



Policies & Procedures

WHAT YOU NEED TO KNOW ABOUT
RUNNING AND GROWING YOUR BUSINESS

CANADA
Updated March 2025

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OUR PURPOSE

At Nature's Sunshine, we are in the business of life transformation. We believe that natural health and wellness have the power to change lives; and through our products, our people and our business opportunity, we work to make that a reality every day.

MISSION

Our mission is to transform lives around the world by providing the most innovative and highest quality health solutions.

VALUES

For over 50 years, we have built a business together, based on five core values:

- **Quality:** Setting the standards, not just meeting them
- **Integrity:** Doing what's right because it's right
- **Service:** Providing value and showing respect for all
- **Community:** Connecting those who share our passion
- **Innovation:** Nurturing a spirit of discovery and advancement

While transformation is a bold promise to make, we do so with confidence. Nature's Sunshine brings the promise of better health and wellness to millions of customers every day. And when people are healthier, they are happier, and lives are truly transformed.

SECTION 1 INTRODUCTION

1.1 Policies, Part of the Membership Agreement

Nature's Sunshine Products of Canada Ltd ("Nature's Sunshine") has established these Policies and Procedures (the "Policies") in their present form and may amend them from time to time in its sole discretion. Any amendment shall immediately be binding upon all Independent Consultants. The Policies, including any amendments, are incorporated into the Nature's Sunshine sign-up application/ Membership Agreement, along with the Nature's Sunshine Compensation Plan. Throughout these Policies, when the term Membership Agreement is used, it collectively refers to the Nature's Sunshine Consultant Sign-Up Application ("Consultant Application"), the Nature's Sunshine Compensation Plan and these Policies. This Membership Agreement constitutes a complete contract between the Independent Consultant and Nature's Sunshine. It is the responsibility of each Independent Consultant to read, understand, follow and ensure that he/she operates his/her independent Nature's Sunshine business under the most current version of these documents, including any amendments. The most current versions will be found on Nature's Sunshine's corporate website at www.naturessunshine.ca. The online version of the Policies will supersede all other versions.

1.2 Purpose

The purpose of the Nature's Sunshine Membership Agreement is to govern the manner in which an Independent Consultant does business with Nature's Sunshine, other Independent Consultants and customers. It sets standards of acceptable business behaviour to ensure the efficient and ethical operation of your independent Nature's Sunshine business or membership (as defined below). Failure to comply with any aspect of the Membership Agreement provisions may result in, among other things, the loss of the Independent Consultant's right to information concerning his/her Nature's Sunshine organization, the loss of the right to receive a commissions cheque, fines, suspension, and/or termination of the membership.

1.3 Scope

These Policies apply in Canada. Additional or other Policies may apply in other countries, unless otherwise prohibited by law. In the event of conflict between the English version of the Membership Agreement and any other language.

These Policies are effective February 2025. Any provision or cause of dealing established under a previous version of these Policies is no longer valid or recognized by Nature's Sunshine as of the above date. Additional or varying terms may also apply in certain jurisdictions based on legal or operating requirements specific to the particular jurisdiction.

1.4 Amendments

All Independent Consultants understand and agree that Nature's Sunshine, at its sole discretion, may amend The Membership Agreement from time to time. All Independent Consultants understand and agree to be bound by the most current versions of these Policies, the Nature's Sunshine Compensation Plan, and the other documents forming the Membership Agreement, including any revisions or amendments made after the date of the Independent Consultant's enrollment, upon the occurrence of any of the following: (a) completing the Consultant Application and entering into the Membership Agreement; (b) renewing a Membership; (c) enrolling a new Independent Consultant; or (d) accepting any commissions or other payments from Nature's Sunshine under the Nature's Sunshine Compensation Plan.

All Independent Consultants will be bound by any revisions or amendments upon notification of the revisions or amendments through any Nature's Sunshine official channel of communication effective thirty (30) days after posting such notice (except where a longer period is required by law, in which case such longer period will apply). Official channels of communication include, but are not limited to, postings of information or these Policies, the Nature's Sunshine Compensation Plan, or the other documents forming the Membership Agreement to the Nature's Sunshine website, email to the email address on file, announcements in any Nature's Sunshine official newsletter, or by mail sent to the address on file.

1.5 Policies and Provisions Severable

If any provision, or part thereof, of the Membership Agreement in current form or as amended is found to be invalid or unenforceable for any reason, only that provision, or part thereof, will be severed and the remaining terms and provisions, or part(s) thereof, shall remain in full force and effect and shall be construed as if the invalid or unenforceable provision, or part thereof, never comprised part of the Membership Agreement.

1.6 Waiver

Nature's Sunshine never gives up its right to require compliance of the Independent Consultants to all aspects of the Membership Agreement, and with all applicable laws governing business conduct. Nature's Sunshine reserves the right to overrule any policy or procedure at its discretion, and such waiver will be conveyed in writing by the head of Distributor Compliance or an authorized officer of the company. The waiver will apply only to that specific case.

1.7 Membership Agreement Questions

Nature's Sunshine intends that its Independent Consultants abide by the laws and established legal guidelines, including these Policies. Nature's Sunshine maintains full-time staff to help in this regard. If an Independent Consultant has questions concerning the Membership Agreement or these Policies, they may contact Customer Service and/or Distributor Education and Compliance. Nature's Sunshine's Distributor Education and Compliance Department is

available to discuss the application of the Policies, including the marketing of Nature's Sunshine products, proposed publications, proposed advertisements, interviews with the media and relations with government authorities. Nature's Sunshine does not provide legal advice to its Independent Consultants. Nature's Sunshine's Legal Department represents only Nature's Sunshine and a Independent Consultants in any capacity.

SECTION 2

DEFINITIONS

2.1 In these Policies, the following terms shall have the meanings specified below:

Affiliate: Customer of Nature's Sunshine who has completed and submitted an Affiliate Sign- Up Application (the "Affiliate Agreement") in order to receive payment or product credit for referring the Nature's Sunshine Products to others. Affiliates are not employees of Nature's Sunshine.

Compensation Plan: The business practices that allow an Independent Consultant to purchase our premium-quality health supplements at wholesale cost; build an independent business; earn Commissions, either in cash or as Product Credits; and to attend Nature's Sunshine-sponsored events and educational meetings.

Consultant or Independent Consultant: An independent contractor who has completed and submitted a Membership Agreement and whose Agreement has been accepted by Nature's Sunshine and continues so long as they remain in good standing. The term "Consultant" or "Independent Consultant" includes any person with a beneficial interest in an Nature's Sunshine membership. Consultants are not employees of Nature's Sunshine.

Consultant Sign-Up Application or Consultant Application: The Consultant Application and all attachment documentation required to be submitted to Nature's Sunshine to apply to become an Independent Consultant. The "Consultant Application" is subject to acceptance or rejection by Nature's Sunshine. Upon acceptance by Nature's Sunshine, the "Consultant Application," along with the Nature's Sunshine Compensation Plan and Nature's Sunshine Policies, constitute the "Membership Agreement."

Corporate Office: The Nature's Sunshine Products, Inc. corporate office located at 2901 W. Bluegrass Boulevard, Suite 100, Lehi, Utah 84043, or any successor address.

Established Nature's Sunshine Account: A Nature's Sunshine Account that was originally formed by a previous owner.

Membership: The right to distribute Nature's Sunshine products and fulfill obligations to Nature's Sunshine as an Independent Consultant. Neither the term "membership" nor the term "Independent Consultant" shall connote any right or interest in Nature's Sunshine, its products or anything other than the right to distribute Nature's Sunshine products.

Membership Agreement: The binding contract between the Independent Consultant and Nature's Sunshine, governing the Independent Consultant's membership and includes the Consultant Application, the Nature's Sunshine Compensation Plan, and the Nature's Sunshine Policies.

Network: All Independent Consultants of Nature's Sunshine and its affiliated companies and all compilations of various lists describing that network or

members thereof, including but not limited to, any and all contact or personal information collected by Nature's Sunshine regarding the Independent Consultants, their customers, and all information provided to Independent Consultants on the Nature's Sunshine website and Independent Consultant back office tools.

Product Credit: A form of Commission payment Customers and Independent Consultants elect to receive in lieu of cash Commissions. Product Credit added to an account is based on sales numbers, high volume purchases, or sponsorship activity. Product Credit in an account does not expire.

Sponsor: An Independent Consultant, Affiliate, or Customer who personally recruits a new Independent Consultant, Affiliate, or Customer and is identified on the new Independent Consultant, Affiliate or Customer's Application Form.

Successline Group: the network that is formed when an Independent Consultant, Affiliate, or Customer is sponsored by another Independent Consultant, Affiliate, or Customer. 'Successline Group' refers to the network that is formed under one specific person's membership.

SECTION 3

CODE OF ETHICS

3.1 The Code of Ethics

All Independent Consultants agree to conduct business as independent Nature's Sunshine product distributors, with honesty and fairness, acting ethically and professionally at all times, and in accordance with these Policies. Ethical violations by Independent Consultants damage the reputation of Nature's Sunshine. Nature's Sunshine reserves the right to impose corrective and protective measures as outlined in this document or otherwise available under applicable law.

As an independent contractor and Consultant of Nature's Sunshine, I promise and agree that, among other things:

- I will be courteous, respectful, honest and fair in all of my dealings while acting as an Nature's Sunshine Independent Consultant; furthermore, I will perform my professional activities in a manner that will enhance my reputation and the positive reputation of Nature's Sunshine.
- I will fulfill my leadership responsibilities as a Sponsor by training, assisting and otherwise supporting the Independent Consultant in my sales organization. I will respect the sponsor relationship of every Independent Consultant in the Nature's Sunshine family, and I will not attempt to interfere with or change these relationships. I will not make disparaging or untrue claims about other Nature's Sunshine Independent Consultants.
- I will follow the Policies, using best efforts to follow the spirit as well as the letter of these Policies.
- I will abide by the terms and conditions I committed to upon signing my Consultant Application.
- I will not diagnose or prescribe treatment for disease, nor will I make any claims. I will never recommend to anyone that he/she discontinue the services, recommendations or medications of any doctor or other healthcare professional.
- I will not misrepresent or make representations regarding the income potential of the Compensation Plan.

- I will not misrepresent the Nature's Sunshine products or the Compensation Plan, nor will I engage in disparaging, misleading, deceptive or illegal practices.
- I will guarantee all customer sales according to the terms of the Customer Return Policy.
- I will not omit, or cause or permit to be omitted, any material relating to Nature's Sunshine's products, Compensation Plan or Policies.
- I will not use, or cause to permit to be used, fraud, coercion, harassment or unconscionable or unlawful means to promote Nature's Sunshine's products or Compensation Plan.

