

# Canada

Associate Terms & Policies

**Effective Date:** August 1, 2024



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# TERMS & POLICIES

1. Applying to Become an Associate.....	2	40. Sales Tax.....	9
2. Minimum Age.....	2	41. Delivery and Risk Of Loss.....	9
3. Ethics Certification Required.....	2	42. Return Policy.....	10
4. Temporary Enrollment.....	2	43. Rescission Returns.....	10
5. Associate Rights and Privileges.....	2	44. Abusive Returns.....	10
6. Independent Contractor Status.....	2	45. Term and Renewal of a USANA Business.....	10
7. Termination by Associate.....	2	46. Investigation and Notice of Policy Violations.....	10
8. Adherence to Compensation Plan.....	3	47. Compliance.....	10
9. Associate-Created Material.....	3	48. Appeal Process.....	11
10. Product Claims.....	3	49. Effect of Termination.....	11
11. Income Representations.....	3	50. Protection of Confidential Information.....	11
12. Social Media.....	4	51. Indemnification.....	11
13. Minimum Advertised Price.....	4	52. Amendments.....	11
14. Email Solicitation.....	4	53. Assumption of Risk.....	11
15. Media Promotion.....	4	54. Change of Sponsorship Waiver.....	11
16. Intellectual Property.....	4	55. Integrated Agreement.....	12
17. Use of Associate Name, Likeness, and Image.....	5	56. Force Majeure.....	12
18. Service Outlets.....	5	57. Severance.....	12
19. Online Sales.....	5	58. Survival.....	12
20. Unauthorized Recruiting; Participation in Other Direct Sales Companies.....	5	59. Waiver.....	12
21. Competing Products and Non-Solicitation.....	6	60. No Reliance.....	12
22. Crossline Raiding.....	6	61. Headings.....	12
23. Non-Disparagement.....	6	62. Translations.....	12
24. One Business Per Associate.....	6	63. Capitalized Terms.....	12
25. Co-Applicants.....	7	64. Personal Data and Right Of Privacy.....	12
26. Transfer of the Agreement.....	7	65. Dispute Resolution Agreement.....	12
27. Separation of Business Partners.....	8	66. Definitions.....	13
28. Termination by the Company.....	8		
29. Sponsor/Placement Changes.....	8		
30. Conflicting Enrollments.....	8		
31. Anti-Manipulation.....	8		
32. Authorized Sales.....	8		
33. Actions of Household Members, Partners, Associated Entities, or Third Parties.....	9		
34. International Business.....	9		
35. BabyCare.....	9		
36. Compliance with the Law.....	9		
37. Product Care and Quality Control Requirements.....	9		
38. Retail Sales Quota.....	9		
39. Commissions and Adjustments.....	9		

## 1. APPLYING TO BECOME AN ASSOCIATE

An individual may apply to become an Associate by completing the following steps:

- Complete, sign, and return an online or hardcopy Associate Agreement to the Company;
- Purchase a Welcome Kit;
- Provide contact information and, if applicable, Provincial Sales Tax (PST), Quebec Sales Tax (QST), Goods and Services Tax (GST), or Harmonized Sales Tax (HST) number;
- Obtain a direct seller's licence, if required by the Provinces or Territory of the Associate's residence; and
- Associates are required to provide proof of identity upon request.

All information on how to complete an Associate Agreement and obtain a Welcome Kit can be received from the applicant's Sponsor. Other than the Welcome Kit, applicants are not required to purchase any Products or materials to become an Associate.

## 2. MINIMUM AGE

Persons under the age of majority in the person's province of residence may not be Associates and no Associate shall knowingly Recruit or Sponsor, or attempt to Recruit or Sponsor, any person under the age of majority.

## 3. ETHICS CERTIFICATION REQUIRED

Associates must complete USANA's Ethics in Action Certification within thirty (30) days of submitting an Associate Application. After the thirty (30) -day grace period, an Associate is not eligible to earn commissions until he/she has completed the "Ethics in Action" certification.

## 4. TEMPORARY ENROLLMENT

A new Enrollment will be considered temporary for thirty (30) days, during which time the Associate must agree to the terms of the Agreement. If an Associate has not agreed to the terms of the Associate Agreement by the end of the thirty (30) -day temporary enrollment period, the Associate's account will be placed on hold and may be terminated.

## 5. ASSOCIATE RIGHTS AND PRIVILEGES

The Agreement grants Associates the following rights and privileges:

- Purchase USANA Products at the discounted Associate price;
- Participate in the USANA Compensation Plan (and receive bonuses and commissions, to the extent eligible);
- Sponsor other individuals as Preferred Customers, Affiliates, or Associates into the USANA Business and thereby build a Team;
- Sell USANA Products and keep the difference between the price the Associate paid the Company

for the Products and the price at which the Associate sold the Products to Customers;

- Participate in promotional and incentive contests and other USANA programs;
- Attend USANA conventions and events internationally (at the Associate's own expense); and
- Participate in USANA-sponsored support, service, training, motivational, and recognition functions upon payment of appropriate charges, if applicable.

An Associate's continued participation in any of the above activities or acceptance of any other benefits under the Agreement constitutes acceptance of the Agreement and any and all renewals and amendments thereto.

## 6. INDEPENDENT CONTRACTOR STATUS

Associates are independent contractors. The Associate Agreement, which includes these Terms & Policies, is not a services agreement and does not create an employer/employee relationship, agency relationship, partnership, or joint venture between the Company and the Associate. Associates control the manner and means of their performance, including determining when they will work, deciding the number of hours they wish to work, and making their own business decisions. Associates are responsible for reporting to the proper authorities and paying all taxes, employment insurance contributions, Canada Pension Plan contributions, employer health tax, workers' compensation premiums, or any other levies or taxes for which the Associate may be liable at law in respect of any payments received from the Company and/or Customers. Associates will not be treated as employees for any reason.

Associates shall establish their own goals, hours, place of business, and methods of sale, so long as they comply with the Agreement. Associates are solely responsible for all decisions made and all costs incurred with respect to their activities under the Agreement. All Associates assume every entrepreneurial and business risk in connection with the Agreement. Associates are responsible for obtaining any applicable provincial or local/municipal licenses, permits, and other governmental approvals, including, without limitation, any qualifications that may be required to transact business in provinces other than his/her domicile. Associates will be required to comply with Federal and Provincial requirements for reporting any income they earn operating their business to the Canada Revenue Agency.

## 7. TERMINATION BY ASSOCIATE

An Associate may voluntarily terminate his/her Agreement in the following ways:

- **Written Notice.** An Associate may terminate his/her Agreement at any time for any reason. Termination must be submitted in writing to the Company by email at [customerservice@USANAinc.com](mailto:customerservice@USANAinc.com) or by mail at USANA's principal business address.

- **Failure to Renew.** Failure to renew the Agreement.
- **Failure to Re-affirm Adherence to the Agreement.** From time to time, Associates may be prompted to re-affirm the application of, and adherence to, the Agreement. Failure to agree to the Agreement may result in the termination of the Agreement.

