

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 International, L.L.C.
6205 S. Arizona Ave.
Chandler, AZ 85248
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://goldcanyon.com>
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)
 - Your upline

Policies

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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 catalog 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 catalog 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 (catalog 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 catalog 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, checks 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 catalog items, Host Rewards, and other special product promotions through Internet auction sites (e.g. eBay or similar Internet sites). Current catalog 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-check (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 checks.

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-Check (ACH)

If Gold Canyon receives a rejected E-check, 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-check 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-checks, 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-check 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 Checks or Other Payments

Payments are made to Consultants by e-check (ACH) once the authorization process has been established by Gold Canyon. Commission checks 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 check total exceeds \$10.00. To offset the cost associated with processing and managing paper checks, a \$5.00 check fee will be assessed for Consultants opting for a mailed check instead of direct deposit.

If a check needs to be reissued for any reason, the Consultant must contact Gold Canyon, who will reissue a check as soon as possible within the necessary check 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 check 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 \$11.99 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 catalog 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 tax-exempt certificate
- The Tax-Exempt 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 checks. 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 favorite 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 catalog, 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 behavior, 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 checks 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", "Catalog 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 catalog. 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 check 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-check (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 catalog 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 catalog 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.



Gold Canyon is a proud member of the Direct Selling Association, and as such, adheres to the DSA Code of Ethics.

Preamble

A. Code of Conduct

1. Deceptive or Unlawful Consumer or Recruiting Practices
2. Products, Services and Promotional Materials
3. Terms of Sale
4. Warranties and Guarantees
5. Identification and Privacy
6. Pyramid Schemes
7. Inventory Purchases
8. Earnings Representations
9. Inventory Loading
10. Payment of Fees
11. Training and Materials

B. Responsibilities and Duties

1. Prompt Investigation and No Independent Contractor Defense
2. Required Code Communication
3. Code Responsibility Officer
4. Extraterritorial Effect

C. Administration

1. Interpretation and Execution
2. Code Administrator
3. Procedure

D. Regulations for Enforcement of DSA Code of Ethics

1. Receipt of Complaint
2. Cooperation with the Code Administrator
3. Informal Investigation and Disposition Procedure
4. Appeals Review Panel
5. Appeals Review Procedure
6. Codes of Ethics of Member Companies
 - a. Approval By Administrator
 - b. Alternative Enforcement Process

E. Powers of Administrator

1. Remedies
2. Case Closed
3. Refusal to Comply
4. Appeal for Reinstatement After Suspension or Termination

F. Restrictions

1. Conferring with Others
2. Documents
3. Pending Members of DSA

G. Resignation

H. Amendments

- H. Amendments

Code of Ethics

Explanatory provisions in italics.

PREAMBLE

The Direct Selling Association, recognizing that companies engaged in direct selling assume certain responsibilities toward customers arising out of the personal-contact method of distribution of their products and services, hereby sets forth the basic fair and ethical principles and practices to which member companies of the Association will continue to adhere in the conduct of their business.

A. CODE OF CONDUCT

1. Deceptive or Unlawful Consumer or Recruiting Practices

- a. No member company of the Association or independent salesperson for a member company shall engage in any deceptive, false, unethical or unlawful consumer or recruiting practice. Member companies shall ensure that no statements, promises or testimonials are made that are likely to mislead consumers or prospective independent salespeople.
- b. Member companies and their independent salespeople must comply with all requirements of law. While this Code does not restate all legal obligations, compliance with all pertinent laws by member companies and their independent salespeople is a condition of acceptance by and continuing membership in DSA.
- c. Member companies shall conduct their activities towards other members in compliance with this Code and all pertinent laws.
- d. Information provided by member companies and their independent salespeople to prospective or current independent salespeople concerning the opportunity and related rights and obligations shall be accurate and complete. Member companies and their independent salespeople shall not make any factual representation to prospective independent salespeople that cannot be verified or make any promise that cannot be fulfilled. Member companies and their independent salespeople shall not present any selling opportunity to any prospective independent salesperson in a false, deceptive or misleading manner.
- e. Member companies and their independent salespeople shall not induce a person to purchase products or services based upon the representation that a consumer can recover all or part of the purchase price by referring prospective consumers, if such reductions or recovery are in violation of applicable referral sales laws.
- f. Member companies shall provide to their independent salespeople either a written agreement to be signed by both the member company and the independent salesperson, or a written statement containing the essential details of the relationship between the independent salesperson and the member company. Member companies shall inform their independent salespeople of their legal obligations, including their responsibility to handle any applicable licenses, registrations and taxes.
- g. Member companies shall provide their independent salespeople with periodic accounts including, as applicable, sales, purchases, details of earnings, commissions, bonuses, discounts, deliveries, cancellations and other relevant data, in accordance with the member company's arrangement with the independent salesperson. All monies due shall be paid and any withholdings made in a commercially reasonable manner.
- h. Independent salespeople shall respect any lack of commercial experience of consumers. Independent salespeople shall not abuse the trust of individual consumers, or exploit a consumer's age, illness, handicap, lack of understanding or unfamiliarity with a language.

