing, obstructing or inducing the spouses' choice to transfer from one group to another or to circumvent the policy regarding such transfer. (See Section 2.2 on Husband and Wife Distributorship)

***1st Offense** - Perpetual deactivation of all the accounts, which carries with it the forfeiture of all benefits, privileges, commissions and other remunerations either monetary or any kind in favor of the company, which accrued at the time of the commission of the violation.

CODE NO. 8: NON-TOLERANCE OF FRAUDULENT ACTIVITIES

All members are strictly enjoined not to commit any fraudulent act or false pretenses directly or indirectly, to the prejudice of the company or fellow member by not committing acts, which are but not limited to:

a. For internal control of the company:

- i. Using fictitious name, or dummy, or by other deceitful means purportedly to obtain personal gain and interest;
- ii. Issuing a check to a fellow member or to the company when he/she/it has no funds or are insufficient to cover the amount of the check;
- iii. Incurring obligation to a fellow member or to the company and evading the performance thereof;
- iv. Non-issuance of the COMPLETE SET OF REGISTRATION PACKAGE and/or NOT ENCODING the New Distributor;
- v. Soliciting large sums of money from persons who purport to be investors;
- vi. Cross-Lining or Transferring/Sponsoring from other groups, except as authorized by the Company;
- vii. Openly or discreetly giving gifts to management and staff to gain personal favors.

b. For Selling of Products:

- i. By altering the quality, fineness or weight of any product pertaining to the business of the company;
- ii. **ONE PRICE POLICY:** Selling of Global Package, C24/7, COMPLETE-PE, ALIVE and other ALLIANCE IN MOTION GLOBAL, INC. products below the standard retail price set by the company.

***1ST Offense** - Perpetual deactivation of all the accounts, which carries with it the forfeiture of all benefits, privileges, commissions and other remunerations either

monetary or any kind in favor of the company, which accrued at the time of the commission of the violation.

4.1. PENALTY FOR VIOLATION OF SECTION 4: CODE OF CONDUCT AND ETHICAL STANDARDS

The Company imposes the following penalties for violation of Section 4, unless otherwise indicated in the prior provisions:

***1st Offense** - Six (6) months deactivation of all the accounts with the forfeiture in favor of the company of all benefits, privileges, commissions and other remunerations either monetary or any kind, which accrued at the time of the commission of the violation.

***2nd Offense** - Perpetual deactivation of all the accounts, which carries with it the forfeiture of all benefits, privileges, commissions and other remunerations either monetary or in kind in favor of the company, which accrued at the time of the commission of the violation.

SECTION 5 MARKETING PLAN

5.1. THE BUSINESS OF ALLIANCE IN MOTION GLOBAL, INC.

The hybrid Marketing Plan of ALLIANCE IN MOTION GLOBAL, INC. is a combination of Binary, Uni-level and Stair Step plan. The business consists of direct selling of products and the sharing of the business plan to prospective clients. A person desiring to enter into the business of ALLIANCE IN MOTION GLOBAL, INC. has to purchase a Global Package for P7,980 or P1,980 for the Quick Start Package.

5.2. WAYS TO EARN IN ALLIANCE IN MOTION GLOBAL, INC.

ALLIANCE IN MOTION GLOBAL, INC. gives its Distributors six (6) simultaneous ways to earn as follows:

5.2.1. Retailing

Distributors can earn by simple retail sales of ALLIANCE IN MOTION GLOBAL, INC. Products. Distributors have a lifetime twenty five percent 25% discount on all products. This is called the Distributor Price (DP). They may then sell the products at a higher price, which should not be below the Suggested Retail Price (SRP), pursuant to the One Price Policy.

5.2.2. Direct Sponsoring

For every new person that a Distributor sponsors, he/she earns P500 and 1,200 Product Points.

5.2.3. Matched Sales Bonus

This is also known as the Binary System. Upon becoming a Distributor, the latter can form two (2) groups under his account, the Left Group and the Right Group. For each group, there can be several levels. To earn from this system, each level from the Left Group and each level from the Right Group must have a total of 1,200 points, which then reflects 2,400 points when combined. A Distributor immediately earns a Matched Sales Bonus of P 1,500 for every 2,400 combined group points.