## 8. ADHERENCE TO COMPENSATION PLAN

Associates must adhere to the terms of the Compensation Plan. Associates shall not:

- Require or encourage other current or prospective Customers, Affiliates, or Associates to participate in USANA in any manner that varies from the Compensation Plan;
- Require or encourage other current or prospective Customers and/or Associates to execute any agreement or contract other than official USANA agreements and contracts in order to become an Associate, Affiliate, or Preferred Customer;
- Require or encourage other current or prospective Customers, Affiliates, or Associates to make any purchase from, or payment to, any individual or other entity to participate in the Compensation Plan, other than those purchases or payments identified in Official USANA Material;
- Sell, or attempt to sell, lead lists to other Associates or Affiliates; or
- Create their own enrollment or application form. Online Associate and Affiliate Enrollments may only occur through USANA's corporate website or an Associate's USANA personal webpage. All other websites must link only to the Associate's USANA Personal Webpage for enrollment. Violations will result in appropriate action including possible suspension or termination of the Agreement.

## 9. ASSOCIATE-CREATED MATERIAL

Associates may produce their own advertising or training materials, provided the materials comply with all of the provisions of these Terms & Policies, including that the material:

- Clearly identifies that the material is created by an Independent Associate by visibly adding USANA's Independent Associate logo to the material. The Independent Associate logo is available for download from The Hub. Associates must not use any official USANA corporate logo on their personal advertising or training materials;
- Includes the current Typical Participant Compensation disclosure statement;
- Is produced in a professional and tasteful manner and does not reflect poorly upon USANA, including containing any material considered to be, in the Company's discretion, discourteous, deceptive, misleading, illegal, indecent, unethical, offensive, or immoral;

- Is truthful in content, makes no deceptive Income Claims or Lifestyle claims, or therapeutic product claims;
- Does not imply an employment opportunity;
- Follows all laws and rules of conduct that apply to advertising and ethical business practices;
- Is not in violation of any intellectual property rights of the Company or any third party;
- Does not imply that such material has been approved, endorsed, produced, or recommended by USANA or any Canadian Regulatory authorities;
- Is not sold to other Associates for a profit; and
- Is only promoted within the Associate's own Upline and Team.

To ensure full compliance with USANA's advertising policy, Associates who wish to create, share, or promote independent advertising material must abide by the terms of these Terms & Policies and complete the Advertising Checklist, which can be found on The Hub. Completion of the checklist authorizes Associates to produce advertising material. Violations will result in appropriate action including possible suspension or termination of the Agreement. Associates are solely responsible for any Product or Income and Lifestyle claims contained in material generated using artificial intelligence tools. Claims in advertising materials will be evaluated based on the original language in which they are published.

Should an Associate want to have his/her personally created advertising material reviewed by USANA's Ethics & Education Department, it can be submitted to [ethics@USANAinc.com](mailto:ethics@USANAinc.com). USANA reserves the right to review and require editing or removal of material at its discretion.

## 10. PRODUCT CLAIMS

Associates must not claim that USANA Products cure, treat, mitigate, or prevent any disease or illness unless such claim is specifically authorized in official (Canadian) USANA materials. Associates must not expand, extend, or exaggerate such authorized claims. Prohibited claims by Associates shall render USANA's Products' liability insurance unavailable to the Associate.

Associates should not make any claims in connection with USANA's Products being licensed or approved by Health Canada's Natural and Nonprescription Health Products Directorate (NNHPD) or any other regulatory authority.

## 11. INCOME REPRESENTATIONS

When presenting or discussing the USANA opportunity or Compensation Plan, Associates may not make income claims, representations, or testimonials (collectively "Income Claims") that are deceptive.

Deceptive Income Claims include any claim, testimonial, statement, or other representation, whether written or oral, that pertains to any of the

following in connection with the USANA Business Opportunity:

- Exaggerated or guaranteed incomes, earnings, or profits;
- Hypothetical, potential, or estimated incomes, earnings, or profits that are in any way misleading;
- Claims that Associates may earn residual or unlimited income or otherwise replace their income;
- Claims that Associates may obtain financial freedom; or
- Any other false, untruthful, incomplete, or otherwise misleading or potentially misleading information that misrepresents the typical income or earning results of USANA Associates.

To not be deceptive, an Income Claim must strictly adhere to each of the following requirements:

- Unless the claim is based on the typical participant, the Associate must include the appropriate Income Disclaimer, which links to the most recent version of USANA's Typical Participants Compensation disclosure statement, located at [USANAINcome.com](https://www.usana.com/USANAINcome.com); Current Income Disclaimers are available on The Hub.
- Any representations about compensation received by non-typical participants should not be made in a way that detracts from the representations regarding typical participants;
- Associates may not disclose the amount of any bonus, commission, or other compensation from USANA or show cheques, copies of cheques, bank statements, tax statements, or similar financial records; and
- Associates may not alter or verbally embellish the Income Disclaimers or Typical Participants Compensation disclosure statement in any way, including, but not limited to, adding any text.

Associates may not make deceptive "lifestyle" Income Claims ("Lifestyle Claims"). A Lifestyle Claim is a statement or depiction that implies or states that an Associate can achieve non-typical results. Examples of deceptive Lifestyle Claims include, but are not limited to, statements that the USANA Business Opportunity will lead to:

- Early retirement or being able to quit one's job;
- Income equivalent to a full-time career ("career-level income")
- A luxury lifestyle;
- The ability to purchase a home or vehicle;
- Vacations; or
- Anything similar thereto that misrepresents the typical income or earning results of USANA Associates.

Additionally, Associates shall not mention or refer to USANA in connection with any deceptive Income Claim or Lifestyle Claim by way of implication, for example, by mentioning USANA in a social media post in close proximity to a post suggesting a luxury lifestyle.

When presenting or discussing income or the Compensation Plan, Associates must make it clear to prospects that financial success in USANA requires selling USANA products, commitment, effort, financial investment, and sales skill. An Associate must never represent that one can be successful without diligently applying themselves or that earnings are guaranteed.

## 12. SOCIAL MEDIA

Associates are responsible to ensure all content and material they produce and/or post, as well as all postings on any social media site they own, operate, or control, is in compliance with these Terms & Policies. Examples of social media platforms include, but are not limited to, blogs, Facebook, Instagram, X, LinkedIn, YouTube, WeChat, or Pinterest.

## 13. MINIMUM ADVERTISED PRICE

Associates may sell Products from their inventory at any price they choose. However, Products may not be advertised below Auto Order Price as set forth in the pricelist on The Hub. However, Associates may advertise the following non-price incentives in conjunction with Products: free shipping, free or discounted logo gear, and product samples.

## 14. EMAIL SOLICITATION

To comply with the law and to avoid harm to USANA's brand integrity, Associates are prohibited from sending unsolicited email to promote USANA, its Products, and Business Opportunity to individuals who have not specifically requested such information. Requests for emails to cease by email recipients must be honoured immediately. Associates must familiarize themselves with Canada's Anti-Spam Legislation ("CASL") and ensure that all electronic communications comply with CASL requirements.

## 15. MEDIA PROMOTION

Associates may not promote the Products or Business Opportunity through interviews with the media, articles in publications, news reports, blogs, radio, TV, billboards, or any other public information, trade, or industry information source, unless USANA approves it in advance. If an Associate receives an inquiry from any member of the media or a widespread media outlet (e.g., national, worldwide news outlet) at a USANA event, he/she should refer the inquiry to [ethics@USANAinc.com](mailto:ethics@USANAinc.com).