SECTION 4

ENROLLMENT & ACCOUNT MANAGEMENT

4.1 Consultant Benefits

Nature's Sunshine Independent Consultants may immediately enjoy the benefits stipulated in the Nature's Sunshine Compensation Plan. Those benefits include the ability to:

- Purchase Nature's Sunshine products at Independent Consultant cost from Nature's Sunshine.
- Sell Nature's Sunshine products and sponsor new Independent Consultants in any territory or country authorized by Nature's Sunshine, subject to product registrations and international sponsoring regulations and consistent with applicable laws and regulations.
- Sponsor other individuals into a membership to build a sales organization and progress within the Compensation Plan.
- Participate in incentive contests sponsored by Nature's Sunshine for its Independent Consultants.
- Enjoy the opportunity of attending Nature's Sunshine educational events.
- Attend training seminars upon payment of any applicable charges.

4.2 Nature's Sunshine Consultant Application

The onus is on the Independent Consultant to familiarize themselves with the up-to-date Membership Agreement. While no product purchase or other payment is required to create a customer account with Nature's Sunshine (and, therefore, have access to products from Nature's Sunshine and be eligible for other customer privileges), the status of "Independent Consultant" with its benefits are reserved for individuals who choose to purchase a one-time Starter Kit and accept the Membership Agreement.

Independent Consultants automatically receive 25% discounts from retail price on their product orders (with the right to resell products for personal profit), receive free shipping/ handling on up-to 2 orders/month, and are eligible to participate in the Nature's Sunshine Consultant Sharing Plan.

NOTE: the Compensation Plan is designed so that an Independent Consultant may qualify for all ranks and privileges WITHOUT personally ordering any products, so long as all other requirements are met.

4.3 Independent Consultant ID Number

Every Independent Consultant will obtain a unique numerical identification number ("ID Number") issued by Nature's Sunshine.

4.4 Legal Age

Independent Consultants must be at least the age of majority in the province or territory of residence. If a membership is an entity, all controlling principals of the entity must be at least the age of majority in the province or territory of residence.

4.5 Territory and Global Sponsoring

Independent Consultants have the ability to sponsor new Independent Consultant in any international market in which Nature's Sunshine is open and operating as a direct selling company. Through Global Sponsoring, you have the opportunity to build your business beyond the borders of your country of residence, which unlocks great potential for growth and success. We hope that all Nature's Sunshine Independent Consultants will take advantage of this phenomenal business-building opportunity.

The following Policies apply to all Global Sponsoring activities, regardless of your current country of residence. If you have further questions regarding Global Sponsoring, please visit www.naturessunshine.ca and select the country you wish to learn more about from the top menu or call that country's customer service.

- Global Sponsors are obligated to only operate in the countries/markets that have been officially opened for direct selling activities by Nature's Sunshine and are subject to any limitations as outlined by Nature's Sunshine. These countries are listed at www.naturessunshine.ca.
- Global Sponsors must abide by the Agreement Form, Rules, Policies & Procedures, Compensation Plan, etc. of the legally recognized Nature's Sunshine office/ subsidiary in the country/market in which they operate.
- Global Sponsors are obligated to recruit new globally sponsored Independent Consultant according to the Agreement Form, Rules, Policies & Procedures, Compensation Plan, etc. of the country/market in which the new globally sponsored Independent Consultant resides.
- Global Sponsors do not qualify for Compensation Plan incentives in the country where the globally sponsored Independent Consultant resides (for example: local market convention attendance, My Passport trips, etc.)
- Global Sponsors may enroll as many Independent Consultants as desired in all participating countries; however, they cannot register as authorized Independent Consultants in any country except in his/her country of residence. As a company-wide policy, any Independent Consultant/ Customer may operate only one Nature's Sunshine membership at any time.
- Any commissions earned through Global Sponsoring are based on the sale of products in the foreign country where the sponsored Independent Consultant resides and are paid to the Global Sponsor by the legally recognized Nature's Sunshine office/subsidiary in your country/market of residence. Where applicable, taxes will be handled as required by the laws of each country/market.
- Nature's Sunshine products are NOT to be distributed/sold from one country/market to another.
- Failure to comply with any of these Policies can result in severe, damaging legal consequences for all parties concerned and constitutes grounds for immediate termination of the Distribution Agreement in your country of residence.

4.6 Beneficial Interest

Independent Consultant of the same family unit, living at the same address, may not have more than one membership account in total. The Membership Agreement is void if any member of the family unit has previously signed up as a Independent Consultant, and that original account is still active.

4.7 Corporations, Partnerships, Trusts, Sole Proprietors and Other Entities

To use a corporation or other entity as a vehicle for your Nature's Sunshine membership, you must:

1. Submit a written request to the Nature's Sunshine Customer Service Department, Attention: Customer Service Supervisor.
2. Request that Nature's Sunshine set up your account as a corporation (or such other legal entity, as the case may be).
3. Provide the Federal issued Business Number and any requested additional information for that entity.
4. Provide the Articles of Incorporation for that entity. This should include the name(s) of the corporation's or entity's officers (there must be at least two such officers named) and shareholders (or members).
5. Include the names and signatures of every person with authority to charge or order Nature's Sunshine products on your entity's account.
6. The membership and all commission payments, correspondence and information will be processed and addressed in the name of the corporation or entity.

4.8 Independent Consultant Marriage

Married couples or couples living together in a common-law relationship must be enrolled in a single Independent Consultant associateship. The application must be signed by both individuals, and a single identification number will be issued. Independent Consultant who subsequently marry or cohabit with Independent Consultant must have their associateships merged with the most senior customers or Independent Consultants associateship continuing in the most junior customer or Independent Consultants associateship being cancelled determined by date of acceptance of Nature's Sunshine, being the surviving ongoing associateship.

4.9 Independent Consultant Divorce

If married Independent Consultant obtain a divorce, Nature's Sunshine will continue to treat the membership pursuant to the original Membership Agreement until such time that Nature's Sunshine receives written notice from both parties, or official court documentation, directing otherwise. The written notice should come in the form of an updated Nature's Sunshine Account and Business Information document (found on the corporate website) and be signed by all parties and then notarized. Please contact the Nature's Sunshine Customer Service or Distributor Education and Compliance department for assistance.

4.10 Independent Consultant Death

In the event of a Independent Consultant's death, the membership may be conveyed by will to the Independent Consultant's beneficiaries or the laws of intestacy to the Independent Consultant's heirs. The death certificate, a certified copy of the will or court order, as well as a new Consultant Application in the name of the new Independent Consultant receiving the membership must be forwarded to Nature's Sunshine Distributor Education and Compliance. Nature's Sunshine also provides a form called "Beneficiary of Account" to proactively assist in these matters.

4.11 Membership Account Changes

Making account changes, e.g. adding/deleting a name, new business name, beneficiary, change of ownership, etc., requires a completed form from Nature's Sunshine. Please contact Nature's Sunshine Customer Service for assistance. Completed forms, including signatures and notarization as required should be submitted to Customer Service and attention Distributor Education and Compliance.

4.12 Membership Transfer by Sale

No partial sale or division of a successline group is allowed. However, an Independent Consultant may sell his/her entire Nature's Sunshine Membership. Nature's Sunshine provides the "Application to transfer ownership of Nature's Sunshine account" form for this purpose. Completed forms, including signatures and notarization as required should be submitted to Customer Service and attention Distributor Education and Compliance. The seller should notify his/ her Sponsor of the sale.

The terms and conditions of the Membership Agreement are still in force regardless of any organizational changes due to the sale of a Nature's Sunshine Membership group.

If an Independent Consultant purchases or inherits a different Independent Consultant's account, he/she is required to sell one of the two accounts.

Inherited or purchased accounts will only be recognized at that rank if they have done the necessary building for that rank after they have taken possession of the account. If the seller desires to remain an Independent Consultant of Nature's Sunshine after his/her group has been sold, the seller will be given a new account number. The seller determines who his/her new sponsor will be; however they must remain inactive for the appropriate amount of time indicated for Independent Consultants if they wish to enroll under someone other than their previous sponsor. See "Change of Sponsorship" in section 6.3.

4.13 Membership Transfers by Will

An Independent Consultant's business may be transferred by will. Appropriate legal preparation must be completed to ensure the transfer meets Nature's Sunshine requirements and applicable laws. Successors acquire the right to an Independent Consultant's commissions on the Independent Consultant's success line, but they must meet all PV, leadership and annual renewal requirements and must agree to conduct the business in accordance with the Membership Agreement.

SECTION 5 OPERATION OF BUSINESS

5.1 Ethical Behaviour

There shall be no written or oral agreements or arrangements between or among any Independent Consultant and any other person, including, but not limited to, Independent Consultants or former Independent Consultants regarding the resale of Nature's Sunshine products or other aspects of their business, other than the Membership Agreement. This includes but is not limited to agreements or arrangements regarding drop shipping, stores, "franchises" or similar arrangements, "business opportunities" offerings, mall or strip mall locations (carts, kiosks, etc.), assigned territories, cash, penalties or other considerations for setting up such locations, or purchasing Nature's Sunshine products or for stocking such locations.

Nature's Sunshine will not enforce nor adjudicate separate or side agreements between Independent Consultants, shall deem such agreement invalid and may terminate or otherwise discipline Independent Consultants for entering into any such agreement.

5.2 No Side Agreements

There shall be no written or oral agreements or arrangements between or among any Independent Consultant and any other person, including, but not limited to, Independent Consultants or former Independent Consultants regarding the

resale of Nature's Sunshine products or other aspects of their business, other than the Membership Agreement. This includes but is not limited to agreements or arrangements regarding drop shipping, stores, "franchises" or similar arrangements, "business opportunities" offerings, mall or strip mall locations (carts, kiosks, etc.), assigned territories, cash, penalties or other considerations for setting up such locations, or purchasing Nature's Sunshine products or for stocking such locations.

Nature's Sunshine will not enforce nor adjudicate separate or side agreements between Independent Consultants, shall deem such agreement invalid and may terminate or otherwise discipline Independent Consultants for entering into any such agreement.

5.3 Independent Contractor Status

Each Independent Consultant is an independent contractor of Nature's Sunshine. Independent Consultants are not employees, agents, partners, joint ventures or representatives of Nature's Sunshine, their Sponsor or any other Independent Consultant.

