

# Canada

## Brand Partner Terms & Policies

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# TERMS & POLICIES

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## 1. APPLYING TO BECOME A BRAND PARTNER

An individual may apply to become a Brand Partner by completing the following steps:

- Complete, sign, and return an online or hardcopy Brand Partner Agreement to the Company;
- 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 Brand Partner's residence; and
- Brand Partners are required to provide proof of identity upon request.

All information on how to complete a Brand Partner Agreement can be received from the applicant's Sponsor. Applicants are not required to purchase any Products or materials to become a Brand Partner. Welcome Kits are available for purchase but are not required.

## 2. MINIMUM AGE

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

## 3. ETHICS CERTIFICATION REQUIRED

Brand Partners must complete USANA's Ethics in Action Certification within thirty (30) days of submitting a Brand Partner Application. After the thirty (30) -day grace period, a Brand Partner 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 Brand Partner must agree to the terms of the Agreement. If a Brand Partner has not agreed to the terms of the Brand Partner Agreement by the end of the thirty (30) -day temporary enrollment period, the Brand Partner's account will be placed on hold and may be terminated.

## 5. BRAND PARTNER RIGHTS AND PRIVILEGES

The Agreement grants Brand Partners the following rights and privileges:

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

Company for the Products and the price at which the Brand Partner sold the Products to Customers;

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

A Brand Partner'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

Brand Partners are independent contractors. The Brand Partner 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 Brand Partner. Brand Partners 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. Brand Partners 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 Brand Partner may be liable at law in respect of any payments received from the Company and/or Customers. Brand Partners will not be treated as employees for any reason.

Brand Partners shall establish their own goals, hours, place of business, and methods of sale, so long as they comply with the Agreement. Brand Partners are solely responsible for all decisions made and all costs incurred with respect to their activities under the Agreement. All Brand Partners assume every entrepreneurial and business risk in connection with the Agreement. Brand Partners 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. Brand Partners will be required to comply with Federal, Provincial, Territorial, and Municipal requirements for reporting any income they earn operating their business to the Canada Revenue Agency.

## 7. TERMINATION BY BRAND PARTNER

A Brand Partner may voluntarily terminate his/her Agreement in the following ways:

- **Written Notice.** A Brand Partner 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, Brand Partners 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

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

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

## 9. BRAND PARTNER-CREATED MATERIAL

Brand Partners 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 Brand Partner by visibly adding USANA's Independent Brand Partner logo to the material. The Independent Brand Partner logo is available for download from The Hub. Brand Partners must not use any official USANA corporate logo on their personal advertising or training materials;

- Includes the current Typical Earnings Disclosure ("TED") statement, when applicable;
- 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 Brand Partners for a profit; and
- Is only promoted within the Brand Partner's own Upline and Team.

To ensure full compliance with USANA's advertising policy, Brand Partners 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 Brand Partners to produce advertising material. Violations will result in appropriate action including possible suspension or termination of the Agreement. Brand Partners 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 a Brand Partner 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

Brand Partners 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. Brand Partners must not expand, extend, or exaggerate such authorized claims. Prohibited claims by Brand Partners shall render USANA's Products' liability insurance unavailable to the Brand Partner.

Brand Partners 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 OR LIFESTYLE REPRESENTATIONS

When presenting or discussing the USANA opportunity or Compensation Plan, Brand Partners may not make income or lifestyle claims, representations, or testimonials ("Income Claims" or "Lifestyle Claims") that are deceptive and that are not accompanied by the TED.

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 Brand Partners may earn residual or unlimited income or otherwise replace their income;
- Claims that Brand Partners 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 Brand Partners.

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

- Any Income or Lifestyle Claim must be accompanied by the TED, which can be found at [USANAincome.com](http://USANAincome.com);
- Any representations about compensation received by non-typical participants should not be made in a way that detracts from the representations regarding typical participants;
- Brand Partners 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
- Brand Partners may not alter or verbally embellish the TED disclosure statement in any way, including, but not limited to, adding any text.

Brand Partners may not make deceptive "lifestyle" Income Claims ("Lifestyle Claims"). A Lifestyle Claim is a statement or depiction that implies or states that a Brand Partner can achieve non-typical results. Lifestyle Claims must also be accompanied by the TED. 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 Brand Partners.