1. This section does not bring "proselytizing" or "salesforce raiding" disputes under the Code's jurisdiction, unless such disputes involve allegations of deceptive, unethical or unlawful recruiting practices or behaviors aimed at potential salespeople. In those cases, the section applies. As used in this section, "unethical" means in violation of the U.S. DSA Code of Ethics

The DSA Code Administrator has the authority to make a determination of what is a deceptive, unlawful or unethical consumer or recruiting practice under the Code using prevailing legal standards as a guide. Compliance with any particular law, regulation or DSA Code of Ethics provision is not a defense to such a determination by the DSA Code Administrator that a practice is deceptive, unlawful or unethical. For example, in a sale to a consumer, compliance with the Federal Trade Commission Cooling-Off Rule does not bar the DSA Code Administrator from making a determination that a particular sales practice is deceptive, unlawful or unethical and that a refund or compensation is required.

2. Products, Services and Promotional Materials

a. The offer of products or services for sale by member companies of the Association shall be accurate and truthful as to price, grade, quality, make, value, performance, quantity, currency of model and availability. A consumer's order for products and services shall be fulfilled in a timely manner.

b. Member companies shall not make misleading comparisons of another company's direct selling opportunity, products or services. Any comparison must be based on facts that can be objectively substantiated. Member companies shall not denigrate any other member company, business, product or service – directly or by implication – in a false or misleading manner and shall not take unfair advantage of the goodwill attached to the trade name and symbol of any company, business, product or service.

c. Promotional literature, advertisements and mailings shall not contain product descriptions, claims, photos or illustrations that are false, deceptive or misleading. (Promotional literature shall contain the name and address or telephone number of the member company and may include the telephone number of the individual independent salesperson).

d. Independent salespeople shall offer consumers accurate information regarding: price, credit terms; terms of payment; a cooling-off period, including return policies; terms of guarantee; after-sales service; and delivery dates. Independent salespeople shall give understandable and accurate answers to questions from consumers. To the extent claims are made with respect to products, independent salespeople shall make only those product claims authorized by the member company.

1. & 2. These sections cover communications about your own company or another company. For example, a distributor for company A makes misleading statements about company B and/or its products to consumers or prospective salespeople.

3. Terms of Sale

a. A written order or receipt shall be delivered to the consumer at or prior to the time of the initial sale. In the case of a sale made through the mail, telephone, Internet, or other non-face-to-face means, a copy of the order form shall have been previously provided, be included in the initial order, or be provided in printable or downloadable form through the Internet. The order form must set forth clearly, legibly and unambiguously:

i. Terms and conditions of sale, including the total amount the consumer will be required to pay, including all interest, service charges and fees, and other costs and expenses as required by federal and state law;

ii. Identity of the member company and the independent salesperson, and contain the full name, permanent address and telephone number of the member company or the independent salesperson, and all material terms of the sale; and

iii. Terms of a guarantee or a warranty, details and any limitations of after-sales service, the name and address of the guarantor, the length of the guarantee, and the remedial action available to the consumer. Alternatively, this information may be provided with other accompanying literature provided with the product or service.

b. Member companies and their salespeople shall offer a written, clearly stated cooling off period permitting the consumer to withdraw from a purchase order within a minimum of three days from the date of the purchase transaction and receive a full refund of the purchase price.

c. Member companies and their independent salespeople offering a right of return, whether or not conditioned upon certain events, shall provide it in writing.

4. Warranties and Guarantees

The terms of any warranty or guarantee offered by the seller in connection with the sale shall be furnished to the buyer in a manner that fully conforms to federal and state warranty and guarantee laws and regulations. The manufacturer, distributor and/or seller shall fully and promptly perform in accordance with the terms of all warranties and guarantees offered to consumers.

