



Multifamily Policies and Procedures

THE AGREEMENT

The "Agreement" is a fully integrated agreement composed of these Multifamily Policies and Procedures ("Policies"), the Ambit Multifamily Advisor Application ("Application"), the Multifamily Compensation Plan ("Compensation Plan"), and the Multifamily Business Entity Application ("Business Entity Application") (if applicable), as they may be amended from time to time pursuant to the procedures set forth herein. Throughout these Policies, when the term "Agreement" is used, it collectively refers to the Application, these Policies, the Compensation Plan and the Business Entity Application (if applicable). These contracts are incorporated by reference into one another and form the parties' integrated Agreement.

SECTION 1: CODE OF ETHICS

Ambit Marketing, LLC (herein "Ambit" or the "Company"), is guided by core principles established by our Co-Founders that emphasize integrity, excellence, commitment and enthusiasm in all that we do. Everything we do is based on our commitment to improve the lives of our customers, employees and Independent Multifamily Advisors ("Advisors"). We want Advisors who will embrace these values with us. Therefore, we insist that Advisors operate within the parameters of the parties' Agreement. Advisors will not, in any way, attempt to persuade, induce or coerce another party to breach the Agreement. Any such action is considered a violation of the Agreement. Advisors will notify Ambit at Ambit Energy's Field Compliance Department, (i) email at fieldcompliance@ambitenergy.com; (ii) fax at 877-431-0689; or (iii) mail to Ambit Energy, Attention: Field Compliance, 6555 Sierra Drive, Irving, Texas 75039, of any known violation of the Agreement. Failure to report any known violation of the Agreement is itself considered a violation of the Agreement.

1.1: ADHERENCE WITH LAWS. Advisors will comply with all applicable laws and regulations of every jurisdiction in which they conduct their independent businesses, regardless of whether such laws or regulations are expressly referenced herein.

1.2: DECEPTIVE AND UNLAWFUL PRACTICES. To ensure compliance with all applicable laws and regulations, Advisors will uphold the values of Ambit and will not engage in any deceptive, unlawful or unethical consumer or recruiting practices that may be detrimental to or reflect poorly on Ambit.

1.2.1: SLAMMING. Advisors must never switch, or attempt to switch, any individual or entity to Ambit Energy's services unless the customer affirmatively and voluntarily made the change by signing a contract or indicated his/her acceptance of the change by another method approved by the state public service commission.

1.2.2: ENROLLMENT PROHIBITIONS. Advisors are only allowed to enroll customers with a Texas service address and must comply with all requirements of the Public Utility Commission of Texas to ensure each Ambit customer enrollment is authorized. Advisors are prohibited from having any of his/her contact information (phone number or email) associated with a customer account. Advisors must comply with all regulatory third-party verification ("TPV") prohibitions, such as not interfering with the TPV by guiding customer's answers and remaining on the line during the recorded TPV call.

1.2.3: CLAIMING TO BE THE CUSTOMER. Advisors are strictly prohibited from holding themselves out as the customer.

1.3: HONESTY IN REPRESENTING AMBIT. It is unlawful to make false or misleading representations in connection with the operation of your independent businesses and the offering of Ambit's energy products and services. Therefore, Advisors will familiarize themselves with Ambit's energy service and will represent those to their customers realistically. To avoid violating any applicable law or regulation, any claims, representations or statements Advisors make regarding Ambit will be limited to those included in the Ambit literature.

1.3.1: INDEMNIFICATION. An Advisor is fully responsible for all their verbal and written statements made regarding Ambit products and services that are not expressly contained in official Ambit materials. Advisors agree to indemnify Ambit Marketing, LLC, or any other Ambit-related entity including Ambit Marketing, LLC's ultimate parent company and its related subsidiaries and affiliates (collectively, the "Ambit Companies") and any of Ambit's directors, officers, employees and agents, and hold them harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs or lost business incurred by Ambit as a result of the Advisor's unauthorized representations or actions. This provision shall survive the termination of the Agreement.

1.3.2: PRODUCT CLAIMS. To ensure compliance with all applicable laws and regulations, Advisors are prohibited from making any claim regarding Ambit Energy products that deviates from the product's terms, pricing and conditions.

1.3.3: MANIPULATION OF THE COMPENSATION PLAN. Ambit prohibits conduct and action which are, or may be perceived as, manipulation of the Compensation Plan primarily for the purpose of qualifying for incentives, bonuses, advancement, and/or compensation paid by Ambit. This prohibited conduct may include, but is not limited to: (i) purchasing and/or paying for Ambit products and services under a Advisor's account in your downline; or (ii) placing, or encouraging the placement of, orders under customer accounts in a fraudulent, manipulative, or deceptive manner. Ambit employs robust and consistent monitoring to ensure compliance with this policy. Similarly, Advisors shall not require or encourage other current or prospective customers or Advisors to make any purchase from, or payment to, any individual or other entity to participate in the Ambit Compensation Plan other than those purchases or payments identified as recommended or required in official Ambit literature.

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SECTION 2: PURPOSE OF THE AGREEMENT

Ambit is a direct sales company that markets its products and services to its customers through Advisors. It is important to understand that your success and the success of your fellow Advisors depends on the integrity of the men and women who market our products and services. To clearly define the relationship that exists between Advisors and Ambit, Ambit has established the Agreement.

2.1: CHANGES TO THE AGREEMENT. Because federal, state and local laws, as well as the business environment, periodically change, Ambit reserves the right to amend the Agreement and its prices at its sole and absolute discretion, which shall be exercised reasonably and in good faith. In that instance, Ambit will provide 30 days' advance notice of any such amendment via electronic mail and/or the Ambit-provided Advisor back office application (PowerZone). With regard to any such amendment, Advisor agrees that the continuation of your Advisorship, or your acceptance of bonuses or commissions, shall constitute your acknowledgement and acceptance of any and all such changes, and it shall also constitute adequate consideration to support such change(s), which shall automatically be incorporated into the Agreement as of the effective date. Unless Advisor expressly agrees to such amendment, the amendment will only apply prospectively to disputes that arise after the effective date of such change. An Advisor may opt out of any proposed amendments by terminating his or her Agreement prior to the effective date of such proposed amendments.

2.2: AGREEMENT AND PROVISIONS SEVERABLE. If any provision of the Agreement, in its current form or as may be amended, is found to be invalid or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect. The severed provision, or portion thereof, shall be reformed only to the extent necessary to make it enforceable, and to reflect the purpose of the provision as closely as possible.

2.3: WAIVER. The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of Ambit to exercise any right or power under the Agreement or to insist upon strict compliance by an Advisor with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of Ambit's right to demand strict compliance with the Agreement. Waiver by Ambit can be effectuated only in writing by an authorized officer of the Company. Ambit's waiver of any particular breach by a Advisor shall not affect or impair Ambit's rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Advisor. Nor shall any delay or omission by Ambit to exercise any right arising from a breach affect or impair Ambit's rights as to that or any subsequent breach. The existence of any claim or cause of action of a Advisor against Ambit shall not constitute a defense to Ambit's enforcement of any term or provision of the Agreement.

2.4: DELAYS. Ambit shall not be responsible for delays or failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation, pandemics or epidemics, strikes, labor difficulties, riot, war, fire, death, curtailment of a party's source of supply or government decrees or orders.

SECTION 3: BECOMING AN ADVISOR

3.1: REQUIREMENTS TO BECOME AN ADVISOR. To become an Ambit Advisor, each applicant must:

- Be of the age of majority in his or her state of residence;
- Reside in the United States or U.S. Territories or country that Ambit has officially announced is open for business;
- Have a valid Social Security or Federal Tax ID number;

- Have achieved the rank of National Consultant;
- Have achieved the rank of Executive Consultant and received approval by Ambit;
- Submit a properly completed Advisor Application to Ambit; and
- Provide separate authorization for Ambit to conduct a criminal background check if required by the regulations of the state(s) in which you will be marketing. Advisors and prospective Advisors will be required to pay the cost of the criminal background check if one is required.

