



Policies & Procedures

What you need to know about
running and growing your business

CANADA

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OUR PURPOSE

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 45 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 and Procedures, part of the Membership Agreement

Nature's Sunshine Products of Canada Ltd ("NSP") 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 Consultants. The Policies, including any amendments, are incorporated into the NSP sign-up application/ Membership Agreement, along with the NSP Compensation Plan. Throughout these Policies, when the term Membership Agreement is used, it collectively refers to the NSP Consultant Sign-Up Application ("Consultant Application"), the NSP Compensation Plan and these Policies. This Membership Agreement constitutes a complete contract between the Independent Consultant and NSP. It is the responsibility of each Independent Consultant to read, understand, follow and ensure that he/she operates his/her independent NSP business under the most current version of these documents, including any amendments. The most current versions will be found on NSP'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 NSP Membership Agreement is to govern the manner in which an Independent Consultant does business with NSP, other Independent Consultants and customers. It sets standards of acceptable business behaviour to ensure the efficient and ethical operation of your independent NSP 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 NSP 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 September 2021. Any provision or cause of dealing established under a previous version of these Policies is no longer valid or recognized by NSP 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 Consultants understand and agree that NSP, at its sole discretion, may amend The Membership Agreement from time to time. All Consultants understand and agree to be bound by the most current versions of these Policies, the NSP Compensation Plan, and the other documents forming the Membership Agreement, including any revisions or amendments made after the date of the 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 Consultant; or (d) accepting any commissions or other payments from NSP under the NSP Compensation Plan.

All Consultants will be bound by any revisions or amendments upon notification of the revisions or amendments through any NSP 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 NSP Compensation Plan, or the other documents forming the Membership Agreement to the NSP website, email to the email address on file, announcements in any NSP 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

NSP 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. NSP 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

NSP intends that its Consultants abide by the laws and established legal guidelines, including these Policies. NSP 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. NSP's Distributor Education and Compliance Department is available to discuss the application of the Policies, including the marketing of NSP products, proposed publications, proposed advertisements, interviews with the media and relations with government authorities. NSP does not provide legal

advice to its Consultants. NSP's Legal Department represents only NSP and not a Consultant in any capacity.

SECTION 2

DEFINITIONS

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

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

Consultant or Independent Consultant - An independent contractor who has completed and submitted a Membership Agreement and whose Agreement has been accepted by NSP 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 NSP membership. Consultants are not employees of NSP.

PV - Purchase Value used to determine one's Compensation Plan payout.

GV - Group Volume

TOV - Total Organizational Volume

Volume - The amount of PV, PGV or TGV earned in a month.

Override Commissions - Commissions paid on the PGV of the Consultants in one's group.

Group - Refers to all the Customers, Affiliates and Consultants in one's success line.

Successline - Anyone who is sponsored under you or any of your Consultants.

Sponsor - The person you are signed up under in NSP.

Rank - The status earned by reaching qualifications in the Compensation Plan.

Membership - The right to distribute NSP products and fulfill obligations to NSP as a Consultant. Neither the term "membership" nor the terms "Consultant" or "Consultants" shall connote any right or interest in NSP, its products or anything other than the right to distribute NSP products.

Membership Agreement - The binding contract between the Consultant and NSP, governing the Consultant's membership and includes the Consultant Application, the NSP Compensation Plan, and the NSP Policies.

Consultant Sign-Up Application or Consultant Application - The Consultant Application and all attachment documentation required to be submitted to NSP to apply to become a Consultant. The "Consultant Application" is subject to acceptance or rejection by NSP. Upon acceptance by NSP, the "Consultant Application," along with the NSP Compensation Plan and NSP Policies, constitute the "Membership Agreement."

SECTION 3

CODE OF ETHICS

3.1 The Code of Ethics

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

As an independent contractor and Consultant of NSP, 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 NSP Independent Consultant; furthermore, I will perform my

professional activities in a manner that will enhance my reputation and the positive reputation of NSP.

- I will fulfill my leadership responsibilities as a Sponsor by training, assisting and otherwise supporting the Consultants in my sales organization. I will respect the sponsor relationship of every Consultant in the NSP family, and I will not attempt to interfere with or change these relationships. I will not make disparaging or untrue claims about other NSP 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 NSP 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 NSP'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 NSP's products or Compensation Plan.

SECTION 4

ENROLLMENT & ACCOUNT MANAGEMENT

4.1 Consultant Benefits

NSP Consultants may immediately enjoy the benefits stipulated in the NSP Compensation Plan. Those benefits include the ability to:

- Purchase NSP products at consultant cost from NSP Home Office.
- Sell NSP products and sponsor new Consultants in any territory or country authorized by NSP, 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 NSP for its Consultants.
- Enjoy the opportunity of attending NSP educational events.
- Attend training seminars upon payment of any applicable charges.