5. Identification and Privacy

a. At the beginning of sales presentations independent salespeople shall truthfully and clearly identify themselves, their company, the nature of their company's products or services, and the reason for the solicitation. Contact with the consumer shall be made in a polite manner and during reasonable hours. A demonstration or sales presentation shall stop upon the consumer's request.

b. Member companies and independent salespeople shall take appropriate steps to safeguard the protection of all private information provided by a consumer, a prospective consumer, or other independent salespeople.

6. Pyramid Schemes

For the purpose of this Code, pyramid or endless chain schemes shall be considered consumer transactions actionable under this Code. The Code Administrator shall determine whether such pyramid or endless chain schemes constitute a violation of this Code in accordance with applicable federal, state and/or local law or regulation.

6. The definition of an "illegal pyramid" is based upon existing standards of law as reflected in In the matter of Amway, 93 FTC 618 (1979) and the anti-pyramid laws of Kentucky, Louisiana, Montana, Oklahoma, and Texas. In accordance with these laws, member companies shall remunerate direct sellers primarily on the basis of sales of products, including services, purchased by any person for actual use or consumption. Such remuneration may include compensation based on sales to individual direct sellers for their own actual use or consumption.

7. Inventory Purchases

a. Any member company with a marketing plan that involves selling products directly or indirectly to independent salespeople shall clearly state, in its recruiting literature, sales manual, or contract with the independent salespeople, that the company will repurchase on reasonable commercial terms currently marketable inventory, in the possession of that salesperson and purchased by that salesperson for resale prior to the date of termination of the salesperson's business relationship with the company or its independent salespeople. For purposes of this Code, "reasonable commercial terms" shall include the repurchase of marketable inventory within twelve (12) months from the salesperson's date of purchase at not less than 90 percent of the salesperson's original net cost less appropriate set offs and legal claims, if any. For purposes of this Code, products shall not be considered "currently marketable" if returned for repurchase after the products' commercially reasonable usable or shelf life period has passed; nor shall products be considered "currently marketable" if the company clearly discloses to salespeople prior to purchase that the products are seasonal, discontinued or special promotion products and are not subject to the repurchase obligation.

7a. The purpose of the buyback is to eliminate the potential harm of "inventory loading;" i.e., the practice of loading up salespeople with inventory they are unable or unlikely to be able to sell or use within a reasonable time period. Inventory loading has historically been accomplished by giving sellers financial incentives for sales without regard to

ultimate sales to or use by actual consumers. The repurchase provisions of the Code are meant to deter inventory loading and to protect distributors from financial harm which might result from inventory loading.

“Inventory” is considered to include both tangible and intangible product; i.e., both goods and services. “Current marketability” of inventory shall be determined on the basis of the specific condition of the product. Factors to be considered by the Code Administrator when determining “current marketability” are condition of the goods and whether or not the products have been used or opened.

Changes in marketplace demand, product formulation, or labeling are not sufficient grounds for a claim by the company that a product is no longer “marketable.” Nor does the ingestible nature of certain products limit per se the current marketability of those products. Government regulation which may arguably restrict or limit the ultimate resalability of a product does not limit its “current marketability” for purposes of the Code.

State statutes mandate that certain buyback provisions required by law must be described in a direct seller’s contract. While acknowledging that the contract is probably the most effective place for such information, the DSA Code allows for placement of the provision in either “recruiting literature or contract.” The DSA Code is meant to emphasize that the disclosure must be in writing and be clearly stated. Wherever disclosed, the buyback requirement shall be construed as a contractual obligation of the company.

A company shall not place any unreasonable (e.g., procedural) impediments in the way of salespeople seeking to sell back products to the company.

The buyback process should be as efficient as possible and designed to facilitate buyback of products. The buyback provisions apply to all terminating distributors who otherwise qualify for such repurchase, including distributors who are not new to a particular company, or those who have left a company to sell for another company.

b. Any member company with a marketing plan which requires independent salespeople to purchase company-produced promotional materials, sales aids or kits shall clearly state, in its recruiting literature, sales manual or contract with the independent salespeople, that the company will repurchase these items on reasonable commercial terms.

Any member company with a marketing plan which provides its independent salespeople with any financial benefit related to the sales of company-produced promotional materials, sales aids or kits shall clearly state, in its recruiting literature, sales manual or contract with the independent salespeople, that the company will repurchase, on reasonable commercial terms, currently marketable company-produced promotional materials, sales aids or kits.

A member company shall clearly state in its recruiting literature, sales manual or contract with the independent salespeople if any items not otherwise covered by this Section are ineligible for repurchase by the company.

