

Introduction

Policies & Procedures outlines those Consultant policies and the procedures designed to ensure the interaction between a Consultant and the Gold Canyon home office is as effective as possible. This includes basic corporate information such as the best ways and times to contact Gold Canyon. We encourage you to study this document carefully, as many of your questions can be answered here.

Corporate Information

There are several ways in which you may contact Gold Canyon. Following is a list of helpful information such as mailing address, phone and fax numbers and the corporate website address.

Mailing Address

Gold Canyon Canada, U.L.C.
5925 Airport Road, Suite 200
Mississauga, Ontario
L4V 1W1

Orders are not accepted via mail.

Telephone

Gold Canyon Partner Support for Consultants: Toll Free: (866) 737-8311
Gold Canyon Partner Support for local Consultants: (480) 222-2699
Gold Canyon Partner Support for Customers: Toll Free: (866) 996-4222

Fax

Main: (480) 449-0997
Main Toll Free: (877) 546-4828
Orders are not accepted via fax.

Tickets

Partner Support: Submit a Support Ticket in the Help menu on the Business Center

Live Chat

Partner Support: Live chat available on the Business Center from 8:00 a.m. to 5:00 p.m. AZ time.

Email

Partner Support: gcsupport@goldcanyon.com

The Gold Canyon Partner Support department is a team of representatives ready to provide customer service to Gold Canyon Fragrance Consultants. They look forward to assisting with questions and concerns that relate to policies, procedures, orders and incentives.

Internet

Corporate Website: <http://goldcanyoncandle.ca>
Consultant Portal: <http://BusinessCenter.GoldCanyon.com>

We recommend you also consult the following resources as they can answer many of your questions:

- The Business Center (<http://BusinessCenter.GoldCanyon.com>)
 - My Account (Account Overview, Manage Website, Customers & Change Password)
 - Orders (Order Entry and Order History)
 - Reports (Candle Cash Ledger, Customer List, Order History, Shipment Tracking, Organization Data, Personal Website Billing, Personal and Team Performance Reports, Earning Statement & Conference Recognition)
 - Events (Event registration)
 - Communication (Emails)
 - News (Announcements)
 - Tools (Tax Rate Lookup, Resource Library and Direct Selling Insurance Programs)
 - Help (Support Tickets)

Policies

Introduction	1
Corporate Information	1
Preferred Sales Method	2
General Policies	2
Business Procedures	3
Independent Gold Canyon Consultant Status	6
Team Development	10
Commissionable and Non-Commissionable Orders	12
Financial Transactions	15
Tax Information	17
Marketing & Advertising	18
Intellectual Property	21
Conflicts of Interest	22
The Business Center	24
Ordering Information	25
Shipping Information	28
DSA Code of Ethics	29

Preferred Sales Method

As an independent contractor, each Consultant is responsible for his or her own business activity. A Consultant is not considered an employee of Gold Canyon or his or her upline. Consultants are required to follow the tax codes and business reporting requirements in the respective jurisdiction where their business activities take place and it is recommended that they consult with a local professional advisor for more information related to their business. Gold Canyon Consultants are responsible for:

- Complying with all federal, state, county and local laws and regulations as they relate to the possession, distribution, sale, stocking, receipt and advertising of Gold Canyon products or the operation of a business
- Acquiring any applicable licenses or business registration, file all necessary reports and pay all appropriate taxes and/or fees legally required in order to operate a Gold Canyon business
- Collecting all sales tax, whether assessed at the local, state, territorial, county or city levels. These taxes must be remitted to Gold Canyon. Gold Canyon, in turn, remits these taxes to the government tax authorities on behalf of Consultants. Any taxes that Gold Canyon does not process must be sent directly to the appropriate tax authorities
- Reporting their earnings to the Internal Revenue Service and state revenue departments when applicable and are responsible for maintaining records and receipts of all business activities
- Paying any required Social Security tax for the self-employed

General Policies

Responsibilities of Gold Canyon Consultants

Consultants are required to:

- Familiarize themselves with the Gold Canyon Statement of Policies, Terms and Conditions and Career Plan, as well as all guidance provided through corporate newsletters and other official pronouncements
- Manage their Gold Canyon businesses in a way that is consistent with the Gold Canyon Policies & Procedures, Statement of Policies, Terms and Conditions and any other amendments or publications made available by Gold Canyon
- Avoid making any claims or representations regarding the Gold Canyon product line that are inconsistent with the current catalogue or publications made available by the Company
- Avoid making any claims or representations relating to potential compensation, except for those representations made in Gold Canyon publications
- Understand and adhere to the replacement and guarantee provisions of product sales
- Protect each customer's payment and payment information, submit and deliver each order in a timely manner
- Coordinate and carry out Parties, Fundraisers and other sales events according to Gold Canyon policies and procedures
- Verify that each Host fully understands the Host Rewards program before organizing any Party
- Uphold the high standards of professionalism expected of a Gold Canyon Consultant and diligently promote, market and sell Gold Canyon products. The Consultant further agrees to require and monitor those same standards of professionalism with his or her organization.

Communications Requirements

Communication between a Consultant and Gold Canyon is crucial. While Gold Canyon produces newsletters and other communications, the principle method of communicating to the Consultant is through the Consultant website, the Business Center. A Consultant's main method of communication to Gold Canyon is typically via Support Tickets, faxes and calls placed to the Gold Canyon Partner Support department. Technology is critical and Consultants need to have access to a computer with Internet capability.

All correspondence by Gold Canyon through the Business Center and email is done in a current version of Microsoft Office and Adobe Acrobat; therefore, a Consultant's systems must be compatible to open files that work with these programs. It is the responsibility of the Consultant to select the communication method that can best suit his or her needs to maintain the proper communication equipment.

To expedite service when contacting Gold Canyon Partner Support, you are required to give your Consultant ID number when you call. The Gold Canyon Partner Support department will make every effort to respond to your inquiry as soon as possible.

All calls to the Gold Canyon Partner Support department are recorded for quality purposes. Please maintain a level of professionalism when working with the service representatives. They have your best interests in mind and do their best to serve you.

Gold Canyon Partner Support hours are Monday through Friday from 8:00 a.m. to 5:00 p.m. AZ Time. As noted in the Policy section of this manual, Arizona does not recognize daylight-saving time. All references in corporate communications will be to AZ Time.

To improve service to Consultants, the Gold Canyon Partner Support department conducts training meetings every Wednesday from 10:00 a.m. to 11:00 a.m. AZ Time. Additional monthly meetings will be announced on the Business Center. While these meetings are in progress, members of the Gold Canyon Partner Support department are unavailable.

The Business Center

The Business Center (accessed through <http://BusinessCenter.GoldCanyon.com>) is a vital part of the Company and features changing, up-to date information for Consultants. Gold Canyon offers this password-protected site exclusively to Gold Canyon Consultants. This is considered the lifeline between Consultants and the Company. All Consultants are encouraged to access the Business Center daily to receive vital business information from Gold Canyon as quickly and easily as possible.

Technology Recommendations

The following is a list of technology recommendations to expedite your business interactions with Gold Canyon:

Operating System:

- PC Windows 7 or later, recommended Windows 10
- Mac OS El Capitan or greater

Browser (one of the following):

- Internet Explorer 11 or greater or Microsoft Edge
- Firefox (recommended)
- Safari (for Mac machines)

Business Procedures

Proper Completion of Documents

It is the Consultant's responsibility to complete all order submissions and other business forms.

Gold Canyon will not assume liability for any non-receipt of product orders, registration for a Gold Canyon event or loss of product or commissions because of:

- A Consultant's or customer's mistake in completing and/or submitting orders, agreements or other documents
- A delay or error in receiving documents because of failed fax or email transmission or failed postal delivery
- A delay or loss of order information because of interruption in Internet capabilities or
- Interruptions of telephone, fax or email services where neither the Consultant nor Gold Canyon is at fault

Use of Authorized Forms

All copyrighted paperwork and forms necessary to solicit sales, provide customer receipts and notices, submit orders, sponsor team members and perform other functions are made available to Consultants by Gold Canyon through the Business Center. Consultants should consistently use all Gold Canyon forms for their business. Producing photocopies of any Gold Canyon paperwork or forms is not permitted unless the form is available in a downloadable format on the Business Center. Any order, agreement or other information submitted to Gold Canyon must be received on an authorized Gold Canyon form or via the Business Center. If a Consultant submits information in any manner other than the appropriate authorized form, Gold Canyon reserves the right to either refuse the submission or assess a fee for processing. Gold Canyon will not be liable for any losses a Consultant experiences when an unauthorized form is submitted.

Shipping

Gold Canyon will choose the method of shipping depending on the overall cost, weight and zip code of the order's ship-to address. Most product orders will be shipped via a parcel carrier. In addition to your shipping address, all Consultants are required to provide a valid mailing address for receipt of documentation and/or marketing materials. From time to time, the Company will release the rates and procedures for shipping. For larger orders (determined at the discretion of Gold Canyon), pallet shipping may occur and Gold Canyon will ship LTL (less than truckload). Pallet orders will be delivered on 48" x 40" wood pallets. (For current shipping rates, see the Business Center/Resource Library/Gold Canyon USA and Canada/Shipping and Sales Tax.)

P.O. Box Shipping

Consultants must always provide Gold Canyon with a street address for shipping purposes. Gold Canyon will not ship to post office boxes.

Payment Prior to Shipping

Please note that Gold Canyon will not ship an order until valid payment from the Consultant is received. Once the Company receives valid payment, all orders will ship from the Chandler, Arizona, warehouse within approximately five business days. Gold Canyon will attempt to process most orders within one to two business days, but during peak times, (for example: end of month, end of quarter, new catalogue release, fourth quarter), it may be necessary to extend shipping times.

Special Shipping Charges for Alaska, Hawaii, U.S. Territories and Military States (AP, AE and AA)

Due to the distance and high costs of shipping, additional shipping charges are required for products sent to Alaska, Hawaii, U.S. Territories and Military States (AP, AE and AA).

Product Guarantee

Candles, Accessories, and Home Décor Items

Defective products can be returned within 90 days of product order from Gold Canyon for replacement of the same product. If the item being exchanged is a limited edition or seasonal item and the product is no longer available, it may be exchanged for another item of equal or greater value. At the discretion of Gold Canyon, any defective product may be required to be returned to the home office so it can be verified that the item does not meet product specifications. All returned items must be accompanied by a Returns Material Authorization (RMA) letter issued by Gold Canyon Partner Support. Gold Canyon will pay the shipping charges for products returned because of defects. The Company will provide a Return Shipping Label to cover the shipping charges for a defective item return.

Jewelry

If you return an unworn item in new condition within 30 days of product order, you can choose to receive either a refund via your original payment method, or the product total in Candle Cash. Original shipping charges on returned items are non-refundable.

If you return an unworn item between 31 and 90 days of your product order, Gold Canyon will exchange it for another item of equal or greater value. (Purchaser is responsible for any additional charges.) Original shipping charges on returned items are non-refundable.

Returns on jewelry products are not accepted more than 90 days from product order date.

Defective products can be returned within 30 days of product order from Gold Canyon for replacement of the same product. If the item being exchanged is a limited edition or seasonal item and the product is no longer available, it may be exchanged for another item of equal or greater value. At the discretion of Gold Canyon, any defective product may be required to be returned to the home office so it can be verified that the item does not meet product specifications.

All returned items must be accompanied by a Returns Material Authorization (RMA) letter issued by Gold Canyon Partner Support. Gold Canyon will pay the shipping charges for products returned because of defects. The Company will provide a Return Shipping Label to cover the shipping charges for a defective item return.

Replacement Process

If a Consultant needs to replace any Gold Canyon product, he or she can either call Partner Support or go to the Business Center and enter a support ticket with the category of "Replacement Order". The support ticket must include the original order number, the item numbers to be replaced and reason for the replacement. If the order is shipping to the customer, then the customer's name and address must be included in the ticket otherwise the order entered by Partner Support will ship to the Consultant.

Please note for replacements with a reason of "Changed Mind or Did Not Like or Ordered Wrong Item" need to be returned to Gold Canyon at the Consultant's expense with a Return Material Authorization (RMA) letter issued by Gold Canyon Partner Support. The product needs to be in new and sellable condition and can only be replaced for products of equal or greater value.

Please retain any product that you are requesting to be replaced for 30 days after you have submitted the ticket in case Gold Canyon needs it for analysis

Reporting Errors

If a Gold Canyon Fragrance Consultant has questions or believes an error has been made regarding commissions, bonuses, product orders or charges, the Fragrance Consultant must notify Gold Canyon Partner Support via telephone call, live chat or support ticket within 30 days of receipt of the order or incident in question. Gold Canyon will not be responsible for errors or omissions not reported within 30 days.

Refunds

Gold Canyon does offer refunds for returned items from customers who do not choose to accept replacement product. Proof of purchase is required for any refund.

Back Orders

Occasionally, there may be a need for some or all of a customer's order to be placed on back order. If a customer chooses to cancel a back-ordered item, the Consultant needs to contact Gold Canyon to have the back-ordered item cancelled. It is the Consultant's responsibility to remit a refund to the customer for the original purchase amount of the cancelled item.

If after 30 days, a back-ordered item has not been shipped, the item will be cancelled. Gold Canyon will also cancel all supply items and any commissionable items under \$5.00 on back order and take these items offline. To remain consistent with this policy, the Company will take any item offline that will be out of stock for longer than 30 days. Items that have been taken offline will not be placed online again until they are in house and ready to ship.