Every 5th Matched Sale (pair) entitles the Distributor to a Gift Cheque (GC) for products instead of cash to maintain product sales.

For this system, it is important for the company to maintain a balance in both recruiting new Distributors and selling its products. A Distributor is not allowed to simply pull numerous recruits into the business and earn solely on the basis of the number of people he or she sponsors. This is why ALLIANCE IN MOTION GLOBAL, INC. utilizes the “Flush-out” system. The “flush-out” system works by allowing only sixteen (16) matched sales per day, divided eight (8) matched sales for two (2) time intervals or cycles.

16 Matched Sales per Day = (8 Matched Sales per Cycle) x (2 cycles per day)

1st Cycle : 12:00 am – 11:59am

2nd Cycle : 12:00pm – 11:59pm

A Distributor is not allowed to credit more than eight (8) matched sales for each cycle. Entering a ninth (9th) match within the same cycle will result to a “flush-out” of all the points accrued from the ninth (9th) match and he/she then goes back to zero points. However, the eight (8) matched sales will not be affected and will be converted to income immediately.

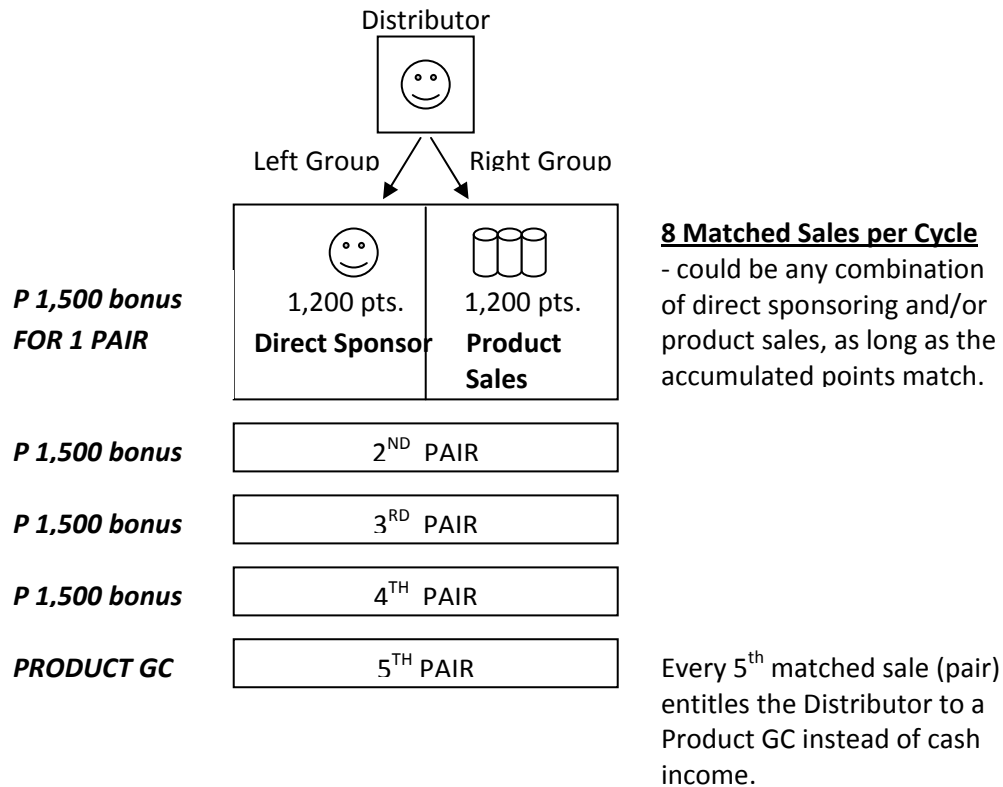


DIAGRAM 1. MATCHED SALES BONUS MECHANISM

5.2.4. Uni-level Bonus

Under this system, a Distributor can have several levels or down lines. From the **product sales** of each of his or her down lines, he or she earns five percent (5%) of product points. However, a Distributor can only earn up to his tenth (10th) level.