7b. 1998 amendments made it clear that sales aids, kits and promotional materials, while not inventory or necessarily intended for resale, are subject to the repurchase requirement if a company requires their purchase or if there is a financial incentive associated with their sale. It was recognized that “loading” of these items can cause the same harm to plan participants as loading of “inventory.”

With respect to the final paragraph of Section 7b., disclosure of an item’s eligibility or ineligibility for the buyback is key. Provided that repurchase is not required by this Code provision, for those items a company chooses not to repurchase, the company should clearly and conspicuously disclose to the buyer that the items are not subject to the repurchase requirement. Under such disclosure, a refusal to take an item back will not constitute a violation providing the member is acting in good faith and not attempting to evade the repurchase requirement.

8. Earnings Representations

No member company shall misrepresent the actual or potential sales or earnings of its independent salespeople. Any earnings or sales representations that are made by member companies shall be based on documented facts.

8. *There is ample legal precedent in the form of FTC decisions to afford guidance on the subject of earnings representations. While not controlling, these precedents should be used by the Code Administrator in making determinations as to the substantiation of company earnings claims.*

The Code's simple prohibition of misrepresentations was intended, in part, to avoid unduly encumbering start-up companies that have little or no actual earnings history with their compensation plan or established companies that are testing or launching new compensation plans. The prohibition approach is meant to require that companies in these circumstances need only ensure that their promotional literature and public statements clearly indicate that the compensation plan is new and that any charts, illustrations and stated examples of income under the plan are potential in nature and not based upon the actual performance of any individual(s).

9. Inventory Loading

A member company shall not require or encourage an independent salesperson to purchase inventory in an amount which unreasonably exceeds that which can be expected to be resold and/or consumed within a reasonable period of time. Member companies shall take reasonable steps to ensure that independent salespeople receiving compensation for downline sales volume are consuming, using or reselling the products and services they purchase in order to qualify to receive compensation.

9. *See, Code Explanatory §7a. regarding inventory loading.*

10. Payment of Fees

Neither member companies nor their independent salespeople shall ask individuals to assume unreasonably high entrance fees, training fees, franchise fees, fees for promotional materials or other fees related solely to the right to participate in the direct selling business. Any fees charged to become an independent salesperson shall relate directly to the value of materials, products or services provided in return.

10. High entrance fees can be an element of pyramid schemes, in which individuals are encouraged to expend large upfront costs, without receiving product of like value. These fees then become the mechanism driving the pyramid and placing participants at risk of financial harm. Some state laws have requirements that fees be returned similar to the repurchase provisions delineated in Code §7a. The Code eliminates the harm of large fees by prohibiting unreasonably high fees. The Code Administrator is empowered to determine when a fee is "unreasonably high." For example, if a refund is offered for only a portion of an entrance fee, to cover what could be described as inventory, and there is nothing else given or received for the balance of the entrance fee, such as a training program, that portion of the entrance fee may be deemed to be unreasonably high by the Code Administrator. This Code section reinforces the provision in Code Part B. Responsibilities and Duties requiring companies to address the Code violations of their independent contractor salesforce.

11. Training and Materials

- a. Member companies shall provide adequate training to enable independent salespeople to operate ethically.
- b. Member companies shall prohibit their independent salespeople from marketing or requiring the purchase by others of any materials that are inconsistent with the member company's policies and procedures.
- c. Independent salespeople selling member company-approved promotional or training materials, whether in hard copy or electronic form, shall:
 - i. Use only materials that comply with the same standards used by the member company,
 - ii. Not make the purchase of such materials a requirement of other independent salespeople,
 - iii. Provide such materials at not more than the price at which similar material is available generally in the marketplace, and

iv. Offer a written return policy that is the same as the return policy of the member company the independent salesperson represents.

d. Member companies shall take diligent, reasonable steps to ensure that promotional or training materials produced by their independent salespeople comply with the provisions of this Code and are not false, misleading or deceptive.