Additionally, there may be instances when an item has already been purchased and the Company determines that the item will be on back order longer than 30 days. Should this occur, Gold Canyon will cancel these items in advance of the stated 30-day policy. If a back-ordered item is cancelled, the Consultant will receive an adjustment in the form of Candle Cash within five business days of the item being cancelled. Candle Cash adjustments are for the wholesale amount (catalogue price less 25%) or for supply items, the purchase price and any other additional charges associated with the purchase.

Inventory

Gold Canyon does not encourage stocking inventory. While nothing prohibits Consultants from maintaining an inventory base, doing so would primarily be for personal purposes or individual sales. The preferred method of doing business is for all Consultants to place customer orders with Gold Canyon. The products will then be shipped from the home office to the Consultant, Host or customer. Because Gold Canyon strives to get products to the customer as quickly as possible, there is little incentive to stock inventory.

Inventory Returns

Upon cancellation or termination of a Consultant's Agreement, the Consultant may return inventory and sales aids they personally purchased for a refund from the Company and is unable to sell or use the merchandise. A Consultant may only return products and sales aids that are in resalable condition. Upon receipt of the products and sales aids, the Consultant will be reimbursed 90% of the net cost of the original purchase price(s), less shipping charges. The

Company shall deduct from the reimbursement paid to the Consultant any commissions, bonuses, rebates or other incentives received by the Consultant which were associated with the merchandise that is returned. Products and 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) The product and packaging are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price;
- 4) Products are returned to Gold Canyon within one year from the date of purchase;
- 5) The product contains current Gold Canyon labeling.

Any merchandise that is clearly identified at the time of sale as non-returnable discontinued, or as a seasonal item, shall not be resaleable. The Consultant returning the merchandise is responsible for all return shipping charges.

Substitutions

From time to time, Gold Canyon may need to make a substitution for a raw material or finished good. Gold Canyon reserves the right to substitute a component of similar value, purpose and quality for a product or component that has changed. These substitutions will not affect the quality of any of our products. These substitutions may result in a difference between the specifications of the final product and those included in the catalogue or other Gold Canyon publications.

Altering Gold Canyon Products

Any alteration of a Gold Canyon product by Consultants, such as re-melting and repackaging, for sampling or reselling is prohibited and is grounds for termination.

International Sales

Consultants are authorized to sell Gold Canyon products only to those residing within the United States, its territories and military bases.

International Sponsoring

Consultants are authorized to undertake sponsoring only to those residing within the United States, its territories and its military bases, Canada and its provinces and Mexico and its states. Please note that if you undertake sponsoring efforts in Canada, your business activities must comply with the guidelines set forth in the Policies and Procedures of Canada. If you undertake sponsoring efforts in Mexico, your business activities must comply with the guidelines set forth in the Policies and Procedures of Mexico.

Time Zones

Gold Canyon’s corporate offices are in Arizona and in the Mountain Time zone. References in corporate communications will be to Arizona Time. Arizona does not recognize daylight savings time and therefore adheres to Mountain Standard Time, rather than Mountain Daylight Time.

Independent Gold Canyon Consultant Status

Consultant Requirements

As a Gold Canyon Consultant, you have the opportunity to develop friendships, to earn a competitive income and to develop professionally. The basic requirements of becoming a Gold Canyon Consultant are as follows:

- Be at least 18 years of age
- Be a citizen or a permanent resident of the U.S. or a citizen of a U.S. Territory, Canada or a Canadian territory or Mexico or a Mexican state.
- Possess a legitimate Social Security number
- Sign and submit a Consultant Agreement
- Provide complete, accurate and unique profile information at time of enrollment (name, birth date, address, email, phone, etc.)

Individual Agreement

Gold Canyon recognizes one name per Consultant Agreement. Gold Canyon will not accept agreements from partnerships, teams, corporations or any other form of business entity. Consultant Agreements exist only between Gold Canyon and the individual who signs the Consultant Agreement. Spouses of a Consultant may not also be Consultants.

Consultant - Active

An Active Fragrance Consultant is one that submits commissionable personal sales of 250 PV or more each month.

Consultant - Affiliate

A Consultant who has not met a minimum of 250 PV per calendar quarter will be reclassified to Affiliate status at the beginning of the next quarter. Their Career Title will be changed to Fragrance Consultant and their organization will be compressed to the next upline Consultant who is In Good Standing based on the rules as described in the Policies. These Consultants will earn 15% rather than 25% base commission on all non-Fundraiser sales and the standard commissions for Fundraiser sales during the entire quarter they are in this status. The quarterly minimum requirement will begin in the calendar quarter following the quarter in which they enrolled. See Reclassification Policy for additional details.

Consultant - In Good Standing

To be considered a Gold Canyon Fragrance Consultant In Good Standing, a Consultant must meet a minimum of 250 PV per calendar quarter. Consultants must begin achieving personal sales minimums the quarter after the one in which they enrolled. Consultants who reactivate their accounts must begin achieving personal sales minimums the same quarter in which they reactivated. Consultants must also be in compliance with the Gold Canyon Policies, Statement of Policies, Terms and Conditions and all amendments thereto. As a Gold Canyon Consultant In Good Standing, you are entitled to the full benefits of being a Consultant.

Consultant - Resignation

A Fragrance Consultant in Resignation status is one whose account with Gold Canyon was closed voluntarily by sending a support ticket asking to be resigned to Partner Support.

Consultant - Terminated

A Fragrance Consultant in Terminated status is one whose account was closed by Gold Canyon as a result of disciplinary action.

Compression Policy

When a Fragrance Consultant closes their account and is no longer part of the company, his or her organization and customers are compressed to their upline filling the gap left by this Consultant. If their upline is the Gold Canyon corporate account, their organization will be compressed up to the Gold Canyon corporate account. In these cases the Gold Canyon Field Development Manager will be the liaison between the Consultants and the home office.

Conversion Policy

If a Consultant in Affiliate status does not meet a minimum of 250 PV in a 12 month period after being reclassified to Affiliate status, they will be converted to a customer and their Consultant agreement effectively terminated. Their organization and customers will be compressed to the next upline Consultant who is In Good Standing. They must wait a minimum of 6 months as a customer before they may re-enroll as a Gold Canyon Consultant with an upline of their choosing.

Critical Status

Critical status is granted in emergency situations to exempt a Consultant from the Reclassification Policy for this time frame (the three months of the quarter requested). Critical status must be requested by the Consultant and is subject to Gold Canyon's approval. Critical status is approved on a quarterly basis in accordance with the unique circumstances of the Consultant.

Emergency situations for which Critical status may be granted include but are not limited to the following:

- Death in the immediate family
- Medical emergency in the immediate family

- Birth or adoption of a child
- Non-military relocation outside of the United States

Requests for Critical status must be made in writing and must be received by the home office five business days prior to the end of the first calendar month during which the Consultant is incapable of meeting the sales minimum. Requests for Critical status should be entered via a support ticket on the Business Center using the category of Account Information/Status. Please include as much information as possible to help those reviewing these requests make the determination. Additional information may need to be provided.

The request will be reviewed upon receipt. If Gold Canyon approves a Consultant's request for Critical status, the term of Critical status will begin on the first day of the month in which the request is dated or postmarked and will be granted for up to three months total. During the months that a Consultant has Critical status, he or she may earn Level Override Commissions based on their Paid-As Title. The Consultant will automatically be restored to Active status at the close of the requested time frame.

Should extenuating circumstances continue, the Consultant may request an extension of Critical status, which will be reviewed on an individual basis. Should extensions of Critical status be approved and granted, the Consultant will retain his or her organization. Notwithstanding the above, a Consultant may not be granted or renewed Critical status more than three times in any five-year consecutive period.

The Consultant's Paid-As Title is calculated as normal while in this status, which means they can gain or lose Paid-As Title based on their Personal Volume and Team Volume requirements and those of their organization.

Hold Status

A Fragrance Consultant in Hold status is one who has violated a policy and is not allowed to log in to the Business Center or do any business as a Consultant until the violation has been corrected. Examples of violations of policy that will lead to a Consultant's status being changed to Hold are conflict of interest, failure to respond to customer complaints, failed payment of personal website fees or payments for a Start Your Way Kit and so on.

Long-Term Leave Status

Long-Term Leave status is granted to exempt a Consultant from the quarterly minimum PV requirement for the cancellation policy during an extended period of time where a Critical status request is not long enough considering the reason for the request. The term of Long-Term Leave status will begin on the first day of the month in which the request is dated or postmarked and will be granted for up to 12 months. Examples of situations for which Long-Term Leave status may be granted include but are not limited to the following:

- Military relocation outside of the United States (Consultant or his or her immediate family member)
- Medical treatment for a debilitating disease for six months or longer, such as chemotherapy
- Leaving on a church or humanitarian mission

Long-Term Leave status must be requested by the Consultant and is subject to Gold Canyon's approval. Requests for Long-Term Leave status must be made in writing. Requests for Long-Term Leave status must be entered via a support ticket on the Business Center.

The request will be reviewed upon receipt. If Gold Canyon approves a Consultant's request for Long-Term Leave status, the term of Long-Term Leave status will begin on the first day of the month in which the request is received. During this period that a Consultant has Long-Term Leave status, he or she may earn Level Override Commissions based on their Paid-As Title. The Consultant will automatically be restored to Active status at the close of the requested period.

The Consultant's Paid-As Title is calculated as normal while in this status, which means they can gain or lose their Paid-As Title based on their Personal Volume and Team Volume requirements and those of their organization.

Reclassification Policy

Fragrance Consultants must have a minimum of 250 Personal Volume (PV) in a calendar quarter in order to keep their Career Title and organization. The quarterly minimum requirement will begin in the calendar quarter following the quarter in which they enrolled. If they fail to meet this requirement in any calendar quarter, their organization will be

compressed to the next upline Consultant who is In Good Standing based on the rules as described in the Policies. They will be reclassified to Affiliate status.

Consultants in Affiliate status will retain their customers, personal website (as long as payments are made) and any Candle Cash that has not expired. These Consultants will earn 15% rather than 25% base commission on all non-Fundraiser sales and the standard commissions for Fundraiser sales during the entire quarter they are in this status. Their personal volume overrides and level volume overrides will remain the same while in this status; this compensation is dependent upon their personal and team activity each month. They can earn promotions while in Affiliate status.

These Consultants will count towards their upline's title and other compensation based on their monthly activity.

Their activity will be reviewed at the beginning of the next quarter and if they've sold a minimum of 250 PV, their status will be changed back to In Good Standing and they will start receiving 25% base commission on all non-Fundraiser sales for that quarter. If they have not met the 250 PV minimum in sales, they will remain in Affiliate status for another quarter and their organization will be compressed to the next upline Consultant who is In Good Standing.

Sales of Consultants in Affiliate status will be reviewed annually, beginning October 2018 and if they have 0 PV for the previous twelve months, their accounts will be converted to a Customer account of the next upline Consultant who is In Good Standing. Their customers and organization will be compressed to the next upline Consultant who is In Good Standing. See Conversion Policy.

Termination of the Consultant Agreement

Termination of the Consultant Agreement may occur in one of three ways: either voluntarily by the Consultant as cancellation or resignation, involuntarily through disciplinary action by Gold Canyon or termination by Gold Canyon upon 30 days written notice without cause. Each of these methods is collectively referred to as "termination".

Termination by Conversion

If a Consultant in Affiliate status does not meet a minimum of 250 PV in a 12 month period after being reclassified to Affiliate status, they will be converted to a customer and their Consultant agreement effectively terminated. Their organization and customers will be compressed to the next upline Consultant who is in Good Standing. They must wait a minimum of 6 months as a customer before they may re-enroll as a Gold Canyon Consultant with an upline of their choosing.

Termination by Resignation

A Consultant may resign by submitting written notification to the home office. Should a Consultant wish to resign, he or she must provide the written notification to Gold Canyon. Once a Consultant resigns, he or she will not be permitted to sign a new Consultant Agreement and purchase a Start Your Way Kit until he or she has waited six calendar months from the actual resignation date.

- Consultants who terminate their Consultant Agreement through resignation may submit their letter of resignation by submitting a support ticket to Gold Canyon Partner Support on the Business Center. This letter must include the Consultant's name and a reason for resigning.
- The resignation will take effect after the commission period in which the resignation was received closes.
- Should a resigning Consultant wish to return any products, Gold Canyon will accept current items that are in salable condition in accordance with the terms of the Inventory Return Policy.
- If a Consultant resigns, the Consultant loses all rights to promote, market or sell the Gold Canyon product line and the Consultant's organization is compressed to the resigning Consultant's upline according to Gold Canyon's policy. The compression process will take place after the commission period in which the resignation was received closes.

Termination as Disciplinary Action

Gold Canyon may terminate a Consultant's Agreement as a disciplinary action for breach of the Statement of Policies or Terms and Conditions, abuse of incentives or promotions, misrepresentation, violation of the law, disreputable or unprofessional conduct or engaging in conduct that, in Gold Canyon's discretion, damages the Company's goodwill. Gold Canyon reserves the right to reject any new Consultant Agreement if that Consultant has been terminated on a previous occasion. The Disciplinary Action policies will be upheld if necessary.

Effect of Termination of the Consultant Agreement

Upon a Consultant's termination, the Consultant loses all rights to promote, market or sell the Gold Canyon product line and use or represent the Gold Canyon business name. Additionally, the Consultant forfeits all rights to any former team or organization members and any privileges previously enjoyed as an Active Consultant. The Consultant will receive any commissions or financial benefits earned up through the day his or her agreement was terminated, but is not entitled to any amounts withheld during a disciplinary review or any amounts due Gold Canyon for any reason.

The Consultant will not receive any commissions or financial benefits derived from either personal sales or their former team or organization. Prior to resigning or being terminated, a Consultant must redeem any and all incentives or bonuses and will not be entitled to awards or incentives unless he or she is Active at the time the award is distributed or carried out. Incentives and bonuses earned by a Consultant who resigns or is terminated may not be redeemed for cash.