Additionally, Brand Partners 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, Brand Partners must make it clear to prospects that financial success in USANA requires selling USANA products, commitment, effort, financial investment, and sales skill. A Brand Partner must never represent that one can be successful without diligently applying themselves or that earnings are guaranteed.

## 12. SOCIAL MEDIA

Brand Partners 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

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

## 14. EMAIL, TEXT MESSAGES, AND OTHER DIRECT MARKETING COMMUNICATIONS

Brand Partners must comply with all applicable laws and regulations applicable to telephone calls, text messages, emails, faxes, and other written or electronic communications. This obligation includes obtaining the appropriate consent required under applicable law to contact customers directly. The Brand Partner must make it clear that the Brand Partner, not the Company, is the sender of the communication. Brand Partners should also provide recipients an opportunity to opt-out of receiving marketing communications from the Brand Partner and ensure they have a process in place to honour opt out requests. Brand Partners are responsible for determining their legal obligations for any method of contact and are encouraged to consult their own legal advisor with questions.

This section sets out requirements for the Brand Partner's use of email, text, and other commercial electronic messages. The requirements of this section apply to any messages that encourage participation in commercial activity, and regardless of whether the message is sent to one recipient or more than one recipient (e.g. a 'mass' or 'group' message). It also applies to messages sent to other Brand Partners, unless such messages strictly relate to the activities of the Company.



Canada has strict laws regulating the sending of commercial emails, text messages, and other commercial electronic messages that are sent to electronic addresses. The Company does not permit Brand Partners to send unsolicited commercial emails, text messages, or SMS, or other commercial electronic messages unless such messages strictly comply with all applicable laws and regulations including, without limitation, the federal CASL. CASL is strict anti-spam legislation, and Brand Partners are required to be familiar with and comply with all of its requirements.

CASL requires the consent of the recipient to send commercial electronic messages, and has strict requirements for how you obtain consent before you send a commercial electronic message. We describe such messages in this section as “commercial electronic messages”, but you must understand they include any commercial messages sent to an “electronic address” (this includes email, SMS, and text messages).

Brand Partners must not send commercial electronic messages, other than: (a) to any person with that person’s prior express consent, that meets the requirements under CASL and this section; or (b) to any person with whom the Brand Partner has an established “existing business relationship” or “personal relationship”, as defined under CASL and this Section. In no cases may commercial electronic messages be sent to someone who has asked not to receive them.

Not complying with CASL can result in regulatory enforcement actions, which include severe financial penalties—potentially up to CA \$10,000,000. It is also a breach of your Brand Partner Agreement. Brand Partners will be held fully responsible for their awareness of and compliance with all laws and regulations applicable to commercial electronic messages, including CASL.

As a Brand Partner, you must retain records to demonstrate your compliance with the requirements of these laws and regulations and this section. This includes keeping records of the consents you have obtained, the messages you have sent, the recipients of those messages, any unsubscribe requests you have received, the implementation of those requests, and the dates of each of these. Brand Partners must provide these records evidencing such compliance to Company upon request.

### **Consent**

CASL creates very specific consent requirements. To obtain express consent, you must use a positive opt-in consent. This means the person you want to send messages to must take a positive action to agree to receive those messages (they cannot be automatically opted in or asked to opt out). For example, express consent may be obtained by providing a consent box the individual may choose to click, or physically check to provide consent. Pre-ticked consent boxes are not allowed.

A request for express consent to send commercial electronic messages must state:

- a. That the person is agreeing to receive commercial electronic messages relating to USANA, its products, or the USANA Business Opportunity,
- b. That the person is agreeing to receive commercial electronic messages from you, and from USANA Canada Co.;
- c. Your name;
- d. That you are asking for consent on behalf of yourself, and USANA Canada Co.;
- e. Your mailing address;
- f. Either a telephone number, email, or web address, you use as a Brand Partner; and
- g. A statement consent can be withdrawn.

You may only provide an email address to USANA if you have obtained express consent in compliance with this section and with CASL. You must provide proof that you have obtained consent in accordance with these requirements for any email address you provide to USANA.