B. RESPONSIBILITIES AND DUTIES

1. Prompt Investigation and No Independent Contractor Defense

a. Member companies shall establish, publicize and implement complaint handling procedures to ensure prompt resolution of all complaints.

b. In the event any consumer shall complain that the salesperson or representative offering for sale the products or services of a member company has engaged in any improper course of conduct pertaining to the sales presentation of its goods or services, the member company shall promptly investigate the complaint and shall take such steps as it may find appropriate and necessary under the circumstances to cause the redress of any wrongs which its investigation discloses to have been committed.

c. Member companies will be considered responsible for Code violations by their solicitors and representatives where the Administrator finds, after considering all the facts that a violation of the Code has occurred. For the purposes of this Code, in the interest of fostering consumer protection, companies shall voluntarily not raise the independent contractor status of salespersons distributing their products or services under its trademark or trade name as a defense against Code violation allegations and such action shall not be construed to be a waiver of the companies' right to raise such defense under any other circumstance.

d. The members subscribing to this Code recognize that its success will require diligence in creating an awareness among their employees and/or the independent wholesalers and retailers marketing the member's products or services of the member's obligations under the Code. No subscribing party shall in any way attempt to persuade, induce or coerce another party to breach this Code, and the subscribers hereto agree that the inducing of the breach of this Code is considered a violation of the Code.

e. Individual salespeople are not bound directly by this Code, but as a condition of participation in a member company's distribution system, shall be required by the member company with whom they are affiliated to adhere to rules of conduct meeting the standards of this Code.

f. This Code is not law but its obligations require a level of ethical behavior from member companies and independent salespeople that is consistent with applicable legal requirements. Failure to comply with this Code does not create any civil law responsibility or liability. When a company leaves the DSA membership, a company is no longer bound by this Code. However, the provisions of this Code remain applicable to events or transactions that occurred during the time a company was a member of DSA.

2. Required Code Communication

a. All member companies are required to publicize DSA's Code of Ethics to its salespeople and consumers. At a minimum, member companies must have one of the following:

i. an inclusion on the company's web site of DSA's Code of Ethics with a step-by-step explanation as to how to file a complaint; or

ii. a prominent link from the company's web site to DSA's Code of Ethics web page; or

iii. an inclusion of the company's Code of Ethics, or its complainant process, in its web site, or with an explanation of how a complainant may appeal to the DSA Code Administrator in the event the complainant is not satisfied with the resolution under the company code, or the company's complaint process, with a reference to the web site of DSA's Code of Ethics.

a. *The link should be clear and conspicuous. The location of the link on the company's web site should be prominent so as to be accessible and visible to salespeople and the consumer; companies should place the link on a web page which is commonly accessed by salespeople and consumers. Inclusion of a statement, such as, "We are proud members of the Direct Selling Association. To view the Code of Ethics by which we abide please click here," is also ideal. Companies should specifically link to either www.dsa.org/ethics/ or www.dsa.org/ethics/code/.*

b. All member companies, after submission of their program, are required to state annually, along with paying their dues, that the program remains effective or indicate any change.

3. Code Responsibility Officer

Each member company and pending member company is required to designate a DSA Code Responsibility Officer. The Code Responsibility Officer is responsible for facilitating compliance with the Code by their company and responding to inquiries by the DSA Code Administrator. He or she will also serve as the primary contact at the member company for communicating the principles of the DSA Code of Ethics to their independent salespeople, company employees, customers and the general public.

4. Extraterritorial Effect

Each member company shall comply with the World Federation of Direct Selling Associations' Code of Conduct with regard to direct selling activities outside of the United States to the extent that the WFDSA Code is not inconsistent with U.S. law, unless those activities fall under the jurisdiction of the code of conduct of another country's DSA to which the member company also belongs.

C. ADMINISTRATION

1. Interpretation and Execution

The Board of Directors of the Direct Selling Association 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 this Code.

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

2. Code Administrator

a. The Administrator shall 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 shall appoint a staff adequate and competent to assist him in the discharge of his duties. During his term of office, neither the Administrator nor any member of his staff shall be an officer, director, employee, or substantial stockholder in any member or affiliate of the DSA. 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 of Directors. The Administrator shall also have the same rights of indemnification as the Directors and Officers have under the bylaws of the Direct Selling Association.

b. The Administrator shall establish, publish and implement transparent complaint handling procedures to ensure prompt resolution of all complaints.

c. The Administrator, in accordance with the regulations established by the Board of Directors as provided herein, shall hear and determine all charges against members subscribing hereto, affording such members or persons an opportunity to be heard fully. The Administrator shall have the power to originate any proceedings, and shall at all times have the full cooperation of all members.