Switching Uplines

Because of the nature of the business model, Consultants may not switch uplines. To change uplines, a Consultant must wait for a period of no less than six calendar months after closing their account to sign a new Consultant Agreement and purchase a new Start Your Way Kit to begin selling under a new upline. During the six-month waiting period, the Consultant who is in Resignation or Cancelled status loses all rights to promote, market or sell the Gold Canyon product line. His or her previous organization will also be compressed per the policy.

After signing a new Consultant Agreement, the Consultant may not sponsor any previous team or organization members that he or she may have had. Should the Consultant do so, he or she will be subject to disciplinary action. Any effort to circumvent this policy by enrolling under a different sponsor, a spouse, relative or other strawman is subject to disciplinary action. Should an improper organization switch occur, the offending Consultant shall be subject to disciplinary action. If the offending Consultant has developed an organization under his/her second sponsor, the final disposition of the second organization shall be at the sole discretion of Gold Canyon, and Consultants waive all claims and causes of action against Gold Canyon for its final decision on the proper disposition of the organization.

***Note:** Gold Canyon reserves the right to switch the upline of Consultants who enroll directly to the Gold Canyon account.*

Team Development

Use of Titles

Gold Canyon permits Consultants to publish their leadership title (i.e. Premier Consultant, Team Leader, Senior Vice President, etc.), in places such as on a Consultant's website, business card, cheques or within an email signature. When the title is used on a business card or anywhere else, the management title must be accompanied by the words "Independent Consultant". Consultants must avoid any implication of being a direct employee of Gold Canyon.

Sponsoring a Team

Once a Consultant receives his or her Start Your Way Kit and has thoroughly read the Career Plan, Policies and Procedures, he or she may begin sponsoring. There is no limit to the number of Consultants that may be sponsored. The sponsoring Consultant must be In Good Standing and must also be in compliance with Gold Canyon's Policy and Terms and Conditions. Override commissions are paid on a Consultant's team only when the Consultant maintains at least 250 Personal Volume (PV) in a calendar month and meets the Paid-As Title requirements as outlined in the Career Plan.

Income Claims

Making claims regarding potential income to be earned under the Gold Canyon Career Plan is prohibited pursuant to Federal Trade Commission regulations. Consultants may not estimate projected income for new Consultants or share their personal income histories with potential new Consultants. Any examples of potential earnings should be consistent with the information presented in Gold Canyon publications. It should be made clear to the prospective Consultant that the examples of potential earnings are hypothetical and not based on an individual's actual performance, but rather on mathematical projections that are solely intended to illustrate how the financial opportunity operates.

Referral Program

The preferred sales method for Gold Canyon is the home Party where personal relationships can be built between Consultants and their customers. With this method in mind, each time potential customers contact Gold Canyon to purchase products, host a Party, inquire about being a Consultant or find out more information on Gold Canyon Fundraisers, they will be redirected to a Consultant in their area.

For online shopping, a customer will be asked to select a Consultant. They will enter their postal code and the search feature will return a list of nearby Consultants who have an active personal website and submitted at least 250 PV the previous month. The results lists shows the Career Title of the Consultants who are found in the search.

When a person decides to join Gold Canyon through GoldCanyon.com, they are required to select an upline to complete their request. If they don't already have a Consultant when they go to enroll online, they will be asked to select one by entering their postal code. The search feature will return a list of nearby Consultants who have both an active personal website and a Paid-As Title of Leader or above from the previous month.

If a customer chooses to shop as guest on a Consultant's personal website the order will be credited to the Consultant who owns the personal website.

If a customer chooses to shop as a guest on the corporate website, a search on their email will be done to see if it matches a registered account. If so, the order will be credited to the Consultant linked to that account, if available. If no Consultant was selected for the account, the order will be round-robin.

Referral leads will be distributed based on the Consultant's proximity to the referral. Although the program is offered free of charge, Gold Canyon requires a Consultant who accepts a referral to agree to contact the lead within five days of receiving the referral. Gold Canyon reserves the right to alter, suspend or cancel the Referral Program. Gold Canyon also reserves the right to determine the geographical area from which referrals are drawn for each Consultant.

Consultant Agreement

For a new Consultant to complete the enrollment process the Consultant Agreement must be submitted and the Start Your Way Kit must be purchased. The Consultant Agreements are submitted online through an Active Consultant's website using one of the following credit cards: American Express, Discover, Visa and MasterCard.

Promotions

A Fragrance Consultant promotes to a new Career Title when they meet all of the qualifications for that title in a single month. The promotion is effective the first day of the month of qualification, meaning that regardless of what day for which the promotion was actually qualified, the new Career Title is effective for the entire month. A Consultant may promote to more than one new title in the same month. In this instance, the Consultant is paid at the highest title to which they promoted in that month.

Leadership Titles

Each Consultant is paid at the title for which they qualify during the period. The requirements to be paid as a title are the same as the requirements to promote to that title but subject to a single month.

A Consultant's Career Title is their recognition title, typically the highest title they have achieved. A Consultant's Career Title does not change unless they promote or are reclassified to Affiliate status, unlike a Paid-As Title, which may vary from month to month.

Code of Conduct for Team Leaders and Above Requirements

Team Leaders and above are expected to meet the requirements as set forth in this Statement of Policies and Terms & Conditions. In addition to other requirements, Team Leaders and above agree to:

- hold monthly Gold Canyon Team Meet-Ups
- proactively work with team members to help them in their Gold Canyon businesses
- respond to Gold Canyon team members' inquiries in a timely and professional fashion

- attend Gold Canyon events and participate in Gold Canyon leadership calls
- Team Leaders and above also agree not to train, teach or otherwise promote methods to manipulate the Career Plan, incentives, bonuses or promotions, such as entering orders or placing newly enrolled Consultants under Consultants in his or her organization.

Non-Competition

Team Leaders and above also agree to Non-Competition, meaning they will not, directly or indirectly, compete with Gold Canyon, and will refrain from directly or indirectly:

- recruiting for, or promoting, displaying or selling any products or services of, any direct selling company other than Gold Canyon;
- being an owner, employee, or independent contractor for any direct selling company other than Gold Canyon, except for the sole purpose of purchasing products for personal use.

Further, Team Leaders and above will adhere to these policies:

- Team Leaders and above will be an independent contractor with control over the scope, methods and manner of their activities pursuant to this Statement of Policies and Terms & Conditions.
- Team Leaders and above will conduct business in an ethical fashion and provide the leadership and direction explained in this Statement of Policies.
- Team Leaders and above will operate his or her business in full compliance with all federal, state and local laws and regulations.

Failure to adhere to this Leader's Code of Conduct will result in Disciplinary Action as outlined on pages 24-25 of this Gold Canyon Policies document.

Selling or Transferring a Consultant's Business

Selling or transferring a Consultant's business is not permissible. The Agreement with each Consultant is a personal contract to Gold Canyon and may not be transferred by the Consultant to a third party.

Commissionable and Non-Commissionable Orders

The following orders are considered commissionable:

- Sales submitted as a Party order
- Sales submitted through a personal website
- Sales submitted as a Consultant order
- Sales submitted as a customer order
- Sales submitted as a Fundraiser as outlined in the Fundraiser Program

However, the following items are considered non-commissionable:

- Supply items on any order type
- Host Rewards, Host free and half-off items, Host Exclusives and any free promotional items on any order type

Social Selling

While products can be sold through various social selling methods, the preferred and most successful method for selling Gold Canyon products is the Gold Canyon Party. Other approaches to selling Gold Canyon products are open houses, social media, Gold Canyon personal website, trade shows, craft fairs, expos and Fundraisers.

Sales through Internet Auction Sites

Consultants are not permitted to sell current catalogue items, Host Rewards, and other special product promotions through Internet auction sites (e.g. eBay or similar Internet sites). Current catalogue items, Host Rewards and other special product promotions may not be sold through Internet auction sites.

Shows, Expos and Fairs

Gold Canyon supports craft shows, trade shows, county fairs, state fairs and expos because they are short-term engagements that do not recur on a daily, weekly or monthly basis. Please note the following guidelines for these events:

- A Consultant must register for an event as an Independent Consultant when completing the enrollment process to avoid any implication that he or she is an employee of Gold Canyon.
- A Consultant must limit his or her participation in accordance with the following guidelines:
- The consecutive time frame for any single event may not exceed three weeks in any calendar year.
 - Consultants may not participate in events that have a recurring presence for extended periods of time. These will be deemed fixed retail locations. For example, a craft mall, swap meet, flea market, farmer's market or mall kiosk that has a presence in a single location every weekend for a period of time greater than four weekends in a calendar year would be considered a fixed retail location.
 - Registration at trade shows, craft shows or expos is established on a first-come, first-serve basis.
 - Note: Gold Canyon does not approve or deny applications for these events.
 - A Consultant must ensure that his or her booth is staffed at all times.
 - A Consultant may take orders at these events and offer cash and carry for product.
 - A Consultant may only use Gold Canyon products as part of his or her display. He or she may use decorations or props provided they are not competing products, but may not offer these items for sale to the public.
 - Gold Canyon products may not be displayed or sold along with any other products or services, competing or otherwise, nor may Consultants share booths at craft fairs, trade shows or expos with a representative of any other sort of business, competing or otherwise.

Fundraisers

The Fundraiser Program is fully integrated into the Career Plan. Fundraiser sales will count toward all Qualifying Volume Requirements (PV, TV and DV). The Fragrance Consultant retains 10% of the retail profit of the Fundraiser order amount. As the Fundraiser volume increases, a Consultant becomes eligible for the Personal Fundraiser Override Commission.

The Commissionable Volume on Fundraiser orders is set to 50% of retail value for most products and the full Career Plan will pay out on all Level, Team and Generation Overrides. For additional information, review the Career Plan Information in the *Career Plan Guide* in the Business Center/Tools/Resource Library/Gold Canyon USA and Canada/Career Tools.

Note: The Fundraiser products are not intended for resale.

Sales in a Retail Setting

Gold Canyon Consultants are not permitted to stock inventory for cash and carry in a retail setting. A fixed retail location is not the appropriate place to conduct a Consultant's day-to-day business. Gold Canyon does, however, permit Consultants to display product in retail settings. See below for complete guidelines.

Product Displays

Gold Canyon recognizes the benefits of placing product displays in retail settings. Please note the following guidelines for this sales setting:

- Consultants are permitted to display product in salons and similar locations.
- Examples of acceptable locations are salons, local stores, doctor's offices, dentist's offices, local banks.
- Examples of locations that are not acceptable are national retail chains with multiple locations like Wal-Mart, Walgreens or Target.
- Your display should emulate your Party display and represent an array of product categories offered by Gold Canyon.
- Consultants may advertise the business opportunity and promote the Party sales avenue.
- Product is for display purposes only. Cash and carry sales are not permitted.
- Consultants may take orders and book Parties, but selling of the product display or other inventory is not permitted.
- Consultants may not have orders shipped to the location; orders must be delivered directly to the customer or Consultant for delivery to the customer.
- No excess inventory allowed other than display product.

- No temporarily or permanently affixed signage.
- Signs, banners and other advertising outside the location announcing or directing customers to a Gold Canyon display inside an establishment are prohibited.
- Only one Consultant display per location.

Special Product Promotions

All orders containing special product promotions must be submitted to Gold Canyon on the day the promotion expires. Orders must be received through Gold Canyon's online ordering system by 11:59 p.m. AZ Time on the day the promotion expires. Orders containing incentives for special product promotions count toward the commissionable sales of the month in which they are received. These orders cannot contain any incentives offered for other months.

Notice of Right to Cancel

The Federal Trade Commission requires that customers be provided three business days during which they may cancel a sale under specific conditions (Alaska residents have five business days to cancel.). This requirement applies to Consultant's sales that meet the following standards:

- The sale of products to one customer at one time worth at least \$25.00 or more (including shipping and handling, but excluding tax)
- Solicited in-person, except for craft fair or expo sales

If the sale meets the standards described above, the Consultant must provide each customer with two copies of a *Notice of Right to Cancel* form. The *Customer Order* form includes the *Notice of Right to Cancel* on the reverse side and the bottom two copies of the order form are designated for the customer. The *Notice of Right to Cancel* can also be found on the *Host Totaling* form as well.

It is also a requirement of the FTC that the Consultant verbally makes the customer aware of the right to cancel within three business days. An ideal time to mention this to customers is at the point in the transaction when you give them their two copies of the *Customer Order* form.

If a customer decides to exercise his or her right to cancel and submits a signed *Notice of Right to Cancel* form within three business days of the sale, the Consultant must refund the customer's payment within 10 business days. Once a Consultant receives a *Notice of Right to Cancel* and the product order has been submitted to Gold Canyon, he or she must contact Gold Canyon immediately to avoid shipment of the order if at all possible.

Should the cancelled order ship before a Consultant is capable of calling to cancel it, the Consultant may choose to keep the products for personal or business use or to exchange the product in accordance with the replacement process and procedure. Any fees incurred as a result of a customer's right to cancel are the complete responsibility of the Consultant and cannot be passed along to the customer who chooses to cancel.

Cancelled orders do not count toward a Consultant's sales totals and will affect commissions, incentives, recognition, etc.

Requests to Change or Cancel Orders

Gold Canyon will not accept any changes or cancellations for orders that have been submitted unless a customer has exercised their right to cancel. If a customer communicates he or she would like to exercise their right to cancel, please contact the Gold Canyon Partner Support department as soon as possible. After the three-business day cancellation period, orders cannot be cancelled.