You may only send commercial electronic messages on the basis of your established business or personal relationship with the recipient where you have an “existing business relationship” or “personal relationship” with the message recipient, defined as follows:

- a. “Existing business relationship” means where the recipient has made an inquiry or application to you regarding a potential purchase of USANA products or regarding the USANA Business Opportunity in the prior six (6) months, or has made a purchase of USANA products directly from you as a Brand Partner in the prior two (2) years.
- b. “Personal relationship” means a relationship between you and the message recipient, if you have had direct, voluntary, two-way communications and it would be reasonable to conclude you have a personal relationship with that individual considering any relevant factors such as shared interests, experiences, opinions and the information in your communications, the frequency of communications, the length of time since you have communicated, and whether you have met in person.

As a Brand Partner, you must obtain consent in a manner that allows you to prove you have it. You must keep records of all consents, including when and where they were obtained, and the consent language used. You must provide such records and evidence to USANA on request.

CASL does not prohibit replying to a question when someone emails one to you. However, you cannot then use that contact information for marketing except in accordance with the law and the requirements of this section.

## **Content that must be in Commercial Electronic Messages**

Any commercial electronic message you send as a Brand Partner that promotes USANA, the USANA Business Opportunity, or USANA products, must comply with the following:

- a. There must be a functioning return email address to you as the sender.
- b. The Brand Partner must make it clear that the Brand Partner, not the Company, is the sender of the communication.
- c. 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 by you (a functioning “opt-out” notice).
- d. The email must include your name and physical mailing address.
- e. The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
- f. The use of deceptive subject lines or message content and/or false header information is prohibited.
- g. All opt-out requests, whether received by email or regular mail, must be honoured. If you receive an opt-out request, you must forward the opt-out request to USANA.

USANA may periodically send commercial electronic messages on behalf of Brand Partners. By entering into the Agreement, you agree that Brand Partners may send such messages and that your name and physical and email addresses will be included in such emails as outlined above. You shall honour opt-out requests generated as a result of such emails sent by USANA, as well as any other withdrawals of consent provided to you by USANA.

For clarity, in each commercial electronic message they send, Brand Partners must also provide recipients an opportunity to opt-out of receiving future marketing communications from the Brand Partner and ensure they have a process in place to honour opt-out requests. Such requests must be honoured in no more than 10 business days.

Brand Partners who wish to send emails or other communications to recipients outside of Canada in an authorized country in which the Company conducts business, must comply with the applicable laws and regulations of that country. USANA encourages its Brand Partners to consult with their own legal advisor if they have any questions.

### **Messages to Other Brand Partners**

The following disclaimer shall be prominently positioned in all communications to other Brand Partners that promote any particular building method:

- a. “There are many methods and techniques that can be used to successfully build your USANA business. The building method promoted [in/at] this [website/

webinar/email/meeting] may be different from that which is taught by your Upline. Please consult with your Upline if they have taught you a different building method or if you have any questions.”

Brand Partner acknowledges that allowing the Brand Partner to create databases of Brand Partner information for use in association with their USANA business, the sale of tools, and for any other purposes, constitutes the use of USANA Confidential Information, which information is USANA's trade secret(s), and such use can be a substantial financial benefit to the Brand Partner. Brand Partner acknowledges that he or she is subject to the Cross-Company, Cross-Sponsoring, and Cross-Line Recruiting obligations. This Section shall survive any termination of the Brand Partner Agreement.

## **15. MEDIA PROMOTION**

Brand Partners 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 a Brand Partner 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, logos, patents, copyrights, and trade secrets of USANA or related entities (collectively “Intellectual Property”). Unless otherwise communicated by the Company, Brand Partners 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. Brand Partners may not use any Intellectual Property for any other purpose. Each Brand Partner's limited license to use Intellectual Property concludes immediately upon the termination (for any reason, whether termination is voluntary or involuntary) of the Brand Partner's Business. Upon the termination of the limited license, the former Brand Partner 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, Brand Partners 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



Brand Partner is independent;

- Record or reproduce audio or visual materials from any USANA corporate function or presentation by any USANA representative, employee, or other Brand Partners; or
- Publish, or cause to be published, in any written or electronic media, the name, photograph or likeness, copyrighted materials, or property of individuals Brand partnered with USANA, without express written authorization from the individual and/or USANA.