3.2: NO PRODUCT PURCHASE REQUIRED. No person is required to purchase Ambit energy or natural gas services to become an Advisor.

3.3: AMBIT INDEPENDENT BUSINESS BENEFITS. Once an Advisor Application has been accepted by Ambit and Advisor receives any required certifications, the Advisor receives the right to:

- Sell Ambit products and services to Multifamily customers;
- Participate in the Ambit Multifamily Compensation Plan (receive bonuses and commissions, if eligible);
- Receive periodic Ambit literature and other Ambit communications;
- Participate in Ambit-sponsored support, service, training, motivational and recognition functions, upon payment of appropriate charges, if applicable; and
- Participate in promotional and incentive contests and programs sponsored by Ambit for its Advisors.

3.4: TERM AND RENEWAL OF YOUR AMBIT BUSINESS. An Advisor's Ambit Agreement will remain in force so long as the Advisor does not voluntarily cancel his or her Advisor agreement or the Advisor Agreement does not become involuntarily cancelled.

3.5: PROCESSING FEE. Ambit reserves the right to charge a service fee for each paper commission check that an Advisor receives. This fee will not apply to Advisors who sign up for direct deposit or other payment methods made available by Ambit.

SECTION 4: OPERATING AN AMBIT BUSINESS

4.1: INDEPENDENT CONTRACTOR STATUS. Advisors are independent contractors, and are not employees or officers of Ambit Companies, nor are they purchasers of a franchise or a business opportunity. The agreement between Ambit Marketing, LLC, and its Advisors does not create an employer/employee relationship, agency, partnership or joint venture between the Company and the Advisor. The Advisor has no authority (expressed or implied) to bind the Company to any obligation. Advisors shall not hold themselves out as an employees or affiliates of Ambit Marketing, LLC, or any affiliates or subsidiaries. Each Advisor shall establish his or her own goals, hours and methods of sale, so long as he or she complies with the terms of the Advisor Agreement, these Policies and applicable laws. The names of Ambit Energy, Ambit and other names as may be adopted by Ambit, are proprietary trade names, trademarks and service marks of Ambit. As such, these marks are of great value to Ambit and are supplied to Advisors for their use only in an expressly authorized manner. Use of the Ambit name on any item not produced by the Company is prohibited, except as follows: • Advisor's Name • Independent Ambit Advisor. All Advisors may list themselves as an "Independent Ambit Advisor" in a telephone directory under their own name using only a personal email address, personal website and personal contact information. Advisors are prohibited from listing any and all Ambit Energy or Ambit Marketing contact information in any directory. No Advisor may place telephone directory display ads using Ambit's name or logo. Advisors may not answer the telephone by saying "Ambit," "Ambit Incorporated" or in any other manner that would lead the caller to believe that he or she has reached the corporate offices of Ambit.

4.1.1: INCOME TAXES. An Advisor shall not be treated as an employee for his or her services or for federal or state tax purposes. Each Advisor is responsible for paying local, state and federal taxes on any income generated as an Advisor. If an Advisor is tax-exempt, the appropriate documentation, including the Federal Tax Identification Number, must be provided to Ambit. Every year, Ambit will provide an IRS Form 1099-misc (Nonemployee Compensation) to each U.S. resident who, in the previous year: (i) had earnings of over \$600; (ii) made purchases during the previous calendar year in excess of \$5,000; or (iii) was subject to backup withholding.

4.2: IDENTIFICATION. Every Ambit Advisor will be assigned a unique identification number "code" that will become their identification number and will be used in all correspondence. Every Ambit identification number must have a corresponding tax ID number provided by the Advisor during the application process. Only Social Security numbers or FEINs issued by the Social Security Administration or Internal Revenue Service, for use by the individual or organization filling out the Advisor Agreement, will be accepted. Providing false or invalid Social Security numbers or FEINs to Ambit will subject an Advisor to termination. All identification numbers will be kept strictly confidential, except where properly and legally required.

4.3: NAMING YOUR ADVISOR BUSINESS. The name of an Advisor position is determined by the name identified on the Advisor Agreement. No other name may be used in conjunction with an Advisor business. To alter the Advisor name (including the addition or deletion of a spouse, a change in last name, creating a D.B.A., "Doing Business As," or any other name change), the Transfer Packet must be used. In these cases, the \$45 administrative fee will be waived. Using a name other than the one appearing on the Advisor account is strictly prohibited.

4.4: INSURANCE. You may wish to arrange insurance coverage for your business. Your homeowner's insurance policy likely may not cover business-related injuries or the theft of or damage to inventory or business equipment. If you are concerned, you can contact your insurance agent to make certain that your business property is protected. This can often be accomplished with a simple "Business Pursuit" endorsement attached to your present homeowner's policy. For the avoidance of doubt, Ambit is not offering any form of insurance or advice pertaining to insurance, it is only providing general information.

4.5: ADVERTISING. All Advisors shall safeguard and promote the good reputation of Ambit and its products. The marketing and promotion of Ambit and Ambit products shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

4.5.1: USE OF COMPANY-PRODUCED ADVERTISING MATERIALS. To ensure compliance with applicable laws, rules and regulations, Advisors must use only the sales tools and support materials approved by Ambit in writing to promote both the products and services, and the Ambit Opportunity.

4.5.1.1: ADVISOR WEBSITES. All Ambit Advisors are eligible to subscribe to an Ambit Personal Website. The Ambit Personal Website is a personalized online store through which Ambit Advisors may promote and market Ambit's services. Advisor Personal Website Addresses (URLs) and all subdomains of a Personal Website address are wholly owned by Ambit. Ambit reserves the right to limit advertising of its websites. Only approved advertising and online promotional tools may be used.

4.5.1.2: LINKS TO AN AMBIT WEBSITE. Personal website subscribers are granted a limited, non-exclusive right to create a hypertext link to the subdomain provided by Ambit that designates the Advisor's personal store (example: www.<uniquename>.joinambit.com/), provided such link does not portray Ambit and/or its affiliates or any of their respective products and services in a false, misleading, derogatory or otherwise

defamatory manner. Also, an Advisor cannot create an impression that any subdomain is part of his or her own or other non-Ambit-maintained site. This limited right may be revoked at any time. Frames or framing techniques cannot be used to enclose any Ambit trademark, logo or proprietary information, including the images found at this website and the content of any text of the layout/design of any page or form contained on a page without Ambit's express written consent. Except as noted above, Ambit Advisors are not conveyed any patent, trademark, copyright or proprietary right of Ambit Marketing, LLC, any of its affiliated companies or any third party.

4.5.1.3: BANNER ADVERTISING. From time to time, Ambit makes banner ads and other online advertising tools available to Advisors through PowerZone. These tools may be used by Advisors to promote Ambit services as they are intended and as Advisors are directed to use them in PowerZone. As with any Ambit online promotions, these tools may not be placed on websites or linked to websites or URLs that are obscene, pornographic or otherwise harmful to Ambit's reputation.

4.5.2: USE OF INDEPENDENTLY PRODUCED ADVERTISING MATERIALS. Advisors must not use any of their own literature, advertisements, sales tools, promotional materials or web pages in promoting Ambit's services unless they first submit it to Ambit Marketing at MarketingTeam@ambitenergy.com and receive specific written approval for its use. As independent contractors, Advisors control the manner in which they use the approved tools and materials, so long as such use is in compliance with the Agreement (including these Policies).