An order that has already been submitted, processed and/or shipped cannot be cancelled and must be processed using the replacement process.

Transferring Sales

Gold Canyon's business model is largely driven by the personal relationships Consultants develop with their customers and the resulting sales to these end customers. As a result, Consultants may not take the following actions:

- Sell booked Parties or other sales opportunities to another Consultant

- Submit orders or enroll new Consultants under another Consultant in order to earn an incentive, change in leadership title or otherwise manipulate the Career Plan, incentives, programs or promotions.
- Subsidizing partial or entire cost of a customer purchase, enrollment kits, excessive inventory and the purchase of products to qualify for incentives, programs, promotions or personal sales requirements for coaching commissions or leadership title or to avoid cancellation. Submitting an enrollment order using your credit card and/or shipping the Start Your Way Kit to your address rather than the new Consultant is considered subsidizing the cost of an enrollment kit and is not allowed.
- Submitting an enrollment order using your credit card and/or shipping the Start Your Way Kit to your address rather than the new Consultant is considered subsidizing the cost of an enrollment kit and is not allowed. If the credit card payment used at enrollment does not belong to the new Consultant enrolling, the credit card payment must be issued on a card belonging to someone in the new Consultant's household.
- Directly or indirectly split commissions with another Consultant for Party sales
- Contract employees or other Consultants to carry out any Party, promote sales or collect orders from customers

If an audit of accounts and/or orders leads to the discovery of the above mentioned actions, the Consultant may lose the incentive, additional commissions and/or leadership title earned or potential termination of the Consultant Agreement by taking this action.

Exceptions:

- A Consultant may pass a booked Party or other sales opportunity along to another Consultant should he or she encounter a personal illness, family emergency or other extenuating circumstance that inhibits him or her from keeping a previous obligation. This is only permitted if it is understood between the Consultants that the Party belongs completely to the Consultant who conducts the Party is free of any obligation. Any commissions, recognition, or other compensation that are accumulated as a result of the transferred Party shall exclusively belong to the Consultant who completed the Party. Before the transfer of the Party occurs, the Consultants must come to an agreement regarding any Party bookings or new Consultants that might stem from the transferred Party.
- A Consultant may conduct the first Party (a Gold Canyon Launch Party) for a new team member, who will act as a Host. At this Party, the new Consultant receives the resulting commissions, Host credits, gifts and bookings.
- When a Consultant conducts a Party and enrolls the Host as a new Consultant, it's a win-win situation. The Consultant may keep the 25% Base Commission/Retail Profit but enter the Party under the new Host-turned-Consultant. The new Consultant receives the Personal Override Commissions and Qualifying Volume/PV and Host Rewards.

Financial Transactions

Payment Types

All orders must be prepaid by the Consultant before the order is processed and shipped. When placing orders with Gold Canyon, various types of payments are accepted. Payments can be made during the online order entry process by credit card, debit card or E-cheque (ACH). Please note that Gold Canyon currently accepts American Express, Discover, Visa and MasterCard for credit and debit card payments. Note: Gold Canyon does not accept any personal cheques.

Payment for Fundraisers

Payment for Fundraiser orders must be submitted in advance. Exceptions may include institutional Fundraisers for organizations such as schools. (See the Business Center/Tools/Resource Library/Gold Canyon USA and Canada/Fundraiser Tools for more information.)

Rejected E-Cheque (ACH)

If Gold Canyon receives a rejected E-cheque, the Gold Canyon Finance Department will attempt to contact the Consultant for an alternate method of payment. Consultants will be required to contact the Finance Department to pay for any returned payments in a timely manner. Once the Finance Department is notified of the returned payment, the Consultant's Business Center account will be placed in Hold status, thus preventing access to the Business Center. (See Consultant – Hold in the Glossary of Terms for additional information.) The Consultant will be charged a \$25.00 fee for returns due to insufficient funds. A Consultant may choose to have the e-cheque payment reprocessed, but their account will remain in Hold status for three business days, allowing Gold Canyon time to confirm the payment was

successful. Credit card payments can also be accepted and their account will be taken out of Hold status immediately after the payment is successfully processed.

Should Gold Canyon receive three rejected e-cheques, the Consultant will not be permitted to pay using this method again and an alternate form of payment must be provided each time an order is placed in the future. Once e-cheque privileges have been revoked, they will not be reinstated.

Commissions Cut-Off Date (All times are Mountain Standard Time.)

Monthly Commissions

The final cut-off date for monthly commissions is the last day of the month. Orders must be received by Gold Canyon's ordering system by no later than 11:59 p.m. on the last day of the month.

Incentives

The final cut-off date for incentives is the last day of the incentive. Orders must be received through Gold Canyon's ordering site no later than 11:59 p.m. AZ Time on the day the incentive expires.

Commission Cheques or Other Payments

Payments are made to Consultants by e-cheque (ACH) once the authorization process has been established by Gold Canyon. Commission cheques for override commissions earned during the prior month will be deposited on approximately the tenth day of the month. Please note that deposits will not be mailed to Consultants until the cheque total exceeds \$10.00. To offset the cost associated with processing and managing paper cheques, a \$5.00 cheque fee will be assessed for Consultants opting for a mailed cheque instead of direct deposit.

If a cheque needs to be reissued for any reason, the Consultant must contact Gold Canyon, who will reissue a cheque as soon as possible within the necessary cheque processing timeframe. The Consultant may be charged a \$25.00 stop payment fee.

A termination fee of up to \$10.00 will be assessed to any account that is terminated, cancelled, resigned, etc. 30 days after the account closes. The Consultant has 30 days with which to request any remaining balance on their account to be distributed. If the Consultant does not submit a request to have their balance distributed, the remaining balance on the account will be used to satisfy the fee.

Performance

Consultants can view their activity online in the Reports menu of their Business Center, the Consultant portal. All performance reports and other reports, lists and data provided to Consultants by Gold Canyon are considered confidential and proprietary. They are also considered trade secrets and are the exclusive property of Gold Canyon.

Team and Organization Performance reports reflecting organization activity are made available to Consultants with the understanding that they are not to be disclosed to anyone, and are to be used solely to provide the necessary information regarding organization activity to each Consultant so that he or she may assist their organization in growing their Gold Canyon businesses.

A Consultant enters or changes the commissions payment method to/from cheque or direct deposit in the Business Center in the My Account/Account Overview menu. Please note that Gold Canyon uses industry-standard methods to ensure the security of your payment information. The Add Direct Deposit Tutorial can be found on the Business Center/Tools/Resource Library/Gold Canyon USA and Canada/Tutorials.

If a Consultant has questions regarding any commissions, adjustments or fees within a report or should an error within an activity report be discovered, it is the Consultant's responsibility to contact Gold Canyon within 30 days of the date the report was first made available.

Personal Website Billing

The charge to renew a Consultant's personal website will be processed each month on the same date as your personal website enrollment. For example, if you were to sign up for or reactivate a website on July 20, your credit or debit card will automatically be billed \$12.99 on the 20th of each month.

To manage your personal website, use the “My Website” portal under “My Account” on the Business Center. You’ll see that you can edit all your personal details including your name, phone and photo. This is also the location to edit your payment details and view the next payment date. Keep in mind that payment for your personal website can only be done with a credit or debit card. It is the Consultant’s responsibility to verify that payment information has been entered correctly and that the card has not expired to ensure personal website service continues.

If the card payment is unsuccessful, you will receive an email notification that your payment failed, and you will be notified of the time you have to update your payment method in the “My Website” page on the Business Center. If this second attempt is unsuccessful, a third attempt will be made before the website will be cancelled. The Consultant must then update the payment method in “Financial Accounts” under “My Account” on the Business Center and then reactivate the personal website in the “My Website” portal under “My Account” on the Business Center.

Tax Information

General Sales Tax Information

It is required that sales tax and/or use tax be collected any time a Gold Canyon product is sold. The sales tax for an order is based on catalogue pricing and is determined according to the local sales tax for the ship-to address.

To help Consultants meet reporting compliance with sales tax regulations and as a service to Consultants, Gold Canyon collects and remits sales tax on each Consultant’s behalf. Consultants are responsible for collecting sales tax from their customers at the time of the sale and then submitting it to Gold Canyon. Gold Canyon subsequently passes the sales tax along to the appropriate state and local tax authorities.

Tax-Exempt Sales and Fundraiser Orders

Some organizations are sales tax-exempt. Please be aware that an organization may be exempt from income tax but still be required to pay local sales taxes. Before a Consultant places a Fundraiser order for a tax-exempt organization, Gold Canyon must verify, document and approve the sales tax-exempt status. To receive approval, a Consultant must do the following on behalf of the tax-exempt organization:

- Submit a Fundraiser application and select “Yes” for the question, “Is Tax-Exempt?”. You also need to upload a copy of the Purchase Exemption Certificate
- The Purchase Exemption Certificate must be received before Partner Support can verify the organization’s tax-exempt status.

Upon receipt of these items, Gold Canyon will validate and approve the sales tax-exempt status of the organization so the organization can be considered a tax-exempt account. Once sales tax-exempt status has been verified, the Fundraiser can be submitted without sales tax. Fundraiser orders cannot be combined with or be entered as a Party order. (See the Business Center/Tools/Resource Library/Gold Canyon USA and Canada/Fundraiser Tools for more information about Fundraisers.)

Income Tax

Because Consultants are considered independent contractors, it is the responsibility of the Consultant to pay Social Security tax and any other applicable taxes. Gold Canyon does not deduct any taxes from Consultant commission cheques. If a Consultant receives a B-Notice or request for a W-9 from Gold Canyon and doesn’t comply with the instructions, Gold Canyon will be required by the IRS to withhold taxes from future commission payments. It is important that Consultants enter their SSN or Taxpayer Identification Number correctly and the name and number match the information the Social Security office and IRS have on file. Consultants should update the Social Security office of any name changes to prevent reporting discrepancies.

Each year, Gold Canyon will issue an IRS Form 1099 Misc. to each Consultant for the prior year’s earnings, provided they have earned at least \$600.00 (the lowest amount in annual compensation that must be reported to the IRS) in override commissions, incentives, including trip incentives and other reportable earnings. It is recommended that a Consultant with questions regarding self-employment tax, payment methods or other required filings contact a professional tax accountant. The \$600.00 for which an IRS Form 1099 Misc. is issued is comprised of cash commission

as well as any incentives. Due to the commission structure, only a portion of the Consultant's earnings will be reflected in the 1099 form. Gold Canyon does report base commissions paid by Gold Canyon directly on IRS form 1099 Misc.

The Consultant is responsible for tracking and accurately reporting all their business income and expenses. The monthly reports found on the Business Center include information regarding Consultants' sales and overrides that can assist with tax preparation. Should a replacement copy of a Consultant's IRS Form 1099 Misc. become necessary for any reason, the Consultant may be charged a \$10.00 processing fee. Additional copies of commission records for preceding years may be charged a \$25.00 per hour researching fee as well as the cost of photocopies.

Marketing & Advertising

Advertising

To market their Gold Canyon businesses, Consultants may choose to use advertising and printed materials. Because it is necessary to use the Gold Canyon business name and trademarks in these advertisement and printed materials, Consultants are required to follow the applicable policies regarding marketing and advertising.

When Consultants choose to advertise their Gold Canyon business, they must adhere to the following rules:

General Use of Gold Canyon Business Name, Logo and Trademark

Home office approval is not required for the following, provided guidelines with regard to logo and trademark usage are followed and a Consultant has stated his or her status as an Independent Consultant:

- team newsletters
- any items intended for team distribution only (agendas, worksheets, etc.)
- instructions for new team members
- Host or new Consultant cover letters
- newsletters or emails intended for current customers (Consultants need to be careful not to violate antispam laws.)

Local and National Advertising

- Consultants are not permitted to refer to themselves in such a way that would lead anyone to believe they have obtained any sort of geographical territory. A Consultant may refer to himself/herself as a "local" Consultant, but using any type of a reference to a geographical area, such as a city, state or country, is not permitted.
- Consultants may engage in local advertising, such as a local newspaper or magazine that circulates within your state, local professional or networking organization, school programs and church bulletins.
- In all circumstances, Consultants must refer to themselves as Independent Consultants and must not present themselves in any way that would lead someone to believe they represent the corporate entity Gold Canyon International, LLC.
- Consultants may choose to become members of any local professional or networking organization. Any print advertising by such local professional or networking organizations must read "Consultant Name, Gold Canyon® Independent Consultant". Listings on online directories for such local professional or networking organizations must include "Consultant Name, Gold Canyon® Independent Consultant and Consultant contact information (contact information being a phone number or email address)." In addition, they may also include their Gold Canyon personal website address in this listing.

Fundraiser Advertising

- When advertising Fundraisers, the word "Fundraiser" should be prominently presented in each advertisement or promotional material.
- When advertising Fundraisers, a disclaimer stating that the Fundraiser is not connected with or sponsored by Gold Canyon must be included. The type-size for the disclaimer must not be any smaller than the second largest type-size used in the advertisement to ensure it is visible to those who read the advertisement or promotional material.

Advertising Methods

- Consultants may choose to promote the Gold Canyon opportunity and products via online advertising methods such as pay-per-click advertising, banner ads and social media. It must be clear that the advertisements are sponsored by

an “Independent Fragrance Consultant”. Any ads featuring images, photos or graphics need to feature the approved images provided by Gold Canyon.