The special feature of this scheme is the Dynamic Compression. This mechanism ensures that qualified Distributors will earn bonuses on all 10 levels without breakage to the inactive or non-performing Distributors within the earning levels. If among the 10 levels, one (1) level is inactive, the latter will not be counted as a level. Instead, the eleventh (11th) level will take the place of the tenth (10th) level, and so on.

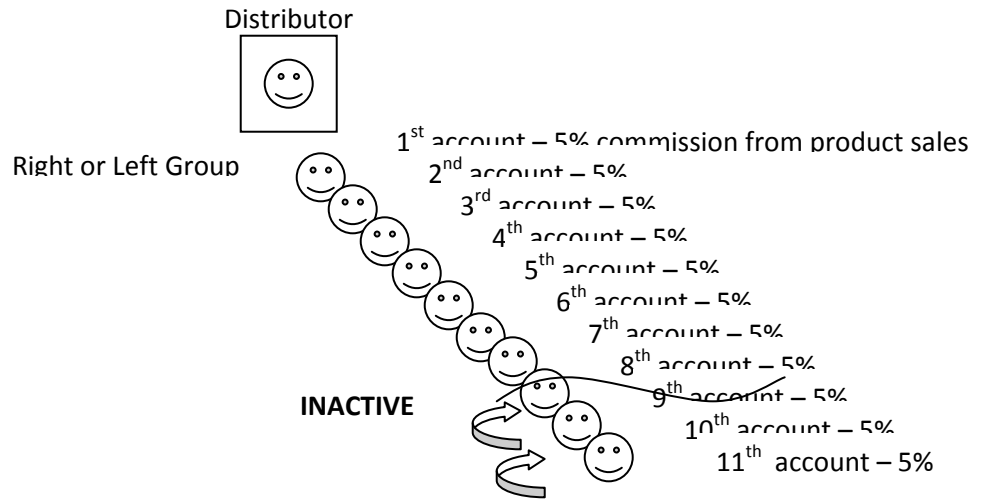


DIAGRAM 2. UNI-LEVEL EARNING MECHANISM

5.2.5. Stair Step Bonus

The benefit of becoming an Executive Distributor is the percentage of income commission that he or she derives from the total sales volume of his or her down lines.

POSITION	REQUIREMENT	BENEFIT
Silver Executive (SE)	Accumulation of 10 group re-order points	10% commission
Gold Executive (GE)	Accumulation of 100 group re-order points	20% commission
Global Ambassador (GA)	Accumulation of 1,000 group re-order points	30% commission

TABLE I. STAIR STEP BONUS MECHANISM

5.2.6. Royalty Bonus

When a Global Ambassador's down lines achieve the Global Ambassador rank, he/she gets an additional 2% percent of income from the total group sales volume of the Global Ambassador and Non-Global Ambassador down lines. The income is limited to five (5) Global Ambassador down lines referred to as the first to the fifth generation Global Ambassadors.

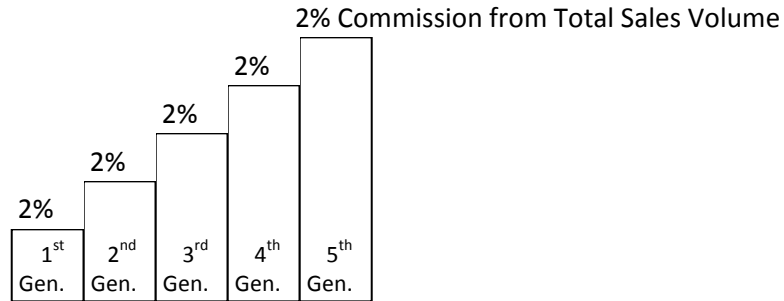


DIAGRAM 3. ROYALTY BONUS MECHANISM (GLOBAL AMBASSADOR)

5.2.7. Travel Incentives

Each Distributor may be entitled to a trip to the United States of America upon meeting the following conditions:

- a. 3 NEW DIRECT SPONSORING
 - i. Must have two (2) positional points from personal re-order maintenance per month or 24 positional points for the whole year;
 - ii. Complete product re-orders only; GC not included as maintenance.