Independent Consultants are not entitled to claim unemployment or worker's compensation as a result of having been or being an Independent Consultant. No Independent Consultant is authorized to act on behalf of, or to legally bind Nature's Sunshine, his/her Sponsor or any other Independent Consultant or individual.

5.4 Licensing/Taxes

- A. Licensing - All Independent Consultants must be licensed in accordance with provincial and local municipal regulations. It is the responsibility of the Independent Consultant to make him/ herself aware of the licensing regulations which affect him/her. If Nature's Sunshine chooses to register as a vendor or other entity under applicable provincial direct sellers laws, then notwithstanding any such registration, for purposes of the relationship between Nature's Sunshine and its Independent Consultants selling in that province, the Independent Consultants shall still be deemed to be independent contractors of, and not agents of, Nature's Sunshine. If any Independent Consultants are held or deemed under applicable provincial law to be agents for Nature's Sunshine and not for all purposes independent contractors, then notwithstanding any such law, ruling or holding, the Independent Consultants agree to indemnify and hold Nature's Sunshine harmless from and against any liability that arises against Nature's Sunshine out of any conduct of that Consultant in breach of these Policies to the extent such liability arises because the Consultant is held or deemed to be an agent of Nature's Sunshine under applicable law.
- B. Provincial Sales Tax (PST) - Most provinces have levied a provincial sales tax which Nature's Sunshine charges to the Independent Consultants based on the Independent Consultant price. Nature's Sunshine recommends that you add the applicable provincial tax to your retail sales. Customers are charged provincial sales tax based on their cost and not the suggested retail price. An Independent Consultant may claim a rebate of overcharged taxes on goods not sold at suggested retail price providing there is sufficient paperwork for those sales if the provincial tax department decides to conduct an audit. If an Independent Consultant has a Provincial Sales Tax (PST) number, the Independent Consultant must forward a copy of the document to Nature's Sunshine. This form expires every 4 years and must be re-submitted at that time. Please note: If you have a government issued Certificate of Indian Status please submit a CLEAR copy of the front and back to validate your Tax Exemption along with your band/registry number.

- C. Goods and Services Tax (GST/HST) - If the Independent Consultant has a GST number, they should forward it to Nature's Sunshine. Upon receiving the GST number, Nature's Sunshine will pay GST/HST on override commissions, and other bonus payments. Please be aware that the GST is still charged on your order.
- D. Sales Contracts - It is necessary that Independent Consultants use written sales contracts where required by provincial law. Nature's Sunshine is not responsible for any tax or other withholdings for the Independent Consultant. Each Consultant must promptly file all returns and reports required by taxing authorities and pay all taxes arising from or related to activities as a Independent Consultant.

5.5 Unfair Competition – Successline Cross Sponsoring/Raiding

Independent Consultants will not, directly or indirectly, sponsor or solicit other Independent Consultants into any other network-marketing or direct-selling company (i.e. "Cross Sponsoring"). Independent Consultants will not promote another company or its products during or in connection with any Nature's Sunshine meeting or function nor any meeting or function sponsored by any Independent Consultant for that Independent Consultant's successline. This includes social media and websites.

An Independent Consultant may not attempt to persuade other Independent Consultants to change Sponsors or positions in the successline within Nature's Sunshine (i.e. "Successline Raiding"). Independent Consultant determined to be participating in these activities will have their memberships terminated.

5.6 Disparaging Activities

Independent Consultants will conduct their business with professionalism and integrity. Independent Consultants will not discredit or disparage Nature's Sunshine, its employees or any other Independent Consultants in anyway. Furthermore, Independent Consultants will not make false or derogatory statements concerning the quality of a competitor's product or company.

5.7 Marketing and Product Sales Claims

Independent Consultants will not make any false or misleading claims or material omissions of relevant facts. Independent Consultants must not make inappropriate or misleading claims or other misrepresentations of financial rewards, earnings, potential income or tax advantages of membership. Independent Consultants will not imply or assert that additional products, services or territories will be added until such fact has been officially announced by Nature's Sunshine to all Independent Consultants. Any claims with respect to earnings, income, or compensation must not be misleading or deceptive.

5.8 Governmental Endorsement Claims

Independent Consultants will not state, suggest or imply to individuals that Nature's Sunshine's Compensation Plans, Nature's Sunshine products or memberships are approved, sponsored or endorsed by any provincial attorney general, government authority or agency or other third party.

5.9 Liability Disclaimer

IN NO EVENT WILL NATURE'S SUNSHINE, OR ANY NATURE'S SUNSHINE INDEPENDENT CONSULTANT, OR NATURE'S SUNSHINE AFFILIATE, OR ANY SHAREHOLDER, OFFICER, DIRECTOR OR EMPLOYEE OF ANY ENTITY MEMBERSHIP, BE LIABLE TO YOU AS A CONSULTANT (OR ANYONE CLAIMING FOR OR THROUGH YOU) FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL OR SPECIAL DAMAGES.

5.10 Corrupt Practices

Independent Consultants shall not make, offer, promise or authorize any payment, loan, gift, donation or other giving of money or things of value, directly or indirectly, whether themselves or through their shareholders, affiliates, partners, officers, employees, agents or representatives, whether in cash or kind, and whether or not pursuant to written contract, to or for the use of any government official, any political party or official thereof, or any candidate for political office, for the purpose of influencing or inducing any official act or decision in order to further the activities contemplated by these Policies, or otherwise violate in any manner any convention, law or regulation prohibiting illicit payments to government officials, their agents or instruments or to third parties. A violation of this Section shall be a material violation of the Policies. Further, no Independent Consultant may do business in any country in which Nature's Sunshine has not registered its products for lawful sale and communicated to the Independent Consultants that it is officially "open" for business and subject to any limitations therein. Violation of this requirement will lead to termination.

5.11 Reporting Unethical Behaviour

Independent Consultants should promptly discourage and report to Nature's Sunshine any activity that would be injurious to Nature's Sunshine, the nutritional supplement and personal care products industry, or the direct sales industry.

An Independent Consultant who has a specific complaint about another Independent Consultant or is aware of any violation of these Policies by another Independent Consultant should direct such complaints in writing to the Nature's Sunshine Distributor Education and Compliance department in order to minimize the negative aspects accompanying such complaints.

5.12 False Accusations

Any claims made to Nature's Sunshine Distributor Education and Compliance that are determined to be false can be construed as unethical behaviour and may result in disciplinary action.

5.13 No Sale/Purchase of Leads

Nature's Sunshine prohibits Independent Consultants from selling leads to other Independent Consultants and from purchasing leads from a third-party source.

SECTION 6

SPONSORSHIP RESPONSIBILITIES

6.1 General

- Sponsoring is an important part of being a Independent Consultant and carries with it many benefits and responsibilities. An Independent Consultant may act as the Sponsor for a new Independent Consultant if the Sponsor is in good standing with Nature's Sunshine.
- A new Independent Consultant has the right to choose his/her sponsor and to have that sponsor listed on the Consultant Application.
- Nature's Sunshine will not mediate disputes resulting from one or more individuals contacting the same prospect.
- If more than one Independent Consultant claims sponsorship of the same person, Nature's Sunshine will recognize the sponsorship detailed on the first signed, completed and acceptable Consultant Application form received by Nature's Sunshine.

- It may not be possible for Nature's Sunshine to determine and verify cross-sponsoring. If an Independent Consultant has had his/her spouse or child (who lives at the same address) reapply under a different Sponsor, it is the first Sponsor's responsibility to promptly notify Nature's Sunshine of that fact. Such notification must be received by Nature's Sunshine in writing within six months of this action," or the Sponsor of the first Independent Consultant will have waived his/her right to object, and Nature's Sunshine will determine which membership to cancel.
- It may not be possible for Nature's Sunshine to determine if an account was originally assigned to the wrong Sponsor, and Nature's Sunshine will have no liability in connection therewith.
- The signed Consultant Application will protect the Sponsor/Independent Consultant relationship.

6.2 Responsibilities With Prospective Independent Consultants

A Sponsor must clearly state in all presentations to prospective Independent Consultant that there is no compensation paid to any Independent Consultant solely for sponsoring new Independent Consultants.

A Sponsor must also clearly state that all product purchases are voluntary, and that incurring debt to pursue a Nature's Sunshine business opportunity is discouraged.

A Sponsor must also provide each potential Independent Consultant with a copy of the most current Policies and Compensation Plan documents when enrolling a new Independent Consultant.

6.3 Change of Sponsorship

Nature's Sunshine discourages any change in Sponsors. The only way for an Independent Consultant to change sponsors is for the Independent Consultant to resign or terminate his/her account by writing a letter to Nature's Sunshine Distributor Education and Compliance requesting their own resignation or termination. The Independent Consultant must wait six months from the date of resignation to reapply for membership under a new Sponsor. During this waiting period, the Independent Consultant must cease all participation in Nature's Sunshine activities, including attendance at any meetings, and the purchase and resale of Nature's Sunshine products.

An Independent Consultant whose account has passed their expiration date may reapply for membership under a new sponsor immediately so long as: (1) no activity has been made on the account in the month prior to expiration and in the expiration month.

If there has been activity on the account in the month prior and during the expiration month, the Independent Consultant may reapply 30 days after the expiration, so long as there is no more activity during that time.

6.4 No Inventory Loading

Independent Consultants will not encourage their successline or any other Independent Consultant to make unnecessary product purchases that could result in a large, stagnant inventory. This is called "front-end loading" or "inventory loading" and refers to the purchase of products that are stored, destroyed or otherwise disposed of without being consumed or sold by a Consultant. Nature's Sunshine expects that its products will be consumed—not merely purchased and warehoused. Independent Consultant must consume their products or sell their products to people who will consume them.

6.5 No Stacking

Stacking is prohibited. Stacking is defined as use by an Independent Consultant of one or more persons in the Independent Consultant's successline, where the purpose of such persons is ostensibly to sell products and receive commissions based on those sales, but who, in reality, are not responsible for selling such products. Multiple family Independent Consultants in the same household sponsoring each other constitutes stacking. The person(s) so used is/are "stacked" into the successline of the Independent Consultant and is/are also participant(s) to fraudulent manipulation of the Nature's Sunshine commission system. Stacking is against these Policies and is a violation of applicable laws. Independent Consultants may not have more than one Nature's Sunshine account. Participants must not falsely report the sales of others as their own. Evidence of stacking will result in immediate termination of the membership for cause.