- It is important to add the following verbiage to the bottom of any advertisement or materials you’ve written, created or updated so customers and other Consultants can distinguish advertising that comes direct from Gold Canyon and pieces you are producing: “These materials have been produced by <your name here>, an Independent Consultant with Gold Canyon, and are not official materials prepared or provided by Gold Canyon”.
- Advertisements through TV and radio broadcasting are permitted with prior approval from Gold Canyon.
- Print advertisements featured in magazines and newspapers or any other placement need to only feature Gold Canyon approved images. Any nationally or internationally distributed print advertisements need approval from Gold Canyon. Any print advertising must read “Consultant Name, Gold Canyon® Independent Consultant”.
- A Consultant is permitted to use the Gold Canyon name, trademark or logo on any permanent outdoor advertising such as billboards or signs as long as approved images from Gold Canyon are utilized.
- Consultants may not engage in the hiring of professional services to conduct telephone solicitation or telemarketing on their behalf.

Advertising/Promotional Supplies

- To promote consistency, Consultants need to purchase those business supplies (business cards, letterhead, etc.) made available through an approved vendor via the Consultant website.

Your Personal Consultant Website

Like all successful businesses, you have the opportunity to have a presence on the Internet. Gold Canyon’s personal websites allow Consultants to enhance their businesses in the following ways:

- Share the Gold Canyon vision through information regarding our commitment to quality and the history of our Company.
- Share your personal story. Doing so can increase your sponsoring efforts, as your story can encourage your website visitors to review the Gold Canyon business opportunity.
- Stay in touch with customers by announcing new catalog releases, seasonal products and promotions and incentives Gold Canyon offers.
- Allow customers to order online when they are unable to attend a Party.
- Provide an easy way for customers to contact you through the “My Consultant” drop down, which includes your personal contact information.

From the “My Website” page under “My Account” on the Business Center, you can create your own personal website allowing you to earn full commissions for orders placed through your personal website. Through this service, Gold Canyon conveniently ships orders directly to the customer whether your online customer is across town or across the country. The benefits of having your own professional website outweigh the small fee it costs to maintain the site. (See “My Website” under “My Account” on the Business Center for complete information on setting up your personal Consultant website.) Orders received through your personal Consultant website are not eligible for Host Rewards. (If attached to an Online Party, the personal website order will count towards total used to calculate Host Rewards.)

Internet/Intranet Approved

- Consultants may only sell Gold Canyon products and conduct business online with the Consultant personal websites. Consultants may choose to create blogs, landing pages, team pages or other micro websites. Any e-commerce activity needs to be transacted through the personal website.
- Consultants **may advertise on classified ad sites, personal networking sites.** Examples of websites where Consultants could advertise are craigslist.org, Facebook.com, etc. The advertisement must include “Consultant Name, Gold Canyon® Independent Consultant and Consultant contact information (contact information being a phone number or email address).” In addition, they may also include their Gold Canyon personal website address in this listing.
- Consultants may use the following recommended text in their ad: “We offer a complete line of scented products including candles and flameless fragrance, eco-friendly, natural, green cleaning products, home décor with various candle holders, and candle care products such as wick dippers and trimmers.”

Social Media Websites – Guidelines for Consultants

Gold Canyon Consultants are encouraged to actively participate on their own social media websites if they wish. Consultants may post comments on the Gold Canyon corporate social media websites and/or create their own social media profiles or Facebook pages to share information about the Gold Canyon business, provided they comply with these guidelines.

Personal Social Media Profile/Page

- Consultants must identify themselves on these sites as an Independent Gold Canyon Consultant. The company name "Gold Canyon" can only be used in this format. Consultants may not use the company's name as their profile or Facebook page name by itself or in conjunction with any other title other than the format identified above.
- Consultants are prohibited from representing themselves as Gold Canyon.
- Consultants may provide a link to their Gold Canyon personal website on their personal profile or page.
- Consultants may only use the pre-approved logos and copyrighted images available on the Consultant website (The Business Center) under Tools/Resource Library/Gold Canyon USA and Canada/Social Media on these sites.
- Consultants must avoid inappropriate conversations, comments, images or content. The determination of what is inappropriate is at Gold Canyon's sole discretion.
- Consultants must not solicit business for another company on their Gold Canyon profile or Facebook page.
- It is recommended Consultants create a separate profile or Facebook page for the purpose of discussing or promoting their Gold Canyon business. *Example: First Name = Mary Smith, Last Name = Gold Canyon would be the profile or page built for professional posts, while First Name = Mary, Last Name = Smith would be a profile used for personal posts with friends and family.*
- Any unauthorized claims (including hourly earnings and other earnings-related statements), lifestyle claims or enrollment promotions other than those offered by the Gold Canyon Home Office are prohibited.
- Consultants are required to promptly remove any comments or postings by others on their personal page that, had they been made directly by the Consultant, would violate these guidelines.
- In the event you are no longer a Gold Canyon Consultant, use of the name, brand or names of current employees, associates or directors is prohibited unless you are using these names in good faith on social sites. If at any time after your separation from the company you post derogatory remarks or anything that could be considered potentially damaging to the company's reputation and good standing, you must immediately remove company name from all public viewing within your pages, profiles and posts.

Consultant Participation on Gold Canyon's Corporate Social Media Profiles/Pages

Gold Canyon Consultants are encouraged to actively participate on Gold Canyon's social media websites. Please use good judgment and discretion as you promote your business in this way. It is beneficial for your business to make proactive, positive use of Gold Canyon's social media pages, including the sharing of ideas, product ideas, product uses, Party ideas, encouragement to Consultants, Hosts or customers or responses to posted questions. Based on the quality of your posts, other Facebook users may want to personally contact you via Facebook, which allows you to develop a relationship with that individual to help promote your Gold Canyon business. The following policies will ensure that Gold Canyon's social media pages continue to represent our family of Consultants in a manner that is consistent with our company values.

- Consultants are not allowed to post references to their personal business (i.e. personal website URL, email address, phone number, etc.) on Gold Canyon's corporate social media pages.
- Consultants must avoid inappropriate or disparaging conversations, comments, images, or content. The determination of what is inappropriate is at Gold Canyon's sole discretion.

Internet/Intranet Non-Approved

- eBay and other auction-style websites are not permitted methods to sell Gold Canyon products. Amazon and other "personal store front" websites are not permitted. In general, supplying products to another individual, company or website for sale and distribution is not permitted.
- Consultants may not advertise any other products or opportunities other than those of Gold Canyon in an ad for Gold Canyon.

Copyrights on Website Materials

The Business Center contains links to training materials, business forms and many other important features. Electronic publications are protected under U.S. copyright laws. These publications are copyrighted by Gold Canyon regardless of

whether or not the publication contains a copyright notice. Consultants may only use copyrighted materials for purposes approved by Gold Canyon.

Media Interaction

Periodically, Gold Canyon may provide media interaction ideas to assist Consultants in marketing their businesses while establishing greater brand recognition for Gold Canyon. In these instances, Gold Canyon will provide the necessary tools to effectively advertise through the media. All Consultants are required to follow the rules and regulations set forth at the time of each media interaction campaign.

Use of Titles

See Team Development section for details.

Trademark Usage Rules

The Gold Canyon business name and trademarks belong exclusively to the Company. An Active Consultant may use the trademarks provided he or she uses them correctly. Consultants must use the registered trademark symbols, “®” or “™” where applicable and may not alter the trademarks in any way.

The following are U.S. registered trademarks of the Company and must be displayed in the following format:

A Happy Fragrance Experience™	Scent ID™
Bella®	Scent Pod®
Candles Body Home®	Scent Pods®
Cozy Christmas®	ScentMate™
Diamond-Light™	Scent Pod® Warmer
Friends, Fragrance & Fun!™	Scentric™
Gold Canyon®	Scentre™
Heritage®	Signature Series®
Heritage® Occasion	Simple Selling System™
Homeology®	Suddenly Scented®
Lending a Hand™	The essence of living well™
Love Struck™	"The World's Finest"®
Lumie™	Try•Lights™
MagnaCharm™	VoLights™
Neck of the Woods™	

Logo Usage Guidelines

Consultants must use the standard Gold Canyon logo, as it appears on the pre-approved logos available on the Consultant website. The logo cannot be altered in any way. Additionally, Consultants may not duplicate the Gold Canyon logo on any type of clothing, supply item or other promotional items to market their Gold Canyon businesses or for the purpose of resale. Logo wear and promotional items are provided to Consultants through the Gold Canyon Print Shop (accessible at the Business Center/Tools/Resource Library/Gold Canyon USA and Canada/Supplies, which provides attractive, comprehensive product lines to meet a Consultant’s needs. If a Consultant wishes to use the logo in a way outside of the provided guidelines, he or she must get approval from Gold Canyon.

Gold Canyon offers a variety of promotional products to help Consultants display their enthusiasm for the Company and enhance their professional image as they share the Gold Canyon opportunity with others. We offer clothing and sales aids bearing the Gold Canyon logo, available for purchase as supply items at the Business Center. You’ll find a large selection of advertising tools, business tools, clothing and accessories at Tools/Resource Library/Gold Canyon USA and Canada/Supplies. Simply add your favourite promotional products to your Party or Consultant Order.

Intellectual Property

Gold Canyon Business Name

The Gold Canyon business name belongs solely to Gold Canyon. The business name reflects the Company’s reputation, goodwill and drawing power and, therefore, must be used with care. It is necessary and expected that Consultants use the business name when discussing their Gold Canyon business, when introducing themselves or when selling Gold

Canyon products. Consultants may not use “Gold Canyon” in their team names, individual email addresses or website addresses.

Gold Canyon Literature

Producing photocopies of any Gold Canyon publication is permitted provided it is intended for business use but not for dissemination. Copyrighted material includes any publication or form provided by Gold Canyon via the Internet or otherwise. Reproducing or scanning copyrighted publications, including a Gold Canyon catalogue, is a violation of the U.S. copyright laws protecting these items. Consultants are permitted to use text from Gold Canyon publications, provided they include a citation of the publication from which the information was taken, giving all credit to Gold Canyon. Gold Canyon owns the copyrights to any advertisements approved by the home office and reserves the right to use these approved advertisements in any way seen fit.

Home-Produced Training Materials

The home office must approve any production, distribution or sale of video or audio that Consultants produce to train their team, sponsor new Consultants or market their businesses.

It is important to add the following verbiage to the bottom of any advertisement or materials you’ve written, created or updated so customers and other Consultants can distinguish advertising that comes direct from Gold Canyon and pieces you are producing: “These materials have been produced by <your name here>, an Independent Consultant with Gold Canyon, and are not official materials prepared or provided by Gold Canyon”.

Confidential and Proprietary Information

All lists, data collections, reports or other information provided to Consultants by Gold Canyon are strictly confidential. This applies to all activity statements, organization activity reports and/or other collections of data available either in a hard copy or online format. Any lists including but not limited to lists with names of Consultants, customers, Consultant organization information, or information regarding the sale of Gold Canyon products, are proprietary trade secrets, which are the exclusive property of Gold Canyon.

Patents

Any patents owned by Gold Canyon that cover certain Gold Canyon products are protected under U.S. federal law.

Conflicts of Interest

Outside Employment and Business Dealings

Certain types of outside employment or business dealings may cause a conflict of interest or the appearance of a conflict. Any activity that diminishes your ability to conduct your Consultant business objectively, benefits you at the expense of Gold Canyon, competes with any business or service provided by the company, or has the potential to damage Gold Canyon’s reputation will not be permitted. Certain types of outside employment or business dealings may not be accepted while In Good Standing as a Fragrance Consultant with Gold Canyon, including:

- Employment or association with companies or organizations that prepare, audit or certify statements or documents pertinent to the company’s business,
- Employment with clients, competitors, vendors or suppliers that Gold Canyon deals with in the normal course of your Consultant duties,
- Any business relationship with a client, prospect, supplier, vendor or agent of the company (other than normal consumer transactions conducted through ordinary retail sources), and
- Any business relationship with a prospective supplier of goods or services to Gold Canyon, or a member of their family, shall not participate in the preparing of bids on products or services being offered by Gold Canyon.

Competitive Selling

So long as a Consultant’s Gold Canyon Consultant Agreement remains in force, a Consultant may not become a salesperson for any direct sales, Party plan or network marketing program that sells candles and/or related home décor products. A Consultant must not be an agent, independent salesperson, employee or owner of any entity whose primary purpose is the manufacture, marketing or sale of candles and/or related home décor products. Doing so will make a Consultant subject to disciplinary action. For the purposes of this policy, a company is competing with Gold Canyon when the candle offering is a significant portion of the company’s product and marketing presence. A

Consultant may not present Gold Canyon products along with any other company's products or services at the same event, regardless of whether or not the other company's products or services compete with those of Gold Canyon.

Competitive Sponsoring

Consultants may not use the association and drawing power of their Gold Canyon business to sponsor or develop any other direct sales organization including the use of Gold Canyon's brand or good will to solicit business with other companies through social media or otherwise. During the term of a Consultant's agreement, Consultants may not sponsor other Gold Canyon Consultants or customers for any other network marketing, Party plan or direct sales business.

Following the cancellation of a Consultant's Agreement, and for a period of twelve calendar months thereafter, a former Consultant may not sponsor any Gold Canyon Consultant or customer for another network marketing business if:

- 1) that Consultant or customer was in the former Consultant's organization marketing organization;
- 2) that Consultant was in the former Consultant's upline marketing organization; or
- 3) the former Consultant met, developed a relationship with, or gained knowledge of the Consultant or customer by virtue of their mutual participation in Gold Canyon.

The term "sponsor" means actual or attempted solicitation, enrollment, encouragement or effort to influence in any other way, either directly or indirectly, another Gold Canyon Consultant or customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity. This conduct constitutes sponsoring even if the Consultant's actions are in response to an inquiry made by another Consultant or customer.