Brand Partners are allowed to use USANA in their social media username or profile name if the Brand Partner:

- Includes their name or business name as it is on file with USANA, and;
- Clearly identifies themselves as an Independent Brand Partner 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 BRAND PARTNER NAME, LIKENESS, AND IMAGE

Brand Partners grant USANA a perpetual and irrevocable license to use the Brand Partner's name, testimonial, picture, photograph, image, video and/or audio recording, as well as any other likeness of the Brand Partner in USANA's promotional material. **Brand Partners 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, Brand Partners 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. Brand Partners 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

Brand Partners may sell Products via online sources such as a social media site or website under control of the Brand Partner. To protect USANA's brand integrity and other Brand Partners' 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 a Brand Partner sells Products through his/her social media site(s), the sales points generated through the site(s) must be assigned to one of the Business Centres operated by the Brand Partner whose social media site generated the sale; the sales points may not be assigned to a Business Centre of any other Brand Partner, nor may sales points from a single order be spread among multiple Business Centres held by the Brand Partner.

## 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, a Brand Partner may not Promote products or Recruit any Brand Partners 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 Brand Partner, Affiliate, or Preferred Customer and USANA, or any promotion that may be foreseen to draw an inquiry from any other Brand Partners, Affiliates, or Customers about any Competing Direct Sales Company. Such conduct constitutes improper solicitation even if the Brand Partner's actions are in response to an inquiry made by another Brand Partner, 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 Brand Partner, Affiliate, or Customer (regardless of whether you know that the person is a current USANA Brand Partner, 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 Brand Partners.

Brand Partners 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. Brand Partners 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.

Brand Partners 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. Brand Partners 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 Brand Partners 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 Brand Partner 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 Brand Partner from earning a living.

## 21. COMPETING PRODUCTS AND NON-SOLICITATION

Brand Partners 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. Brand Partners also shall not state that non-USANA products or opportunities are recommended, encouraged, or essential to achieving success in USANA. Brand Partners shall not specifically target or approach Brand Partners 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 a Brand Partner 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.

- Brand Partners may not demean, discredit, or invalidate other Brand Partners or Affiliates in an attempt to entice another Brand Partner or Affiliate to become part of the first Brand Partner's Team.
- Brand Partners must not promise more success in their own Team over another.
- If a Brand Partner is approached by, or approaches a crossline Brand Partner or Affiliate, he/she must direct and encourage the Brand Partner or Affiliate back to his/her original Upline.
- Where a prospective Brand Partner, Affiliate, or Preferred Customer accompanies a Brand Partner to a USANA meeting or function, no other USANA Brand Partner may Recruit the prospect to Enroll

in USANA for a period of fourteen (14) days or unless and until the Brand Partner who brought the prospect to the function advises the other Brand Partner that the prospect has elected not to Enroll in USANA and that the Brand Partner 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 Brand Partners' Businesses and to USANA's business.

## 23. NON-DISPARAGEMENT

Brand Partners must not disparage, ridicule, discredit, mock, demean, denounce, or act in an unfair manner toward USANA, other Brand Partners 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 a Brand Partner 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 Brand Partners have waived any right to monetary relief, or otherwise complying with Brand Partners' obligations to provide truthful testimony or information as required by a court or by statute.

## 24. ONE BUSINESS PER BRAND PARTNER

A Brand Partner 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, a Brand Partner's spouse may also Enroll as a Brand Partner and operate a second Business as long as the spouse's Business is placed below one of the Brand Partner's Business Centres and not in a Crossline Organization (unless the Brand Partner had operated their business for a reasonable period of time prior to their marriage to another Brand Partner or inherited the Business prior to their marriage to another Brand Partner). The spouse's business must be a bona fide independent business that is operated by the spouse.

## 25. CO-APPLICANTS

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

- Meet the Brand Partner 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 Brand Partner 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.