## 16. INTELLECTUAL PROPERTY

USANA is the sole and exclusive owner of all USANA intellectual property, including USANA Product names, trademarks, trade names, trade dress, patents, copyrights, and trade secrets (collectively "Intellectual Property"). Unless otherwise communicated by the Company, Associates are granted a limited license to utilize Intellectual Property to advertise USANA's products and to promote their USANA Business, in accordance with these Terms & Policies. Associates may



not use any Intellectual Property for any other purpose. Each Associate's limited license to use Intellectual Property concludes immediately upon the termination (for any reason, whether termination is voluntary or involuntary) of the Associate's Business. Upon the termination of the limited license, the former Associate shall immediately discontinue using Intellectual Property, return all hard copies of Intellectual Property to USANA, and permanently delete any electronic copies of Intellectual Property.

To protect the Company's brand integrity and intellectual property, Associates may not:

- Attempt to register or sell any Intellectual Property in any country;
- Use any Intellectual Property, or any derivative or confusingly similar variation thereof, in any legal entity name, website URL, or email address;
- Use the Company name in a social media handle or username unless the use clearly indicates that the Associate is independent;
- Record or reproduce audio or visual materials from any USANA corporate function or presentation by any USANA representative, employee, or other Associates; or
- Publish, or cause to be published, in any written or electronic media, the name, photograph or likeness, copyrighted materials, or property of individuals associated with USANA, without express written authorization from the individual and/or USANA.

Associates are allowed to use USANA in their social media username or profile name if the Associate:

- Includes their name or business name as it is on file with USANA, and;
- Clearly identifies themselves as an Independent Associate in the profile bio.

If the social media page is for a group, private or public, there must be a single contact person listed in the bio or profile.

## 17. USE OF ASSOCIATE NAME, LIKENESS, AND IMAGE

Associates grant USANA a perpetual and irrevocable license to use the Associate's name, testimonial, picture, photograph, image, video and/or audio recording, as well as any other likeness of the Associate in USANA's promotional material. **Associates waive all rights of publicity and further waive all rights to compensation for USANA's use of such material.**

## 18. SERVICE OUTLETS

To protect USANA's brand integrity, Associates may display and retail Products only in facilities that are primarily service-related businesses (defined as businesses where services are the primary source of revenue). Approved facilities include, but are not limited to, health spas, beauty shops, and physicians' and chiropractors' offices. No Product banners or other USANA advertising material may be displayed to the

general public in a manner as to attract the general public into the establishment to purchase Products. Associates are not allowed to market or sell Products in any other type of retail outlet (i.e. non-service related businesses where services are not the primary source of revenue). Prohibited retail outlets include, but are not limited to, brick and mortar retail outlets and kiosks.

## 19. ONLINE SALES

Associates may sell Products via online sources such as a social media site or website under control of the Associate. To protect USANA's brand integrity and other Associates' ability to meaningfully participate in the Business Opportunity, online sales are NOT permitted on internet classified ad sites, auction sites, ecommerce shopping sites, or order fulfillment sites including, but not limited to, Amazon, eBay, Craigslist, Facebook Marketplace, and Taobao. Promotion of Products through any approved online medium must comply with all promotion and marketing policies in these Terms & Policies. If an Associate sells Products through his/her social media site(s), the sales volume generated through the site(s) must be assigned to one of the Business Centres operated by the Associate whose social media site generated the sale; the Sales Volume may not be assigned to a Business Centre of any other Associate, nor may Sales Volume from a single order be spread among multiple Business Centres held by the Associate.

## 20. UNAUTHORIZED RECRUITING; PARTICIPATION IN OTHER DIRECT SALES COMPANIES

During the term of the Agreement, and for a period of six (6) months after the expiration or termination of the Agreement by either party, for any reason, an Associate may not Promote products or Recruit any Associates or Customers to participate in any way in any Competing Direct Sales Company.

The term "Recruit" means the direct or indirect, actual or attempted, sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way. This includes any action that would cause the termination or curtailment of the business relationship between any Associate, Affiliate, or Preferred Customer and USANA, or any promotion that may be foreseen to draw an inquiry from any other Associates, Affiliates, or Customers about any Competing Direct Sales Company. Such conduct constitutes improper solicitation even if the Associate's actions are in response to an inquiry made by another Associate, Affiliate, or Customer. The term "Promote" means directly or indirectly to sell, offer to sell, or promote the products or business opportunity of the Competing Direct Sales Company to any current Associate, Affiliate, or Customer (regardless of whether you know that the person is a current USANA Associate, Affiliate, or Customer) through any means, including, but not limited to, the use of any website, blog, or other social media site on which they discuss or promote, or have

discussed or promoted, the Business Opportunity or Products. General promotion of any Competing Direct Sales Company on the internet or social media that is available to the general public will be deemed a solicitation of USANA Associates.

Associates who are ranked Ruby Director or above, or who make at least CA \$50,000 annually, may not join or participate in any Competing Direct Sales Company during the term of the Agreement and for a period of six (6) months after the expiration or termination of the agreement by either party, for any reason. Associates who are participating in a Competing Direct Sales Company will be required to relinquish their distributorship in that company upon reaching the rank of Ruby Director or an annual income of at least CA \$50,000.

Associates may participate in other Direct Sales businesses provided they remain compliant with these Terms & Policies and notify USANA within five (5) business days of enrolling in any Direct Sales Company. Associates who join another Direct Sales Company may not:

- Have access to USANA's confidential Customer information, including, but not limited to, Customer lists included in the Business Accelerator Suite;
- Qualify for recognition benefits, including incentive trips, speaking at events, etc.
- Transfer their Business; and
- Participate in USANA's Leadership or Elite Bonus programs.

The Company has provided Associates with access to its Confidential Information, which is valuable and a confidential trade secret of the Company, and specialized training and sales and marketing strategies. The Associate thereby agrees that this Section is fair and reasonable, necessary to protect the business of the Company and its affiliates, and that this Section does not preclude the Associate from earning a living.

## 21. COMPETING PRODUCTS AND NON-SOLICITATION

Associates shall not state or imply that enrolling in USANA is a requirement of joining any other business opportunity or for buying another product or service. Associates also shall not state that non-USANA products or opportunities are recommended, encouraged, or essential to achieving success in USANA. Associates shall not specifically target or approach Associates or Preferred Customers to participate in any non-USANA endorsed training program.

## 22. CROSSLINE RAIDING

Crossline raiding is strictly prohibited. "Crossline Raiding" is defined as the enrollment or attempted enrollment of an individual or entity that is a current Affiliate or Preferred Customer or has an Associate Agreement on file with USANA, or who has had such an Agreement within the preceding six (6) calendar months within a different line of Sponsorship.