Cross Sponsoring

Gold Canyon undertakes all efforts to support the ethical business efforts of all Consultants. Any activity that attempts to sponsor another Consultant's team member(s), slander another Consultant, enroll a Consultant as a new team member prior to his or her termination and completing the required six calendar month inactivity period (for prior Consultants), or undertake other activities that could be interpreted as unethical may subject a Consultant to disciplinary action.

Non-Disparagement

Gold Canyon wants to provide its Independent Consultants with the best products, financial opportunity and service in the industry. Accordingly, we value your constructive criticisms and comments. All such comments should be submitted in writing to Gold Canyon Partner Support. Remember, to best serve you, we must hear from you! While Gold Canyon welcomes constructive input, negative comments and remarks made in the field by Consultants about the Company, its products or compensation plan serve no purpose other than to sour the enthusiasm of other Gold Canyon Consultants. For this reason, and to set the proper example for their team, Consultants must not disparage, demean or make negative remarks about Gold Canyon, other Gold Canyon Consultants, Gold Canyon's products, the Marketing and Compensation plan or Gold Canyon's directors, officers or employees. Doing so will make a Consultant subject to disciplinary action.

Disciplinary Action

Should a Consultant violate the Consultant Agreement or engage in any dishonest, misleading, unethical or criminal behaviour, Gold Canyon may, at its sole discretion, choose to take any of the following disciplinary measures:

- Require the Consultant to rectify the situation immediately;
- Issue a verbal or written notice to the Consultant;
- Suspend distribution of one or more commission cheques while Gold Canyon is investigating the alleged offense (Should a Consultant be terminated as a result of this review, the Consultant will not be entitled to any commissions withheld during the investigation);
- Suspend the Consultant's agreement, meaning a temporary loss of any rights and privileges to which he or she would ordinarily be entitled;
- Terminate the Consultant Agreement;
- Take any other action necessary to resolve the situation.

- In certain situations, Gold Canyon may determine that the most suitable manner by which to obtain financial or equitable compensation is by taking legal action.

Unless otherwise communicated to a Consultant by Gold Canyon, a disciplinary measure shall take effect upon the following:

- The placement of the warning in U.S. mail or with an overnight delivery service, addressed to the Consultant's last documented mailing address;
- Verbal notice of the applicable disciplinary measure to the Consultant by a Gold Canyon representative;
- Written notice sent via fax or email to the Consultant's last documented fax number or email address.

The Business Center

The Business Center Tutorial

As mentioned earlier, the Business Center is the website dedicated to Gold Canyon Consultants. This website contains several helpful tools that make operating your Gold Canyon business easier. Through the Business Center, you can manage your customer lists, view your commissions and organization activity, place orders, read company announcements and much more. Take time to review this quick tour of the Business Center so you can become familiar with all the features that will make running your business a snap.

Logging On

When you enroll as a Gold Canyon Consultant, you are provided a Consultant ID. Your username and password for the Business Center is created through the enrollment process (your username is your Consultant ID number). Your Consultant ID is provided during the Enrollment process and is used when you call the Partner Support department. To log on to the Business Center website, go to BusinessCenter.GoldCanyon.com. Enter your username and password and then click Log In.

After you log on to the Business Center, you will land on the home page. The home page contains eight menus that provide access to all functionality: My Account, Orders, Reports, Events, Communication, News, Tools and Help.

Main/Home Page

The Breaking News banner is displayed directly under the banner at the top of the page should there be any. Gold Canyon shares the most important updates for a Consultant's business here.

My Metrics is on the left-hand side, New Retail Customers and My New Recruits on the right-hand side of the page. My Metrics displays key performance data for the month selected using the drop down. New Retail Customers displays the name and email of newly added customers for the month selected in the drop down. My New Recruits displays name, start date and email of newly enrolled Consultants for the month selected.

Featured News articles are listed below My Metrics, New Retail Customers and My New Recruits. Gold Canyon shares additional information for a Consultant's business in this section.

Below the featured news is a section on the Direct Selling Association (DSA) featuring information on Gold Canyon's membership and tools to help you run a safe, ethical business.

My Account

This page is used to manage a Consultant's Personal Information, Personal Website, Customers and Password.

Orders

Consultants can enter orders, schedule a Party, schedule a Fundraiser and view order history.

Reports

Consultants can view their Candle Cash ledger, Customer list, Order History and Tracking, Organization data, Personal Website Billing, Incentive progress, Personal and Team Performance, Earnings Statement and Conference Recognition.

Events

Consultants can register for upcoming events they are eligible to attend.

Communication

Consultants can email individuals or groups of Consultants and customers within this menu.

News

Breaking and Featured News articles from the home office are found in this menu.

Tools

Consultants can view sales tax rates, the Resource Library and Direct Selling Insurance programs.

The Resource Library houses key information for your business such as the Back Order List, Calendars, Career Tools, Events, Fundraiser Tools, Happy News Archive, Hosting Tools, Incentives, Leader Tools, Logos, Policies, Quick Start FUNDamentals, Recognition, Customer Specials, Host Promotions, Sales Tools, Shipping & Sales Tax, Social Media tools, Sponsoring Tools, Supply information, Tutorials and more.

Help

Support tickets can be entered and reviewed under this menu.

Ordering Information**Order Types**

As a Consultant, you will find it necessary to place various types of orders. There are five commonly used order types at Gold Canyon. The five commonly used order types at Gold Canyon are as follows:

- Candle Cash
- Consultant
- Customer
- Fundraiser
- Party

Below is a brief description of each order type and the appropriate use for each of them.

Candle Cash Orders

Candle Cash can be used to purchase full-price retail products. Discounted items, supply items and Combine & Save items are not eligible for Candle Cash purchases. Candle Cash orders do not qualify for PV or commissions. These orders do not qualify for Host Rewards. A shipping surcharge is added to the total of Candle Cash orders. For current shipping rates, see the Business Center/Tools/Resource Library/Gold Canyon USA and Canada/Shipping and Sales Tax. Candle Cash cannot be applied to tax and shipping.

Consultant Orders

Consultant orders are those orders a Consultant places for product for his or her personal use when their commissionable total does not reach the \$100 minimum to enter a Party Order. These orders do not qualify for Host Rewards. A shipping surcharge is added to the total of Consultant orders. For current shipping rates, see the Business Center/Tools/Resource Library/Gold Canyon USA and Canada/Shipping and Sales Tax.)

Customer Orders

Customer orders are those orders a Consultant places for product for his or her customer when their commissionable total does not reach the \$100 minimum to enter a Party order. These orders do not qualify for Host Rewards. A shipping surcharge is added to the total of Customer orders. For current shipping rates, see the Business Center/Tools/Resource Library/Gold Canyon USA and Canada/Shipping and Sales Tax.)

Fundraiser Orders

These orders are placed on behalf of an organization by a Consultant. The organization receives 40% of the retail profit, while the Fragrance Consultant retains 10% of the retail profit of the order amount. See Getting Started with a Gold Canyon Fundraiser on the Business Center for details regarding this program and PV - Fundraiser (PV-FR). This order type is not eligible for Host Rewards. Products sold through the Fundraiser Program must not be entered as a Party order(s), as this is a misrepresentation of the Gold Canyon Fundraiser Program and misuse of the compensation plan. Nor can Party order(s) be submitted as a Fundraiser order. Fundraiser orders must be a minimum of \$400 retail.

Party Orders

The Party order consists of orders collected at the "Home Party", "Catalogue Party", or "Virtual Party" with a minimum of \$100 in commissionable sales. These orders are eligible for Host Rewards and are submitted on the Business Center. A shipping surcharge is added to total of the order. For current shipping rates, see the Business Center/Tools/Resource Library/Gold Canyon USA and Canada/Shipping and Sales Tax.) Products sold through the Fundraiser Program must not be entered as Party Order(s), as this is a misrepresentation of the Gold Canyon Fundraiser Program and misuse of the compensation plan. Nor can Party Order(s) be submitted as a Fundraiser order.

Completing Order Paperwork

Although each order type requires a specific form, Gold Canyon paperwork is simple to use. This section of Procedures contains instructions for completing forms. Most forms are printed in duplicate, triplicate or four-part copies. As with other business forms, use a blue or black pen and press firmly while writing to transfer the information onto all of the copies.

It is imperative that all forms are completed legibly and contain accurate information. When working with customers, inform them of the importance of writing correct item numbers and descriptions to ensure shipment of the correct items. Although customers and Hosts fill out some forms, it is your responsibility as the Consultant to check for errors and miscalculations. If there is a discrepancy between the item number and the description on an order, the wrong item number may be used when you enter the order. If a wrong item is inadvertently ordered, the error can be corrected later using the Replacement Process. (See Replacement Process).

Forms

Party Forms

The following forms should be used in connection to a Party:

Customer Order Forms

- White copy – Consultant's copy
- Yellow copy – Host's copy
- Pink copy – First customer's copy (to keep at time of purchase)
- Gold copy – Second customer's copy (to keep at time of purchase)

Customer Order Form

Customers use this form to order products from the catalogue. A separate form is used for each customer placing an order. These forms are helpful to Consultants as they enter the orders in the Business Center. Payment is due at the time the order is placed. (See Business Center/Tools/Resource Library/Gold Canyon USA and Canada/Sales Tools.)

Products ordered at a Party typically ship to the Host or Consultant as designated during the order entry. However, the Consultant may select Direct Ship during the order entry process to ship an individual customer's products to a separate address. For current shipping rates, see the Business Center/Tools/Resource Library/Gold Canyon USA and Canada/Shipping and Sales Tax.)

Under federal law, when a customer orders \$25.00 or more of products (including shipping and handling, but excluding sales tax) and the sale is solicited in person (except craft fairs or expo sales), the customer has three business days to cancel the order and receive a full refund (five business days for Alaska customers). Because refunds and any fees associated with canceling an order are the Consultant's responsibility, Gold Canyon recommends that Consultants

wait until the three business days (five business days for Alaska customers) have expired before submitting the order to Gold Canyon.

Additional Product Order Forms

Fundraiser Seller Forms

The sellers for the organization use this form to collect orders for the Fundraiser.

Fundraiser Master Order Form

This form is filled out by the organization and the Consultant to total all orders received through the course of the Fundraiser. Although the order is placed through the Business Center, filling out this form with the organization can ensure the totals are figured accurately.

Sponsoring Forms

Consultant Agreement

Consultant Agreements can be submitted to Gold Canyon through online enrollment. Please note that Gold Canyon does not accept faxed or mailed Consultant Agreements. (The agreement is available on the Business Center under Tools/Resource Library/Gold Canyon USA and Canada/Sponsoring Tools.)

Ordering Procedures and Deadlines

Paying for Orders

All customers and Hosts pay the Consultant for their orders at the time they place the product order. The Consultant then orders the product from Gold Canyon through the Business Center. The Consultant may choose to retain commissions when a customer pays cash or if the order is being charged to the Consultant's credit card. Retaining commissions means the card will only be charged the Consultant price and no base commissions will be paid at the end of the month. Consultants should NOT choose this option if using a customer's credit card. All other retail profit (Base Commission) is paid to Consultants by Gold Canyon via direct deposit or cheque once a month as Base Commissions. At the time an order is submitted, payment can be made by American Express, Discover, Visa, MasterCard or E-cheque (Automated Clearing House - ACH).

Paying for Fundraiser Orders

Payments for Fundraisers must be made at the time the Fundraiser orders are submitted to Gold Canyon. If the Fundraiser's total value is over a predetermined amount at Fundraiser price, the organization can establish terms with the Gold Canyon Accounting department. For additional information, please contact the Partner Support department.

Processing Orders

All orders will ship from our Chandler, Arizona, warehouse approximately within five business days from receipt of order in our system. Gold Canyon will attempt to process most orders within five business days but during peak times (examples: end of month, end of quarter, new catalogue release, fourth quarter) it may be necessary to extend the processing time. Gold Canyon will do its best to minimize this time. You can track the progress of your order by going to the Business Center/Reports/Administration/Order Shipment Tracking Report.

Important Deadlines

Monthly Commissions

The final cut-off date for monthly commissions is the last day of the month. Online orders must be received by Gold Canyon's ordering system by no later than 11:59 p.m. AZ Time on the last day of the month, according to the received time in the Business Center.

Incentives

The final cut-off date for incentives is the last day of the incentive. Online orders must be received through Gold Canyon's ordering site no later than 11:59 p.m. AZ Time on the day the incentive expires.

Order Checklists

While each form contains specific instructions, this short checklist indicates which forms work together for different types of orders.

Party Orders

Party Orders are obtained from various sales methods such as Parties, Open Houses, Parties on the Go, and so on. They must reach a minimum of \$100.00 in commissionable sales in order to be eligible for Host Rewards and count toward monthly and quarterly minimums. Consultants may use the Customer Order Form to orders from their customers at Parties.

Fundraiser Orders

Fundraiser orders are gathered when a Consultant works with an organization to help the organization financially while benefiting the Consultant's business as well. Fundraiser orders are only accepted online through the Business Center. When working with an organization on a Fundraiser, the organization uses the following forms:

- Seller Order Forms (accompanies the Fundraiser Seller Packet)
- Master Order Form (See the Business Center/Tools/Resource Library/Gold Canyon USA and Canada/Fundraiser Tools for more information.)

Ordering Online

Log On

When you enroll as a Gold Canyon Consultant, you are provided a Consultant ID. Your username and password for the Business Center are set-up during the enrollment process. To log on to the Business Center website, go to <http://BusinessCenter.GoldCanyon.com>. Enter your username and password and click on Log In.

Shipping Information

Processing Orders

All orders will ship from our Chandler, Arizona, warehouse approximately within five business days from receipt of order in our system. Gold Canyon will attempt to process most orders within five business days but during peak times (examples: end of month, end of quarter, new catalogue release, fourth quarter) it may be necessary to extend the processing time. Gold Canyon will do its best to minimize this time. You can track the progress of your order by going to the Business Center/Reports/Administration/Order Shipment Tracking Report.