4.5.2.1: INDEPENDENTLY PRODUCED WEBSITES. Ambit allows its Advisors to place approved advertising on the Internet to promote Ambit services and designated Ambit websites only. However, any websites (or URLs designating these websites) on which such advertisements or links are placed may not be obscene, pornographic, racist or otherwise deemed harmful to Ambit's reputation as determined by Ambit at its sole discretion. Additionally, URLs of websites used for Ambit products and services and designated Ambit websites may not contain any term that is a trademark, service mark or copyright that violates any other proprietary right held by another, including Ambit Marketing, LLC. Approved advertising includes only those advertising tools made available to Ambit Advisors through PowerZone. As explained in Section 4.5.1, and in order to comply with all applicable laws and regulations, Ambit prohibits the use of unapproved online advertising to promote Ambit products and services or any Ambit website address (URL) or subdomain of an Ambit URL.

In order to ensure compliance with applicable consumer protection laws, other than through an Ambit-provided Advisor Personal Website, Ambit Advisors are prohibited from using websites to take orders for Ambit products and services.

4.5.3: DOMAIN NAMES. Advisors may not use or attempt to register any of Ambit's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, for any Internet domain name. For example, www.<your name>.ambit.com.

4.5.4: TRADEMARKS AND COPYRIGHTS. Ambit will not allow the use of its trade names, trademarks, designs or symbols by any person, including Ambit Advisors, without its prior, written permission. Advisors may not produce for sale or distribution any recorded Company events and speeches without written permission from Ambit, nor may Advisors reproduce for sale or for personal use any recording of Company-produced audio or video tape presentations.

4.5.5: KEYWORD ADVERTISING. Advisors may not engage in keyword advertising using the trademarks of Ambit, any competitor of Ambit (such as, for example, TXU, Pennywise, Reliant, ConEdison, National Grid, etc.) or other keywords that are obscene, pornographic, political or otherwise harmful to Ambit's reputation or business.

4.5.6: UNSOLICITED MAIL OR EMAIL. To comply with applicable laws, rules and regulations, Advisors may not send unsolicited commercial mail or emails related to Ambit, Ambit products or services, or the Ambit Opportunity, unless such mail or emails strictly comply with applicable laws and regulations including, without limitation, the federal CAN-SPAM Act. Any mail or email sent by an Advisor that promotes Ambit, Ambit products or services, or the Ambit Opportunity, must comply with the following:

- There must be a functioning return mail or email address that goes to the sender.
- There must be a notice in the email that advises the recipient that he or she may reply to the email, via the functioning return email address, to request that future email solicitations or correspondence not be sent to him or her (a functioning “opt-out” notice).
- The mail or email must include the Advisor’s physical mailing address.
- The mail or email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
- The use of deceptive headlines, subject lines and/or false header information is prohibited.
- All opt-out requests, whether received by email or regular mail, must be honored. If a Advisor receives an opt-out request from a recipient of an email, the Advisor must forward the opt-out request to the Company.

Ambit may periodically send commercial emails on behalf of Advisors. By entering into the Agreement, a Advisor agrees that the Company may send such emails and that the Advisor’s physical and email addresses will be included in such emails as outlined above. Advisors shall honor opt-out requests generated as a result of such emails sent by the Company.

4.5.7: UNSOLICITED FAXES. To comply with applicable laws, rules and regulations, Advisors may not send unsolicited commercial faxes related to Ambit, Ambit products or services, or the Ambit Opportunity.

4.5.8: TELEMARKETING TECHNIQUES. The Federal Trade Commission (“FTC”) and the Federal Communications Commission each have laws that restrict telemarketing practices. Both federal agencies (as well as a number of states) have “do not call” regulations as part of their telemarketing laws. These government regulations broadly define the term “telemarketer” and “telemarketing” so that your inadvertent action of calling or texting someone whose telephone number is listed on the federal “do not call” registry could cause you to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties (up to \$11,000 per violation). Ambit is also required by federal law to maintain an internal, company-specific “do not call” registry. Advisors may make unsolicited calls to multifamily housing leasing offices to gauge the leasing office’s interest in referring residents to Ambit for telephonic or online enrollment, provided that Advisors: (i) follow all applicable laws and regulations, including where applicable obtaining required licenses, and (ii) prior to calling, confirm through the link in PowerZone.

In promoting Ambit’s products or services in compliance with this section, Advisors shall not: (i) use or contract with a third party to place calls, (ii) use automatic telephone-dialing systems (for calls or texts), and (iii) use prerecorded voices or messages. The term “automatic telephone dialing system” means equipment which has the capacity to: (i) store or produce telephone numbers to be called using a random or sequential number generator; and (ii) to dial such numbers.

4.5.9: DOOR-TO-DOOR MARKETING. Advisors must adhere to all applicable laws, rules, and regulations of every jurisdiction in which they conduct their independent businesses, as provided in Section 1.1, and because regulations on door-to-door marketing vary widely between jurisdictions and are continually changing, Advisors shall not engage in

door-to-door marketing in relation to their Multifamily Advisor business. Notwithstanding the foregoing, Advisors are permitted to visit multifamily housing leasing offices to gauge their interest in making referrals to Ambit.

4.5.10: TRADE SHOWS, EXPOSITIONS AND OTHER SALES FORUMS.

Advisors may display and/or sell Ambit services at trade shows and professional expositions. Before submitting a deposit to the event promoter, Advisors must provide written awareness to Ambit Marketing at MarketingTeam@ambitenergy.com.

4.5.11: CONTRACTING WITH THIRD-PARTY SUPPLIERS. In order to comply with applicable consumer protection laws, prior to engaging with a third-party supplier relating to advertising and/or marketing services, Advisor must receive written approval by Ambit Marketing at MarketingTeam@ambitenergy.com. All actions by third-party suppliers are the sole responsibility of the Advisor.

4.6: CUSTOMER WITHOUT A DESIGNATED ADVISOR. An Advisor may claim a customer who lacks a designated Advisor when all three of the following criteria are met: (i) the Advisor can provide the name and Ambit account number of the customer; (ii) the request is made within seven (7) days of the customer’s enrollment date; and (iii) the customer is in Pre-verification, Pending or Active status. Ambit management may authorize, at its discretion, an Advisor to claim a customer without meeting all of the above criteria if there is a data entry mistake, system error, or similar event that impedes or prohibits the Advisor from meeting the criteria.

4.7: ERRORS OR QUESTIONS. If an Advisor has questions about or believes any errors have been made regarding commissions, bonuses, customer activity reports or charges, the Advisor must notify Ambit in writing within 30 days of the date of the purported error or incident in question. Ambit will not be responsible for any errors, omissions or problems not reported to the Company within 30 days.

SECTION 5: ALLOWABLE BUSINESS ENTITIES, TRANSFERS AND CHANGES

5.1: CORPORATIONS. To become a new Advisor as a corporation, or to change the status of the corporation, you must provide Ambit with the following:

- An Application completed by an authorized officer of the corporation.
- A copy of the corporate Articles of Incorporation that has been file-stamped by the Secretary of State in the state of incorporation.
- Full name, address and Social Security number of: (i) each shareholder of the corporation who owns more than 5% of the outstanding stock of the corporation; (ii) each officer of the corporation; and (iii) each director of the corporation. A copy of the official notification from the Internal Revenue Service issuing the Federal Employer Identification Number (FEIN) for the corporation.
- A copy of the corporate resolution authorizing the corporation to enter into the Agreement.
- Letter of designation from the corporation designating one individual, who must be at least 18 years of age, as the responsible party for the corporation’s operations and sales.

If an active Advisor desires to change the status from that of an individual Advisor to that of a corporate Advisor, the Advisor must use the Sale/Transfer Form available online through PowerZone. See “Transfer of Advisor Position” for more details.