3. Procedure

a. The Administrator shall determine whether a violation of the Code has occurred in accordance with the regulations promulgated hereunder. The Administrator shall answer as promptly as possible all queries posed by members relating to the Code and its application, and, when appropriate, may suggest, for consideration by the Board of Directors, new regulations, definitions, or other implementations to make the Code more effective.

b. If, in the judgment of the Code Administrator, a complaint is beyond the Administrator's scope of expertise or resources, the Code Administrator may decline to exercise jurisdiction in the matter and may, in his or her discretion, recommend to the complainant another forum in which the complaint can be addressed.

c. The Administrator shall undertake through his office to maintain and improve all relations with better business bureaus and other organizations, both private and public, with a view toward improving the industry's relations with the public and receiving information from such organizations relating to the industry's sales activities.

D. REGULATIONS FOR ENFORCEMENT OF DSA CODE OF ETHICS

1. Receipt of Complaint

Upon receipt of a complaint from a bona fide consumer or where the Administrator has reason to believe that a member has violated the Code of Ethics, the Administrator shall forward a copy of the complaint, if any, to the accused member together with a letter notifying the member that a preliminary investigation of a specified possible violation pursuant to Section 3 is being conducted and requesting the member's cooperation in supplying necessary information, documentation and explanatory comment. If a written complaint is not the basis of the Administrator's investigation, then the Administrator shall provide written notice as to the basis of his reason to believe that a violation has occurred. Further, the Code Administrator shall honor any requests for confidential treatment of the identity of the complaining party made by that party.

2. Cooperation with the Code Administrator

In the event a member refuses to cooperate with the Administrator and refuses to supply necessary information, documentation and explanatory comment, the Administrator shall serve upon the member, by registered mail, a notice affording the member an opportunity to appear before the Appeals Review Panel on a certain date to show cause why its membership in the Direct Selling Association should not be terminated. In the event the member refuses to cooperate with the Administrator or to request a review by the Appeals Review Panel, the DSA Board of Directors, or a designated part thereof, may vote to terminate the membership of the member.

3. Informal Investigation and Disposition Procedure

a. The Administrator shall conduct a preliminary investigation, making such investigative contacts as are necessary to reach an informed decision as to the alleged Code violation. If the Administrator determines, after the informal investigation, that there is no need for further action or that the Code violation allegation lacks merit, further investigation and administrative action on the matter shall terminate and the complaining party shall be so notified.

b. The Administrator may, at his discretion, remedy an alleged Code violation through informal, oral and written communication with the accused member company.

c. If the Administrator determines that the allegation has sufficient merit, in that the apparent violations are of such a nature, scope or frequency so as to require remedial action pursuant to Part E and that the best interests of consumers, the association and the direct selling industry require remedial action, he shall notify the member of his decision, the reasoning and facts which produced it, and the nature of the remedy he believes should be effected. The Administrator's notice shall offer the member an opportunity to voluntarily consent to accept the suggested remedies without the necessity of a Section 4 hearing. If the member desires to dispose of the matter in this informal manner it will, within 20 days, advise the Administrator, in writing, of its willingness to consent. The letter to the Administrator may state that the member's willingness to consent does not constitute an admission or belief that the Code has been violated.

4. Appeals Review Panel

An Appeals Review Panel consisting of five representatives from active member companies shall be selected by the Executive Committee of DSA's Board of Directors. Each member shall serve for a term of three years. The five members shall be selected in a manner that represents a cross-section of the industry. When an appeal is made by a member company, the Chairman of the DSA Board of Directors shall select three of the five members of the Appeals Review Panel to constitute a three-person panel to review the appeal, and shall name one of them Chairman of that panel. When possible, no company of the three shall sell a product that specifically competes with the Appellant, and every effort shall be made to avoid conflicts in selecting the panel. If for any reason, a member of the panel cannot fulfill his or her duties or fill out a term for any reason, the Chairman of the Board of DSA can replace that person with a new appointment for the remainder of the unfulfilled term with the concurrence of the Executive Committee.

5. Appeals Review Procedure

a. If a member company objects to the imposition of a remedial action by the Administrator, it shall have a right to request a review of the Administrator's decision by the Appeals Review Panel. A member company must make such a request in writing submitted to the Administrator within 14 days of being notified of the remedial action by the Administrator. Within 10 days of receiving such a request, the Administrator shall notify the Chairman of the Board of DSA who, at that time, shall select the three-person panel in accordance with Section 4 above. That selection shall take place within 30 days of the member's request for the review.

b. As soon as the panel has been selected, the Administrator shall inform the Appellant of the names of the panelists, including the name of the chairman of the panel. Within 14 days of that notification, the Administrator shall send a copy of the Complaint and all relevant documents, including an explanation of the basis of the decision to impose remedial action, to the panelists with copies to the Appellant. Upon receipt of such information, the Appellant shall have 14 days to file with the panel its reasons for arguing that remedial action should not be imposed along with any additional documents that are relevant. Copies of that information should also be sent to the Administrator.