Codes of Ethics & Business Practices

1. Foreword - 3 -
 2. Introduction - 3 -
 3. Definitions Applicable to the Codes and Code Enforcement/Complaints Procedure - 3 -

Code of Ethics

1. Scope - 4 -
 2. Basic Principles - 5 -
 3. The Terms of the Offer - 5 -
 4. Price & Credit Terms - 5 -
 5. Cooling Off - 6 -
 6. Guarantees and Warranties - 6 -
 7. After-Sales Service - 6 -
 8. The Presentation of the Offer - 6 -
 9. Clarity..... - 6 -
 10. Safety - 7 -
 11. Packaging - 7 -
 12. Refunds - 7 -
 13. Complaints - 7 -
 14. The Presentation of the Offer - 7 -
 15. Information..... - 7 -
 16. Respect for Privacy - 8 -
 17. Honesty & Fairness - 8 -
 18. Veracity - 8 -
 19. Testimonials & Endorsements - 8 -
 20. Comparisons & Fair Competition - 8 -
 21. Disclosure - 9 -
 22. Referral Selling - 9 -
 23. Delivery - 9 -
 24. Responsibility for Code Observance - 9 -

Code of Business Practices

1. Scope - 10 -
 2. Basic Principles - 10 -
 3. General - 10 -
 4. Recruiting - 11 -
 5. Education - 11 -
 6. False or Misleading Statements - 11 -
 7. Disparaging Claims - 11 -
 8. Member Obligations to Salespersons, Sales Policies and Salesperson Relations..... - 12 -
 9. Other Materials - 12 -
 10. Recruiting - 13 -
 11. Education - 13 -
 12. Responsibility for Code - 13 -
 13. Termination - 13 -

Code Enforcement/Complaints Procedure

1. Interpretation and Execution	- 14 -
2. Code Administrator	- 14 -
3. Procedure	- 14 -
4. Extra-Territoriality	- 14 -
5. Amendments	- 15 -

1. Foreword

1.1 These Codes are the outgrowth of an initiative sponsored by the Direct Sellers Association (DSA). They are intended to be an expression of the high standards of business conduct which are subscribed to by each Member company within the Association and, further, are de-voted to the enhancement of relations between Member companies, their direct Salespersons and the ultimate Consumer. Though these Codes reflect the codes adopted by the World Federation of Direct Selling Associations (WFDSA) they have been in place for longer than the WFDSA codes. The provincial and federal legislation that governs direct selling sets out the minimum obligations of Members and Salespersons; the obligations imposed by these Codes go beyond those minimum standards.

1.2 They are undertaken as part of an overall effort by DSA Members to protect and enhance the position of direct selling within the Canadian consuming public's purchasing habits and shopping mode preferences. Additionally, all DSA Members seek to make the industry a welcome and attractive place to earn a living. These Codes are a reflection of the commitment of all Members and Salespersons to these goals.

1.3 These Codes operate within the context of Canadian law. Members and Salespersons are bound by the legislation enacted Parliament, the *Competition Act* and the *Personal Information Protection and Electronic Documents Act* for example, and by provincial and territorial legislatures—their *Consumer Protection Acts*, for example. The provisions of these Codes may reflect the legislation that exists or they may go further; they are not to be understood as qualifying in any way the legal obligations that Members and Salespersons are under. Compliance with these Codes may not be compliance with all legislative requirements.

2. Introduction

2.1 Direct Selling refers to the marketing of Consumer Products directly to Consumers, generally in their homes or the homes of others, at their workplace and other places away from permanent retail locations, usually through explanation or demonstration of the Products by a Sales-person.

2.2 Direct sales involve several participants: the direct seller, the Salesperson and the purchaser of the Product offered. The relationship between them must be based on fair and ethical principles.

2.3 The strength of direct selling lies in its tradition of independence and its commitment to a free-market system. Each Member recognizes, however, that this freedom of enterprise carries with it the obligation to consider not only one's personal well-being, but also that of others, and of the industry as a whole.

2.4 To achieve this goal, DSA Members commit themselves to abide by these Codes in order to ensure a high level of ethical conduct on the part of all Members and Salespersons, individually and collectively, when dealing with each other under competitive conditions.

3. Definitions Applicable to the Codes and Code Enforcement/Complaints Procedure

"**Board**" means the Board of Directors of the DSA.

"**Codes**" means the Code of Ethics and the Code of Business Practices adopted by the DSA and "**Code**" means either the Code of Ethics or the Code of Business Practices.

"**Code Administrator**" means the person appointed by the Board to monitor Members' observance of the Codes and to resolve complaints under the Codes.

"**Consumer**" means any individual to whom direct sales activities are directed by a Member or a Salesperson.

"**DSA**" or "**Direct Sellers Association**" means the incorporated body constituting the national association of Canadian direct selling companies that market and distribute Products directly to Consumers.

"**Member**" means an active member of the Direct Sellers Association and does not include a Supplier Member or an Affiliate Member.

"**Offer**" means any solicitation of, or communication or interaction with a Consumer by a Member or a Salesperson, either in writing or orally, directly or by telemarketing, the Internet, text message or any other form of electronic communication or direct mail.

"**Order**" includes any agreement for the purchase of goods or services.

"**Product**" includes goods and services.

"**Recruiting**" means any activity conducted for the purpose of assisting or inducing a person to become a Salesperson.

“Sale” includes any purported Sale, incomplete Sale, completed Sale, any Sale that is subsequently cancelled by a Consumer and any arrangement whereby a Consumer becomes liable to a Member or Salesperson.

“Sales Documents” includes the Offer, any agreement recording a Sale, and any other document by which the parties to a Sale are identified or which sets out the terms of the Sale.

“Salesperson” means any individual engaged on his or her own behalf or on behalf of a Member, selling Member Products through personal Sales contacts, which may also include contacts by telemarketing or direct mail, and includes a distributor, agent, representative, employee and any intermediary (including independent sales contractors) associated with the sale or distribution of Member Products.

Code of Ethics

1. Scope

1.1 The purpose of the Code is to emphasize the sense of responsibility toward the Consumer and toward the general public by all Members. The Code applies to direct Sales practices used in the marketing of Products and refers only to the relationship of Members and their Salespersons with the ultimate Consumers who purchase Products from them.

1.2 The Code is to be applied in spirit as well as to the letter, bearing in mind the varying degrees of knowledge, experience and discriminatory ability of those to whom direct Sales are directed.

2. Basic Principles

2.1 All Members shall conform to the principles of fair competition as generally accepted in business, with particular regard to:

(a) the terms of the Offer and the Sales Documents and the methods and form of the contact with the Consumer.

(b) the methods of presentation and demonstration of, and information about the Product.

(c) the fulfilment of any obligation arising from the Offer, the Sales Documents or any operation connected with them, including delivery.

2.2 This Code reflects the pledge of all Members to carry out their activities in conformity with the laws of Canada, its provinces and territories.

2.3 This Code is a measure of self-regulation by the Direct Sellers Association. It is not a law, and its obligations may require a level of ethical behaviour that exceeds existing legal requirements. Non-observance of the Code does not create any civil responsibility. With termination of its Membership in the DSA, a company is no longer bound by the Code, the provisions of which remain applicable to events or transactions occurring during the time a company was a Member of the DSA. Conversely, compliance with the Code may not satisfy the legal obligations imposed on Members and Salespersons.

2.4 All Members believe that their business dealings should be carried out at a level well above the minimum required by law, and that integrity and customer satisfaction are their two most valued objectives.

2.5 Members shall voluntarily assume responsibility toward their Consumer with respect to fair Sales methods and Product value, and shall make every effort to ensure Consumer satisfaction.

2.6 All Members recognize their responsibility to fully inform Salespersons as to the characteristics of the Products offered to enable them to give the Consumer all necessary information.

Member Responsibilities

3. The Terms of the Offer

3.1 The terms of the Offer shall be clear, so that the Consumer may know the exact nature of what is being offered and the commitment involved in the placing of an order and, in particular, shall be accurate and truthful as to any representation made and as to price, delivery, payment terms, grade, quality, make, value, performance, quantity, currency of model, and availability.

4. Price & Credit Terms

4.1 Whether the Sale is on a cash basis (which includes payment by cheque, debit or credit card), or on an instalment basis, the price and terms of payment, a description of the Product and quantity purchased, as well as any agreed delivery date, shall be clearly stated on the order form together with the nature of any additional charges (such as postage, handling, taxes, etc.) and, wherever possible, the amounts of such charges.

4.2 In the case of a Sale on an instalment plan, the credit terms, including the amount of any deposit, the number, amount and frequency of such instalments and total price as compared with the cash price, shall be clearly shown on the order form.

4.3 Any information required by Canadian and applicable provincial or territorial laws, or needed by the Consumer to understand the cost, interest and terms of any other form of credit, shall be specified either in the Offer or when the credit is offered.

5. Cooling Off

5.1 The Member shall make sure that any order form, contract or annexed document used by it in Sales to Consumers for cash or credit will contain, as required, by provincial or territorial laws, the appropriate "Buyers Right to Cancel" permitting the Consumer to withdraw from the contract within a specified time, and to obtain reimbursement of any down payment.

6. Guarantees and Warranties

6.1 Offers may contain the words, "guarantee," "guaranty," "guaranteed," or "warranty," or words having the same meaning, only if the terms of the guarantee or warranty, as well as the remedial action open to the purchaser, are clearly set out in the Offer, or are available to the purchaser in writing, during display and with the Products. Such guarantee shall in no way diminish the rights that a purchaser would enjoy under Canadian and applicable provincial and territorial laws. The name and address of the guarantor and the duration of the guarantee shall be clearly stated.

7. After-Sales Service

7.1 When an after-Sales service is offered, details and limitations of such service shall be included in the Offer or in any guarantee. When a Consumer might reasonably expect after-Sales service and the service is not offered, the customer shall be informed and the Offer and any Sales Document shall so state.

8. The Presentation of the Offer

8.1 The full name, the permanent address, and the telephone number of the Member or Sales-person, and any other information as may be required by provincial or territorial laws, shall be given in the Offer or any other Sales Document or any sales literature distributed to the Consumer, so that the Consumer may contact the Member directly. The contact information shall include a postal address. Sales Documents and other sales literature containing only an accommodation address or a post office box number are not acceptable.

9. Clarity

9.1 All Sales Documents and all sales literature shall be printed in a font and colour which are easy to read. Particular care shall be taken where the intended class of Consumers might be expected to have problems in reading. The requirements of all provincial and territorial laws with respect to type size or any other aspect of any Sales Document shall be met. All photography or artwork used in promotional literature must accurately illustrate the actual Product or be properly qualified.

10. Safety

10.1 Whenever necessary to ensure safety, printed information shall be provided with the Product and shall include proper directions for use and full instructions covering safety.

11. Packaging

11.1 Products and, where applicable, samples shall be packaged in such a way as to be suitable for delivery to the Consumer and for possible return, all in compliance with applicable safety requirements.

12. Refunds

12.1 When a Consumer is entitled to a refund, every reasonable effort shall be taken to ensure that the Consumer is promptly reimbursed.

13. Complaints

13.1 Each Member shall promptly investigate any Consumer complaint that a Salesperson has engaged in any improper course of conduct pertaining to the Sale of a Product.

13.2 The Member shall promptly investigate and take any steps appropriate and necessary in the circumstances to redress the complaint.

Salespersons Responsibilities

14. The Presentation of the Offer

14.1 All Salespersons shall, without being asked, immediately and truthfully identify them-selves to the prospective Consumer, indicate the purpose of their approach to the Consumer, and identify the Member or manufacturer with whom they are associated and the Product line with which they deal. The name and telephone number of the Member shall appear on any Sales Documents given to the Consumer. In party plan selling, Salespersons shall make clear the purpose of the occasion to the hostess and the participants.

15. Information

15.1 Salespersons shall make every effort to assist the Consumer to evaluate the nature of the Sale. Direct Sales shall be organized and operated so as not to:

(a) create confusion in the mind of the Consumer,

(b) abuse the trust of the Consumer, or

(c) exploit the lack of experience and knowledge of the Consumer.

15.2 Any explanation and demonstration of the Product offered shall be accurate and complete, in particular with regard to price and, if applicable, cost of credit and terms of payment, the "Buyers Right to Cancel" or return the Product and delivery as specified by federal, provincial or territorial laws.

15.3 Salespersons shall give sufficient time for the Consumer to read the entire contract form thoughtfully and without harassment.

15.4 Where Salespersons have reason to believe that a Consumer has difficulty understanding the meaning of clauses in the contract or of any aspect of the Sales Documents in general, they shall, wherever possible, provide the required explanations, or allow the Consumer time to obtain other assistance for proper understanding of the Sales Documents and the transaction before signing or assenting to the terms of the Offer. The demonstration or explanation of the Product shall, as far as possible, be responsive to the needs of the individual Consumer.

15.5 Salespersons shall make known to the Consumer, at the time of Sale, all aspects of the company's guarantees, warranties, and other after-sales service.

Salespersons Operations

16. Respect for Privacy

16.1 Direct Sales shall not be intrusive. The right of the Consumer to refuse further or any discussion shall be scrupulously respected. Calls (whether personal or by telephone) should only be made during reasonable hours and subject to all restrictions on telephone contact.

17. Honesty & Fairness

17.1 Salespersons shall not abuse the trust of individual Consumers or exploit their lack of experience or knowledge, nor play on superstition or on fear, thereby exerting undue pressure on Consumers.