It is not permissible for stockholders, officers and directors of the corporation applying as a Advisor corporation to have been Ambit Advisors—(i) as individuals; (ii) as members of an Advisor partnership; (iii) as a stockholder, officer or director of another Advisor corporation; or

(iv) as a trustee or a beneficiary of an Advisor trust—within six calendar months preceding the execution of the Agreement.

5.2: PARTNERSHIPS. To become a new Advisor as a partnership, or to change the status of the partnership, you must provide Ambit with the following:

- A completed Application;
- A copy of the partnership agreement executed by all partners;
- Full name, address and Social Security number of each partner;
- A copy of the official notification from the Internal Revenue Service issuing the FEIN for the partnership;
- A copy of the consent of the partnership to enter into the Agreement with Ambit; and
- A letter of designation from the partnership designating one individual, who must be at least 18 years of age, as the responsible party for the partnership's operations.

It is not permissible for any partner applying as an Advisor partnership to have been an Ambit Advisor—(1) as an individual; (2) as a partner of another Advisor partnership; (3) as a stockholder, officer or director of an Advisor corporation; or (4) as a trustee or a beneficiary of an Advisor trust—within six calendar months preceding the execution of the Agreement.

5.3: TRUSTS. To become a new Advisor as a trust, or to change the status of the Advisor position to a trust, you must provide Ambit with the following:

- A completed Application signed by all trustees of the trust.
- A complete copy of the trust agreement.
- Full name, address and Social Security number of all trustees and beneficiaries.
- A copy of the official notification from the Internal Revenue Service issuing the FEIN for the trust.
- Letter of designation from the trustees designating one individual, who must be at least 18 years of age, as the responsible party for the trust's operations and sales.

If an active Advisor desires to change status from that of an individual Advisor to that of a trust Advisor, the Advisor must use the Transfer Form available online through PowerZone. See "Transfer of Advisor Position" for more details.

It is not permissible for any trustee or beneficiary of a trust applying as an Advisor trust to have been an Ambit Advisor—(i) as an individual; (ii) as a partner of a Advisor partnership; (iii) as a stockholder, officer or director of an Advisor corporation; or (iv) as a trustee or a beneficiary of another Advisor trust—within six calendar months preceding the execution of the trust Agreement.

5.4: BUSINESS ENTITY CHANGES. To prevent the circumvention of Section 5.6 (regarding transfers and assignments of Ambit business), if an additional partner, shareholder, member or other business-entity affiliate is added to a business entity, the original applicant must remain as a party to the original Agreement. If the original Advisor wants to terminate his or her relationship with the Company, he or she must transfer or assign his or her business in accordance with Section 5.5 below. If this process is not followed, the business shall be cancelled upon the withdrawal of the original Advisor. All bonus and commission checks will be sent to the address of record of the original Advisor.

5.5: TRANSFER OR ASSIGNMENT OF AMBIT BUSINESS. To ensure compliance with applicable law, and subject to Ambit's prior review and approval, which Ambit may grant at its sole option and discretion, in good faith, an Advisor may transfer his/her Advisor position to an individual,

partnership, trust or corporation. The review and approval process will not begin until Ambit has received all of the documentation required in accordance with the requirements set forth in the Position Transfer Packet, including a check for the applicable processing fees from the Advisor who is transferring the position.

A Transfer will be defined as a change in name and/or identification number in which the Advisor still retains any financial interest in the Advisor position upon completion of the transfer. Some examples of transfers are: transfer from one spouse to the other spouse; transfer from an individual to a corporation, trust or partnership or vice versa, in which the transferor or any individuals having an interest therein still retains a financial interest; and transfer from Social Security number to FEIN or vice versa. In all cases, the transferor retains a financial interest/ownership interest after the transfer. There is a \$45 transfer request processing fee that must be paid.

A Multifamily Advisor position may not be sold. A Sale will be defined as a change in which the individual(s) selling the Advisor position no longer maintain(s) a financial interest in the Advisor position upon completion of the sale.

Ambit reserves the right, at its sole option and discretion, to determine a sale versus a transfer. A Transfer Form can be obtained online by downloading it from PowerZone. Ambit will not approve any transfer of an Advisor position for which Ambit receives a Notice of Levy from the Internal Revenue Service or a court-ordered garnishment (e.g., child support) against the transferring position. Ambit will also revoke any transfer of an Advisor position that occurs within a 60-day period in which Ambit receives a Notice of Levy from the Internal Revenue Service or a court-ordered garnishment. Ambit also will not approve any transfer of an Advisor position that involves an Advisor currently under investigation. Once the transfer of a position has been completed, the transferring Advisor may not operate or have a financial interest in another Advisor position.

5.6: SEPARATION OF AN AMBIT BUSINESS.

5.6.1: DIVORCE. Should a married couple operating a single Advisor position divorce, they must provide Ambit with: (1) a certified copy of the final decree of divorce that sets forth ownership of the Advisor position; (2) a completed Transfer Form dated no later than ten (10) business days after the date of the final decree of divorce; and (3) a \$45 nonrefundable check for processing fees. Until Ambit receives proper documentation, the Advisor position will retain its predivorce ownership and no changes to the Advisor position will be implemented.

5.6.2: BUSINESS ENTITY DISSOLUTION. Upon the dissolution of a business entity (trust, partnership, corporation, etc., the owners of the business entity shall provide Ambit with written instruction on who shall be the proper party(s) to continue to operate the business, and a \$45 processing fee shall apply. The written instruction shall be signed by all owners, shareholders, partners or trustees, and all signatures shall be notarized.

5.6.3: NO COMMISSION DIVISION. Under no circumstances will Ambit split commission and bonus checks between divorcing spouses or members of dissolving entities. Ambit will recognize only one Advisor Organization and will issue only one commission check per Ambit business per commission cycle. Commission checks shall always be issued to the same individual or entity. In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of commissions and ownership of the business in a timely fashion, as determined by the Company, the Agreement shall be involuntarily cancelled.

If a former spouse has completely relinquished all rights in the original Ambit business pursuant to a divorce, he or she is thereafter free to enroll as an Advisor under his or her former sponsor without waiting six calendar months. In the case of business entity dissolutions, the former

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partner, shareholder, member or other entity affiliate who retains no interest in the business must wait six calendar months from the date of the final dissolution before re-enrolling as an Advisor. In either case, however, the former spouse or business affiliate shall have no rights to any customers in their former organization. They must develop the new business in the same manner as would any other new Advisor.

5.7: SUCCESSION. Upon the death or incapacitation of an Advisor, his or her business may be passed to his or her heirs. Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper. Accordingly, an Advisor should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever an Ambit business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased Advisor's marketing organization provided the following qualifications are met: The successor(s) must (1) execute an Application and enter into the Agreement, (2) comply with terms and provisions of the Agreement, and (3) meet all of the qualifications for the deceased or incapacitated Advisor's status.

Bonus and commission checks of an Ambit business transferred pursuant to this section will be paid in a single check jointly to the devisees. The devisees must provide Ambit with an "address of record" to which all bonus and commission checks will be sent.

If the business is bequeathed to joint devisees, they must form a business entity and acquire a federal taxpayer identification number. Ambit will issue all bonus and commission checks, and one 1099, to the business entity.

5.7.1: TRANSFER UPON DEATH OF AN ADVISOR. In addition to complying with the above provisions of Section 5.7, to effect a testamentary transfer of an Ambit business, the successor must provide the following to Ambit: (1) an original death certificate, (2) a notarized copy of the will or other instrument establishing the successor's right to the Ambit business, and (3) a completed Application, including acceptance of the Agreement.