4.2 NSP Consultant Application

The onus is on the 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 "Consultant" with its benefits are reserved for individuals who choose to purchase a one-time Starter Kit and accept the Membership Agreement. 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 a Consultant may qualify for all ranks and privileges WITHOUT personally ordering any products, so long as all other requirements are met.

4.3 Consultant ID Number

Every Consultant will obtain a unique numerical identification number (“ID Number”) issued by NSP.

4.4 Legal Age

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

Consultants have the ability to sponsor new Consultants in any international market in which NSP 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 NSP 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.naturesunshine.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 NSP and are subject to any limitations as outlined by NSP. These countries are listed at www.naturesunshine.ca.
- Global Sponsors must abide by the Agreement Form, Rules, Policies & Procedures, Compensation Plan, etc. of the legally recognized NSP office/ subsidiary in the country/market in which they operate.
- Global Sponsors are obligated to recruit new globally sponsored Consultants according to the Agreement Form, Rules, Policies & Procedures, Compensation Plan, etc. of the country/market in which the new globally sponsored Consultant resides.
- Global Sponsors do not qualify for Compensation Plan incentives in the country where the globally sponsored Consultant resides (for example: local market convention attendance, My Passport trips, etc.)
- Global Sponsors may enroll as many Consultants as desired in all participating countries; however, they cannot register as authorized Consultants in any country except in his/her country of residence. As a company-wide policy, any Consultant/Customer may operate only one NSP membership at any time.
- Any commissions earned through Global Sponsoring are based on the sale of products in the foreign country where the sponsored Consultant resides and are paid to the Global Sponsor by the legally recognized NSP office/subsidiary in your country/market of residence. Where applicable, taxes will be handled as required by the laws of each country/market.
- NSP 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

Consultants 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 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 NSP membership, you must:

1. Submit a written request to the NSP Customer Service Department, Attention: Customer Service Supervisor.
2. Request that NSP 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 NSP 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 Consultant Marriage

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

4.9 Consultant Divorce

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

4.10 Consultant Death

In the event of a Consultant’s death, the membership may be conveyed by will to the Consultant’s beneficiaries or the laws of intestacy to the 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 Consultant receiving the membership must be forwarded to NSP Distributor Education and Compliance. NSP 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 NSP. Please contact NSP 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, a Consultant may sell his/her entire NSP Membership. NSP provides the "Application to transfer ownership of NSP 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 an NSP Membership group.

If a Consultant purchases or inherits a different Consultant's account, he/she is required to sell one of the two accounts. Before purchasing another account, a "Sale of Group" must be completed.

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 a Consultant of NSP 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 Consultants if they wish to enroll someone other than their previous sponsor. See "Change of Sponsorship" in section 6.3.

4.13 Membership Transfer by Will

A Consultant's business may be transferred by will. Appropriate legal preparation must be completed to ensure the transfer meets NSP requirements and applicable laws. Successors acquire the right to a Consultant's commissions on the 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

Each Consultant must comply with the NSP Code of Ethics, these Policies, the Consultant Application, the Compensation Plan, all contractual obligations, and provincial, territorial, federal and other applicable Canadian and foreign laws.

NSP will not tolerate activity by a Consultant that is unethical. NSP may intercede when unethical behaviour is discovered or reported. NSP reserves the right to use its best judgment and discretion in determining whether a certain Consultant's activities are unethical.

Any breach or violation of these Policies may be deemed unethical. Any action that may cause NSP or its Consultants the loss of reputation or that is detrimental to NSP business will be considered unethical business practice and will be grounds for disciplinary action, including termination of membership.

5.2 No Side Agreements

There shall be no written or oral agreements or arrangements between or among any Consultant and any other person, including, but not limited to, Consultants or former Consultants regarding the resale of NSP 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 NSP products or for stocking such locations.

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

5.3 Independent Contractor Status

Each Consultant is an independent contractor of NSP. Consultants are not employees, agents, partners, joint ventures or representatives of NSP, their Sponsor or any other Consultant.

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

5.4 Licensing/Taxes

A) Licensing - All Consultants must be licensed in accordance with provincial and local municipal regulations. It is the responsibility of the 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 Consultants selling in that province, the Consultants shall still be deemed to be independent contractors of, and not agents of, Nature's Sunshine. If any 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 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 Consultants based on the 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. Consultants 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 a Consultant has a Provincial Sales Tax (PST) number, a PST form must be filled out and returned to NSP.