- b. 2 NEW DIRECT SPONSORING
 - i. Must be promoted to Silver Executive (SE) rank before December 31.

- c. 1 NEW DIRECT SPONSORING
 - i. Must be promoted to Gold Executive Rank before December 31;
 - ii. Had at least 100 pairs for the whole year;
 - iii. Must have a monthly personal re-order maintenance of 0.3334 positional points (GC not included);
 - iv. Must have at least 30 positional points (group product re-order quarterly).

5.3. PAYMENT SCHEDULE

Distributors may claim payment of their reflected income from BDO according to the following schedule:

1. Daily payout through ATM – cutoff every 5:00 A.M; release or deposit to ATM on the same day by 7:00 P.M.
2. Weekly payout by Check – cutoff every Friday; release on Wednesday of the following week.
3. Uni-level and Stair Step (ATM) – cutoff is by the end of the current month of production; release on every 15th of the following month.

5.4. PROMOS

All promos are non-convertible to cash and are non-transferable.

5.5. TAXATION

Distributors shall not be treated as employees, franchisees, joint ventures or partners with regard to taxation laws, rules, ordinances or regulations. They shall observe natural provincial and local status and regulations relating to business operation. They shall be responsible for their own managerial decisions and expenditures, including estimated income tax and self-employment taxes. All Distributors are responsible for paying income taxes due from discounts earned as an ALLIANCE IN MOTION GLOBAL, INC. Distributor.

All income presented in the Marketing Plan constitutes gross income and is exclusive of tax. Ten percent (10%) of the gross commission of each Distributor is deducted by ALLIANCE IN MOTION GLOBAL, INC. as withholding tax by the end of each tax year. The Distributor may request for a copy of the 2307 form from the finance department. The total deduction per encashment consists of the 10% withholding tax plus P50 processing fee.

5.6. ON RE-INVENTING THE MARKETING SCHEME

The business of ALLIANCE IN MOTION GLOBAL, INC. is NOT an INVESTMENT SCHEME wherein, it will be presented to people who will be called as INVESTORS and in return get a huge percentage as interest while doing nothing upon placing a huge sum of money as their INVESTMENT.

Any individual or group who will present, join, promote or has a connection with said scheme in any way, directly or indirectly, will be dealt with severely, which may include termination and/or legal action for damages. The company will NOT be held liable if a distributor/s joins the said unauthorized investment even if he/she does not know the policy. Each distributor/individual is expected to take ordinary caution if he/she is being asked to pay more than the approved P7,980 Global Package.

SECTION 6 PRODUCT SALES

6.1. PRODUCT MAINTENANCE

It is a product purchase of any combination or product gift certificate (GC) that will have an equivalent point value of .3334 in order to obtain the UNI-LEVEL income of 5% on commission points up to the 10th level. Maintenance of any current month should be done one (1) month prior and the income will be released every 15th of the following month.

6.2. NEW PRODUCT POLICY

For ALLIANCE IN MOTION GLOBAL, INC. Distributors to earn rebates on a new product, they must buy the new product on the month of its release. This is on top of their personal monthly maintenance. But on the following month, the Distributors will return to their original personal monthly maintenance. This is to ensure that all active distributors are the first to try the product before selling to their retail customers.

6.3. DIRECT SALES ONLY

All ALLIANCE IN MOTION GLOBAL, INC. products shall NOT be sold in any retail stores such as Pharmacies, Drug Stores, PX Shops, Grocery Stores, Supermarkets and the like as these will directly compete with the Business Center Office (BCO) and satellite offices nationwide.

Since the company is practicing a daily, weekly and monthly pay-out structure, the company only allots ten (10) days for product returns and buy backs.