5.7.2: TRANSFER UPON INCAPACITATION OF AN ADVISOR. In addition to complying with the above provisions of Section 5.7, to effectuate a transfer of an Ambit business because of incapacity, the successor must provide the following to Ambit: (1) a notarized copy of an appointment as trustee, (2) a notarized copy of the trust document or other documentation establishing the trustee's right to administer the Ambit business, and (3) a completed Application, including acceptance of the Agreement executed by the trustee.

SECTION 6: CONFLICTS OF INTEREST

Ambit is engaged in a highly competitive business and has expended considerable time and resources to develop its confidential and proprietary information and its goodwill with Advisors, customers, vendors, and others. The success of a Advisor's Ambit-related business depends in part on access to such confidential and proprietary information and the goodwill that Ambit has created. In light of Ambit's legitimate business interests in protecting its confidential and proprietary information and preventing dilution of its goodwill, Advisors are prohibited from engaging in certain activities described in this Section 6.

Because the multilevel, network marketing, or direct sales business is conducted through networks of independent contractors broadly dispersed across the entire United States and internationally, and business is commonly conducted via the Internet and telephone, an effort to narrowly limit the geographic scope of the restrictions set out in Section 6 would be wholly ineffective. Therefore, these restrictions apply to the Advisor's activities conducted in or directed at the United States.

6.1: ACTIVITIES DURING THE TERM OF THE AMBIT ADVISOR

AGREEMENT. Advisor agrees that during the term of this Agreement, Advisor will not, directly or indirectly (including through or on behalf of any other person or entity), (i) sell or solicit the sale of energy services or other products or services offered by Ambit through any person or entity other than that specifically designated or approved in writing by Ambit; (ii) participate in or, recruit for, any other multilevel, network marketing, or direct sales business or venture; or (iii) recruit any other Ambit Advisor or customer to enroll or participate in any other multilevel, network marketing, or direct sales business or venture. "Recruit" for purposes of the foregoing means to sponsor, solicit, enroll, encourage, or influence in any other way, or to attempt to do any of the foregoing by any means or in any manner.

6.2: ACTIVITIES AFTER THE TERM OF THE AMBIT ADVISOR

AGREEMENT. For a period of one (1) year after the cancellation or termination of the Agreement for any reason, an Advisor shall not, directly or indirectly (including through or on behalf of any other person or entity), (i) recruit any Ambit Advisor to enroll or participate in, or purchase products or services from, any other multilevel, network marketing, or direct sales business or venture that competes with the energy services or with the other products or services offered by Ambit, or (ii) recruit any Ambit customers that the former Advisor personally enrolled with Ambit, that were enrolled by Ambit Advisors in the former Advisor's organization, or that the former Advisor otherwise knows to be Ambit customers, to enroll or participate in, or purchase products or services from, any other multilevel, network marketing, or direct sales business or venture that competes with the energy services or with the other products or services offered by Ambit. "Recruit" for this purpose means to sponsor, solicit, enroll, encourage, or influence in any other way, or to attempt to do any of the foregoing by any means or in any manner.

6.3: CUSTOMER ACTIVITY (GENEALOGY) REPORTS. Advisors' access to their Activity Reports is password protected. All Activity Reports, and the information contained therein, are confidential and constitute proprietary information and business trade secrets belonging to Ambit. Activity Reports are provided to Advisors in strictest confidence and are made available to Advisors for the sole purpose of assisting Advisors in working with their respective Organizations in the development of their Ambit business. The Advisor and Ambit agree that, but for this agreement of confidentiality and nondisclosure, Ambit would not provide Activity Reports to the Advisor.

An Advisor shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- Directly or indirectly disclose any information contained in any Customer Report to any third party;
- Directly or indirectly disclose the password or other access code to his or her Customer Report;
- Use the information to compete with Ambit, or for any purpose, other than promoting his or her Ambit business; or
- Use or disclose to any person, partnership, association, corporation or other entity any information contained in any Customer Report.

Upon demand by the Company, any current or former Advisor will return the original and all copies of Customer Activity Reports to the Company.

6.4: VIOLATIONS/REMEDIES. This Section 6 may be enforced by Ambit or any other Ambit-related entity (collectively, the "Ambit Companies"). In the event that an Advisor breaches any provision of this Section 6, in addition to the remedies afforded by the Violations and Arbitration Provisions contained in Section 13, the Ambit Companies shall be entitled to equitable relief, including by way of injunction or specific performance preventing future breaches, in addition to any other remedies available at law. Also, in addition to any remedies at law or in equity that the

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Ambit Companies may have, any violation of this Section 6 will result in forfeiture of any of Advisor's rights as an Advisor, including to receive commissions, bonuses, and payments of any kind. Further, any violation of this Section 6 will cause irreparable harm to the Ambit Companies and one such violation by Advisor will entitle the Ambit Companies to an injunction against future violations without evidence or proof of the likelihood of future violations.

SECTION 7: RESTRICTIONS ON ACTIVITIES

7.1: COLLECTING, BUYING OR SELLING OF PROSPECTIVE ADVISOR OR CUSTOMER INFORMATION. Collecting, buying or selling, or inducing others to collect, buy or sell, customer or Advisor or prospective customer or Advisor information is strictly prohibited at all times. Advisors shall not provide any type of incentive for action(s) or proposed action(s) to induce a Advisor or third party to sell any information pertaining to an existing or prospective Ambit Energy customer or Advisor.

7.1.1 OFFERING INCENTIVES AND/OR REFERRAL FEES FOR PROSPECTIVE CUSTOMERS. Advisors are permitted to reward customer referrals by means of incentives so long as the total value of the incentive does not exceed \$50 per customer referral. Any Advisor offering incentives valued greater than \$50 per customer referral will be deemed in violation of this Agreement and may result in, at Ambit's discretion, corrective actions listed in Section 12.1, including but not limited to termination of the Agreement.

7.1.2 ONGOING REALTIONSHPIS. Advisors must retain ongoing relationships with all Multifamily contacts. Although Multifamily contacts are free to conduct business with any Advisor, Advisors are prohibited from interfering in established relationships between a Multifamily contact and another Advisor. Any attempt to interfere in an established relationship will be deemed a violation of this Agreement. Advisors may report potential violations to Field Compliance at fieldcompliance@ambitenergy.com. Advisors may be required to show proof of relationship with a MutliFamily contact upon request. Intentional interference with existing Advisor relationships may result in, at Ambit's discretion, corrective actions listed in Section 12.1, including but not limited to termination of the Agreement.

7.2: CONTACTING SUPPLIERS. Under no circumstances may an Advisor contact any Ambit supplier of energy service, or other Ambit supplier of services, without prior written authorization from an authorized officer of Ambit Energy. Further, under no circumstances may an Advisor directly contact a competitive energy provider on behalf of Ambit or in connection with any Ambit business without receiving prior written authorization from an authorized officer of Ambit.

7.3: CONTACTING REGULATORY AGENCIES. Under no circumstances may an Advisor contact any Regulatory agency on behalf of a customer or to request information related to their business. All such inquiries should be made to Consultant Support at 6555 Sierra Drive, Irving, Texas 75039.

7.4: GOVERNMENTAL APPROVAL OR ENDORSEMENT. Neither federal nor state regulatory agencies nor officials approve or endorse any direct selling or network marketing companies or programs. Therefore, Advisors shall not represent or imply that Ambit or its Compensation Plan have been "approved," "endorsed" or otherwise sanctioned by any government agency.

SECTION 8: RESPONSIBILITIES OF ADVISOR

8.1: CHANGE OF ADDRESS, TELEPHONE AND E-MAIL ADDRESSES. Advisors must report any change of address, email address or telephone number by calling Consultant Support or by sending written notice to Ambit at the following address: Ambit Marketing, LLC, Attention: Consultant Support, 6555 Sierra Drive, Irving, Texas 75039.