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 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 car/business building bonus payments. Please be aware that the GST is still charged on your order.

D) Sales Contracts - It is necessary that Consultants use written sales contracts where required by provincial law. NSP is not responsible for any tax or other withholdings for the 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 Consultant.

5.5 Unfair Competition – Successline Cross

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

A Consultant may not attempt to persuade other Consultants to change Sponsors

or positions in the successline within NSP (i.e. "Successline Raiding"). Consultants determined to be participating in these activities will have their memberships terminated.

5.6 Disparaging Activities

Consultants will conduct their business with professionalism and integrity. Consultants will not discredit or disparage NSP, its employees or any other Consultants in anyway. Furthermore, 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

Consultants will not make any false or misleading claims or material omissions of relevant facts. Consultants must not make inappropriate or misleading claims or other misrepresentations of financial rewards, earnings, potential income or tax advantages of membership.

Consultants will not imply or assert that additional products, services or territories will be added until such fact has been officially announced by NSP to all Consultants. Any claims with respect to earnings, income, or compensation must clearly include the current NSP typical earning disclosure statement as updated from time to time.

5.8 Governmental Endorsement Claims

Consultants will not state, suggest or imply to individuals that NSP's Compensation Plans, NSP 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 NSP, OR ANY NSP CONSULTANT, OR NSP 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

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 Consultant may do business in any country in which NSP has not registered its products for lawful sale and communicated to the 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

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

A Consultant who has a specific complaint about another Consultant or is aware of

any violation of these Policies by another Consultant should direct such complaints in writing to the NSP Distributor Education and Compliance department in order to minimize the negative aspects accompanying such complaints.

5.12 False Accusations

Any claims made to NSP 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

NSP prohibits Consultants from selling leads to other 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 Consultant and carries with it many benefits and responsibilities. A Consultant may act as the Sponsor for new Consultants if the Sponsor is in good standing with NSP.
- A new Consultant has the right to choose his/her sponsor and to have that sponsor listed on the Consultant Application.
- NSP will not mediate disputes resulting from one or more individuals contacting the same prospect.
- If more than one Consultant claims sponsorship of the same person, NSP will recognize the sponsorship detailed on the first signed, completed and acceptable Consultant Application form received by the home office.
- It may not be possible for NSP to determine and verify cross-sponsoring. If a 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 NSP of that fact. Such notification must be received by NSP in writing within six months of this action, or the Sponsor of the first Consultant will have waived his/her right to object, and NSP will determine which membership to cancel.
- It may not be possible for NSP to determine if an account was originally assigned to the wrong Sponsor, and NSP will have no liability in connection therewith.
- The signed Consultant Application will protect the Sponsor/Consultant relationship.

6.2 Responsibilities With Prospective Consultants

A Sponsor must clearly state in all presentations to prospective Consultants that there is no compensation paid to any Consultant solely for sponsoring new Consultants. A Sponsor must also clearly state that all product purchases are voluntary, and that incurring debt to pursue an NSP business opportunity is discouraged.

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

6.3 Change of Sponsorship

NSP discourages any change in Sponsors. The only way for a Consultant to change sponsors is for the Consultant to resign or terminate his/her account by writing a letter to NSP Distributor Education and Compliance requesting their own resignation or termination. The Consultant must wait six months from the date of resignation to reapply for membership under a new Sponsor. During this waiting

period, the Consultant must cease all participation in NSP activities, including attendance at any meetings, and the purchase and resale of NSP products.

A 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 Consultant may reapply 30 days after the expiration, so long as there is no more activity during that time.

6.4 No Inventory Loading

Consultants will not encourage their successline or any other 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. NSP expects that its products will be consumed—not merely purchased and warehoused. Consultants 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 a Consultant of one or more persons in the 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 Consultants in the same household sponsoring each other constitutes stacking. The person(s) so used is/are “stacked” into the successline of the Consultant and is/are also participant(s) to fraudulent manipulation of the NSP commission system. Stacking is against these Policies and is a violation of applicable laws. Consultants may not have more than one NSP 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/No Employee Endorsements

A Consultant shall not solicit or sponsor employees of NSP, 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-NSP produced materials. No NSP corporate officer, employee, product supplier, agent, representative or consultant or member of the immediate families of such will be allowed to be a Consultant or build a successline within NSP, 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