6.6 No Sponsoring Employees and Extended Families/No Employee Endorsements

An Independent Consultant shall not solicit or sponsor employees of Nature's Sunshine, Synergy Worldwide, Inc., or their related companies, the immediate family members of such to be Consultants, nor request that they provide any endorsement of NON-Nature's Sunshine produced materials. No Nature's Sunshine corporate officer, employee, product supplier, agent, representative or consultant or member of the immediate families of such will be allowed to be a Independent Consultant or build a successline within Nature's Sunshine, Synergy or any other network-marketing or direct-selling company. For purposes of this paragraph, "immediate family" includes any spouse, person currently residing with the officer, employee, product supplier, agent, representative or consultant.

6.7 Competing Employment

An Independent Consultant cannot be an employee of another multi-level marketing/direct sales company. Any Independent Consultant found to be in violation of this is subject to immediate termination.

6.8 No Solicitation of Synergy Team Members

Synergy Worldwide, Inc. and its subsidiaries ("Synergy") are related companies of Nature's Sunshine. To protect the integrity of our separate Compensation Plans and the original successline organizations, it is imperative that Team Members/ Independent Consultants of one company be prohibited from recruiting Team Members/ Independent Consultants of the other company. A Nature's Sunshine Independent Consultant may not sign up with Synergy as a Team Member. Synergy policy states: "No Synergy Team Member may solicit, directly or indirectly, any Independent Consultant of Nature's Sunshine. Synergy shall terminate that Team Member's membership immediately upon written notice, either by fax, email or regular mail. Moreover, Synergy shall prohibit any Consultant of Nature's Sunshine from becoming a Synergy Team Member."

SECTION 7 SALES RESPONSIBILITIES

7.1 Product Payment

No money should be paid to or accepted by any Sponsors or Independent Consultants except at the time of product delivery. Independent Consultants should not advance money to any Sponsor or another Independent Consultant, nor should money be held on deposit in anticipation of future deliveries.

SECTION 8 ACCOUNTING POLICIES

8.1 NSF Cheques

All NSF cheques will be charged a \$25.00 Returned Cheque Service Fee or such greater fee as Nature's Sunshine's banks may assess. When Nature's Sunshine receives a NSF cheque, the Accounting Department will contact the individual to submit a new cheque. Until payment is received in full the Independent Consultant cannot order products. If the customer subsequently presents another cheque that is not honoured for payment by the customer's financial institution, the customer may be required to provide certified cheques or money orders for subsequent orders. If a customer fails to provide a replacement cheque that is honoured, the customer will be subject to termination for cause.

SECTION 9 ORDERING PRODUCTS

9.1 Phone Orders

Independent Consultants may place orders by phone using a credit card. Please call Nature's Sunshine's Customer Service Department. Nature's Sunshine Customer Service representatives can process product orders and assist with questions about ordering. When placing an order by phone, please remember to:

1. Calculate the total cost and total PV for the order. Nature's Sunshine's computer system will automatically calculate these totals, so comparing your total with Nature's Sunshine's total will help assure correct processing of the order.
2. Identify yourself by name and account number.
3. Provide the stock number of each item first, then the quantity. The product name, PV or cost need not be included. If using a credit card, the name on the credit card must match the name on the Nature's Sunshine account or the name of the person to whom the order is being shipped. The Nature's Sunshine Account Holder is ultimately responsible for all credit card transactions that occur on his/ her account. The name to whom the credit card is issued and the credit card billing postal code must be provided. All orders must be paid in full before the order is released. The Order Sales representative will provide an order number. Additional items called in after that time will be processed as a separate order and will be subject to separate shipping and handling charges.

9.2 Internet Orders

Independent Consultants may place orders, check PV totals and view order history through Nature's Sunshine's website, <http://www.naturessunshine.ca>. This site provides 24-hour/7-day-a-week access to Independent Consultant accounts, product and ordering information, subject to website availability. A username and password are required for account or order access. These may be obtained online, or by calling the Customer Service Department.

9.3 Mail Orders

Independent Consultants may place orders by mail. Nature's Sunshine's computer system matches the account number with a shipping address already on file and prints out a shipping label. If an order is to be shipped to an address different than the Independent Consultant's normal shipping address, a notation to that effect must be made on the top of the order form.

Double-check each order for accuracy. Keep a copy of the order form for your records. Send the original copy of the order form to:

*Nature's Sunshine Products, Inc., Customer Service Department
PO Box 70043
RPO Fletchers Creek
Brampton, ON L7A 0N6*

A cheque, money order or credit card (card number, expiration date and signature) covering the total cost of the order must be included with the order form. Nature's Sunshine accepts Visa, MasterCard and American Express. Orders received without payment will be returned. Cheque needs to be completed with the current date, order amount and signature. Make cheques payable to "Nature's Sunshine Products, Inc." Nature's Sunshine does not accept "starter" cheques that lack the customer name, address and phone number and the name of the bank commercially imprinted on the cheque for the bank account holder. Payments cannot be deducted from future commission cheques. Please include all orders sent on the same day in one envelope. Properly placed orders are normally processed and entered within 24 hours of receipt, excluding Saturdays, Sundays and holidays. Orders received by overnight delivery will be processed the same day they are received, unless the order is incomplete or defective. Shipping times cannot be guaranteed. Any correspondence to Nature's Sunshine should be mailed in a separate envelope from any order.

9.4 Fax Orders

Independent Consultants may order products via fax. Use the standard Nature's Sunshine order form when ordering by fax. Do not reduce the form in size.

Fax orders are payable by credit card only. The order will not be accepted or processed until the payment is received.

Please note that confirmations of transmission from fax machines do not guarantee legibility. Customer Service/Customer Service representatives cannot confirm receipt of faxes.

SECTION 10 SHIPPING

10.1 Shipping Methods

Nature's Sunshine strives to prepare each order for shipment within 24-48 hours of its receipt. The customer should generally receive the order within 3-5 business days AFTER leaving Nature's Sunshine's warehouse, depending on the geographical area and weather conditions. Please note: Weekends and holidays do add time to delivery and order processing times. Please contact Customer Service for more details. All freight services are contracted to outside carriers.

10.2 Special Shipping Arrangements

Different shipping options and prices are offered when placing an order.

NOTE: Shipping options and prices may change at any time. For current shipping options and prices, please visit our website or contact Customer Service.

10.3 Change of Shipping Address

An Independent Consultant may request that an order be drop-shipped directly to a customer. It is essential that the correct shipping address of the drop-ship customer be given when the order is placed. Payment for the drop-ship order must be made to Nature's Sunshine at the time of placing the order.

When drop-shipping to customers, the ordering Independent Consultant may request that no prices be shown on the invoice.

10.4 Lost Orders

Purolator ground shipments are not considered lost until the fifth business day after placement of the order. If five business days have passed and the order has not been delivered, Nature's Sunshine can trace the order with Purolator. Upon verification that an order has been lost or returned, Nature's Sunshine can reship or refund the order.

10.5 Orders Errors

Nature's Sunshine is unable to adjust orders once they have been placed. If an error occurs in an order, contact customer service for guidance on returns or refunds.

10.6 Damaged Shipments

If you receive damaged cartons, please take photos of the damaged items and contact Customer Service immediately for instructions or guidance on refunds or replacements.

10.7 Shipping Liability

Nature's Sunshine will not be liable for any loss or damage whatsoever (including, without limitation, loss of earnings or consequential damages), caused by, or arising out of, any delay in delivery, error in products shipped or failure to deliver on time a product ordered by an Independent Consultant.

NOTE: If Nature's Sunshine completes an order on time, but the shipment is delayed by the shipping carrier, Nature's Sunshine cannot refund the shipping charges because the shipping carrier offers no refund to Nature's Sunshine. Neither Nature's Sunshine nor any shipping carrier it uses is responsible for any delays in product shipment caused by circumstances beyond their reasonable control, including interruptions or delays due to war, terrorist attacks or natural disasters.

10.8 Special Delivery Service

Please contact Customer Support for current rates and services.

NOTE: Shipping charges may change at any time.

SECTION 11 PRODUCT RETURNS

11.1 Defective Products and Returned Goods Procedure

Nature's Sunshine Products has a limited buy-back policy that, should a participant desire to return unused product for any reason, the company will repurchase all such products at 90% of the original cost to the original purchaser, less appropriate commissions and legal claims, if any. This includes products being returned due to the customer ordering in error or making a key punch/typing error on a web order. Requests for such returns must be made within three months of the purchase of the product. Any bonuses or overrides paid to the requesting participant on returned product will be deducted from the return payment or debited to appropriate Independent Consultants. Original invoices must be provided when returning products. In the event the product is damaged during transit or has a defect, the customer may return the product to the company for replacement within 5 working days of delivery date. Products returned due to shipping or Nature's Sunshine order error will be refunded 100%. All damages and errors must be reported to Nature's Sunshine within 5 business days of receipt of order. All returns to the Company must be authorized in advance, by the Customer Service department.

Please Note: Freight must be prepaid on all returns. Unauthorized returns will not be processed and cannot be returned to sender. Once returns are received and inspected, they are disposed of.

11.2 Return of Stock Due to Cessation of Business

If an Independent Consultant wishes to resign their Membership, Nature's Sunshine will allow the return of stock according to the following stipulations: 1) The Independent Consultant must, in writing, inform Nature's Sunshine of their resignation and provide, within 30 days of resignation, a complete inventory list. 2) All returned goods must be in resalable condition, i.e. unopened, not discontinued, have clean bottles and labels, be undamaged and not marked in any way, have no price tags on bottles, and possess at least 50% of the designated shelf-life. Returns must be made within three months of purchase, and must be accompanied by the original Nature's Sunshine invoice. 3) The Independent Consultant ceasing business bears the cost of returning the goods to Nature's Sunshine. 4) Upon examination of the returned goods by Nature's Sunshine, the Independent Consultant will be informed of the value and acceptability of the returned goods. Returned goods will be valued at 90% of the Independent Consultant cost (10% is a handling and processing fees), less any bonuses, overrides and taxes paid on the original sale of the returned goods.

11.3 The 70 Percent Rule

Independent Consultants are expected to resell 70% of all products purchased from Nature's Sunshine. By placing a new product order an Independent Consultant represents to Nature's Sunshine that he or she has sold or consumed at least 70% of all products purchased in prior orders. No Independent Consultant may sell or otherwise provide Nature's Sunshine products to any person for the purpose of such person reselling Nature's Sunshine products. Independent Consultants shall not sell to any person any quantity of Nature's Sunshine products greater than that generally purchased by an individual for personal use.