- Associates may not demean, discredit, or invalidate other Associates or Affiliates in an attempt to entice another Associate or Affiliate to become part of the first Associate's Team.
- Associates must not promise more success in their own Team over another.
- If an Associate is approached by, or approaches a crossline Associate or Affiliate, he/she must direct and encourage the Associate or Affiliate back to his/her original Upline.
- Where a prospective Associate, Affiliate, or Preferred Customer accompanies an Associate to a USANA meeting or function, no other USANA Associate may Recruit the prospect to Enroll in USANA for a period of fourteen (14) days or unless and until the Associate who brought the prospect to the function advises the other Associate that the prospect has elected not to Enroll in USANA and that the Associate is no longer Recruiting the prospect to Enroll in USANA, whichever occurs first. Violations of this policy are especially detrimental to the growth and sales of other Associates' Businesses and to USANA's business.

## 23. NON-DISPARAGEMENT

Associates must not disparage, ridicule, discredit, mock, demean, denounce, or act in an unfair manner toward USANA, other Associates or Affiliates, Products, the Compensation Plan, USANA's employees, other companies (including competitors), or other companies' products, services, or business activities. As used in this Section, "disparaging" means anything unflattering and/or negative, whether such communication is true or untrue. Nothing in this Section shall be construed to prohibit an Associate from filing a charge or complaint, including a challenge to the validity of the waiver provision of these Terms & Policies, with any federal or provincial regulatory agency or other local enforcement agency, or participating in any investigation conducted by any federal or provincial regulatory agency or other local enforcement agency, though Associates have waived any right to monetary relief, or otherwise complying with Associates' obligations to provide truthful testimony or information as required by a court or by statute.

## 24. ONE BUSINESS PER ASSOCIATE

An Associate may operate, receive compensation from, or have an ownership interest, legal or equitable, as a member, sole proprietorship, shareholder, trustee, or beneficiary in only one Business. However, notwithstanding this rule, an Associate's spouse may also Enroll as an Associate and operate a second Business as long as the spouse's Business is placed below one of the Associate's Business Centres and not in a Crossline Organization (unless the Associate had operated their business for a reasonable period of time prior to their marriage to another Associate or inherited the Business prior to their marriage to another Associate). The spouse's business must be a bona fide independent business that is operated by the spouse.



## 25. CO-APPLICANTS

If an Associate chooses to include another person in his/her Business, the Associate may submit a new Associate Application and Agreement and add that person as a Co-Applicant on the Agreement. An Associate who wishes to operate a USANA Business as a Co-Applicant will be required to:

- Meet the Associate application and minimum age requirements as set forth in the Agreement;
- Not have previously had any ownership interest in, or operated, a Business.

Only one Co-Applicant may be added to a distributorship. Multiple individuals who wish to jointly operate a Business must apply as a Corporation, Partnership, or Trust. The original applicant must remain party to the original Agreement once a Co-Applicant is added; however, if the original Associate chooses to terminate his/her jointly owned Business relationship with USANA, he/she must do so in accordance to the terms of the Agreement and the Co-Applicant will be subject to the Transfer Policy and must submit a Business Transfer Request.

An Associate may not add or remove a Co-Applicant with the intent to circumvent the terms of the Agreement. Any time an applicant or Co-Applicant is removed from the Business, it must be done in accordance with the terms of the Agreement and is subject to approval at USANA's discretion. If, after granting the transfer request, USANA becomes aware that the former Associate (Transferor) and/or the Transferor's Co-Applicant has engaged in conduct or activity that would violate the Agreement, USANA may enforce the violation against the transferred distributorship.

## 26. TRANSFER OF THE AGREEMENT

An Associate (a "Transferor") may sell or transfer his/her Business to an individual, partnership, trust, or corporation (a "Transferee") after applying for and receiving approval from USANA, which approval shall be in USANA's sole and absolute discretion. The review and approval process will not begin until USANA has received all of the documentation required in the Business Transfer Request Form located on The Hub and all parties have signed and agreed to comply with the terms and conditions of the Business Transfer Request Form.

USANA will not approve the sale or transfer of a Business:

- That involves an Associate currently in violation of the Agreement or under investigation;
- To any individual or entity that is a current Associate or who has an ownership interest in any business, or has had any ownership interest in, or operated, a Business;
- If either Party is currently participating in another Direct Sales Company;
- If payment for purchase of the Business is financed

by Transferor or Transferee is not paying market value; or

- If USANA determines that purchase by or transfer to Transferee would not be in the best interest of USANA or the Associates in the Upline or Downline of the Business.

USANA also will not approve the sale or transfer of a Business unless the seller and purchaser have complied with all of the requirements set forth in the Business Transfer Request Form.

Transferee accepts the Business "AS IS." No changes in line of Sponsorship may result from the transfer of a Business. All amounts due to Transferor from Transferee as part of the sale or transfer of a Business must be paid in full on or before the transfer date. Following the transfer of a Business, the Transferor may not have any financial interest in the Business, including, without limitation, receipt of any payments from the Business or the Transferee after the transfer date. Transferor also may not receive any compensation from the Business for sales that occur after the transfer date. Furthermore, a Transferor may not participate in the management or control of a Business after the transfer date, including, without limitation, providing general business advice to Transferee.

As additional consideration for the approval of the transfer, if granted, and in addition to restrictions for terminated Associates set forth in USANA's Terms & Policies, the Transferor expressly agrees that for one year following the execution of this Business Transfer Request by USANA, the Transferor will not work for or with, as an employee, independent contractor, or otherwise, any Competing Direct Sales Company. Transferor represents and agrees that this restriction on working for or with a Competing Direct Sales Company is reasonable in order to protect the business and proprietary interest of USANA and the Transferee. Transferor further agrees that this restriction is reasonable as to the one-year duration, and represents, acknowledges, and agrees that compliance expressly with this restriction will not be unduly burdensome. The Parties understand and agree that if the Transferor works for or with any Competing Direct Sales Company in violation of this provision, USANA may terminate the Transferee's Agreement and seek any other damages or other relief to which it may be entitled. USANA also reserves the right to terminate the Transferee's Agreement and seek damages or other relief to which it may be entitled if it learns that the Transferor has breached any provisions of the Associate Agreement or USANA's Terms & Policies, or that any representation or other information included with this Business Transfer Request is false or incomplete.

Before transferring any Business to a third party, USANA shall have the right of first refusal to acquire the Business. USANA shall have the right to acquire the Business for the lesser of:

- The same terms as offered to, and accepted by, a third party who is ready, willing, and able to perform; and

- The fair market value of the business as ascertained by a professional business appraiser who is mutually agreed upon by USANA and the Associate. The cost of acquiring an appraisal shall be borne by USANA.

## 27. SEPARATION OF BUSINESS PARTNERS

Should a jointly held Business be dissolved or transferred to a subset of the original owners, the individual(s) or entities that relinquished ownership in the original Business may apply as a new Associate(s) only after six (6) months of no USANA business activity, which includes, but is not limited to, training, promotion of Product or Business Opportunity, and Recruiting.

## 28. TERMINATION BY THE COMPANY

The Company may, at its option, terminate this Agreement without advance notice to the Associate if any of the following occurs:

- The Associate and/or the Associate's Business becomes or is declared insolvent or bankrupt;
- The Associate and/or the Associate's Business is the subject of voluntary or involuntary bankruptcy or other proceeding related to its liquidation or solvency, which proceeding is not dismissed within ninety (90) calendar days after its filing; or
- The Associate and/or the Associate's Business makes an assignment for the benefit of creditors.