SECTION 7 PRODUCT REFUND AND BUY BACK POLICY

7.1. The Buy Back Rule is designed to protect the interest of all ALLIANCE IN MOTION GLOBAL, INC. stakeholders (customers, distributors, business center owners & company) with a balanced approach and a win-win refund & buy back policy. The following conditions must be complied with before any refund or buy back is done:

1. The products are still in good condition and still saleable;
2. The product codes are not yet encoded;
3. Products are still eight (8) months before the expiry date;
4. Products are without traces of leak, pinholes, discoloration or fading of the packaging materials;
5. Supported by proof of purchase from distributor or company;
6. The distributorship is being terminated due to company policy violation or voluntary termination;
7. Products being returned will be checked to see if the product was subjected to heat or if it contains signs of discoloration;

8. There should be no sign or pattern of repetitive product refund and buy back for the same distributor or sponsor;
9. Buy back and refund will be subject to computation to determine the loss in cost of money and taxes paid;
10. Request for buy back and refund should be in writing ten (10) days before the actual buy back and refund transaction is to be made.

SECTION 8 PRODUCT EXCHANGE

8.1. ALLIANCE IN MOTION GLOBAL, INC. will exchange products only if the returned products are defective or of substandard quality and are not yet encoded. The following procedure shall be applied to effect a product exchange:

1. The Consumer must request an exchange in writing within ten (10) days immediately following the product purchase together with the original receipt;
2. Upon inspection, the returned products will be replaced with undamaged products or a full refund from the distributor who sold the products to the consumer;
3. The Distributor shall be solely responsible for this process of product return and exchange;
4. The Distributor must request an exchange in writing within ten (10) days immediately following the receipt of the returned product from the Consumer.
5. The Company will provide a new and similar product to the Distributor.

SECTION 9 BUY BACK PROCEDURE

9.1. ALLIANCE IN MOTION GLOBAL, INC. shall buy back from the Distributor any unsold and saleable products, which are still eight (8) months from expiry and are not yet encoded, except: 1) products that have been opened and consumed, 2) products that ALLIANCE IN MOTION GLOBAL, INC. no longer carries or 3) products that have a different packaging though still eight (8) months from expiry date and not yet encoded. The procedure below should be followed:

1. The Distributor must request in writing a return of products with attached proof of purchase such as the original receipt from ALLIANCE IN MOTION GLOBAL, INC.;
2. The Company will inspect the products if it is still saleable and in good condition and will check the accuracy of the submitted original receipt;
3. The Company shall give a refund less the cost of money and taxes.

SECTION 10 ADVERTISING AND USE OF TRADEMARKS AND COPYRIGHTED MATERIALS

10.1. ON PROMOTIONAL MATERIALS

The ALLIANCE IN MOTION GLOBAL, INC. name, logos, trademarks and copyrights are exclusively owned by ALLIANCE IN MOTION GLOBAL, INC. As such, distributors agree not to use any written, printed, recorded or any other material in advertising, promoting or describing the products or Marketing Plan of the company in any manner, which has not been approved by management before being disseminated, published or displayed. **The use or production of any promotional materials created by a Distributor, which has no prior written approval from ALLIANCE IN MOTION GLOBAL, INC. management is strictly prohibited.**

No Distributor shall make claims as to the products' therapeutic or curative properties, except as provided in the official ALLIANCE IN MOTION GLOBAL, INC. literature.

No Distributor shall use print, radio or television advertising, except with the written approval of ALLIANCE IN MOTION GLOBAL, INC.

In cases where the media may contact an ALLIANCE IN MOTION GLOBAL, INC. Distributor regarding ALLIANCE IN MOTION GLOBAL, INC.'s officers, products or procedures, the Distributor shall refer them to the ALLIANCE IN MOTION GLOBAL, INC. Customer Service Department.

10.2. WEBSITES

The creation of websites for the promotion of a Distributor's business is not prohibited. However, the company strictly prohibits the creation of websites, which purport to be the official website of ALLIANCE IN MOTION GLOBAL, INC. Any other website apart from the commercial website of ALLIANCE IN MOTION GLOBAL, INC., created for the promotion of ALLIANCE IN MOTION GLOBAL, INC.'s products or business **must always contain a disclaimer** at the bottom of every web page that it is not the official website of ALLIANCE IN MOTION GLOBAL, INC.

Failure to comply with this requirement, whether intentional or unintentional, will result in the termination of membership and/or legal action for damages.