NOTE: Nature's Sunshine will audit Independent Consultants for retail sales. Therefore, all retail sales should be carefully documented. Should an Independent Consultant refuse to immediately and fully cooperate with a Nature's Sunshine audit, as may be initiated by Nature's Sunshine from time to time, the Independent Consultant recognizes that the Independent Consultant will be subject to disciplinary action, pursuant to Section 15.1.

11.4 Product Return – Death of a Consultant

In the event of an Independent Consultant's death, the executor of the estate or a surviving family member may call Customer Service for information on returning unsold products to Nature's Sunshine.

SECTION 12

GENERAL MARKETING GUIDELINES

12.1 Rules and Guidelines for the Discussion of Products

1. Nature's Sunshine sells a range of consumer products, including foods, natural health products ("NHP" or "NHPs"), cosmetics, and household cleaners. No Nature's Sunshine product, other than an NHP, is sold for direct or indirect use in the prevention, cure, treatment or mitigation of disease. Personal care products are for topical use only as may be indicated on the product labeling. All representations with respect to NHPs must be exactly as outlined in Nature's Sunshine's product market authorization, which appears on Canada labels under recommended use or purpose. Independent Consultants shall not make any product claims unless approved for the Canada market.

2. Only licensed medical doctors may diagnose or prescribe treatment for disease. DO NOT DIAGNOSE DISEASES OR "PRESCRIBE" ANY PRODUCTS. Never recommend to anyone that he/she discontinue the services, recommendations or medications of any doctor or other healthcare professional.
3. Motivate customers and successline Independent Consultants to study and learn how to use herbs and other nutritional supplements.
4. Nature's Sunshine does not allow products to be sold through Non-Profit Organizations. Nature's Sunshine is a direct people-to-people business. Selling through religious and educational institutions (for fundraising or any other purpose) would be in direct competition with Nature's Sunshine Independent Consultants. For example, parents may have children who go to the same school/church who all have memberships with Nature's Sunshine. Allowing this would give an unfair advantage to one Independent Consultant over another.
5. Independent Consultants are independent business people and shall conduct business in a professional, ethical, lawful, prudent manner.

12.2 Internet Auction or Marketplace Sites

Independent Consultants shall not sell any Nature's Sunshine products through any Internet auction site, marketplace site, shopping site or order fulfillment store, including but not limited to, eBay®, eBay® Store, Amazon®, OverStock®.com, kijiji, Craigslist, etc. The provisions of this section 12.2 shall survive the termination, cancellation, or expiration of a Consultant's Membership.

12.3 Catalogue Sales

Nature's Sunshine products may not be sold through national or regional Catalogue sales.

12.4 Retail Outlets

Independent Consultants will not sell any Nature's Sunshine products through any store that is franchised, owned or affiliated with a company whose stock is publicly traded, a national or regional chain store, or major retail outlet (such as GNC, Shopper's Drugmart, Walmart, etc.).

Independent Consultants may establish a retail outlet wherever they wish within the country of their membership. Participants operating a retail store or on-premises sales site may sell to any customer from such store or site, regardless of where the customer resides in Canada. Nature's Sunshine does not provide advice or recommendations or otherwise become involved in decisions regarding the location of retail outlets or kiosks. Independent Consultants operating through retail stores or kiosks must also provide interested customers with the opportunity to become Independent Consultants.

12.5 Product Care and Quality Controls

Independent Consultants shall comply with all instructions provided by Nature's Sunshine regarding the proper care, storage, and handling of the products. Independent Consultants shall regularly inspect inventory for products that are expired or that will expire within 90 days and shall not sell such products. Products must be sold in their original packaging. Independent Consultants shall not relabel or repackage products (including by separating product bundles or bundling products). Products shall not be altered or diluted in any manner. Independent Consultants shall not remove, translate, or modify the contents of any label or literature on or accompanying the products, unless directed to do so by Nature's Sunshine. Independent Consultants shall not remove, deface, or modify any serial number, UPC code, batch or lot code, or other identifying information on products or packaging.

Independent Consultants shall cooperate with Nature's Sunshine in the investigation and resolution of any quality or customer service issues related to sales of Nature's Sunshine products, including disclosing information regarding product sources, shipment, and handling.

12.6 Consumer Service

Independent Consultants should provide current contact information to their customers and make it known to their customers that they are available to answer questions and respond to customer concerns both before and after the sale of products. Independent Consultants should respond to any questions or concerns from their customers relating to product information, proper usage, or other inquiries. Independent Consultants should consult their materials, refer to and use available educational tools, or contact Nature's Sunshine directly in responding to customer questions or concerns.

12.7 Consumer Safety and Product Recalls

Independent Consultants shall cooperate with Nature's Sunshine with respect to any Product recall or other consumer safety information dissemination efforts.

SECTION 13

ADVERTISING NATURE'S SUNSHINE PRODUCTS

13.1 General Advertising Guidelines

Nature's Sunshine has adopted the following Policies for the advertising of Nature's Sunshine products by its Independent Consultants:

If Nature's Sunshine determines that its products were advertised by a Independent Consultant in contravention of these Policies, or in any way which Nature's Sunshine feels, in its sole discretion, did not serve the best interest of Nature's Sunshine, Nature's Sunshine may elect not to continue to supply products to that Independent Consultant. This is an Nature's Sunshine corporate policy, and no Independent Consultant is authorized to interpret it or waive it.

13.2 Independent Consultant Identification

When advertising Nature's Sunshine products, an Independent Consultant should take special care that he/she operates and clearly designates his/her business as independent from Nature's Sunshine. An Independent Consultant should identify himself/herself in the following format: "John/Jane Doe, Independent Consultant of Nature's Sunshine Products."

All Independent Consultants shall identify their toll-free phone number as that of an Independent Consultant of Nature's Sunshine and not directly as Nature's Sunshine, and shall not lead callers to believe they may be calling Nature's Sunshine Corporate Office.

Independent Consultants may use Nature's Sunshine's "Independent Consultant" logo, provided that this logo is only used with Nature's Sunshine products and not with any competitor's products or services.

13.3 Nature's Sunshine Intellectual Property

All trademarks, logos, literature and forms produced or owned by Nature's Sunshine remain the property of Nature's Sunshine. The Nature's Sunshine Independent Consultant logo is provided for any Independent Consultant who wishes to use a logo. Nature's Sunshine literature or logos for advertising use can be acquired from the Customer Service Department or downloaded from the Nature's Sunshine website, www.naturessunshine.ca.

Independent Consultants may not use any Nature's Sunshine trade names, trademarks, logos or symbols without Nature's Sunshine's prior written consent. Furthermore, Nature's Sunshine trade names, trademarks and service marks are important and valuable business assets. They help identify the source and the reputation of Nature's Sunshine products and services worldwide and distinguish them from competitors. Therefore, Nature's Sunshine makes every effort to protect its trademarks, its corporate logotype, label designs and various product names, except as otherwise permitted herein, to ensure that others do not misuse them.

Nature's Sunshine will not allow use of its trade name (company name), trademarks (brand names), designs or symbols by any person, including an Independent Consultant, without prior permission being granted by Nature's Sunshine. A breach of this policy may result in disciplinary action against the Independent Consultant, including termination of membership.

13.4 Reporting of Legal Claims

If anyone makes a legal claim against an Independent Consultant as a result of his/ her use of advertising materials created by Nature's Sunshine, that claim should be reported to the Nature's Sunshine Legal Department immediately.

13.5 Consultant -Produced Advertising and/or Consultant Modification of Nature's Sunshine Materials

To the extent that an Independent Consultant creates any advertising materials independently or modifies any materials created by Nature's Sunshine, various laws require the use of such materials (referred to collectively as Independently Created Advertising Materials) in a manner that does not infringe upon or dilute the rights of Nature's Sunshine or third parties. Among other things, federal and provincial laws require that Independently Created Advertising Materials be used in a manner that does not infringe upon or dilute the trademarks or copyrights of Nature's Sunshine or any third party, and does not make any false or misleading claims about Nature's Sunshine or the products advertised. Independently Created Advertising Materials are solely the responsibility of the Independent Consultant who creates them and any person who uses them. Nature's Sunshine disclaims any right or obligation to control the content of Independently Created Advertising Materials in any medium, including print, television, radio and the Internet. Nature's Sunshine will not indemnify any Independent Consultant against any claim that Independently Created Advertising Nature's Sunshine or any third party, and does not make any false or misleading claims about Nature's Sunshine or the products advertised. Independently Created Advertising Materials are solely the responsibility of the Consultant who creates them and any person who uses them. Nature's Sunshine disclaims any right or obligation to control the content of Independently Created Advertising Materials in any medium, including print, television, radio and the Internet. Nature's Sunshine will not indemnify any Independent Consultant against any claim that Independently Created Advertising Materials violate the rights of any third party. Nature's Sunshine, however, retains the right to demand that a Consultant cease the use of any Independently Created Advertising Materials if, in the judgment of Nature's Sunshine, such materials violate the law, Nature's Sunshine's rights or the rights of any third party.

An Independent Consultant who fails to adhere to a demand by Nature's Sunshine to cease the use of any Independently Created Advertising Materials shall be subject to account termination.

13.6 Nature's Sunshine Produced General Interest Materials

Nature's Sunshine sometimes prepares materials of general interest or for educational purposes regarding herbs, skin care products and ingredients in Nature's Sunshine products. Only marketing materials specifically prepared by Nature's Sunshine for use with a particular Nature's Sunshine product are endorsed by Nature's Sunshine and approved for use in marketing those Nature's Sunshine products.

13.7 Telemarketing

Any Independent Consultant who uses the telephone to market Nature's Sunshine products or otherwise engage in telemarketing within the meaning of the applicable laws must comply with all applicable provincial, territorial, and federal laws and regulations for telephone marketing and solicitation, including registration as a telemarketer. Canada has laws that restrict telemarketing practices, which are regulated through the Canadian Radio-Television Telecommunications Commission (CRTC). These laws and regulations must not be taken lightly, as they carry significant penalties. It is Nature's Sunshine policy that all Consultants must respect the federal "do not call" list, as well as the Unsolicited Telecommunications Rules and without limitation, the call script, record keeping, and registration requirements therein. Independent Consultants must identify themselves as independent from Nature's Sunshine. Any penalties in respect of non-compliant telemarketing will be at the Independent Consultant's sole expense and liability, including but not limited to if they are assessed directly against Nature's Sunshine due to any Independent Consultant's noncompliance.