## 29. SPONSOR/PLACEMENT CHANGES

USANA will not permit any change in Placement and/or Sponsor except in the following circumstances:

- Where an Associate has been fraudulently or unethically induced into joining USANA;
- Where an incorrect Placement and/or Sponsor was made due to an Associate error, a change in Placement and/or Sponsor can be made to correct the error where a request for a change is made within ten (10) days of Enrollment;
- If an Associate's Business is inactive for six (6) consecutive months the Associate may terminate their existing Business and immediately reapply under another Sponsor. For purposes of this policy only, "inactive" means that no Product order is placed under any of the Associate's Business Centres.

If an Associate terminates his/her Business in writing, the Associate may rejoin under the Sponsor of his/her choice after completing a waiting period of six (6) consecutive months, during which time the former Associate may not engage in any USANA Business Activity either for himself/herself or indirectly for another Associate. Associates may not terminate their Business and then enroll as an Affiliate in a different placement during the 6-month waiting period.

## 30. CONFLICTING ENROLLMENTS

Every prospective Associate has the ultimate right to choose his/her own Sponsor. As a general rule, the first Associate who does meaningful work with

a prospective Associate is considered to have first claim to Sponsorship. In the event that a prospective Associate, or any Associate on behalf of a prospective Associate, submits more than one Associate Agreement to USANA listing a different Sponsor on each, the Company will consider valid the first Associate Agreement that it receives, accepts, and processes. If there is any question concerning the Sponsorship of an Associate, the final decision will be made by USANA.

## 31. ANTI-MANIPULATION

To help ensure compliance with laws applicable to Direct Sales companies, manipulating the Compensation Plan by an Associate or any Associate working with another third party is strictly prohibited. Manipulation includes, but is not limited to:

- Fictitious Enrollments, including using false or incomplete contact information or identification, or information that cannot be verified using reasonable efforts;
- Enrolling individuals who were not aware of their Enrollment, have little or no knowledge about their Business, or who have no intention of operating a Business;
- Enrolling individuals as Associates or Affiliates who wished to be Customers only;
- Excessive Product purchases, or gifting of Product, as determined by the Company in its discretion, solely for the purpose of qualifying for commissions, bonuses, or advancement in the Compensation Plan. An Associate may not purchase more Product than he/she can reasonably re-sell to end consumers or personally consume in any Four-Week Rolling Period, nor encourage others to do so;
- Abusive returns for refunds;
- Participating in Downline purchasing (placing a sales order in a Business Centre other than where the sale was generated); and
- Failing to submit Associate or Preferred Customer applications within one business day.

Associates agree that the Company can adjust or recover any compensation awarded as a result of Compensation Plan manipulation, regardless of whether the recipient of the compensation was complicit in the manipulation. The Associate agrees to return any monies that the Company determines was awarded as a result of Compensation Plan manipulation or complete any necessary paperwork allowing the Company to withhold the monies from future payments to the Associate.

## 32. AUTHORIZED SALES

Associates are only permitted to sell Products to Customers, as defined herein. Associates may not sell or transfer Products to any person or entity the Associate knows or has reason to know intends to re-sell the Products. Associates may not sell or transfer a quantity of the Products to any individual greater than what the individual can personally consume in a Four-Week Rolling Period.

### **33. ACTIONS OF HOUSEHOLD MEMBERS, PARTNERS, ASSOCIATED ENTITIES, OR THIRD PARTIES**

If any member of an Associate's immediate household, including, without limitation, a spouse or Domestic Partner, engages in any activity which, if performed by the Associate, would breach any provision of this Agreement, such activity will be deemed a breach by the Associate. An Associate will be held responsible for any violations of these Terms & Policies committed by a legal entity (e.g. corporation, partnership) associated with the Associate. Additionally, If a third party acting on behalf of, or with the active or passive assistance of, an Associate engages in conduct that would be a breach of this Agreement, the conduct of the third party may be imputed to the Associate, and the Associate's Business may be terminated.

### **34. INTERNATIONAL BUSINESS**

Associates may sell and promote Products, the USANA opportunity, and services or Recruit or Enroll any prospective Associate, Affiliate, or Customer only in countries in which USANA is approved for business, as announced in official USANA communications. If an Associate desires to conduct business in an authorized country other than the one in which the Associate is enrolled and a resident, the Associate must comply with all applicable laws, regulations, and USANA policies specific to that country, including selling only those Products that are specifically designed, formulated, labeled, and approved for that particular market.

### **35. BABY CARE**

Notwithstanding the International Business Policy, only Chinese nationals registered with BabyCare as a BabyCare Associate may do business in Mainland China. Associates not registered with BabyCare may not do business activities in Mainland China, which include, but are not limited to, training, promotion, and recruiting in China. Associates may not send any USANA Products to China.

### **36. COMPLIANCE WITH THE LAW**

Associates must obey all laws, regulations, and ordinances that apply to an Associate's Business.

### **37. PRODUCT CARE AND QUALITY CONTROL REQUIREMENTS**

Associates may not relabel, alter, or tamper with the labels on any USANA Products, information, materials, packaging, or programs in any way. USANA Products must be sold in their original packaging only. Any such tampering will invalidate any product's liability insurance coverage from extending to the Associate and may subject the Associate to severe civil and criminal penalties. Promptly upon receipt of Products, Associates must inspect Products and their packaging for damage, defect, broken seals, evidence of tampering, or other nonconformance (a "Defect"). If any Defect is identified, do not offer the Product

for sale and promptly report the Defect to USANA. Associates must also inspect inventory regularly for expired or soon-to-be expired Products and remove those Products from inventory. Associates may not sell any Products that are past their shelf life, expired, or within ninety (90) days of expiration. Products must be stored in a cool, dry place, away from direct sunlight, and in an environment where the Products and the Products' packaging are not susceptible to physical damage. Associates must also cooperate with USANA with respect to any Product recall or other consumer safety information dissemination effort.

### **38. RETAIL SALES QUOTA**

To help ensure compliance with laws applicable to Direct Sales companies, Associates must sell Products to at least five (5) Customers every Four-Week Rolling Period to be qualified for commissions. These customers can either be retail Customers, Preferred Customers, or any combination of the two. Associates are required to furnish retail Customers with a digital receipt or two (2) hardcopies of the official USANA Retail Sales Receipt. Associates must retain all retail sales receipts for a period of two (2) years and furnish them to USANA at the Company's request.

### **39. COMMISSIONS AND ADJUSTMENTS**

Commissions and bonuses are paid on Product sales. Accordingly, USANA will adjust commissions and bonuses earned from any sale which is subsequently returned or charged back. USANA will deduct the Sales Volume attributable to the returned/charged back Product from the Upline Associate's Group Volume after a refund/chargeback is processed.

USANA pays commissions weekly. An Associate must review his/her commissions and report any errors or discrepancies to USANA within thirty (30) days from the date of the commission cheque. Errors or discrepancies that are not brought to USANA's attention within the thirty (30) -day period will be deemed waived by the Associate.

No monies should be paid to or accepted by Associates for a sale except at the time of Product delivery.