A Consultant cannot be an employee of another multi-level marketing/ direct sales company. Any 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 NSP. To protect the integrity of our separate Compensation Plans and the original successline organizations, it is imperative that Team Members/ Consultants of one company be prohibited from recruiting Team Members/ Consultants of the other company. An NSP Consultant may not sign up with Synergy as a Team Member. Synergy policy states: “No Synergy Team Member may solicit, directly or indirectly,

any Consultant of NSP. 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 NSP 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 Consultants except at the time of product delivery. Consultants should not advance money to any Sponsor or another 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 NSP’s banks may assess. When NSP receives an NSF cheque, the Accounting Department will contact the individual to submit a new cheque. Until payment is received in full the 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

Consultants may place orders by phone using a credit card. The telephone number for NSP’s Customer Service Department is 1-800-265-9163. NSP Customer Service representatives can process product orders and assist with questions about ordering. They cannot address other messages, questions or problems. When placing an order by phone, please remember to:

1. Calculate the total cost and total PV for the order. NSP’s computer system will automatically calculate these totals, so comparing your total with NSP’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 NSP account or the name of the person to whom the order is being shipped. The NSP 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

Consultants may place orders, check PV totals and view order history through NSP’s website, <http://www.naturessunshine.ca>. This site provides 24-hour/7-day-a-week access to 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 by calling the Customer Service Department.

9.3 Mail Orders

Consultants may place orders by mail. NSP'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 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
44 Peel Centre Drive, Suite 402
Brampton, Ontario
L6T 4B5

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. NSP accepts Visa, MasterCard and American Express. Orders received without payment will be returned. NSP deposits all cheques on the date of order, even post-dated cheques. Cheque needs to be completed with the current date, order amount and signature. Make cheques payable to "Nature's Sunshine Products, Inc." NSP 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 NSP Home Office should be mailed in a separate envelope from any order.

9.4 Fax Orders

Consultants may order products via fax at 1-800-822-4884. Use the standard NSP 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.

9.5 Ordering Days and Hours

Monday through Friday: 8:30 a.m. to 5:00 p.m. (EST).

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 1 - 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. Additional fees apply if requesting Express delivery services. Please contact Customer Service for more details. All freight services are contracted to outside carriers.

10.2 Handling Fee

A minimal handling fee is applied to each order regardless of the level of shipping service or whether it is an order for pick-up.

10.3 Drop Shipping

A Consultant may request that an order be drop-shipped directly to a customer. It is essential that the correct shipping address and phone number 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 by the Consultant placing the order. When drop-shipping to customers, the ordering Consultant may request that no prices be shown on the invoice. "Group Presentation" orders may only be shipped to ONE address (the address that is indicated on the Group Presentation order form).

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, NSP can trace the order with Purolator. Upon verification that an order has been lost or returned, NSP can reship or refund the order.

10.5 Order Errors

If an error occurs in an order, please notify Customer Service immediately so that an adjustment can be made. Nature's Sunshine is unable to adjust orders after 24 hours. Returns will not be accepted without return preauthorization (RGA #) or if sent C.O.D.

10.6 Damaged Shipments

If you receive damaged cartons, we recommend the following procedure: 1) Inspect the contents for damage before signing for acceptance of the shipment. Refuse delivery if the package is extremely damaged. 2) If someone has already signed for acceptance of the products and the courier has left, keep all damaged cartons, packaging and products for a later courier inspection. Do not send the shipment back to Nature's Sunshine until after the courier inspection. 3) After receiving any damaged products, make a complete list of all stock numbers of products and quantities that are damaged or missing, then contact Customer Service immediately. Please give all relevant information concerning the shipment, including the date you received the damaged cartons and order numbers. Nature's Sunshine will then be able to file the claim and in the meantime replace your damaged products. Be sure to keep the original packing and cartons for an inspection by the courier company.

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 a Consultant.

10.8 Signature Not Required (S.N.R.) - Shipping Service

Our current courier offers a service that Nature's Sunshine would like to make available to all of its Customers Affiliates, and Consultants. If when you are placing your order with Customer Service, or on-line, and you know that you are not going to be home to sign for the delivery from our courier on the anticipated day of delivery, you may request or indicate on the order that your order be left as a Signature Not Required to avoid the shipment being taken back to the depot. Please be advised if you chose this option Nature's Sunshine is NOT responsible for

your lost, stolen or missing parcels as you have released our courier from obtaining your signature. If you require permanent Signature Not Required on your parcels contact our Customer Service department for further instructions.