13.8 Internet Marketing

1. All advertising and marketing guidelines under these Policies also apply to an Independent Consultant's use of the Internet to sell Nature's Sunshine products, advertise or advance the Independent Consultant's business, including those guidelines prohibiting the practice of medicine or diagnosing in connection with the marketing and sale of Nature's Sunshine products.
2. These Policies, including the advertising and marketing guidelines and restrictions on practicing medicine or diagnosing, also apply to communications sent via email or in other form. A breach of the law can also result in immediate termination of a membership for cause.
3. When advertising via the Internet or a personal website (including all private sites, Personal websites and Internet advertising), the statement "Independent Consultant of Nature's Sunshine Products" must be prominently displayed. This statement should be placed on the Home Page of the website.
4. Nature's Sunshine discourages Independent Consultants from placing their Nature's Sunshine account number on their websites because it may allow anyone to contact Nature's Sunshine Customer Service and request information about said account, purchase product in the Independent Consultant's name or otherwise abuse account privileges. In doing so, the privacy of the account information may be jeopardized. The Independent Consultant, not Nature's Sunshine, will be responsible for abuses of its account and any violations of the Membership Agreement or these Policies that may occur.
5. Some Nature's Sunshine Independent Consultants sell products other than Nature's Sunshine products on their websites. Nature's Sunshine products must appear on a separate web page from any non-Nature's Sunshine products, and the website must clearly and conspicuously label and identify the products and website pages that feature products of Nature's Sunshine or of other companies. No trademark may be used on any web page that contains information or advertising about any non-Nature's Sunshine product or service.

6. Independent Consultants may not register or use any website domain name or Internet advertising that contains any trademark, product name, slogan or promotion name of Nature's Sunshine Products, Inc. in the domain name, or that otherwise does not meet with approval of Nature's Sunshine. A domain name/any advertising that merely misspells or is confusingly similar to any trademark, product name, slogan or promotion name of Nature's Sunshine Products, Inc. is not approved and cannot be used. Nature's Sunshine may at any time notify an Independent Consultant that a domain name is not approved, and the Independent Consultant must immediately shut down the website/advertising, change the domain name, and/or transfer ownership of the domain name to Nature's Sunshine. Failure to do so will subject the membership to termination.
7. All Independent Consultants must have written approval from the Nature's Sunshine Legal Department before linking their website to Nature's Sunshine's website (www.naturessunshine.ca). When given permission to link to the corporate site, a Independent Consultant must follow the "double-click" rule. This rule states that there must be a web page in between all links from the Independent Consultant's website and the corporate websites, and that web page must include the disclaimer provided by Nature's Sunshine's Legal Department. Framing of any part of Nature's Sunshine's website is strictly prohibited.
8. A Independent Consultant's website or Internet advertising may not create the impression that a user has reached or will be directed to Nature's Sunshine's website. The website/ advertising must state clearly and conspicuously that it is owned and operated by an Independent Consultant of Nature's Sunshine and that Nature's Sunshine is not liable for any statement, omission or misrepresentation in the website.
9. Independent Consultants should not design websites or landing pages so that they give the appearance or impression of being "Nature's Sunshine/the company" or Nature's Sunshine's corporate website. It is the responsibility of the Independent Consultant to clearly identify his/her site as an independent website selling Nature's Sunshine products.
10. Independent Consultants must not register any trademarks or names of third parties, especially of companies competitive with Nature's Sunshine, as metatags with Internet search engines. Such action is a violation of federal law, and is also cause for disciplinary action and termination of your membership.
11. Independent Consultants who maintain their own Nature's Sunshine website(s) agree to be ethical in their business practices and advertising claims on the Internet. They also agree not to advertise another company's products on such Nature's Sunshine web page or on the same web page with Nature's Sunshine-branded products. Nature's Sunshine has the right to terminate an account for unfair and/or unethical business practices, including, but not limited to, misleading statements and false advertising.
12. All Independent Consultants who advertise via the Internet must include their name or business name (as recognized by Nature's Sunshine) on the "contact me" page or in another prominent location on their site. This is necessary for adequate customer service and problem resolution.
13. All Independent Consultants shall be solely responsible for any liability or damages caused by their utilization of a website to further their membership business.
14. Nature's Sunshine may, from time to time, prohibit the advertising and marketing of any or all of its products or services over the Internet.
15. Any Independent Consultant's website that does not comply with these Policies may result in disciplinary action, including termination of membership.

16. Nature's Sunshine may at any time prohibit Independent Consultants in any particular country from filling orders for a product sold to persons in a jurisdiction or territory foreign to that of the Independent Consultant's residence.
17. Any Independent Consultant's website that does not comply with these Policies may result in disciplinary action, including termination of membership.
18. Nature's Sunshine publishes a Manufacturer's Suggested Retail Price (MSRP) for all of its products. Nature's Sunshine Independent Consultants may sell products at any price and by any means they see appropriate, however Nature's Sunshine has the discretion not to continue supplying products to Independent Consultant who, directly or indirectly, advertise Nature's Sunshine products below Premium Customer price.

13.9 Paid Web Advertising

Nature's Sunshine has adopted the following policies for the paid advertising of Nature's Sunshine products or opportunity by its Independent Consultants on search engines and websites. Nature's Sunshine prohibits advertising on search engines and websites without written approval from Nature's Sunshine's Global Compliance Department. Consultants wishing to place paid advertisements must submit a detailed request in writing to Nature's Sunshine Global Compliance. The request should include search engine(s) or website(s) they wish to use.

When doing paid advertising via the internet (including search engines and private sites), Team Members must ensure that:

- Nature's Sunshine products are not advertised in conjunction with similar or competing products from any other company.
- Independent Consultants must not register any trademarks or names of third parties, including companies competitive with Nature's Sunshine, as meta-tags or key words in advertisements.
- The statement "Independent Consultant of Nature's Sunshine Products" must be prominently displayed within the Ad Words, Headline copy (not the body copy), and also prominently on the Home Page of the website.
- Independent Consultants must use the Nature's Sunshine Independent Consultant logo.
- An Independent Consultant may not advertise any Nature's Sunshine products in countries, territories, or areas where the sale of such products is not authorized by Nature's Sunshine. A Nature's Sunshine product may only be advertised in the market for which that product is authorized.
- Independent Consultants must follow all applicable laws, regulations and community guidelines when advertising and marketing Nature's Sunshine's products or opportunity.
- Nature's Sunshine reserves the right at any time to prohibit paid advertising and marketing of any or all of its products or services over the internet.
- All advertising and marketing guidelines under the Policies and Procedures also apply to Independent Consultants paid advertising, including policies regarding medical and income claims.
- Independent Consultants advertisements must be distinctly unique from Nature's Sunshine's corporate ads, preventing the average web user from assuming an Independent Consultants paid advertising was produced by Nature's Sunshine Corporate.
- Independent Consultants may only publish paid advertisements after receiving written approval from Nature's Sunshine Global Compliance.

Nature's Sunshine reserves the right to approve or deny an Independent Consultants paid advertisement request at the company's sole discretion. Any advertisements that do not comply with these Policies and Procedures may result in disciplinary action against the Independent Consultant, including termination of their Consultant Membership.

13.10 Internet Pricing Policy

Nature's Sunshine believes that its goal of establishing its products as the world's finest herbal, vitamin and nutritional supplements is best served by offering our products through Independent Consultants that provide superior service and support for Nature's Sunshine programs and who aggressively promote the Nature's Sunshine image. Nature's Sunshine also has determined that this goal is undermined by methods that eliminate personal interaction in the sales process, permit "free-riding" by some Independent Consultants on the goodwill and brand recognition created through the efforts of others, or otherwise permit some Independent Consultants to take unfair advantage of our promotional efforts for Nature's Sunshine products.

Therefore, Nature's Sunshine unilaterally has adopted the policy that any Independent Consultant, regardless of rank or geographic location, who advertises products in any form or combination via the Internet at a price that is below the current Premium Customer cost (as published by Nature's Sunshine) will be subject to membership termination."

Placing metatags or wording on your site that would lead a person to believe you are selling below Premium Customer cost in any form is in direct violation of our policy and must be corrected immediately. You should not pay for advertising, online marketing or search terms that are deceptive or misleading in any way. Nature's Sunshine representatives and employees are strictly prohibited from discussing the application or interpretation of this sales policy, or of any other pricing practices, with any Independent Consultant. Furthermore, our representatives and employees are strictly prohibited from seeking or accepting any assurance of compliance with the policy from an Independent Consultant. All questions regarding the application or interpretation of this policy should be directed, in writing, to:

Nature's Sunshine
 Distributor Education and Compliance
 2901 Bluegrass Blvd. Suite 100
 Lehi, UT 84043

Nature's Sunshine will not under any circumstances discuss the business dealings of any Independent Consultant as they relate to this policy with other Independent Consultants. In addressing violations of this policy, Nature's Sunshine reserves the right to change, amend or discontinue this policy at any time, and no Independent Consultant has any right to rely on the continued existence of this policy or any effort by Nature's Sunshine to enforce its terms and conditions.

Nature's Sunshine reserves the right to choose those Independent Consultants with which it will do business and the right to accept or reject any product order from any Independent Consultant at any time.

13.11 Social Media and Social Networking

Nature's Sunshine recognizes that Independent Consultants may wish to utilize various "Social Media" applications (e.g., Blogger, FaceBook, Twitter, LinkedIn, etc.) as tools to support online marketing efforts. Messaging over Social Media tends to be shorter, more frequent, more interactive and at times more casual than other marketing media.