Unless otherwise required by law, any commissions and bonuses which USANA is unable to pay to an Associate after USANA's unsuccessful attempts to locate the Associate, will be subject to USANA's Unclaimed Commissions policy.

### **40. SALES TAX**

USANA will collect and remit sales taxes on behalf of Associates at the suggested retail price according to applicable tax rates to which the shipment is destined.

### **41. DELIVERY AND RISK OF LOSS**

USANA may deliver Products to Associates by common carrier. If USANA ships Products by common carrier, Associates agree to pay for freight, handling, and other pertinent shipping charges to cover the cost of shipping



the Products from USANA's warehouse to the Associate's shipping address. Delivery of Products is complete when USANA delivers the Products to the common carrier. Title to the Products and risk of their loss or damage in shipment pass to Associates at that time.

## 42. RETURN POLICY

*Satisfaction Guarantee:* USANA offers an unconditional money-back satisfaction guarantee on all Products and Sales Tools, including the Welcome Kit. If for any reason a buyer is not satisfied with any Product or Sales Tools, the buyer may return the Sales Tools or any unused Product within thirty (30) days from the date of purchase for an exchange or a one-hundred per cent (100%) refund, less shipping.

Associates must honour this money-back guarantee to their personal retail Customers. If, for any reason, an Associate's retail Customer is dissatisfied with any USANA Product purchased from the Associate, such retail Customer may return the Product to the Associate from whom the Product was purchased. If the retail Customer requests a refund, the Associate who sold the Product to the retail Customer must immediately refund the retail Customer's purchase price (less shipping charges). Retail Customers must return Product to the Associate who sold it to them; USANA will not accept returned Product directly from retail Customers. The Associate should then contact Customer Service to request a refund/replacement.

The satisfaction guarantee does not apply to Products and Sales Tools purchased from individuals who are not Associates or to Products purchased through unauthorized channels, including, but not limited to, Amazon or eBay.

*Product and Sales Tool Returns:* Buyers may return any Product or Sales Tool for up to one year after the date of purchase for a one-hundred per cent (100%) refund (less shipping charges) if the Product is in re-sellable condition. Product is in re-sellable condition if it is unopened, unused, and packaging and labeling have not been altered or damaged. Product that is clearly identified at the time of sale as nonreturnable, closeout, discontinued, or as a seasonal item, or which is within three (3) months of its listed "use by" date, is not in re-sellable condition.

Sales Tools, including the Welcome Kit, may be returned to the Company for a one-hundred per cent (100%) refund if they are in currently marketable condition. To be in currently marketable condition, the Sales Tool(s) must:

- Be unopened and unused;
- Not be damaged or altered; and
- Be in a condition such that it is reasonable to resell them at regular price.

All Associate returns must be initiated by the owner of the account under which the Product was purchased.

## 43. RESCISSION RETURNS

Customers, Preferred Customers, and newly Enrolled Associates have ten (10) calendar days within which to cancel their initial purchase and obtain a full refund. An explanation of these rights is explained on the sales receipt.

## 44. ABUSIVE RETURNS

If USANA determines that an Associate is abusing the Satisfaction Guarantee, the Associate will be refunded according to the Return policy, and the Associate's Business may be terminated.

## 45. TERM AND RENEWAL OF A USANA BUSINESS

The term of an Associate Agreement is one year (subject to prior termination pursuant to these Terms & Policies). USANA charges Associates an annual business renewal fee plus any applicable taxes. USANA will automatically charge the fee to the Associate's credit card or bank account on file with USANA on the anniversary date of the Associate's application. USANA reserves the right to terminate all Associate Agreements upon thirty (30) days' notice if the Company elects to: (1) cease business operations; (2) dissolve as a business entity; or (3) terminate distribution of its Products and/or services via direct selling channels.

## 46. INVESTIGATION AND NOTICE OF POLICY VIOLATIONS

If USANA believes, or has reason to believe, that an Associate has violated, or is violating, any term of the Agreement, including, but not limited to, these Terms & Policies, the Ethics & Education Department will conduct an investigation into the alleged conduct. USANA reserves the right to withhold bonuses, commissions, or other compensation during the pendency of an investigation. The investigation findings will be submitted to the Ethics Committee for a decision. If upon review of the investigation, the Ethics Committee deems it appropriate to take action, including, but not limited to, termination of the Associate's Agreement, the Ethics & Education Department will notify the Associate of its conclusion(s). Any written notices may be issued in any commercially reasonable means including, but not limited to, email sent to the Associate's email address on file with the Company.

## 47. COMPLIANCE

Violation of the Agreement, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by an Associate that the Company reasonably believes may damage its reputation or goodwill, may result in suspension or termination of an Associate's Business, and/or any other appropriate action to address the misconduct.

## 48. APPEAL PROCESS

An Associate or former Associate may appeal to the USANA Ethics Appeal Committee. The Associate's appeal must be in writing and must be received by the Ethics & Education Department. If the Associate files an appeal, it will be reviewed by the Ethics & Education Department and submitted to the Ethics Appeals Committee. The Ethics Appeals Committee will review the decision by the Ethics Committee and notify the Associate of its decision. This decision of the Ethics Appeals Committee will be final. Prior to bringing any dispute resolution proceeding, Associates must fully exhaust the USANA appeal process.

## 49. EFFECT OF TERMINATION

Following the effective date of an Associate's termination of his/her Business for any reason, the former Associate will have no right, title, claim, or interest to his/her former Business, to the Team which the former Associate operated, or any bonus and/or commission from the sales generated by his/her former Team. Following Associate's termination for any reason, the former Associate will not represent him/herself as a USANA Associate, will not have the right to sell USANA Products or services, must remove any USANA sign from public view, and must discontinue using any other materials bearing any USANA logo, trademark, or service mark. An Associate who voluntarily cancels his/her Agreement will receive commissions and bonuses only for the last full calendar week prior to his/her termination.

An Associate whose Agreement is involuntarily terminated by USANA will receive commissions and bonuses only for the last full calendar week prior to termination. However, if monies were held in the course of an investigation, the Associate is not entitled to receive those monies regardless of whether the termination was voluntary or involuntary. The Associate has no other right to receive commissions or bonuses following termination.

If an Associate wishes to re-enroll with USANA after being involuntarily terminated as a result of an ethics investigation, that Associate must submit a request to re-enroll through the ethics department after completing a waiting period of at least twelve (12) months after the termination date.

## 50. PROTECTION OF CONFIDENTIAL INFORMATION

USANA's Confidential Information includes, but is not limited to, lists of Associates, Affiliates, and/or Customers maintained by USANA and all trade secret information that may come into the possession of an Associate or the data included in Genealogy Reports. An Associate may not use USANA's Confidential Information for any purpose other than for developing his/her Business. To protect USANA's brand integrity and Intellectual Property, an Associate will not, on the Associate's own behalf or on behalf of any third party:

- Disclose any Confidential Information to any third party; or

- Use the reports, or the information contained in the reports, for any purpose other than to build or operate the Associate's Business.

This provision will survive the termination or expiration of the Associate Agreement.