Written notification of an address change must be signed by all parties when a position is owned by more than one individual (e.g., husband and wife). When mail is returned to Ambit because Ambit has not been informed of an address change, the Advisor is placed on inactive status.

8.2: ONGOING SALES RESPONSIBILITIES. Regardless of their level of achievement, Advisors have an ongoing obligation to continue to personally sell Ambit products and services through the generation of new customers and through servicing their existing customers.

8.3: NONDISPARAGEMENT. Ambit wants to provide its Advisors with the best products, compensation plan and service in the industry. Accordingly, we value your constructive criticism and comments. All such comments should be submitted in writing to Ambit's Consultant Support at 6555 Sierra Drive, Irving, Texas 75039. While Ambit welcomes constructive input, negative comments and remarks made in the field by Advisors about the Company, its directors, officers, employees, its products or the compensation plan serve no purpose other than to sour the enthusiasm of other, and prospective, Ambit Advisors. For this reason, Advisors must not disparage, demean or make negative remarks about Ambit, other Ambit Advisors, Ambit's products and services, the Ambit Opportunity, or Ambit's directors, officers or employees.

8.4: REPORTING POLICY VIOLATIONS. Advisors observing a violation of the Agreement by another Advisor should submit a written report of the violation directly to the attention of the Ambit Field Compliance Department. To ensure that all alleged violations of the Agreement are investigated and handled in a uniform manner, Advisors must submit all allegations regarding potential violations to (i) fieldcompliance@ambitenergy.com or (ii) Ambit Energy, Attention: Field Compliance, 6555 Sierra Drive, Irving, Texas 75039, and shall not direct such allegations to Ambit in any other manner, including text messages, calls, or other means of communication. Details of the incidents such as dates, number of occurrences, persons involved, and any supporting documentation should be included in the report.

8.5: ASSISTANCE IN INVESTIGATIONS. If you are contacted by either Ambit Energy or a government authority regarding policy violations that you either have knowledge of, or that you are alleged to have committed, you agree to fully assist with such investigation. Lack of assistance may result in, at Ambit's discretion, corrective actions listed in Section 12.1, including but not limited to termination of the Agreement.

SECTION 9: SALES REQUIREMENTS

9.1: PRODUCT SALES. The Compensation Plan, is based on the sale of Ambit products and services to end-consumers. Advisors must fulfill personal retail sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses and commissions.

9.2: FULL COST DISCLOSURE. When enrolling customers, you must provide to them all of the costs involved with the service. This includes all of the following, if applicable: cost per kilowatt-hour or therm, monthly service fees, one-time fees, taxes and surcharges, time-of-day or other usage limitations, and other costs. All of this information is available for download in PowerZone.

9.3: NO TERRITORY RESTRICTIONS. There are no exclusive territories granted to anyone. No franchise fees are required.

SECTION 10: BONUSES AND COMMISSIONS

10.1: RIGHT OF OFFSET. An Advisor is not required to subscribe to any Ambit service in order to become an Advisor. However, if the Advisor selects Ambit as the Advisor's retail energy provider, billing must be paid when due. If an Advisor becomes 60 days past due in paying any Ambit bill, Ambit may, at Ambit's sole option, deduct the amounts owed by the offending Advisor from his or her commission check and may terminate the Advisor. In addition, Ambit may offset any amount owed to Ambit by

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an Advisor against commissions or other amounts owed to such Advisor by Ambit.

10.2: REPORTS. All information provided by Ambit in online or telephonic downline activity reports, including, but not limited to, personal sales volume (or any part thereof), is believed to be accurate and reliable. Nevertheless, due to various factors including, but not limited to: the inherent possibility of human and mechanical error; the accuracy, completeness and timeliness of orders; denial of credit card and electronic check payments; returned products; and credit card and electronic check chargebacks, the information is not guaranteed by Ambit or any persons creating or transmitting the information.

ALL PERSONAL SALES VOLUME INFORMATION IS PROVIDED "AS IS" WITHOUT WARRANTIES, EXPRESSED OR IMPLIED, OR REPRESENTATIONS OF ANY KIND WHATSOEVER. IN PARTICULAR, BUT WITHOUT LIMITATION, THERE SHALL BE NO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE OR NON-INFRINGEMENT.

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, AMBIT AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL, IN NO EVENT, BE LIABLE TO ANY ADVISOR OR ANYONE ELSE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT ARISE OUT OF THE USE OF, OR ACCESS TO, PERSONAL AND GROUP SALES VOLUME INFORMATION (INCLUDING, BUT NOT LIMITED TO: LOST PROFITS, BONUSES OR COMMISSIONS; LOSS OF OPPORTUNITY; AND DAMAGES THAT MAY RESULT FROM INACCURACY, INCOMPLETENESS, INCONVENIENCE, DELAY OR LOSS OF THE USE OF THE INFORMATION), EVEN IF AMBIT OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. TO THE FULLEST EXTENT PERMITTED BY LAW, AMBIT OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE NO RESPONSIBILITY OR LIABILITY TO YOU OR ANYONE ELSE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY OR OTHER THEORY WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO.

Access to and use of Ambit's online reporting services, and your reliance upon such information, is at your own risk. All such information is provided to you "as is." If you are dissatisfied with the accuracy or quality of the information, your sole and exclusive remedy is to discontinue use of and access to Ambit's online and telephone reporting services and your reliance upon the information.

SECTION 11: OTHER RIGHTS

11.1: COPYRIGHT. As an Advisor, and without further consideration or compensation, I agree to the use (full or in part) of my name, voice, image, likeness, and any and all attributes of my personality in any marketing or promotional material created or used in connection with Ambit products and services, or the Ambit Advisor opportunity, and each such item of marketing or promotional material will be considered a "work" for purposes of this Agreement. I irrevocably assign to Ambit any and all claims of copyright I may have in and to such works, and the exclusive and perpetual right throughout the world to use, print, produce, publish, copy, display, perform, exhibit, transmit, broadcast, disseminate, market, advertise, sell, lease, license, transfer, modify, and create derivative works from such works in any media or format, now known or unknown, for any purpose whatsoever. I waive any right to inspect or approve such work. I hereby indemnify and hold harmless Ambit Companies, its legal representatives and assigns, all persons acting under its authority, and those for whom it is acting, from all claims, causes of action and liability of any kind, now known or unknown, in law

or in equity, based upon or arising out of such works or this agreement including, without limitation, claims of libel, slander, invasion of privacy, right of publicity, defamation, trademark infringement, and copyright infringement. This Agreement will be binding upon my heirs, successors, representatives, and assigns.

11.2: RIGHTS IN MAGAZINE DATA AND WORKS. As an Ambit Advisor, I agree that Ambit is the owner of all right, title, and interest in all materials, all documentation related to such materials, all media upon which any such materials and documentation are located (including tapes, disks, and other stage media) and all related material that are used by, developed for, or on behalf of Ambit, or paid for by Ambit, in connection with the creation, development and publishing of the Success From Home magazine. Full and exclusive rights and ownership in Success From Home magazine and in any and all related trademarks and copyrights with respect to the Success From Home magazine and any other proprietary rights with respect to the Success From Home magazine, which Advisor possesses or is entitled to, shall vest in and are assigned to Ambit as of the date of this Agreement. Except as allowed for the marketing of Ambit's business, Advisor shall retain no right, ownership or title in the data and works comprising Success From Home magazine or in any directly related trademarks, copyrights or any other proprietary rights with respect to Success From Home magazine. The parties hereto agree that the data and works comprising Success From Home magazine and all such rights are being conveyed in their entirety to Ambit for whatever use it desires, and nothing contained herein shall be deemed to constitute a license or franchise in Ambit.