As such, Social Media may carry a higher risk of violating the Policies, as well as other applicable laws and regulations. All guidelines and restrictions on marketing found elsewhere in the Policies also apply to Social Media messaging. In addition, the following caveats and restrictions apply with regard to its use by Consultants:

1. *Identification* – Account names/identifiers may not include any trademark owned or controlled by Nature’s Sunshine. Account profiles/descriptions must disclose the Consultant’s identity and the Independent Distributor nature of Consultant’s affiliation with Nature’s Sunshine. Account descriptions must clearly state that the account and any statements made on or via the account are solely the responsibility of the Consultant.
2. *Avatars/logos* – Independent Consultant may only use Nature’s Sunshine’s “Independent Consultant” logo in association with their accounts. Other use of intellectual property belonging to Nature’s Sunshine Products, Inc. is forbidden unless specific permission is given in writing by Nature’s Sunshine.
3. *Exclusivity* – Professional marketing accounts should not be used for casual, non-professional messaging. No offensive or political videos, pictures, graphics, text or other messaging may be used in association with the account.
4. *Accuracy* – All account messaging and profile information must be accurate and not misleading and otherwise comply with all requirements in these Policies and any instructions otherwise issued by Nature’s Sunshine.
5. *Non-professional Accounts* – If comments made by an Independent Consultant on personal/non-professional accounts are offensive or objectionable, in Nature’s Sunshine’s sole discretion, whether or not directly related to Nature’s Sunshine or any of its other Independent Consultant or affiliates, Nature’s Sunshine reserves the right to terminate Independent Consultant’s account in order to protect the interests and reputation of Nature’s Sunshine.
6. *Third-party Accounts* – When posting or commenting on third-party Social Media accounts/sites, Independent Consultants must abide by all of the aforementioned controls and restrictions. Such comments and exchanges should be professional and appropriate at all times.

13.12 Spam Not Allowed

Independent Consultants are prohibited from sending unsolicited email or electronic communications (SPAM) of any kind, including SMS and text messages, and must comply with Canada’s Anti-Spam Law (CASL) as well as any other applicable law. The potential penalties under CASL are extremely high, and may include an administrative monetary penalty of up to \$10,000,000. Independent Consultants agree that they will not use rented or purchased lists when sending email communication or advertising. Sending unsolicited faxes is also considered spamming under this policy, and is a violation of the Unsolicited Telecommunications Rules as set out in section 3.9. Failure to abide by this policy may result in disciplinary action, including termination. All penalties for failing to comply with CASL or any other applicable law will be at the Independent Consultant’s sole expense and liability, including but not limited to if they are assessed directly against Nature’s Sunshine due to any Independent Consultant’s noncompliance. Any email sent by an Independent Consultant that promotes the Independent Consultant or Nature’s Sunshine products and services must comply with the applicable law and the following requirements:

A) Message Content

- There must be a functioning return email address to the sender.
- There must be a notice in the email that advises the recipient that he or she may reply to the email, via the functioning return email address, to request that future email solicitations or correspondence not be sent to him or her (a functioning “opt-out” notice).

- The email must include the Independent Consultant’s physical mailing address.
- The email must indicate the name under which the Independent Consultant carries on business.
- The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
- The use of misleading or deceptive subject lines and/or false or misleading header information is prohibited.
- All opt-out requests, whether received by email or regular mail, must be honoured within ten (10) business days.

B) Obtaining Consent to Send Messages

Under CASL, a person who sends an unsolicited electronic commercial message, including email and text messages, must have the express or implied consent of the recipient of the message.

If you wish to obtain express consent to send commercial email or electronic messages directly to customers or potential customers yourself, you must:

- State the purpose for which you are seeking consent, (e.g. to send commercial email).
- State the name under which you carry on business and include “Nature’s Sunshine Independent Consultant” directly under your name.
- Provide your physical mailing address.
- Provide at least one of your telephone numbers, email addresses, or web address.
- State that consent may be withdrawn.
- Obtain the individual’s consent in a manner that allows you to evidence it. For example, provide a consent box they may click, or physically check. Do not create an assumed consent (e.g. a prechecked box) or opt-out mechanism.

In all cases where you ask a person (including customers or potential customers) if they wish to receive commercial emails from Nature’s Sunshine directly, you must obtain CASL compliant express consent for Nature’s Sunshine. You must seek CASL compliant consent and follow this procedure regardless of whether you ask for consent in writing, electronically, or verbally. CASL requires you to:

- State that you are asking for consent for Nature’s Sunshine to send commercial emails.
- State your name, your status as a Nature’s Sunshine Independent Consultant, and that you are asking for consent on behalf of Nature’s Sunshine Products of Canada Ltd.
- Provide the Nature’s Sunshine mailing address:
Canadian Head Office Nature’s Sunshine Canada
PO Box 70043
RPO Fletchers Creek
Brampton, ON L7A 0N6
- Provide the Nature’s Sunshine telephone number, and email address. You may only provide an email address to Nature’s Sunshine if you have obtained consent in accordance with this section. You must provide proof that you have obtained consent in accordance with the requirements, in respect of any email address you provide, at the request of Nature’s Sunshine.

Implied consent to send commercial email or electronic messages will exist only where the recipient of the message:

- Has an “Existing Business Relationship” with the Independent Consultant as the message recipient:
 - made a purchase, or accepted a business opportunity, from the Independent Consultant within the two year period immediately prior to the day on which the message is sent, or
 - made an inquiry or application regarding a purchase, or accepted a business opportunity to the Consultant within the six month period immediately prior to the day on which the message is sent.
- Has a “Family Relationship” with the Independent Consultant through:
 - a legal parent/child relationship
 - marriage; or
 - common-law partnership; and
 - the Independent Consultant and their relation have had voluntary, direct two way communications.
- Has a “Personal Relationship” with the Independent Consultant, based on direct voluntary two-way contact and it would be reasonable to conclude that the relationship is “personal” taking into consideration all relevant factors such as the sharing of interests, experiences, opinions and information evidenced in the communications, the frequency of communication, the length of time since the communication and if the parties have met in person.
- In all cases, there is no implied consent if the individual has indicated they do not wish to receive messages.

C) Referrals

CASL allows individuals to refer their friends and family to companies and business people, and allows the company or business person who receives a referral to send one email to the referred person. However, to make a referral, a person must have a relationship with both the Independent Consultant, and the person referred.

The acceptable relationships are defined above, and are:

- Existing Business Relationships
- Family Relationships
- Personal Relationships

If an Independent Consultant wishes to solicit referrals, the solicitation must state that the referrer must have one of these relationships with the Independent Consultant, and with the person referred, and that the person referred has agreed to receive a message from the Independent Consultant. The solicitation must state that the Independent Consultant’s message will identify the person who makes the referral. An example of an acceptable referral would be an existing customer of the Independent Consultant referring their friend to the Independent Consultant. Once the Consultant receives a valid referral, the Independent Consultant may send a single email message to the person referred. The referral message must include the full name of the person who made the referral, and must state that the message was sent as a result of the referral. Referral messages must also comply with Message Content requirements set out above. After sending a single referral message, the Independent Consultant must then delete the referred email address, and not use it for other purposes or send further messages to it, unless they receive consent to do so from the individual.

13.13 Personal Information and Privacy

a. Handling Personal Information

As an Independent Consultant you will receive Personal Information from and about customers, potential customers and other individuals. Keeping Personal Information secure not only helps you to comply with the law, but it also helps you to maintain current customers’ and potential customers’ trust, which is an important factor in your success. Personal Information is information that identifies, may identify, or permits you

to contact, an individual. It includes, without limitation, a customer’s, potential customer’s or other individual’s name, address, email address, phone number, credit card information, and other information associated with these details, such as purchases and preferences. In short, “Personal Information” includes any information about an identifiable individual. All Independent Consultants are required to comply with the applicable Canadian privacy legislation, including without limitation the federal Personal Information Protection and Electronic Documents Act, at the Independent Consultant’s sole expense and liability.

b. Give the Customer Notice

Customers want to know why you are collecting their Personal Information and what you plan to do with it, so tell them what you are collecting, how you will use it and with whom you are going to share it. Tell them this before or at the time that you collect their Personal Information, and then be sure that you use and share Personal Information only in the ways you promised. You must make available to customers written information on the types of Personal Information you collect from them, how you will use that information, to whom you will disclose that information, and how you can be contacted with inquiries, corrections, or complaints about the personal information that you hold about an individual. Your customers have the right to access the personal information that you hold about them, ask that it be corrected and to make complaints about how you have treated the information.

c. Collect Only What You Need

Collect only the Personal Information that you really need. Review the forms that you use to collect Personal Information, and revise them to remove fields for information you do not need. For example, don’t collect a credit or debit card number unless your customer actually makes a purchase. Social Insurance Numbers should never be collected unless legally required.

d. Give the Customer Control

Give customers a choice about how you communicate with them. For instance, find out if a customer wants to receive promotions and other marketing messages from you and, if so, whether he or she would prefer to receive them by email, phone or another method of communication. Respect the customer’s wishes: if, for example, a customer tells you that he or she doesn’t want to receive emails, for example, by using the unsubscribe mechanism described in the previous section, then see if there is another means they would like you to use to communicate with them.

e. Stay up-to-date

Keep the customers’ Personal Information up-to-date. Remind them to let you know if their Personal Information changes. Keeping your contacts current helps you to stay in touch with them.

f. Share Only if Necessary and You Have Consent

Don’t share a customer’s Personal Information unless you have a real business reason to do so and you have disclosed this purpose and the potential for sharing to the customer and obtained their consent. Then share only what is necessary, and no other information, and make sure that the other person agrees to use the Personal Information only in the ways you have agreed. Personal Information cannot be shared for purposes other than those for which you have given the customer notice and obtained their consent.

g. Protect Personal Information

A customer’s information is a valuable asset. Don’t communicate it to the general public or to anyone who doesn’t have a legitimate need for it. Protect it from unauthorized access or disclosure using physical, organizational, and technological protection methods. Dispose of Personal Information Responsibly.

When you no longer need a customer's Personal Information, stop using it. Dispose of it in a way that makes it unreadable, such as by shredding paper documents. Be Very Careful with Sensitive Personal Information, including payment information.

If sensitive Personal Information such as credit or debit card numbers fell into the wrong hands, customers could become the victims of fraud or identity theft. Consider these steps to help reduce that risk:

- Pay attention to your surroundings and use good judgment whenever you need to discuss or transmit sensitive Personal Information;
- Do not share (or ask a customer to share) sensitive Personal Information, including payment information, in an insecure way, such as by email;
- Keep sensitive Personal Information in a secure place, such as a locked drawer. Do not leave it lying around where someone could see or take it;
- Use safeguards if you keep sensitive Personal Information on your computer. For example, use passwords that are not easy to guess, install virus protections, and password protect documents that contain sensitive Personal Information;
- Avoid storing Personal Information on your laptop or another portable device that could be lost or stolen, unless the device is encrypted;
- Do not store any personal information on unencrypted USB or data keys; and
- Unless you have a legitimate business need, do not keep sensitive Personal Information. Keeping it for longer than you need it creates unnecessary risk.