c. Once the information has been received by the panelists from both the Administrator and the member company, the panel will complete its review within 30 days or as soon thereafter as practicable. The panel shall decide whether the Administrator's decision to impose remedial action was reasonable under all of the facts and circumstances involved and shall either confirm the Administrator's decision, overrule it or impose a lesser sanction under Part E. The panel shall be free to contact the Administrator and the Appellant and any other persons who may be relevant witnesses to the Complaint, formally or informally as deemed appropriate. A decision by the panel shall be final and shall be promptly communicated both to the Administrator and the Appellant. The costs involved in the appeal such as costs of photocopying, telephone, fax and mailing, shall be borne by the Appellant.

6. Codes of Ethics of Member Companies

a. Approval by Administrator:

i. If a complaint is against a member company that has a code of ethics, which has been registered with the DSA Code of Ethics Administrator, and the Administrator has issued an opinion that the company code is compatible with DSA's Code of Ethics, the Complainant must first exhaust all remedies under the company code of ethics before filing a complaint with DSA's Code Administrator. If the Complainant has exhausted those remedies and is of the opinion that the company's disposition of the Complaint was unsatisfactory the Complainant can appeal the company's decision to the DSA Code Administrator. The Complainant must first notify the company of the intent to appeal to DSA. The Complainant must also forward all relevant documentation from the company code proceeding to DSA's Administrator.

ii. After receiving such an appeal, the Administrator shall confer with the company to obtain any additional information concerning the matter as well as an explanation for the company's decision. The Administrator shall decide whether the company's resolution of the complaint was reasonable under all of the facts and circumstances involved. If the Administrator decides in the negative, the Administrator shall work with the company in an effort to resolve the matter satisfactorily to all parties. If the Administrator finds that the member company will not cooperate in that effort, the Administrator can impose remedial action in accordance with DSA's Code of Ethics. The Complainant shall bear all costs of an appeal from a decision under a company code, including such costs as photocopying, telephone, fax and mailing charges.

b. Alternative Enforcement Process: In certain instances, a member company may provide a process whereby complaints can be addressed and which provide an equally acceptable vehicle for complaint resolution. In such instances—provided the process has been formally reviewed and approved by the DSA Code Administrator—the member company’s process may be substituted for, and the member company relieved of, adherence to the provision of Section D. Regulations for Enforcement of the DSA Code of Ethics. In order for a member company’s enforcement process to be approved as an alternative to Section D, the process must contain all the following elements:

- i. The company has adopted an investigation and review process that substantially mirrors that presented in Section D and contains at more than one level the formal review of complaints regarding its salespersons or representatives;
- ii. The company has adopted an appeal process to the steps outlined in Paragraph 1 above that includes review by a neutral and competent third party, as approved by the DSA Code of Ethics Administrator;
- iii. The company offers a satisfaction guarantee or the equivalent on product sales to consumers who are not salespersons or representatives of the member company; and
- iv. The company advises its salespersons or representatives of the dispute resolution process in a sufficiently transparent manner including notices on its Web site and in appropriate literature.

c. If a member company meets the above requirements of paragraph b., DSA will indicate on its Web site that the member company’s Code of Ethics is an approved alternative taking precedence over the DSA’s Code of Ethics Section D – Regulations for Enforcement of the DSA Code of Ethics.

d. Those companies that are on the Company Code Alternative list will be exempt from the required publication provisions of Section B.2 of the Code and will not have to show on their Web sites or in separate literature that complaints against the company should be filed with the DSA Code of Ethics Administrator. The DSA Code of Ethics Web site will indicate, however, that all member companies are subject to all other provisions of the DSA Code of Ethics. Further, if the DSA Code of Ethics Administrator finds that any company on the Alternative list has failed to comply with the requirements for such a listing the Administrator may remove that company from the list.