11.3: MEDIA AND MEDIA INQUIRIES. Because Advisors are independent contractors and not employees of Ambit, all media relations efforts related to Ambit, Ambit products or services, or the Ambit Opportunity must be coordinated through the Ambit Public Relations Department at mediarelations@ambitenergy.com. Any Advisor who is contacted by the media, or wishes to contact the media related to Ambit, Ambit products or services, or the Ambit Opportunity, must first contact an Ambit Public Relations representative before taking any action and/or issuing any statement. Any communications with TV, radio and print media related to Ambit, Ambit products or services, or the Ambit Opportunity, should first be approved by Ambit Public Relations.

11.4: RETURN OF INVENTORY AND SALES AIDS BY ADVISORS UPON CANCELLATION. Upon cancellation of a Advisor's Agreement, the Advisor may return any products and sales aids held in his or her inventory for a full refund of 100% of the cost of the original purchase price(s). If the purchases were made through a credit card, the refund will be credited back to the same account. Advisors may only return sales aids that he or she personally purchased from Ambit (purchases from other Advisors or third parties are not subject to refund), and which are in resalable condition.

SECTION 12: VIOLATIONS AND DISPUTE RESOLUTION PROCEEDINGS

12.1: SANCTIONS. Violation of the Agreement, including these Policies, violation of any common law duty, including but not limited to any applicable duty of loyalty, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by an Advisor that, in the sole discretion of the Company, may damage the Company's reputation or goodwill (such damaging act or omission need not be related to the Advisor's Ambit business), may result, at Ambit's discretion, in corrective actions, including but not limited to termination of the Agreement.

Additionally, if any employee or contractor of Advisor engages in any activity which, if performed by the Advisor, would violate any provision of the Agreement, such activity will be deemed a violation by the Advisor and Ambit may take action against the Advisor, including but not limited to termination of the Advisor's Agreement. Similarly, if any individual associated in any way with a corporation, partnership, trust or other entity (collectively "affiliated individual") violates the Agreement, such

action(s) will be deemed a violation by the entity, and Ambit may take action against the entity, including but not limited to termination of the entity's Agreement.

Such sanctions include, for example:

- Issuance of a written warning or admonition requiring the Advisor to take immediate corrective measures;
- Imposition of a fine, which may be withheld from bonus and commission checks;
- Loss of rights to one or more bonus and commission checks;
- Withholding from an Advisor of all or part of the Advisor's bonuses and commissions during the period that Ambit is investigating any conduct allegedly in violation of the Agreement (if a Advisor's business is cancelled for disciplinary reasons, the Advisor will not be entitled to recover any commissions withheld during the investigation period);
- Suspension of the individual's Agreement for one or more pay periods;
- Termination and/or suspension of the offending Advisor's Ambit Marketing website or website access;
- Termination of the Advisor's existing Independent Contractor Agreement; and
- Any other measure expressly allowed within any provision of the Agreement, or which Ambit deems practicable, to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Advisor's policy violation or contractual breach.

12.2: DISPUTE RESOLUTION.

12.2.1: MEDIATION. Prior to entering into arbitration, Ambit (on behalf of the Ambit Companies) and the Advisor shall meet in good faith and attempt to resolve any dispute arising from, or relating to, the Agreement through non-binding mediation. One individual who is mutually acceptable to Ambit (on behalf of the Ambit Companies) and the Advisor shall be appointed as mediator.

The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between Ambit (on behalf of the Ambit Companies) and the Advisor. Each party shall pay its portion of the anticipated shared fees and costs at least ten days in advance of the mediation. Each party shall pay its own attorneys' fees, costs and individual expenses associated with conducting and attending the mediation. Mediation shall be held in Dallas, Texas, and shall last no more than two business days.

12.2.2: ARBITRATION. If mediation is unsuccessful, Ambit (on behalf of the Ambit Companies) and the Advisor shall resolve any controversy, claim, or dispute between or amongst them, including, but not limited to, any controversy, claim, or dispute arising out of, or relating in any way to, the Agreement, or the breach thereof by binding arbitration. THE AMBIT COMPANIES AND ADVISORS AGREE THAT IN ORDER TO PROMOTE THE FULLEST EXTENT REASONABLY POSSIBLE A MUTUALLY AMICABLE RESOLUTION OF THE DISPUTE IN A TIMELY, EFFICIENT, AND COST-EFFECTIVE MANNER, THEY WILL WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY AND SETTLE THEIR DISPUTE BY SUBMITTING THE CONTROVERSY TO BINDING ARBITRATION. THE AMBIT COMPANIES AND ADVISORS WAIVE ALL RIGHTS TO TRIAL BY JURY.

The Parties understand and agree that this Section 12.2.2 operates as a separate and distinct agreement that is severable from the remainder of the Agreement and is enforceable regardless of the enforceability of any other provision of the Policies or the Agreement as a whole. Consideration for this provision includes, without limitation, the Parties'

mutual agreement to arbitrate claims. As noted above, this agreement to arbitrate shall survive any terminations, cancellation, or expiration of the Agreement.

Ambit may amend the terms and conditions of these sections (12.2.2, 12.3, and 12.4) from time to time. Any such amendments will be made in accordance with the duty of good faith and fair dealing. Notwithstanding anything herein to the contrary, any amendment by Ambit to the Dispute Resolution agreement in this section shall only take effect upon a Advisor's express agreement to such amendment. A Advisor may indicate his or her agreement to such proposed amendment by following the instructions accompanying the proposed amendment. Ambit may terminate the Agreement of any Advisor who does not agree to a proposed amendment to the Dispute Resolution agreement within 30 days after notice of the amendment is provided. Any such Amendment shall apply to all claims brought by the Advisor or Ambit on or after the effective date of the amendment, regardless of the date of occurrence or accrual of any facts underlying such claim. Amendments shall not apply retroactively to conduct that occurred prior to the effective date of the amendment unless expressly accepted by the Advisor.

Any arbitration will be filed with and administered by JAMS under its rules and procedures, which are available at the JAMS website at jamsadr.com. The arbitrator(s) has the authority to determine jurisdiction and arbitrability issues as a preliminary matter, except the arbitrator(s) shall not have the authority to determine whether the arbitration can proceed on behalf of or against a class.

Notwithstanding the rules of JAMS, the following will apply to all arbitration actions:

- All arbitration proceedings will be held in Dallas, Texas.
- The arbitration agreement and the arbitration will be governed by the Federal Arbitration Act ("FAA"), 9 U.S.C. § 1 et seq. To the extent that there is a conflict between the FAA and Texas law, the FAA prevails.
- The arbitration will be conducted in English.
- The parties agree that time is of the essence.
- The Federal Rules of Evidence will apply in all cases.
- The parties will be entitled to bring motions under Rules 12 and/or 56 of the Federal Rules of Civil Procedure.
- The parties will be allotted equal time to present their respective cases, including cross-examinations.
- The arbitrator(s) will have no authority to award punitive damages. Each party hereby waives any right to seek or recover punitive damages with respect to any dispute resolved by arbitration, except where an applicable statute or other law allows for punitive damages.

Each party to the arbitration will be responsible for its own costs and expenses of arbitration, including filing fees except where an applicable statute provides for recovery of legal fees and costs.

The decision of the arbitrator will be final and binding on the parties and may, if necessary, be reduced to a judgment in a court of law. Any motion or action to confirm, vacate, modify, or otherwise enter judgment on the award shall comply with Section 12.3.

The parties agree and understand that maintaining confidentiality of disputes and dispute resolution is of the utmost importance, and agree that Ambit has valuable trade secrets and proprietary and confidential information. The parties agree to take all necessary steps to protect from public disclosure such trade secrets and proprietary and confidential information.