A Brand Partner 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 Brand Partner (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

A Brand Partner (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 a Brand Partner currently in violation of the Agreement or under investigation;
- To any individual or entity that is a current Brand Partner 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 Brand Partners 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 Brand Partners 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 Brand Partner 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 Brand Partner. 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 Brand Partner(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 Brand Partner if any of the following occurs:

- The Brand Partner and/or the Brand Partner's Business becomes or is declared insolvent or bankrupt;
- The Brand Partner and/or the Brand Partner'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 Brand Partner and/or the Brand Partner'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 a Brand Partner has been fraudulently or unethically induced into joining USANA;
- Where an incorrect Placement and/or Sponsor was made due to a Brand Partner 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 a Brand Partner's Business is inactive for six (6) consecutive months the Brand Partner 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 Brand Partner's Business Centres.

If a Brand Partner terminates his/her Business in writing, the Brand Partner may rejoin under the Sponsor of his/her choice after completing a waiting period of six (6) consecutive months, during which time the former Brand Partner may not engage in any USANA Business Activity either for himself/herself or indirectly for another Brand Partner. Brand Partners 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 Brand Partner has the ultimate right to choose his/her own Sponsor. As a general rule, the first Brand Partner who does meaningful work with a

prospective Brand Partner is considered to have first claim to Sponsorship. In the event that a prospective Brand Partner, or any Brand Partner on behalf of a prospective Brand Partner, submits more than one Brand Partner Agreement to USANA listing a different Sponsor on each, the Company will consider valid the first Brand Partner Agreement that it receives, accepts, and processes. If there is any question concerning the Sponsorship of a Brand Partner, 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 a Brand Partner or any Brand Partner 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 Brand Partners 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. A Brand Partner 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 Brand Partner or Preferred Customer applications within one business day.

Brand Partners 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 Brand Partner 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 Brand Partner.



### 32. AUTHORIZED SALES

Brand Partners are only permitted to sell Products to Customers, as defined herein. Brand Partners may not sell or transfer Products to any person or entity the Brand Partner knows or has reason to know intends to re-sell the Products. Brand Partners 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, BRAND PARTNERED ENTITIES, OR THIRD PARTIES

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

### 34. INTERNATIONAL BUSINESS

Brand Partners may sell and promote Products, the USANA opportunity, and services or Recruit or Enroll any prospective Brand Partner, Affiliate, or Customer only in countries in which USANA is approved for business, as announced in official USANA communications. If a Brand Partner desires to conduct business in an authorized country other than the one in which the Brand Partner is enrolled and a resident, the Brand Partner 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. BABYWARE

Notwithstanding the International Business Policy, only Chinese nationals registered with BabyCare as a BabyCare Brand Partner may do business in Mainland China. Brand Partners 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. Brand Partners may not send any USANA Products to China.

### 36. COMPLIANCE WITH THE LAW

Brand Partners must obey all federal, provincial, territorial, and municipal laws, regulations, and bylaws as applicable to a Brand Partner's Business.

### 37. PRODUCT CARE AND QUALITY CONTROL REQUIREMENTS

Brand Partners 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 Brand Partner and may subject the Brand Partner to severe civil and criminal penalties. Promptly upon receipt of Products, Brand Partners 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. Brand Partners must also inspect inventory regularly for expired or soon-to-be expired Products and remove those Products from inventory. Brand Partners 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. Brand Partners must also cooperate with USANA with respect to any Product recall or other consumer safety information dissemination effort.

### 38. RETAIL SALES RECEIPT

Brand Partners are required to furnish retail Customers with a digital receipt or two (2) hardcopies of the official USANA Retail Sales Receipt. Brand Partners 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 group sales points attributable to the returned/charged back Product from the Upline Brand Partner's sales points after a refund/chargeback is processed.

USANA pays commissions weekly. A Brand Partner 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 Brand Partner.

No monies should be paid to or accepted by Brand Partners 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 a Brand Partner after USANA's unsuccessful attempts to locate the Brand Partner, will be subject to USANA's Unclaimed Commissions policy.



## 40. SALES TAX

USANA will collect and remit sales taxes on behalf of Brand Partners 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 Brand Partners by common carrier. If USANA ships Products by common carrier, Brand Partners 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 Brand Partner'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 Brand Partners at that time.