10.9 Special Delivery Service

Order Total	Shipping/Handling Charges
\$ 0 – \$ 74.99	\$10
\$ 75 – \$ 199.99	\$11
\$ 200 – \$ 399.99	\$12
\$ 400 – \$ 599.99	\$13
\$ 600 – \$ 899.99	\$14
\$ 900 + 1.5% of sales/des ventes	

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 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 order error will be refunded 100% (unless under the S.N.R. program, see 6.A). 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. Upon approval of return of goods, Customer Service issues a Returned Goods Authorization (RGA) number. This number must be printed clearly on the boxes when goods are returned and is only valid for those specific products authorized for return by Customer Service. Ship to: **Nature's Sunshine Products of Canada Ltd. RGA # 44 Peel Centre Drive, Suite 402, Brampton, Ontario, L6T 4B5.** Please Note: All returns are to be sent to the Brampton, Ontario office. Freight must be prepaid on all returns. If the product is being returned due to a defect or transit damage, the Customer or Consultant will be reimbursed for the cost of the postage and the replacement product will be shipped once the damage or defect is verified. Unauthorized returns will not be processed and cannot be returned to sender. Once defective or damaged products are received and inspected, they are disposed of.

11.2 Return of Stock Due to Cessation of Business

If a Consultant wishes to resign their Membership, Nature's Sunshine will allow the return of stock according to the following stipulations: 1) The 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 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 Consultant will be informed of the value and acceptability of the returned goods. Returned goods will be valued at 90% of the 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

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

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

11.4 Product Return – Death of a Consultant

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

Return Address - All returns must be sent to:
Nature's Sunshine Products of Canada Ltd. RGA
#44 Peel Centre Drive, Suite 402
Brampton, Ontario
L6T 4B5

SECTION 12

GENERAL MARKETING GUIDELINES

12.1 Rules and Guidelines for the Discussion of Products

1. NSP sells a range of consumer products, including foods, natural health products ("NHP" or "NHPs"), cosmetics, and household cleaners. No NSP 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 NSP's product market authorization, which appears on Canada labels under recommended use or purpose. 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 Consultants to study and learn how to use herbs and other nutritional supplements.
4. NSP does not allow products to be sold through Non-Profit Organizations. NSP 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 NSP Consultants. For example, parents may have children who go to the same school/church who all have memberships with NSP. Allowing this would give an unfair advantage to one Consultant over another.
5. Consultants are independent business people and shall conduct business in a professional, ethical, lawful, prudent manner.

12.2 Internet Auction or Marketplace Sites

Consultants shall not sell any NSP products through any Internet auction site, marketplace site, shopping site or order fulfillment store, including but not limited to, eBay®, eBay® Store, Amazon®, OverStock®, 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

NSP products may not be sold through national or regional Catalogue sales.

12.4 Retail Outlets

Consultants will not sell any NSP 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.),

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. NSP does not provide advice or recommendations or otherwise become involved in decisions regarding the location of retail outlets or kiosks. Consultants operating through retail stores or kiosks must also provide interested customers with the opportunity to become Consultants.

12.5 Product Care and Quality Controls

Consultants shall comply with all instructions provided by NSP regarding the proper care, storage, and handling of the products. 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. 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. 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 NSP. Consultants shall not remove, deface, or modify any serial number, UPC code, batch or lot code, or other identifying information on products or packaging. Consultants shall cooperate with NSP in the investigation and resolution of any quality or customer service issues related to sales of NSP products, including disclosing information regarding product sources, shipment, and handling.

12.6 Customer Service

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. Consultants should respond to any questions or concerns from their customers relating to product information, proper usage, or other inquiries. Consultants should consult their materials, refer to and use available educational tools, or contact NSP directly in responding to customer questions or concerns.

12.7 Consumer Safety and Product Recalls

Consultants shall cooperate with NSP with respect to any Product recall or other consumer safety information dissemination efforts.

SECTION 13

ADVERTISING NSP PRODUCTS

13.1 General Advertising Guidelines

NSP has adopted the following Policies for the advertising of NSP products by its Consultants:

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

13.2 Consultant Identification

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

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

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

13.3 NSP Intellectual Property

All trademarks, logos, literature and forms produced or owned by NSP Home Office remain the property of NSP. The NSP Independent Consultant logo is provided for any Consultant who wishes to use a logo. NSP literature or logos for advertising use can be acquired from the Customer Service Department or downloaded from the NSP website, www.naturessunshine.ca. Consultants may not use any NSP trade names, trademarks, logos or symbols without NSP's prior written consent. Furthermore, NSP trade names, trademarks and service marks are important and valuable business assets. They help identify the source and the reputation of NSP products and services worldwide and distinguish them from competitors. Therefore, NSP 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. NSP 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 NSP. A breach of this policy may result in disciplinary action against the Consultant, including termination of membership.