In addition to the foregoing and notwithstanding the rules of JAMS, certain procedures will apply depending on the amount in controversy. For controversies and claims in which the amount in controversy is less than \$1,000,000.00 (one million dollars), the following procedures will apply:

- The arbitration will occur within 180 days from the date on which the arbitrator is appointed and will last no more than five business days.
- There will be one arbitrator selected from the panel provided by JAMS, using the JAMS rules for arbitrator selection.
- The arbitrator(s) shall institute discovery consistent with the goals of arbitration. Discovery and disclosure of information will be conducted under the rules provided by JAMS to achieve the usual goals of arbitration, including cost effective and efficient resolution of disputes between parties, but in no event shall, the Parties be entitled to discovery rights greater than provided by the Federal Rules of Civil Procedure.

For controversies and claims in which the amount in controversy is equal to or exceeds \$1,000,000.00 (one million dollars), the following procedures will apply:

- There will be three arbitrators selected from the panel provided by JAMS, using the JAMS rules for arbitrator selection.
- The Parties will be entitled to all discovery rights permitted by the Federal Rules of Civil Procedure.
- The Parties will be entitled to appeal any arbitration award to an Appeal Panel under JAMS Optional Arbitration Appeal Procedures. The Parties agree to and request oral argument for any appeal filed under the Optional Arbitration Appeal Procedures.

NEITHER ADVISOR NOR AMBIT AGREES TO ANY ARBITRATION ON A CLASS BASIS, AND THE ARBITRATOR(S) SHALL HAVE NO AUTHORITY TO PROCEED ON SUCH A BASIS. A PARTY MAY ASSERT A CLAIM OR COUNTERCLAIM ONLY IN THAT PARTY'S INDIVIDUAL CAPACITY AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS PROCEEDING. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE JAMS RULES, THE ARBITRATOR(S) MAY NOT CONSOLIDATE MORE THAN ONE PERSON'S CLAIMS AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF CLASS PROCEEDING. UNDER THE ARBITRATION PROCEDURES OUTLINED IN THIS SECTION, AN ARBITRATOR(S) SHALL NOT COMBINE OR CONSOLIDATE MORE THAN ONE PARTY'S CLAIMS WITHOUT THE WRITTEN CONSENT OF ALL AFFECTED PARTIES TO AN ARBITRATION PROCEEDING.

In the event the prohibition on class arbitration is deemed invalid or unenforceable, then the entire agreement to arbitrate will be null and void.

Except as provided below, no party shall be entitled to commence or maintain any action in a court of law upon any matter in dispute until such matter has been submitted and determined as provided here, and then only for the enforcement of such arbitration award. Notwithstanding this mediation and arbitration policy, either party may apply to a court of competent jurisdiction as necessary to enforce an arbitration award, or to seek a temporary restraining order or preliminary injunction to ensure that the relief sought in arbitration is not rendered ineffectual during the pendency of, or after the rendition of, a decision in any arbitration proceeding. The institution of any action shall not constitute a waiver of the right or obligation of any party to submit any claim seeking relief other than injunctive or enforcement relief to arbitration. Further, any Party seeking to enforce an award of an arbitrator(s) shall submit the award under seal to maintain protections of confidential information, and the Parties hereby agree and consent to the filing of such a submission, motion, or order under seal.

This agreement to arbitrate shall survive any termination or expiration of the Agreement.

12.3: GOVERNING LAW, JURISDICTION AND VENUE. Jurisdiction and venue of any matter not subject to arbitration, shall reside exclusively in Dallas County, Texas, and nowhere else, except that any action to enforce a judgment may be brought in any court of competent jurisdiction. This Agreement is to be construed in accordance with and governed by the substantive law of the State of Texas, without regard to its choice of law principles. Notwithstanding the foregoing, and the dispute resolutions provisions in Section 12.2, residents of the State of Louisiana shall be entitled to bring an action against Ambit in their home forum and pursuant to Louisiana law.

12.4: WAIVER OF CLASS ACTIONS. THE AMBIT COMPANIES AND ADVISORS AGREE THAT EACH PARTY MAY BRING DISPUTES AGAINST THE OTHER PARTY ONLY IN AN INDIVIDUAL CAPACITY AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING, INCLUDING, WITHOUT LIMITATION, FEDERAL OR STATE CLASS ACTIONS OR CLASS ARBITRATIONS.

SECTION 13: INACTIVITY AND CANCELLATION

13.1: EFFECT OF CANCELLATION. So long as a Advisor remains active and complies with the terms of the Agreement Ambit shall pay commissions to such Advisor in accordance with the Agreement, including the Ambit Compensation Plan. A Advisor's bonuses and commissions constitute the entire consideration for the Advisor's efforts in generating sales and all activities related to generating sales (including building a downline organization). Following a Advisor's voluntary or involuntary cancellation of his or her Agreement (all of these methods are collectively referred to as "cancellation"), the former Advisor shall have no right, title, claim or interest to the marketing organization which he or she operated, or any commission or bonus from the sales generated by the organization. A Advisor whose business is cancelled will lose all rights as a Advisor. This includes the right to sell Ambit products and services, and the right to receive future commissions, bonuses or other income resulting from the sales and other activities of the Advisor's former sales organization. In the event of cancellation, Advisors agree to waive all rights they may have, including, but not limited to, property rights to their former organization and to any bonuses, commissions or other remuneration derived from the sales and other activities of his or her former organization.

Following a Advisor's cancellation of his or her Agreement, the former Advisor shall not hold himself or herself out as an Ambit Advisor and shall not have the right to sell Ambit products or services. A Advisor whose Advisor Agreement is cancelled shall receive commissions and bonuses only for the last full pay period he or she was active prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

13.2: INVOLUNTARY TERMINATION. A Advisor's violation of any of the terms of the Agreement, including any amendments that may be made by Ambit at its sole discretion, may result in any of the sanctions listed in Section 9.1, including the involuntary termination of his or her Agreement. Termination shall be effective on the date on which written notice is mailed, faxed or delivered by an express courier to the Advisor's last known address (or fax number), or to his/her attorney or when the Advisor receives actual notice of termination, whichever occurs first.

13.3: VOLUNTARY TERMINATION. Advisors may terminate their Agreement at any time, regardless of reason. Termination must be submitted in writing to the Company at its principal business address: Ambit Marketing, LLC, Attention: Advisor Cancellation, 6555 Sierra Drive, Irving, Texas 75039.

Ambit Energy

Multifamily Policies and Procedures

The written notice must include the Advisor's signature, printed name, address and Advisor I.D. number. If a Advisor is also a customer of Ambit Energy, Ambit will continue to provide energy services to the customer and invoice the customer for such services, unless he or she also specifically requests that his or her energy services also be cancelled.

SECTION 14: DEFINITIONS

ACTIVE ADVISOR: An Advisor who has enrolled a new energy customer in the preceding four months.

ACTIVE RANK: This term refers to the current rank of an Advisor, as determined by the Compensation Plan, for any month. To be considered "active" relative to a particular rank, an Advisor must meet the criteria set forth in the Compensation Plan for his or her respective rank.

CANCEL OR TERMINATION: The termination of a Advisor's Ambit business. Termination may be either voluntary, involuntary, or due to inactivity.

CUSTOMER: An individual who purchases Ambit services from an Advisor, but who is not a participant in the Compensation Plan.

MULTIFAMILY: Ambit program designed to enroll customers referred by a business contact of an independent Advisor. Majority of customers will have service addresses with accommodations designed for occupation by more than one family, but it is not a requirement.

OFFICIAL AMBIT MATERIAL: Literature, audio or video tapes or disks, and other materials developed, printed, published and distributed by Ambit to Advisors.

RESALABLE: Sales aids shall be deemed "resalable" if each of the following elements is satisfied: (1) they are unopened and unused; (2) packaging and labeling has not been altered or damaged; (3) it is returned to Ambit within one year from the date of purchase (time limitation is inapplicable to Massachusetts residents).