## 42. RETURN POLICY

*Satisfaction Guarantee:* USANA offers a money-back satisfaction guarantee on all Products and Sales Tools. 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.

Brand Partners must honour this money-back guarantee to their personal retail Customers. If, for any reason, a Brand Partner's retail Customer is dissatisfied with any USANA Product purchased from the Brand Partner, such retail Customer may return the Product to the Brand Partner from whom the Product was purchased. If the retail Customer requests a refund, the Brand Partner 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 Brand Partner who sold it to them; USANA will not accept returned Product directly from retail Customers. The Brand Partner 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 Brand Partners 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 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 Brand Partner 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 Brand Partners 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 a Brand Partner is abusing the Satisfaction Guarantee, the Brand Partner will be refunded according to the Return policy, and the Brand Partner's Business may be terminated.

## 45. TERM AND RENEWAL OF A USANA BUSINESS

The term of a Brand Partner Agreement is one year (subject to prior termination pursuant to these Terms & Policies). USANA will automatically renew the Brand Partner's Business on the anniversary date of the Brand Partner's application.

## 46. INVESTIGATION AND NOTICE OF POLICY VIOLATIONS

If USANA believes, or has reason to believe, that a Brand Partner 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 Brand Partner's Agreement, the Ethics & Education Department will notify the Brand Partner of its conclusion(s). Any written notices may be issued in any commercially reasonable means including, but not limited to, email sent to the Brand Partner'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 a Brand Partner that the Company reasonably believes may damage its reputation or goodwill, may result in suspension or termination of a Brand Partner's Business, and/or any other appropriate

action to address the misconduct.

#### 48. APPEAL PROCESS

A Brand Partner or former Brand Partner may appeal to the USANA Ethics Appeals Committee. The Brand Partner's appeal must be in writing and must be received by the Ethics & Education Department. If the Brand Partner 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 Brand Partner of its decision. This decision of the Ethics Appeals Committee will be final. Prior to bringing any dispute resolution proceeding, Brand Partners must fully exhaust the USANA appeal process.

#### 49. EFFECT OF TERMINATION

Following the effective date of a Brand Partner's termination of his/her Business for any reason, the former Brand Partner will have no right, title, claim, or interest to his/her former Business, to the Team which the former Brand Partner operated, or any bonus and/or commission from the sales generated by his/her former Team. Following Brand Partner's termination for any reason, the former Brand Partner will not represent him/herself as a USANA Brand Partner, 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. A Brand Partner who voluntarily cancels his/her Agreement will receive commissions and bonuses only for the last full calendar week prior to his/her termination.

A Brand Partner 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 Brand Partner is not entitled to receive those monies regardless of whether the termination was voluntary or involuntary. The Brand Partner has no other right to receive commissions or bonuses following termination.

If a Brand Partner wishes to re-enroll with USANA after being involuntarily terminated as a result of an ethics investigation, that Brand Partner 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 Brand Partners, Affiliates, and/or Customers maintained by USANA and all trade secret information that may come into the possession of a Brand Partner or the data included in Genealogy Reports. A Brand Partner 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, a Brand Partner will not, on the Brand Partner'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 Brand Partner's Business.

This provision will survive the termination or expiration of the Brand Partner Agreement.

#### 51. INDEMNIFICATION

The Brand Partner 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 Brand Partner 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 Brand Partner's email address on file. Except as otherwise provided in the Dispute Resolution Agreement contained in Section 65, Brand Partners 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. A Brand Partner may opt out of any proposed amendments by terminating his or her Agreement prior to the effective date of such proposed amendments. A Brand Partner'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 a Brand Partner, Amendments shall not be retroactive to conduct that occurred prior to the effective date of the amendment.

#### 53. ASSUMPTION OF RISK

A Brand Partner 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 a Brand Partner 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 Brand Partner in his/her second line of Sponsorship. Brand Partners 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 a Brand Partner who has improperly changed his/her Sponsor.

## 55. INTEGRATED AGREEMENT

The Agreement is the final expression of the understanding and agreement between Brand Partners 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 a Brand Partner by any Company employee or another Brand Partner, the express written terms and requirements of the Agreement will prevail.