13.4 Reporting of Legal Claims

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

13.5 Consultant -Produced Advertising and/or Consultant Modification of NSP Materials

To the extent that a Consultant creates any advertising materials independently or modifies any materials created by NSP, 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 NSP 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 NSP or any third party, and does not make any false or misleading claims about NSP or the products advertised. Independently Created Advertising Materials are solely the responsibility of the Consultant who creates them and any person who uses them. NSP disclaims any right or obligation to control the content of Independently Created Advertising Materials in any medium, including print, television, radio and the Internet. NSP will not indemnify any Consultant against any claim that Independently Created Advertising NSP or

any third party, and does not make any false or misleading claims about NSP or the products advertised. Independently Created Advertising Materials are solely the responsibility of the Consultant who creates them and any person who uses them. NSP disclaims any right or obligation to control the content of Independently Created Advertising Materials in any medium, including print, television, radio and the Internet. NSP will not indemnify any Consultant against any claim that Independently Created Advertising Materials violate the rights of any third party. NSP, however, retains the right to demand that a Consultant cease the use of any Independently Created Advertising Materials if, in the judgment of NSP, such materials violate the law, NSP's rights or the rights of any third party.

A Consultant who fails to adhere to a demand by NSP to cease the use of any Independently Created Advertising Materials shall be subject to account termination.

13.6 NSP Produced General Interest Materials

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

13.7 Telemarketing

Any Consultant who uses the telephone to market NSP 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 NSP 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. Consultants must identify themselves as independent from NSP. Any penalties in respect of non-compliant telemarketing will be at the Consultant's sole expense and liability, including but not limited to if they are assessed directly against NSP due to any Consultant's noncompliance.

13.8 Internet Marketing

1. All advertising and marketing guidelines under these Policies also apply to a Consultant's use of the Internet to sell NSP products, advertise or advance the Consultant's business, including those guidelines prohibiting the practice of medicine or diagnosing in connection with the marketing and sale of NSP 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. NSP discourages Consultants from placing their NSP account number on their websites because it may allow anyone to contact NSP Customer Service and request information about said account, purchase product in the Consultant's name or otherwise abuse account privileges. In doing so, the privacy of the account information may be jeopardized. The Consultant, not NSP, will be responsible for abuses of its account and any violations of the Membership Agreement or these Policies that may occur.

5. Some NSP Consultants sell products other than NSP products on their websites. NSP products must appear on a separate web page from any non-NSP products, and the website must clearly and conspicuously label and identify the products and website pages that feature products of NSP or of other companies. No trademark may be used on any web page that contains information or advertising about any non-NSP product or service.

6. 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 NSP. 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. NSP may at any time notify a Consultant that a domain name is not approved, and the Consultant must immediately shut down the website/advertising, change the domain name, and/or transfer ownership of the domain name to NSP. Failure to do so will subject the membership to termination.

7. All Consultants must have written approval from the NSP Legal Department before linking their website to NSP's website (www.naturessunshine.ca). When given permission to link to the corporate site, a Consultant must follow the "double-click" rule. This rule states that there must be a web page in between all links from the Consultant's website and the corporate websites, and that web page must include the disclaimer provided by NSP's Legal Department. Framing of any part of NSP's website is strictly prohibited.

8. A Consultant's website or Internet advertising may not create the impression that a user has reached or will be directed to NSP's website. The website/advertising must state clearly and conspicuously that it is owned and operated by an Independent Consultant of NSP and that NSP is not liable for any statement, omission or misrepresentation in the website.

9. Consultants should not design websites or landing pages so that they give the appearance or impression of being "NSP/the company" or NSP's corporate website. It is the responsibility of the Consultant to clearly identify his/her site as an independent website selling NSP products.

10. Consultants must not register any trademarks or names of third parties, especially of companies competitive with NSP, 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. Consultants who maintain their own NSP 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 NSP web page or on the same web page with NSP-branded products. NSP 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 Consultants who advertise via the Internet must include their name or business name (as recognized by NSP) 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 Consultants shall be solely responsible for any liability or damages caused by their utilization of a website to further their membership business.

14. NSP may, from time to time, prohibit the advertising and marketing of any or all of its products or services over the Internet.

15. Any Consultant's website that does not comply with these Policies may result in disciplinary action, including termination of membership.

16. NSP may at any time prohibit Consultants in any particular country from filling orders for a product sold to persons in a jurisdiction or territory foreign to that of the Consultant's residence.

17. Any Consultant's website that does not comply with these Policies may result in

disciplinary action, including termination of membership.