## 51. INDEMNIFICATION

The Associate agrees to indemnify and hold USANA harmless with respect to any claims, damages, losses, fines, penalties, judgments, settlements, or other expenses, including but not limited to USANA's own reasonable attorneys' fees, arising from any breach by the Associate of the Agreement, misuse of Products, or violation of law, and any other act or omission that occurs in the course and scope of conducting his/her Business. The provisions of this Section survive the termination of the Agreement.

## 52. AMENDMENTS

USANA may, in its discretion, which shall be exercised reasonably and in good faith, from time to time amend the Agreement, including, without limitation, these Terms & Policies. Amendments will be effective thirty (30) days after notice of the amendment is posted on The Hub. An email communication will also be sent to the Associate's email address on file. Except as otherwise provided in the Dispute Resolution Agreement contained in Section 65, Associates agree that thirty (30) days after such notice, any modification becomes effective and is automatically incorporated into the Terms & Policies or the Agreement as an effective and binding provision. An Associate may opt out of any proposed amendments by terminating his or her Agreement prior to the effective date of such proposed amendments. An Associate's continued participation in the Business Opportunity on or after the effective date of any amendment constitutes acceptance of the amended Agreement.

Unless expressly agreed to by an Associate, Amendments shall not be retroactive to conduct that occurred prior to the effective date of the amendment.

## 53. ASSUMPTION OF RISK

An Associate understands that while traveling to or from Company-related meetings, events, activities, workshops, retreats, or gatherings, he/she does so as a part of his/her own independent business and not in any manner as an employee, agent, or functionary of the Company, notwithstanding the fact that his/her attendance may be based in whole or in part by invitation from, or agreement with, the Company to attend. He/she assumes all risk and responsibility for such travel.

## 54. CHANGE OF SPONSORSHIP WAIVER

If an Associate improperly changes his/her sponsor, USANA reserves the sole and exclusive right to determine the final disposition of the Team that was developed by the Associate in his/her second line of Sponsorship. Associates waive any and all claims against



USANA and its Related Parties that relate to or arise from USANA's decision regarding the disposition of any team that develops below an Associate who has improperly changed his/her Sponsor.

## 55. INTEGRATED AGREEMENT

The Agreement is the final expression of the understanding and agreement between Associates and the Company (collectively, the "Parties") concerning all matters touched upon in the Agreement and supersedes all prior and contemporaneous agreements of understanding (both oral and written) between the parties. The Agreement invalidates all prior notes, memoranda, demonstrations, discussions, and descriptions relating to the subject matter of the Agreement. The Agreement may not be altered or amended except as provided in this Agreement. The existence of the Agreement may not be contradicted by evidence of any alleged prior contemporaneous oral or written agreement. Should any discrepancy exist between the terms of the Agreement and verbal representations made to an Associate by any Company employee or another Associate, the express written terms and requirements of the Agreement will prevail.

## 56. FORCE MAJEURE

USANA will not be liable or responsible to the Associate, nor be deemed to have defaulted under or breached this agreement, for any failure or delay in fulfilling or performing any term of this Agreement, when and to the extent such failure or delay is caused by or results from acts beyond USANA's control, including, without limitation, the following force majeure events ("Force Majeure Event(s)"): (a) acts of God; (b) flood, fire, earthquake, tsunami, epidemics, pandemics [including the 2019 novel coronavirus pandemic (COVID-19), other disasters or catastrophe(s)]; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest; (d) government order or law; (e) actions, embargoes, or blockades in effect on or after the date of this Agreement; (f) action by any governmental authority; (g) national or regional emergency; (h) strikes, labour stoppages or slowdowns, or other industrial disturbances; (i) shortage of adequate power or transportation facilities; and (j) other events beyond the reasonable control of USANA.

## 57. SEVERANCE

If any provision of the Agreement as it currently exists or as may be amended is found to be invalid, illegal, or unenforceable for any reason, such provision shall be reformed only to the extent necessary to make it enforceable, and if it cannot be so reformed, only the invalid provision will be severed from the Agreement; the remaining terms and provisions will remain in full force and effect and will be construed as if such invalid, illegal, or unenforceable provision never comprised a part of the Agreement.

## 58. SURVIVAL

The provisions of this Agreement set forth in Sections 20, 32, 24, 50, 51, 52, 65 and any remedies for the breach thereof, shall survive the termination or expiration of the Agreement.

## 59. WAIVER

No failure on the part of USANA to exercise, and no delay in exercising, any right or remedy under the Agreement will operate as a waiver therefore; nor will any single or partial waiver of a breach of any provision of the Agreement operate or be construed as a waiver of any subsequent breach; nor will any single or partial exercise of any right or remedy of the Agreement preclude any other or further exercise thereof or the exercise of any other right or remedy granted hereby or by law. Only in rare circumstances will a policy be waived, and such waiver must be in writing and signed by an authorized officer of USANA. The waiver will apply only to that specific case.

## 60. NO RELIANCE

Associates should seek their own professional advice (legal, financial, tax, etc.) pertaining to their Business; USANA does not provide professional advice to Associates.

## 61. HEADINGS

The headings to these Terms & Policies are for reference purposes only and shall not be given substantive effect.

## 62. TRANSLATIONS

In the event that any discrepancies exist between the English version of the Terms & Policies and Agreement and any translation thereof, the English version will be controlling.

## 63. CAPITALIZED TERMS

All capitalized terms used herein and not otherwise defined in these Terms & Policies will have the meanings set forth in the Compensation Plan.

## 64. PERSONAL DATA AND RIGHT OF PRIVACY

USANA will process the Associate's personal data in accordance with our Privacy Policy (available at [USANA.com](https://www.usana.com)). The privacy policy contains the details of our processing rules and your data subject rights. If you do not agree to the terms of our Privacy Policy, please do not accept the current USANA Associate Terms & Policies.

## 65. DISPUTE RESOLUTION AGREEMENT

All disputes arising out of or in connection with this Agreement, or in respect of any legal relationship associated with or derived from this Agreement, will be finally resolved by arbitration under the Arbitration Rules of the ADR Institute of Canada (the "ADRIC Rules"), except as modified or varied below. The parties may mutually agree in writing to different or modified

arbitration rules. This provision includes any disputes and claims involving USANA, USANA affiliates and all of their respective shareholders, officers, directors, employees, Associates, contractors, representatives, and agents, as well as USANA's Compensation Plan and Products. This agreement to arbitrate survives any termination or expiration of the Associate Agreement. The parties specifically waive any right to participate in any class action or representative action in respect of any dispute that must be arbitrated.

The arbitration shall take place in Toronto, Ontario. The law of Ontario will be applicable to the arbitration.

The arbitrator's decision shall be final and not subject to appeal unless any damages awarded are greater than US \$2 million, in which case the parties shall have the rights of appeal set out in the *Arbitration Act*, 1991, or any successor legislation.

For claims of US \$1 million or less, there shall be one arbitrator, either mutually agreed to by the parties within two weeks of notice to arbitrate being served, or appointed pursuant to the ADRIC Rules. For claims greater than US \$1 million, there shall be a panel of three arbitrators. Each party shall select one arbitrator and mutually agree on the third arbitrator within two weeks of the notice to arbitrate being served. If the parties cannot agree on the third arbitrator, the two arbitrators selected by the parties shall appoint the third arbitrator. The costs of the arbitrator(s) shall be shared equally by the parties.