## 56. FORCE MAJEURE

USANA will not be liable or responsible to the Brand Partner, 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

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

## 61. HEADINGS

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

## 62. TRANSLATIONS

Where permitted by applicable laws, 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.

For Quebec Brand Partners, the Parties acknowledge that the French version of this Agreement was initially presented, but they have chosen to proceed with the English version. The Parties Confirm that it is their wish that this Agreement, as well as all other documents relating to this Agreement, including notices, be drawn up in English only.

## 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 Brand Partner's personal data in accordance with our Privacy Policy

[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 Brand Partner Terms & Policies.

## 65. DISPUTE RESOLUTION AGREEMENT

All disputes arising out of or in connection with this Agreement, or in respect of any legal relationship Brand Partnered 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, Brand Partners, contractors, representatives, and agents, as well as USANA's Compensation Plan and Products. This agreement to arbitrate survives any termination or expiration of the Brand Partner 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 the province or territory in which the Brand Partner resides.

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 applicable provincial or territorial arbitration 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.

Arbitration Procedures: Notwithstanding the ADRIC Rules, the following will apply to all arbitration actions:

- The Parties agree that time is of the essence.
- The arbitration will be conducted in English (with appropriate translators as may be necessary).
- The Parties will be allotted equal time to present their respective cases, including cross-examinations.
- The decision of the arbitrator(s) will be final and binding on the Parties and may, if necessary, be reduced to a judgment in a court of law. Any motion or action to confirm, vacate, modify, or otherwise enter judgment on the award shall comply with the provisions herein. Further, to the fullest extent allowed by law, any Party seeking to enforce an award of an arbitrator(s) shall submit

the award under seal to maintain protections of Confidential Information, and the Parties hereby agree and consent to the filing of such a submission, motion, or order under seal.

- The arbitrator(s) will have no authority to award punitive damages, except where an applicable law or statute expressly require otherwise.
- The arbitrator's award will consist of a written statement stating the disposition of each claim. The award will also provide a concise written statement of the essential findings and conclusions on which the award is based.
- The arbitration shall be brought on an individual basis and not as part of a class or consolidated action.
- The parties specifically waive their rights to trial by jury or by any court except as expressly provided herein.
- The arbitrator(s) shall have complete discretion over the discovery and production process except that the ADR Chambers may not administer any multiple claimant or class arbitration. In this regard, the parties specifically agree that they may bring disputes against the other party only in an individual capacity and not as a class member in any purported class or representative proceeding, including, without limitation, any class action or class arbitration. The arbitrator(s) shall not combine or consolidate more than one party's claim without the written consent of all affected parties to an arbitration proceeding. The ADR Chambers may not administer any multiple claimant or class arbitration as the parties specifically agree that the arbitration shall be limited to the resolution only of individual claims.

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 appropriate court, in Toronto, for interim or interlocutory orders, or other relief, to safeguard and protect USANA's interests prior to, during, or following any arbitration.

### Protection of Confidential Information:

- The Parties understand and agree that USANA has valuable trade secrets and Confidential Information, as defined in the Terms & Policies. The Parties agree to take all necessary steps to protect from public



disclosure such trade secrets and Confidential Information in any proceeding brought pursuant to this Individual Arbitration Agreement, Dispute Resolution Policy & Class Action Waiver.

- With the exception of discussing the claims with bona fide witnesses to the dispute, neither party shall verbally or in writing discuss, publish, or otherwise disseminate the claims, allegations, merits, evidence, positions, pleadings, testimony, rulings, awards, orders, issues, or any other aspect of the dispute to any third party, including, but not limited to, disclosure on the internet or on any social media or blog platform, prior to, during, or after any phase of the dispute resolution process unless a specific exemption contained in this dispute resolution provision applies. Without limiting the generality of the foregoing, the Parties shall not disclose to third parties:
  - i. The substance of, or basis for, the controversy, dispute, or claim;
  - ii. The substance or content of any settlement offer or settlement discussions or offers associated with the dispute;
  - iii. The pleadings, or the content of any pleadings, or exhibits thereto, filed in any arbitration proceeding;
  - iv. The content of any testimony or other evidence presented at an arbitration hearing or obtained through discovery in arbitration;
  - v. The terms or amount of any arbitration award or;
  - vi. The rulings of the arbitrator(s) on the procedural and/or substantive issues involved in the case.