18. NSP publishes a Manufacturer's Suggested Retail Price (MSRP) for all of its products. NSP recommends and encourages Consultants to independently set the retail price according to their respective markets.

13.9 Internet Pricing Policy

NSP 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 Consultants that provide superior service and support for NSP programs and who aggressively promote the NSP image. NSP also has determined that this goal is undermined by methods that eliminate personal interaction in the sales process, permit "free-riding" by some Consultants on the goodwill and brand recognition created through the efforts of others, or otherwise permit some Consultants to take unfair advantage of our promotional efforts for NSP products.

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

Placing metatags or wording on your site that would lead a person to believe you are selling below Consultant 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.

NSP representatives and employees are strictly prohibited from discussing the application or interpretation of this sales policy, or of any other pricing practices, with any Consultant. Furthermore, our representatives and employees are strictly prohibited from seeking or accepting any assurance of compliance with the policy from a Consultant. All questions regarding the application or interpretation of this policy should be directed, in writing, to:

NSP

Distributor Education and Compliance
2901 Bluegrass Blvd. Suite 100
Lehi, UT 84043

NSP will not under any circumstances discuss the business dealings of any Consultant as they relate to this policy with other Consultants. In addressing violations of this policy, NSP reserves the right to change, amend or discontinue this policy at any time, and no Consultant has any right to rely on the continued existence of this policy or any effort by NSP to enforce its terms and conditions. NSP reserves the right to choose those Consultants with which it will do business and the right to accept or reject any product order from any Consultant at any time.

13.10 Social Media and Social Networking

NSP recognizes that 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 NSP. Account profiles/descriptions must disclose the Consultant's identity and the Independent Distributor nature of Consultant's affiliation with NSP. 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 – Consultants may only use NSP'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 NSP.
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 NSP.
5. Non-professional Accounts – If comments made by a Consultant on personal/non-professional accounts are offensive or objectionable, in NSP's sole discretion, whether or not directly related to NSP or any of its other Consultants or affiliates, NSP reserves the right to terminate Consultant's account in order to protect the interests and reputation of NSP.
6. Third-party Accounts – When posting or commenting on thirdparty Social Media accounts/sites, Consultant must abide by all of the aforementioned controls and restrictions. Such comments and exchanges should be professional and appropriate at all times.

13.11 Spam Not Allowed

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. 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 Consultant's sole expense and liability, including but not limited to if they are assessed directly against NSP due to any Consultant's noncompliance. Any email sent by a Consultant that promotes the Consultant or NSP 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 Consultant's physical mailing address.
- The email must indicate the name under which the 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.

i. 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 “NSP 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.

ii. In all cases where you ask a person (including customers or potential customers) if they wish to receive commercial emails from NSP directly, you must obtain CASL compliant express consent for NSP. 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 NSP to send commercial emails.
- State your name, your status as a NSP Independent Consultant, and that you are asking for consent on behalf of Nature’s Sunshine Products of Canada Ltd.
- Provide the NSP mailing address:

Canadian Head Office
Nature’s Sunshine Canada
44 Peel Centre Drive, Suite 402
Brampton, Ontario
L6T 4B5

- Provide the NSP telephone number: 1-800-265-9163, and email address: Canadaquestions@natr.com
- State that consent may be withdrawn.

You may only provide an email address to NSP 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 NSP.

iii. 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 Consultant as the message recipient:
 - o made a purchase, or accepted a business opportunity, from the Consultant within the two year period immediately prior to the day on which the message is sent, or
 - o 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 Consultant through:
 - o a legal parent/child relationship
 - o marriage; or
 - o common-law partnership; and
 - o the Consultant and their relation have had voluntary, direct two way communications.
- Has a “Personal Relationship” with the 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 Consultant, and the person referred.

The acceptable relationships are defined above, and are:

- Existing Business Relationships
- Family Relationships
- Personal Relationships

If a Consultant wishes to solicit referrals, the solicitation must state that the referrer must have one of these relationships with the Consultant, and with the person referred, and that the person referred has agreed to receive a message from the Consultant. The solicitation must state that the Consultant’s message will identify the person who makes the referral. An example of an acceptable referral would be an existing customer of the Consultant referring their friend to the Consultant. Once the Consultant receives a valid referral, the 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 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.