SECTION 14

INACTIVITY AND CANCELLATION

14.1 Membership Renewal

Memberships are active for one year from the date of acceptance. To extend active membership for another year, each Independent Consultant must pay the then- applicable membership renewal fee to Nature's Sunshine by the indicated deadline. By default, memberships renew automatically each year and the corresponding membership renewal fee is automatically charged unless an Independent Consultant notifies Nature's Sunshine before his/ her account's automatic renewal date. The Independent Consultant hereby authorizes Nature's Sunshine (without notice to the Independent Consultant, unless required by applicable law) to collect the then-applicable annual membership fee using any method of payment the Independent Consultant has saved on his/ her account. If all eligible payment methods on the Independent Consultants account are declined for payment of the membership renewal fee, the Independent Consultant must provide Nature's Sunshine a new eligible payment method promptly or his/her membership will be cancelled. The new membership period will be based on the date of the successful payment of the membership renewal fee. If he/she chooses not to renew, the Independent Consultant's membership will become inactive and drop to Customer status and any credit existing on the account will still be available.

NOTE: Independent Consultants may turn auto-renewal off at any time before the automatic renewal of his/her membership by going to the renewal page in Account Settings.

Once a Customer pays the applicable fees, the account will once again regain Independent Consultant status. If an Independent Consultant with an inactive membership chooses to sign up again with the same sponsor, the inactive account number will be used and renewed. A new account number will not be created. Nature's Sunshine may, with good cause, refuse to renew a membership. If Nature's Sunshine decides not to renew a membership, Nature's Sunshine will send written notice to the last known address of the Independent Consultant. For this purpose, good cause includes (but is not limited to):

- Breach of any provision of the Membership Agreement.
- Conduct by the Independent Consultant (or any of its officers, agents or employees) that brings disrepute in any way upon Nature's Sunshine (or any of its officers, agents or employees), the nutritional supplement and personal care products industry, or the direct sales industry, or which, in Nature's Sunshine's sole discretion, is illegal, misleading, deceptive, fraudulent or dishonest to customers, potential Independent Consultants, Nature's Sunshine or its affiliates.
- Violation of any law, regulation or ordinance.

14.2 Membership Termination

Nature's Sunshine may, in its absolute and unfettered discretion, terminate, upon notice, the membership of any Independent Consultant who:

1. Breaches any provision of the Membership Agreement, the Independent Consultant Application or these Policies.
2. Engages in any conduct that may bring disrepute in any way to Nature's Sunshine (or any of its officers, agents or employees), the nutritional supplement and personal care products industry or the direct sales industry.
3. Violates governmental laws, regulations, ordinances or any Nature's Sunshine guideline. Nature's Sunshine may also, upon notice, terminate the membership of any Independent Consultant who, through his or her capacity as an Independent Consultant, files any legal action proceeding or induces or facilitates any government agency to file any action against Nature's Sunshine, which Nature's Sunshine considers, within its sole discretion, to be without legal foundation or basis in fact.

Nature's Sunshine reserves the right at any time to terminate for convenience in its sole discretion the Membership Agreement upon thirty (30) days' written notice to the Independent Consultant. Cancellation shall be effective on the date on which written notice is mailed, emailed, faxed or delivered to an express courier in accordance with the notice provisions of Section 16.2 or to an Independent Consultant's counsel, or when the Independent Consultant receives actual notice of cancellation, whichever occurs first. Nature's Sunshine shall not be required to have any reason or to prove any cause in order to terminate the Membership Agreement with any Independent Consultant. If and when any Membership Agreement is terminated, the Independent Consultant shall have no claim against Nature's Sunshine, its affiliates or their respective officers, directors, agents, employees, servants and representatives nor any right to claim or collect lost profits, lost opportunities or any other damages. Termination will result in the loss of all benefits as an Independent Consultant. The terms hereof are in satisfaction of any and all statutory and common law claims, including without limitation any right to reasonable notice of termination of the Membership Agreement.

Any Independent Consultant may terminate or resign his/her membership at any time by sending to Nature's Sunshine a signed and dated letter indicating his/her desire to terminate the membership. The Independent Consultant understands that upon the termination of the membership by either the Independent Consultant or by Nature's Sunshine, the Independent Consultant

may not recover any future profits that would have been received from sales made before or after the date of termination if the Independent Consultant had remained an Independent Consultant. Upon termination of his/her membership, an Independent Consultant will lose all privileges related to such membership, if applicable and the right to receive any commissions or other payments. The Independent Consultant understands that upon termination of his/her membership, each of the provisions of these Policies relating to confidentiality, non-solicitation, resale of products, including prohibitions of certain online sales, arbitration, and other provisions as expressly stated herein will survive.

SECTION 15

DISPUTE RESOLUTION AND DISCIPLINARY ACTIONS

15.1 Investigations and Disciplinary Action

Nature's Sunshine reserves the right to conduct investigations on Independent Consultants and their activities to ensure compliance with these Policies. During the course of these investigations, Nature's Sunshine Distributor Education and Compliance will communicate with the Independent Consultants involved and, if required, issue an investigation letter formally notifying the Independent Consultant of an investigation. The Independent Consultant will be notified in such a letter the terms of the investigation, including but not limited to the period of time an Independent Consultant has to respond to the details of the investigation and impending disciplinary action. When an investigation letter is sent to an Independent Consultant, the Independent Consultant's account is placed on hold. When an Independent Consultant's account is placed on hold, the Independent Consultant will not be eligible to engage in Independent Consultant activities, including but not limited to, placing product orders, accessing the back office, receiving compensation, awards or bonuses from Nature's Sunshine, or participating in any Nature's Sunshine functions or programs. At the conclusion of an investigation, a letter will be issued to the Independent Consultant notifying him/her that Nature's Sunshine Distributor Education and Compliance has completed its investigation. One of the following responses will be issued from Nature's Sunshine Distributor Education and Compliance:

- Completion of Investigation Notice. Issued to the offending Independent Consultant, this notice informs him/her of the results of the investigation as well as any further disciplinary action that has been deemed necessary by Nature's Sunshine.
- Termination Notice. This is issued to the offending Independent Consultant when violation of the Policies warrants termination.

15.2 Involuntary Termination

If necessary, an Independent Consultant's membership may be terminated by Nature's Sunshine. Nature's Sunshine has the right to take quick and decisive action in limiting or terminating a membership that is found in violation of the Policies, the Consultant Application, rules governing the Compensation Plan, or any provincial, territorial or federal laws, statutes and/or regulations that pertain to the business of Nature's Sunshine.

In extreme cases of violations by an Independent Consultant, Nature's Sunshine also reserves the right to pursue legal recourse, as well as reimbursement by an Independent Consultant for any expenses, including attorney's fees and legal fees generated from a violation, and to seek and obtain other appropriate remedies, relief and damages.

If an Independent Consultant is terminated for cause, Nature's Sunshine will send notification by mail and/or email to the terminated Independent Consultant at the most recent address and/or email address on file. Upon receipt of notice from Nature's Sunshine, the Independent Consultant must immediately cease all

Independent Consultant activities and remove any applicable Website or print advertising.

If an Independent Consultant wishes to appeal membership termination, Nature's Sunshine must receive the written appeal within ten (10) business days of receipt of the termination letter. If the appeal is not received within this time period, the termination will be final. Nature's Sunshine will review the timely appeal and notify the Independent Consultant of the decision. This decision will be final. The termination will be effective from the date of Nature's Sunshine's original termination notice.

15.3 Termination for Convenience

Without limiting the generality of the foregoing, Nature's Sunshine reserves the right at any time to terminate for convenience in its absolute and unfettered discretion the Membership Agreement of any Independent Consultant in accordance with the provisions of Section 14.2 above.

15.4 Effect of Termination

Whether a membership is terminated through voluntary resignation or through involuntary termination by Nature's Sunshine, that Independent Consultant is no longer entitled to sell Nature's Sunshine products or to sponsor other prospective Independent Consultants. The terminated Independent Consultant shall lose all rights to the existing successline and shall no longer be entitled to receive bonuses, awards or any compensation whatsoever from Nature's Sunshine, nor shall the Independent Consultant be entitled to any rights to Independent Consultant Lists.

The terminated Independent Consultant should immediately cease all marketing efforts related to Nature's Sunshine, including but not limited to advertising, personal websites and mailing. The terminated position cannot be transferred or sold to any other party.

15.5 Litigation

Any litigation regarding the agreements between Independent Consultants and Nature's Sunshine shall be undertaken in the courts located in Ontario, Canada. These Policies and all agreements between Nature's Sunshine and Independent Consultants shall be governed by the laws of Ontario, Canada and are binding on successors and assigns of both parties. If there exists litigation, or other significant dispute, in which the interests of a distributor are adverse to the interests of Nature's Sunshine, Nature's Sunshine may, upon written notice to the distributor, terminate or suspend the Membership of such distributor if Nature's Sunshine, in its sole discretion, determines that such termination or suspension is desirable to protect its business interests, including, without limitation, the protection of Nature's Sunshine's proprietary information.

NOTE: The Independent Consultant shall be liable for all costs incurred by Nature's Sunshine due to non-compliance with the Policies, including but not limited to charge-back fee, handling fee and shipping charge

SECTION 16

16.1 Contact Information

Questions concerning any aspect of an Independent Consultant's business, problems with orders, shipments, procedures, organization or compensation should always be directed to Customer Service. Customer Service cannot and does not diagnose, prescribe or recommend use of specific products.

Nature's Sunshine monitors incoming calls to the Customer Service Department to make sure callers receive prompt, courteous, accurate and helpful service. Such monitoring may include recording calls for future review and training purposes.

CORPORATE OFFICES ATTN:

Canadian Head Office
Nature's Sunshine Canada
PO Box 70043
RPO Fletchers Creek
Brampton, ON L7A 0N6
www.naturesunshine.ca
email:Canadaquestions@natr.com

16.2 Notices

Unless otherwise provided in the Membership Agreement, any notice or other communications required or permitted to be given under the Membership Agreement shall be in writing and shall be delivered personally, transmitted by facsimile or sent by first class, certified (or registered) or express mail, postage prepaid. Unless otherwise provided in the Membership Agreement, notice shall be deemed given when delivered personally, or if transmitted by facsimile, one day after the date of that facsimile, or if mailed, five (5) days after the date of mailing to the address of Nature's Sunshine corporate offices above or to the Independent Consultant's address as provided by the Independent Consultant, unless notice of an address has been received by Nature's Sunshine. Nature's Sunshine monitors incoming calls to the Customer Service Department to make sure callers receive prompt, courteous, accurate and helpful service. Such monitoring may include recording calls for future review and training purposes.