E. POWERS OF THE ADMINISTRATOR

1. Remedies

If, pursuant to the hearing provided for in Part D Section 3, the Administrator determines that the accused member has committed a Code of Ethics violation or violations, the Administrator is hereby empowered to impose the following remedies, either individually or concurrently, upon the accused member:

- a. Require complete restitution to the complainant of monies paid for the accused member’s products, which were the subject of the Code complaint;
- b. Require the replacement or repair of any accused member’s product, the sale of which was the source of the Code complaint;
- c. Require the payment of a voluntary contribution to a special assessment fund which shall be used for purposes of publicizing and disseminating the Code and related information. The contribution may range up to \$1,000 per violation of the Code.
- d. Require the accused member to submit to the Administrator a written commitment to abide by the DSA Code of Ethics in future transactions and to exercise due diligence to assure there will be no recurrence of the practice leading to the subject Code complaint.
- e. Require the cancellation of orders, return of products purchased, cancellation or termination of the contractual relationship with the independent salesperson or other remedies.

2. Case Closed

If the Administrator determines that there has been compliance with all imposed remedies in a particular case, he shall close the matter.

3. Refusal to Comply

If a member refuses to voluntarily comply with any remedy imposed by the Administrator, and has not requested a review by the Appeals Review Panel, the DSA Board of Directors, or designated part thereof, may conclude that the member should be suspended or terminated from membership in the Association. In that event the Administrator shall notify the member of such a decision by registered mail and shall remind the member of its right to have the Administrator's original decision reviewed by the Appeals Review Panel in accordance with Part D Section 5 (Appeals Review Procedure) of this Code.

4. Appeal for Reinstatement After Suspension or Termination

If the suspension or termination is not appealed, or if it is confirmed by the Appeals Review Panel, a suspended member, after at least ninety days, and a terminated member, after at least one year, may request the opportunity to have its suspension or termination reviewed by the Appeals Review Panel, which may in its discretion reinstate membership.

5. Referral to State or Federal Agency

In the event a member is suspended or terminated, and continues to refuse to comply with any remedy imposed by the Administrator within 30 days after suspension or termination, the Administrator may then consult with independent legal counsel to determine whether the facts that have been ascertained amount to a violation of state or federal law. If it is determined that such a violation may have occurred, the Administrator shall so notify the accused member by certified or registered mail, return receipt requested, and if appropriate action has not been taken by the accused member, and communicated to the Administrator after 15 days following such notice, the Administrator may submit the relevant data concerning the complaint to the appropriate federal or local agency.

F. RESTRICTIONS

1. Conferring with Others

At no time during an investigation or the hearing of charges against a member shall the Administrator or member of the Appeals Review Panel confer with anyone at any time concerning any alleged violation of the Code, except as provided herein and as may be necessary to conduct the investigation and hold a hearing. Any information ascertained during an investigation or hearing shall be treated as confidential, except in cases where the accused member has been determined to have violated federal, state or local statutes. At no time during the investigation or the hearing of charges shall the Administrator or a member of the Appeals Review Panel confer with a competitor of the member alleged to be in violation of the Code, except when it may be necessary to call a competitor concerning the facts, in which case the competitor shall be used only for the purpose of discussing the facts. At no time shall a competitor participate in the Administrator's or in the Appeals Review Panel's disposition of a complaint.

2. Documents

Upon request by the Administrator to any member, all documents directly relating to an alleged violation shall be delivered to the Administrator. Any such information obtained by the Administrator shall be held in confidence in accord with the terms of these regulations and the Code. Whenever the Administrator, either by his own determination or pursuant to a decision by the Appeals Review Panel, terminates an action which was begun under the Code, a record of the member accused shall be wiped clean and all documents, memoranda or other written material shall either be destroyed or returned, as may be deemed appropriate by the Administrator, except to the extent necessary for defending a legal challenge to the Administrator's or Appeals Review Panel's handling of a matter, or for submitting

relevant data concerning a complaint to a local, state or federal agency. At no time during proceedings under this Code regulation or under the Code shall the Administrator or member of the Appeals Review Panel either unilaterally or through the DSA issue a press release concerning allegations or findings of a violation of the Code unless specifically authorized to do so by the Executive Committee of DSA's Board of Directors.

3. Pending Members of DSA

Nothing in Part F shall prevent the Administrator from notifying, at his discretion, DSA staff members of any alleged violations of the Code that have come to his attention and which may have a bearing on a DSA pending member's qualifications for active membership.

G. RESIGNATION

Resignation from the Association by an accused company prior to completion of any proceedings constituted under this Code shall not be grounds for termination of said proceedings, and a determination as to the Code violation shall be rendered by the Administrator at his or her discretion, irrespective of the accused company's continued membership in the Association or participation in the complaint resolution proceedings.

H. AMENDMENTS

This Code may be amended by vote of two thirds of the Board of Directors.

As Adopted
June 15, 1970
As Amended
by Board of Directors through
December 7, 2011