The arbitrator or arbitrators will have no authority to award punitive damages, indirect damages, consequential damages, special damages, or any other damages or civil penalties not measured by a party's actual damages and may not make any ruling, finding, or award that does not conform to the provisions of the Terms & Policies or the Associate Agreement. Each party to the arbitration shall be responsible for their own costs and expenses of the arbitration, including, without limitation, legal, expert, and disbursement expenses.

Any arbitration proceeding under this agreement must be commenced no later than one year after the dispute arose. Failure to commence an arbitration proceeding in a timely manner constitutes an absolute bar to the commencement of an arbitration proceeding with respect to the dispute and a waiver of the dispute. Within two (2) weeks of the appointment of the arbitrator or arbitrators, the parties shall agree on a schedule for all steps in the arbitration, including the hearing date(s) or, failing agreement, the arbitrator or arbitrators will order a schedule.

While the arbitration is ongoing, there shall be no interlocutory motions, appeals, or other proceedings to any court. However, nothing in this Agreement shall prevent USANA from bringing proceedings in the Ontario Superior Court of Justice, in Toronto, for interim or interlocutory orders, or other relief, to safeguard and protect USANA's interests prior to, during, or following any arbitration.

The parties agree that the arbitration, and all materials associated with the arbitration, including all evidence and any awards (the "arbitration materials"), will be confidential. The parties agree to protect the confidentiality of any arbitration materials filed in connection with any court proceeding and will use their best efforts to file in court any arbitration materials under seal, as well as agreeing to an appropriate protective order encompassing the confidentiality terms of the Associate Agreement.

Associates who do not want to be subject to this arbitration provision may opt out by notifying the Company in writing of their desire to opt out of this arbitration provision within thirty (30) days of the Associate's execution of the Associate Agreement. The notice must clearly state the Associate's name and desire to opt out of this arbitration provision. Notice shall be provided by email to [ArbitrationOptOut@USANAinc.com](mailto:ArbitrationOptOut@USANAinc.com) or by sending a letter signed and dated by the Associate to:

USANA Health Sciences, Inc.  
3838 West Parkway Boulevard  
Salt Lake City, Utah 84120  
Attn: General Counsel

Jurisdiction and venue of any dispute not subject to arbitration shall be the Ontario Superior Court of Justice in Toronto or the Small Claims Court, Ontario Court of Justice, in Toronto. Ontario law shall apply to any dispute.

## 66. DEFINITIONS

**Affiliate:** An independent contractor authorized by the Company under the Agreement to purchase, Promote, and resell Products to Customers and participate in the Company's Affiliate Commission Plan. An Affiliate's relationship to the Company is governed by the Agreement.

**Agreement (or "Associate Agreement"):** The legally binding contract between the Company and the Associate consisting of the Associate Application, the Terms & Policies, and the Compensation Plan.

**Application (or "Associate Application"):** The form completed and signed by a person who wishes to enter into an Associate Agreement with the Company.

**Associate:** An independent contractor authorized by the Company under the Agreement to purchase and re-sell Products, recruit other Associates, and participate in the Company's Compensation Plan. An Associate's relationship to the Company is governed by the Agreement. For purposes of enforcing and/or interpreting the terms of these Terms & Policies, the term "Associate" shall be interpreted to include any corporation, partnership, or DBA associated with the Associate.

**Auto Order Price:** Ten (10) per cent less than the Preferred Price.

**Business:** The account created when either an individual or a business entity enters into a contractual relationship with the Company.

**Business Activity:** Any training, promotion of Product or the Business Opportunity, and/or Recruiting.

**Business Centre:** The centre of an Associate's business-building activity, through which Product is purchased and Sales Volume is accumulated.

**Business Opportunity:** Activities determined by the Company to be a promotion of the Company's Products or Compensation Plan.

**Compensation Plan:** The specific plan utilized by the Company that outlines the details and requirements of the compensation structure for Associates.

**Competing Direct Sales Company:** A Direct Sales company, including a company in any state of formation, including conceptual, that sells or intends to sell nutritional supplements, food and energy products, skincare products, or any other health and wellness products similar to or competing with the Products.

**Confidential Information:** Information pertaining to USANA's business that may be provided or made available to Associates, whether in writing, electronically, orally, or in any other form, that is confidential, proprietary, and/or not generally available to the public, including, but not limited to, USANA's trade secrets, intellectual property, identity and contact information of Associates and Customers, and data included in Genealogy Reports or other nonpublic reports.

**Crossline Organization:** Associates who are not directly above or below a particular Associate in his/her Placement line of Sponsorship.

**Customer:** A person who purchases Product for the purpose of personal use and who does not intend to re-sell Product to any third party.

**Direct Sales:** Direct selling, network marketing, or multi-level marketing ventures.

**Direct Sales Company:** A company that sells products or services directly to consumers through an independent sales force, in a non-retail environment.

**Domestic Partner:** An unrelated and unmarried person who shares common living quarters with an Associate and lives in a committed, intimate relationship that is not legally defined as marriage by the province in which the partners reside.

**Downline:** All Associates located beneath a particular Associate in a line of sponsorship.

**Enrollment (Enroll):** The act of contracting with the Company to operate an independent Business.

**Four-Week Rolling Period:** A rolling block of four consecutive pay periods (four Fridays).

**Genealogy Report:** A report generated by the Company that provides proprietary data relating to the identities and sales information of an Associate's Team.

**Group Volume:** The commissionable volume from Product sales generated by an Associate's Team.

**The Hub:** USANA's back office software.

**Official USANA Material:** Advertising and informational material the Company provides regarding Products and the Business Opportunity.

**Placement:** The positioning of an Associate in his/her Sponsor's Downline.

**Preferred Customer:** An individual who purchases Products for personal consumption directly from USANA at a discounted price. Preferred Customers are not authorized to re-sell product, and do not participate in the Compensation Plan.

**Products:** The products Associates are authorized to market and sell under the Agreement.

**Related Parties:** Any of USANA's officers, directors, owners, employees, agents, or affiliated entities. Related Parties are intended third-party beneficiaries of the Agreement for purposes of the Agreement referring specifically to them, including, but not limited to, the Dispute Resolution Agreement in Section 65.

**Sales Tools:** Company-created material, of any kind, for the purpose of Product sales, recruitment, or training of Associates.

**Sales Volume:** The points generated from Product sales by an Associate.

**Sponsor:** The Associate who brings another Associate or Affiliate into the USANA Opportunity.

**Team:** An Associate's Team consists of all Preferred Customers and Associates below him/her in the sales organization.

**Typical Participant Compensation:** The compensation of the typical participant is defined as being representative of the compensation level containing the majority of participants. A typical participant is representative of the smallest range of compensation earned by over fifty (50) per cent of the participants in the Compensation Plan.

**Upline:** The direct line of Associates placed in the sales organization above an Associate.

**USANA or Company:** USANA Canada.

**Welcome Kit:** A selection of Company training materials and business support literature that each new Associate purchases. The Welcome Kit is sold to Associates at cost, is non-commissionable, and is the only required purchase to become an Associate.





[USANA.com](https://www.usana.com)

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USA

Effective Date: August 1, 2024  
CCR-022115 en CA 05/24