10.3. FAIRS AND TRADE SHOWS

Distributors can join fairs and trade shows to promote ALLIANCE IN MOTION GLOBAL, INC. products on the condition that they are not displayed together with any other products sold through multi-level marketing.

SECTION 11 BUSINESS CENTER PROGRAM QUALIFICATIONS

11.1. BUSINESS CENTER PROGRAM

ALLIANCE IN MOTION GLOBAL, INC. gives its Distributors the opportunity to own a Business Center (BC), which will supply products and conduct trainings and seminars in the area of their choice.

11.1. BUSINESS CENTER OPERATOR (BCO)

The BCO maintains the status of an independent affiliate of ALLIANCE IN MOTION GLOBAL, INC. They are given extra privileges, commensurate for the extra responsibilities that are placed upon them.

As an independent affiliate, a BCO cannot represent ALLIANCE IN MOTION GLOBAL, INC. on a legal capacity. Instead, they represent themselves and the company that they may set-up for the purpose of serving as Business Center Operator for ALLIANCE IN MOTION GLOBAL, INC.

The BCO handles delicate and confidential information, transacts finances, reports and inventory. The Business Center Operator must support the total livelihood program envisioned by ALLIANCE IN MOTION GLOBAL, INC. as well as every other objective of the company.

11.3. DURATION OF RIGHT TO OPERATE AS BCO

A Business Center Operator is given the BCO rights for a period of one (1) year. The management shall review the BCO's performance based on sales, customer service, and compliance with the terms and conditions of the BCO Memorandum of Agreement. Performance evaluation is conducted on an annual basis. The BCO agreement is renewed annually for the first five (5) years from commencement. Management will thereafter consider renewing the BCO agreement for a period of more than one (1) year depending on the performance of the BCO.

11.4. QUALIFICATIONS FOR A BCO

Any Distributor of ALLIANCE IN MOTION GLOBAL, INC. who possesses the following requisites may be a Business Center Operator:

1. For natural persons:
 - a. Unquestionable integrity;
 - b. Must have prior or current experience as a businessman;
 - c. Must not be currently involved with any network or Direct Selling business other than ALLIANCE IN MOTION GLOBAL, INC.;
 - d. At least three (3) months of distributorship with at least forty (40) down lines;
 - e. Silver Executive distributor with seven (7) ALLIANCE IN MOTION GLOBAL, INC. accounts and monthly earnings of at least P 30,000.00;
 - f. At least 20 to 55 years old.
2. For legal entity:
 - a. All the requisites for natural persons, except 1.b and 1.f;
 - b. Submission of Articles of Incorporation or Articles of Partnership, by-laws and board resolution appointing an official representative to transact with ALLIANCE IN MOTION GLOBAL, INC.

11.5. BUSINESS CENTER PROGRAM REQUIREMENTS

11.5.1. BCO Profile

For the BCO profile, a BCO applicant is required to submit the following:

1. Completely filled up application form;
2. Two (2) pieces 2x2 ID picture;
3. Xerox of ALLIANCE IN MOTION GLOBAL, INC. ID;
4. Registration form with complete information;
5. Letter of intent;
6. Recommendation letter from the direct upline and upline leader;
7. Sketch of Business Center location;
8. Photos of proposed center;
9. Structure of ALLIANCE IN MOTION GLOBAL, INC. account (print genealogy);
10. Lay out of proposed center.

NOTE: Applicants must submit the above-mentioned requirements to the ALLIANCE IN MOTION GLOBAL, INC. Head Office for evaluation in person or by mail, addressed to **Ms. Lizeth Bagtas**. Qualified applicants will be scheduled for interview. Please compile all documents and neatly fasten them in a short brown folder. Incomplete data and requirements will not be processed.

Upon approval of the BCO rights application, you will be notified to deposit the initial capital of P500,000 in any of the company's bank accounts.

11.5.2. Accessibility

The Business Center Office must be located within the business or commercial district of the city or municipality. It cannot be located in a home garage or similar facilities that may degrade the entrepreneurial nature of the business.