18. Veracity

18.1 Salespersons shall not, in the course of a sales presentation, during the completion of the Sales Documents or contract with any Consumer, make any statement or take any demonstration measure that, directly or by implication, omission, ambiguity or exaggeration, is likely to mislead the Consumer with regard to the terms of the Offer.

18.2 Salespersons shall give accurate and clear answers to questions concerning the Product and the Offer.

Member & Salespersons: Joint Responsibilities

19. Testimonials & Endorsements

19.1 Neither the Member nor any Salesperson shall refer to any testimonial or endorsement that is:

(a) not authorized by the person quoted, whether in a private or public capacity;

(b) not genuine or that is unrelated to the experience of the person giving it;

(c) obsolete or otherwise no longer applicable;

(d) used in connection with any Product other than that for which the testimonial or endorsement was originally furnished;

(e) not authorized for certain categories of Products;

(f) used in any way likely to mislead the Consumer by falsely listing customers, falsely indicating prior Consumer satisfaction or in any other way.

20. Comparisons & Fair Competition

20.1 The Member and the Salesperson shall refrain from using comparisons that are likely to mislead and that are incompatible with the principles of fair competition. Points of comparison shall be fairly selected and shall be based on facts that can be substantiated.

20.2 The Member and the Salesperson shall not discredit any firm or Product directly or by implication. Accurate and truthful Product comparisons, however, are acceptable.

20.3 The Member and the Salesperson shall not seek to induce any Consumer to cancel a contract with another seller.

20.4 The Member and the Salesperson shall not take unfair advantage of the goodwill attached to the trade name and symbol of another firm or Product.

20.5 Neither the Member nor any Salesperson shall mislead or otherwise create any confusion in the mind of the Consumer about the identity of the represented Member, its promotion campaigns or trade mark, and those of its competitors.

20.6 The Member and the Salesperson shall ensure that all terms of the Offer are communicated to the Consumer in writing in a clear and understandable manner.

21. Disclosure

21.1 Member Offers shall be accurately and truthfully presented to the Consumer, in particular with regard to:

- (a) the characteristics of the Product;
- (b) price and credit terms;
- (c) other terms of purchase;
- (d) delivery, exchange, return, after-sales service (if any);
- (e) terms of guarantee or warranty;
- (f) official recognition or approval, awards, prizes and diplomas, with respect to the offered Product; and
- (g) any other information required to be provided to the Consumer by Canadian and applicable provincial and territorial laws.

21.2 All product claims made by Members and Salespersons must be substantiated by competent and reliable evidence and must not be misleading.

22. Referral Selling

22.1 Members and Salespersons shall not induce a Consumer to purchase goods or services based upon the representation that a Consumer can reduce or recover the purchase price by referring prospective Consumers to the sellers for similar purchases, if such reduction or recovery is contingent upon some future event that may not occur.

23. Delivery

23.1 Members and Salespersons shall fulfil the Consumer's order in a timely manner.

24. Responsibility for Code Observance

24.1 The prime responsibility for the observance of this Code rests with the Member who recognizes the importance of promoting the principles contained herein. Every Member shall pledge to abide by the Code as a condition of admission and continuing Membership in the DSA.

24.2 In addition, the Code shall be duly observed by:

- (a) every authorized Salesperson, whether acting as an agent or otherwise on behalf of the Member; and
- (b) every authorized Salesperson acting as an independent Sales contractor.

Code of Business Practices

1. Scope

1.1 The purpose of this Code is to emphasize the sense of responsibility among Members, and among Members and their Salespersons, and to encourage the highest level of ethical business conduct among all participants in the direct selling industry.

1.2 The success of every direct seller rests in the ability to Offer the best opportunity possible and recruit the most promising candidates. To meet this competitive challenge, the ethical principles and practices of this Code shall be carefully observed.

1.3 This Code is to be applied in spirit as well as to the letter, bearing in mind the varying degrees of knowledge, experience and discriminatory ability of those concerned. All Members are committed to abide by all Canadian and applicable provincial and territorial laws. Notable among Members, however, is the belief that all business dealings

must be carried out at a level well above the minimum required by law. Integrity and customer satisfaction are the two most valued objectives of all Members.

2. Basic Principles

2.1 All Members and Salespersons commit themselves to the high standards of ethical conduct as contained in the Code of Ethics.

2.2 All Members shall conform to the principles of this Code with respect to

(a) fair competition as generally accepted in business, with particular regard to:

(b) their methods and approach used to recruit Salespersons;

(c) their efforts and obligations to train and educate;

(d) their Salespersons; and

(e) their general approach to and treatment of all participants in the direct selling industry.

2.3 This Code is a measure of self-regulation by the Direct Sellers Association. It is not a law and its obligations may require a level of ethical behaviour that exceeds existing legal requirements. Non-observance does not create any civil law responsibility. With termination of its Membership in the DSA, a company is no longer bound by the Code, the provisions of which remain applicable to events or transactions occurring during the time a company was a Member of the DSA.

3. General

3.1 All Members and their Salespersons shall adopt the highest level of ethical standards in their dealings with Consumers and shall abide by the spirit and letter of the Code of Ethics. Every Member pledges to abide by the Code as a condition of admission and continuing Membership in the DSA.

3.2 To guide Salespersons in dealing with the Consumer, and with each other, and with all direct selling industry participants, every Member shall make available to their Salespersons the Code of Ethics and this Code of Business Practices. Each Member shall ensure that each Salesperson becomes familiar and complies with the contents of these Codes.

3.3 To guide employees and executives in dealing with the Consumer, their Salespersons, and all direct selling industry participants (including Salespersons of other direct selling companies), each Member shall, by way of a compliance statement from the Chief Executive Officer or senior operating officer, ensure that the employees and executives become familiar with, understand and comply with the Code of Ethics and this Code of Business Practices.

3.4 Each Member shall establish procedures to ensure that it is sufficiently informed of the Sales activities and practices of its Salespersons.

4. Recruiting

4.1 Every Member shall refrain from business recruiting practices directed at the Salespersons or other Members, whether directly or through third parties that do not comply with the provisions of applicable federal and provincial laws, including the Civil Code of Quebec and the applicable common law that may, among other things, deal with wrongful or malicious interference with contractual relationships in effect between companies and their independent contractors.

5. Education

5.1 Sales educational programs offered to Salespersons by Members shall conform to the principles of fair competition as generally accepted in business and law, particularly concerning:

(a) the methods and forms of the contract with the Consumer;

(b) the methods of presentation and demonstration of the Product; and

(c) the information on the Product to be given to the Consumer.

6. False or Misleading Statements

6.1 No Member shall make any statement or condone any statement, by inaction or other-wise, of any of its Salespersons that contains false, misleading, unwarranted or exaggerated claims, either directly or by implication. For example, if a competitor's name is used, it shall be used only in the context of a factual comparison and relevant significant terms.

6.2 If a testimonial and endorsement is used, it must represent the honest opinion of a competent endorser.

6.3 If a competitor's Product is used, it shall be used only in comparison with a Product that is actually competitive and where significant similarities exist.

7. Disparaging Claims

7.1 Every Member shall not make claims or condone claims being made by others in relation to the sales or marketing plan of other Members that do not comply with the provisions of applicable federal and provincial laws, including the Civil Code of Quebec and the applicable common law.

8. Member Obligations to Salespersons, Sales Policies and Salesperson Relations

8.1 Members shall give their Salespersons either a written agreement to be signed by both the company and the Salesperson, or a written statement containing all essential details of the relationship between the Salesperson and the company. Members shall inform their Salespersons of their legal obligations, including any applicable licences, registrations and taxes.

8.2 No Member shall require or encourage its Salespersons to purchase inventory or to assume other expenses in connection with the exercise of its business that are unreasonably high.

8.3 The facts of each particular case, including the following, will determine whether the expenses assumed or inventory purchased are unreasonable:

- (a) the relationship of the expenses or inventory to the possible earnings expectation;
- (b) the nature and competitiveness of the products held and the market environment; and
- (c) the Member's Product return and/or inventory restocking policies and the established Sales record of the Salesperson.

8.4 Each Member shall provide its Salespersons with periodic accounts concerning, as applicable, sales, purchases, details of earnings, commissions, bonuses, discounts, deliveries, cancellations, and other relevant data, in accordance with the company's arrangement with its Salespersons.

8.5 All amounts due shall be paid and any withholdings made in a commercially reasonable manner.

8.6 Notwithstanding Section 8.3, every Member shall permit its Salespersons to return Products in Saleable condition on reasonable commercial terms.

8.7 Every Member shall inform its Salespersons of the right to return Products and how it can be exercised. Salespersons must be given the option of returning Product to the person from whom they purchased it, or to the company.

8.8 The factors to be considered in determining what constitutes reasonable commercial terms include:

- (a) the nature of the Product;
- (b) the time period given to return Product;
- (c) the percentage of money returned;
- (d) the procedures to be followed in returning the Product; and
- (e) a comparison of other Product return policies of similar companies.

9. Other Materials

9.1 Members shall prohibit Salespersons, while they are acting as Salespersons, from marketing any materials that are inconsistent with the policies and procedures of the Member.

9.2 Salespersons who sell company approved promotional or training literature, whether in hard copy or electronic form, shall (i) utilize only materials that comply with the same standards to which the Member adheres, (ii) refrain from making the purchase of such sales aids a requirement of downline Salespersons, (iii) provide sales aids at a reasonable and fair price, equivalent to similar material available generally in the marketplace, and (iv) offer a written return policy that is the same as the return policy of the Member the Salesperson represents.

10. Recruiting

10.1 Every Member shall present the advantage of the selling opportunity to any prospective Salesperson in an honest and forthright manner.

10.2 Members and Salespersons shall not misrepresent the actual or potential sales or earnings of their Salespersons. Any earnings or sales representations made shall be based upon documented facts and, where applicable, be in compliance with federal, provincial or territorial laws.

10.3 No Member shall make any statement to any prospective Salesperson that cannot be verified or make any promise that cannot be fulfilled.

11. Education

11.1 Every Member shall inform its Salespersons fully as to each of the following:

- (a) the importance of compliance with these Codes;
- (b) the recourse available through the DSA for a violation of these Codes;
- (c) the characteristics of the Products offered to enable them to give the Consumer all necessary information;
- (d) the applicable price and credit terms associated with each Product or Offer;
- (e) the "cooling-off" requirements in their province;
- (f) the applicable guarantee or warranty associated with each Product or Offer;
- (g) the inventory buy-back terms; and
- (h) any applicable after-sales service associated with their company.

12. Responsibility for Code

12.1 The prime responsibility of the observance of the Code toward Salespersons and toward other direct sellers rests with the Member.

12.2 Every Member shall be responsible for the practices of its Salespersons where a violation of this Code has occurred and where the Member has either authorized, condoned, or in any way supported such a practice.

12.3 If a Member is negligent in failing to establish procedures whereby the Member would be kept informed of the sales practices of its Salespersons, that Member shall be considered responsible for the violation.

13. Termination

13.1 When a Salesperson wishes to terminate his or her relation with a member, the Salesperson shall have the right to return unsold Product as set out above and to return promotional materials, sales aids and kits purchased within the preceding twelve months for a refund of not less than 90% of the price paid by the Salesperson.

13.2 When a Salesperson is terminated by a Member for cause, the Salesperson shall be entitled to know the reason for the termination and to be given an opportunity to answer any accusations made against him or her.

13.3 When a Salesperson is terminated without cause, the Member should give the Salesperson as much notice of the impending termination as is reasonably possible in the circumstances.

Code Enforcement/Complaints Procedure

1. Interpretation and Execution

1.1 The Board shall appoint a Code Administrator to serve for a fixed term to be set by the Board prior to appointment. The Board shall have the authority to discharge the Administrator for cause only. The Board shall provide sufficient authority to enable the Administrator to properly discharge the responsibilities entrusted to the Administrator under these Codes.

1.2 The Administrator will be responsible directly and solely to the Board. The Board shall establish all regulations necessary to administer the provisions of this Code.

2. Code Administrator

2.1 The Administrator shall ideally be a person of recognized integrity, knowledgeable in the industry, and of a stature that will command respect by the industry and from the public. He or she may, with the approval of the Board, appoint a staff adequate and competent to assist him or her in the discharge of his or her duties. During his or her term of office, neither the Administrator nor any Member of his or her staff shall be an officer, director, employee, or substantial stockholder in any Member or affiliate of the DSA.

2.2 The Administrator shall disclose all holdings of stock in any Member company prior to appointment and shall also disclose any subsequent purchases of such stock to the Board. The Administrator shall also have the same rights of indemnification as the Directors and Officers have under the bylaws of the DSA.

2.3 The Administrator, in accordance with the regulations established by the Board, shall hear and determine all complaints against Member companies or their Salespersons. He or she shall afford the Member or Salesperson an opportunity to be heard fully. The Administrator shall have the power to originate any proceedings, and shall at all times have the full co-operation of all Members.

3. Procedure

3.1 The Administrator shall determine whether a violation of the Code has occurred in accordance with the regulations established hereunder and the Code Enforcement/Complaints Procedure on file at the DSA office. The Administrator

shall answer as promptly as possible all queries posed by Members and Salespersons relating to the Codes and their application, and, when appropriate, may suggest, for consideration by the Board, new regulations, definitions, or other implementations to make the Code more effective.

4. Extra-Territoriality

4.1 Every national DSA is required to undertake that it will require its Members, as a condition of their admission and continuing Membership in each national DSA, to comply with the Codes with regard to direct selling activities outside its home country, unless those activities are under the jurisdiction of Codes of Conduct of another national DSA to which the Member also belongs.

5. Amendments

5.1 These Codes may be only be amended in accordance with the procedures of the Board for a two-thirds majority.