Brand Partners 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 Brand Partner's execution of the Brand Partner Agreement. The notice must clearly state the Brand Partner'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 Brand Partner to:

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

**Governing Law and Jurisdiction:** Except as provided herein, and to the fullest extent permitted under applicable law, jurisdiction and venue of any other matter or Dispute not subject to arbitration shall reside exclusively in the Superior Court of the Province or Territory in which the Brand Partner resides to the exclusion of all other venues and forums and the Brand Partner hereby waives any and all objections to such venue, including personal jurisdiction and forum non-conveniens.

Except as provided herein, and to the fullest extent permitted under applicable law, this Agreement is to be construed in accordance with and governed by the

laws of the province or territory in which the Brand Partner resides, without regard to its choice of law or conflicts of law principles.

None of the provisions of this Agreement shall operate to prevent access to any applicable statutory complaint or investigation process.

**Class Action Waiver:** TO THE FULLEST EXTENT PERMITTED BY LAW, THE PARTIES (INCLUDING THE RELATED PARTIES) AGREE THAT EACH PARTY MAY BRING CLAIMS, COUNTERCLAIMS, AND DISPUTES AGAINST THE OTHER PARTY ONLY IN AN INDIVIDUAL CAPACITY AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS, REPRESENTATIVE, OR COLLECTIVE PROCEEDING.

**Damage Waiver:** In any action arising from or relating to the Agreement, the parties waive all claims for consequential, indirect, incidental, special, exemplary, punitive, or enhanced damages, or lost profits or revenues, arising out of, relating to, or in connection with any breach of the Agreement, regardless of (a) whether such damages were foreseeable, (b) whether or not the breaching party was advised of the possibility of such damages, or (c) the legal or equitable theory (contract, tort, warranty, or otherwise) upon which the claim is based. The parties further waive all claims to exemplary and punitive damages. Nothing in this provision or this Agreement shall restrict or limit a party's right to recover liquidated damages as set forth in this Agreement.

**Legal Fees and Costs:** Each party to a dispute shall bear its own legal fees and costs.

## 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 "Brand Partner Agreement"):** The legally binding contract between the Company and the Brand Partner consisting of the Brand Partner Application, the Terms & Policies, and the Compensation Plan.

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

**Brand Partner:** An independent contractor authorized by the Company under the Agreement to purchase and re-sell Products, recruit other Brand Partners, and participate in the Company's Compensation Plan. A Brand Partner'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 "Brand Partner" shall be interpreted to include any corporation, partnership, or DBA Brand Partnered with the Brand Partner.



**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 a Brand Partner's business-building activity, through which Product is purchased and sales points are 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 Brand Partners.

**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 Brand Partners, 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 Brand Partners and Customers, and data included in Genealogy Reports or other nonpublic reports.

**Crossline Organization:** Brand Partners who are not directly above or below a particular Brand Partner 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 a Brand Partner and lives in a committed, intimate relationship that is not legally defined as marriage by the province or territory in which the partners reside.

**Downline:** All Brand Partners located beneath a particular Brand Partner 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 a Brand Partner's Team.

**Group Sales Points:** The commissionable points from Product sales generated by a Brand Partner'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 a Brand Partner 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 Brand Partners 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 Brand Partners.

**Sales Points:** The points generated from Product sales by a Brand Partner.

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

**Subscribe & Save:** Ten (10) per cent less than the Preferred Price. Subscribe & Save is optional and can be paused, cancelled, or restarted at any time.

**Team:** A Brand Partner's Team consists of all Preferred Customers and Brand Partners below him/her in the sales organization.

**Upline:** The direct line of Brand Partners placed in the sales organization above a Brand Partner.

**USANA or Company:** USANA Canada.

**Welcome Kit:** A selection of Company training materials and business support literature that each new Brand Partner purchases. The Welcome Kit is sold to Brand Partners at cost and is non-commissionable. Welcome Kits are available for purchase but are not required.



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

USANA Canada Co.

80 Innovation Drive

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