11.5.3. Office Space

1. **Signage** – A standard signage of ALLIANCE IN MOTION GLOBAL, INC. shall be installed in the business center;
2. **Floor space** – Must be at least 50 square meters;
3. **Cleanliness** – Must be well lighted, well ventilated (or air-conditioned) and free from rodents or other pests and pets;
4. **Partitions** – Must have a training area, a stockroom and a selling area. All of these may be located within one (1) room for as long as there are partitions to segregate the three (3) main areas:
 - a. **Training Area** – seating capacity of at least 50 persons. Must have a white board (at least 3'x6'), chairs, tables, LCD projector is ideal, microphone and speaker;
 - b. **Selling Area** – a product display cabinet must be installed properly and there must be a secured cash cabinet;
 - c. **Stockroom** – room temperature must not exceed 30°Celsius to avoid product spoilage.

11.5.4. Communication

1. Telephone line or Cellular phone (necessary)
2. Fax machine (recommended)
3. Computer with internet connection (required)
4. Scanner (required)

Note: To ensure compliance with the above requirements, photographs of the newly established center must be submitted within the first three (3) months of the BCO operation.

11.5.5. Manpower

A business center requires at least two (2) facilitators:

1. Officer-in-charge (OIC) – to function also as local marketing officer, cashier, and trainer.
2. Stockman – to function also as maintenance person and messenger.

11.5.6. Capitalization

P500,000.00 is the minimum capital investment required to start a business center.

11.6. BUSINESS CENTER PROGRAM BENEFITS

11.6.1. Immediate Financial Benefit

1. **Outright income** – A Business Center has an outright income for every product sold to distributors and consumers. Please refer to APPENDIX 9 for illustration.
2. **Rebates** – The company expresses its gratitude by giving the BCO a permanent incentive called Purchase Rebates. A BCO with P350,000.00 monthly gross sales and with at least 30% product re-order from the total gross sales will qualify to claim the purchase rebates, which can either be converted into re-order products with equivalent codes or collected through check payment.
3. **Satellite overriding commission** – A BCO will earn commission from the registered satellite in its area, which buys directly from the BCO Head Office.

11.6.2. Immediate Product Inventory

Please refer to APPENDIX 10 for the product breakdown of BCO initial inventory.

11.6.3. Long-Term Financial Benefit

Normally, the success of a Business Center rests on having a strong network development within the area. This gives the BCO long-term financial benefits.

11.6.4. Network Leadership and Livelihood Development

A good Business Center Operator develops strong network leadership. A strong leadership creates many builders and retailers within his jurisdiction. A continuous flow of livelihood is then generated within the locality. This does not only help the Business Center Operator but his “Kababayan” as well.

SECTION 12 GENERAL PROVISIONS

12.1. CONTRACT CHANGES

The company reserves the right to make any modifications to the Contract upon 30 days notice by publication and normal channels of communication. You agree that after 30 days, such changes shall be deemed effective and incorporated in the Contract between you and ALLIANCE IN MOTION GLOBAL, INC. Continuing to act as a Distributor and accepting any bonus or benefit after the modifications shall have become effective are express acts of acceptance of the new Contract terms.

12.2. WAIVERS AND EXCEPTIONS

The Company reserves the right to make waivers and exceptions to the application of these Policies, provided it is expressly stated in writing.

Any prior waiver or exception made as such shall not operate as a waiver of subsequent or additional breach nor as an exception for any other person.

Any delay of the company to impose the sanctions set forth in these Policies shall not constitute a waiver of the company’s right to demand exact compliance with its rules and regulations, nor shall any custom or practice at variance with these rules obstruct this right.

12.3. GOVERNING LAW AND JURISDICTION

The laws of the Philippines shall govern the resolution of any dispute arising from the enforcement of these provisions. The Court having jurisdiction over ALLIANCE IN MOTION GLOBAL, INC.’s Head Office shall be the exclusive venue for all legal actions concerning ALLIANCE IN MOTION GLOBAL, INC.

12.4. SEVERABILITY

Any provision of the agreement between ALLIANCE IN MOTION GLOBAL, INC. and its Distributors, embodied in this document or otherwise, which has been judicially invalidated or otherwise rendered unenforceable shall not invalidate nor render unenforceable any other provision in the agreement.