13.12 Personal Information and Privacy

a) Handling Personal Information

As a 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 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 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 unsecure 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 Consultant must pay the then-applicable membership renewal fee to NSP by the indicated deadline. By default, memberships renew automatically each year and the corresponding membership renewal fee is automatically charged unless a Consultant notifies NSP before his/her account's automatic renewal date. The Consultant hereby authorizes NSP (without notice to the Consultant, unless required by applicable law) to collect the then-applicable annual membership fee using any method of payment the Consultant has saved on his/her account. If all eligible payment methods on the Consultants account are declined for payment of the membership renewal fee, the Consultant must provide NSP a new eligible payment method promptly or his/her membership will be canceled. 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 Consultant's membership will become inactive and drop to Customer status and any credit existing on the account will still be available.

Note: 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 Consultant status. If a 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. NSP may, with good cause, refuse to renew a membership. If NSP decides not to renew a membership, NSP will send written notice to the last known address of the Consultant. For this purpose, good cause includes (but is not limited to):

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

14.2 Membership Termination

NSP may, in its absolute and unfettered discretion, terminate, upon notice, the membership of any Consultant who:

1. Breaches any provision of the Membership Agreement, the Consultant Application or these Policies.
2. Engages in any conduct that may bring disrepute in any way to NSP (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 NSP guideline. NSP may also, upon notice, terminate the membership of any Consultant who, through his or her capacity as a Consultant, files any legal action proceeding or induces or facilitates any government agency to file any action against NSP, which NSP considers, within its sole discretion, to be without legal foundation or basis in fact.

NSP 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 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 a Consultant's counsel, or when the Consultant receives actual notice of cancellation, whichever occurs first. NSP shall

not be required to have any reason or to prove any cause in order to terminate the Membership Agreement with any Consultant. If and when any Membership Agreement is terminated, the Consultant shall have no claim against NSP, 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 a 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 Consultant may terminate or resign his/her membership at any time by sending to NSP a signed and dated letter indicating his/her desire to terminate the membership. The Consultant understands that upon the termination of the membership by either the Consultant or by NSP, the Consultant may not recover any future profits that would have been received from sales made before or after the date of termination if the Consultant had remained a Consultant. Upon termination of his/her membership, a Consultant will lose all privileges related to such membership, if applicable and the right to receive any commissions or other payments. The 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

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

- Completion of Investigation Notice. Issued to the offending 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 NSP.
- Termination Notice. This is issued to the offending Consultant when violation of the Policies warrants termination.

15.2 Involuntary Termination

If necessary, a Consultant's membership may be terminated by NSP. NSP 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 NSP.

In extreme cases of violations by a Consultant, NSP also reserves the right to pursue legal recourse, as well as reimbursement by a 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 a Consultant is terminated for cause, NSP will send notification by mail to the

terminated Consultant at the most recent address on file. Upon receipt of notice from NSP, the Consultant must immediately cease all Consultant activities and remove any applicable Website or print advertising.

If a Consultant wishes to appeal membership termination, NSP 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. NSP will review the timely appeal and notify the Consultant of the decision. This decision will be final. The termination will be effective from the date of NSP's original termination notice.

15.3 Termination for Convenience

Without limiting the generality of the foregoing, NSP reserves the right at any time to terminate for convenience in its absolute and unfettered discretion the Membership Agreement of any 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 NSP, that Consultant is no longer entitled to sell NSP products or to sponsor other prospective Consultants. The terminated Consultant shall lose all rights to the existing successline and shall no longer be entitled to receive bonuses, awards or any compensation whatsoever from NSP, nor shall the Consultant be entitled to any rights to Consultant Lists.

The terminated Consultant should immediately cease all marketing efforts related to NSP, 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 Consultants and NSP shall be undertaken in the courts located in Ontario, Canada. These Policies and all agreements between NSP and 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 NSP, NSP may, upon written notice to the distributor, terminate or suspend the Membership of such distributor if NSP, in its sole discretion, determines that such termination or suspension is desirable to protect its business interests, including, without limitation, the protection of NSP's proprietary information.

Note: The Consultant shall be liable for all costs incurred by NSP due to non-compliance with the Policies, including but not limited to charge-back fee, handling fee and shipping charges.

SECTION 16

16.1 Contact Information

Questions concerning any aspect of a Consultant's business, problems with orders, shipments, procedures, organization or compensation should always be directed to Customer Service at 1-800-265-9163. Customer Service Hours of Operation Monday through Friday: 8:30 a.m. to 5:00 p.m. (EST) Customer Service cannot and does not diagnose, prescribe or recommend use of specific products.

NSP 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

44 Peel Centre Drive, Suite 402
Brampton, Ontario
L6T 4B5

Other Contacts

www.naturessunshine.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 NSP corporate offices above or to the Consultant's address as provided by the Consultant, unless notice of an address has been received by NSP. NSP 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

44 Peel Centre Drive, Suite 402

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