

# SheerSense® Policies and Procedures Guide

SheerSense® Ltd is a direct sales company (the “Company”) that encourages and supports the use and retail selling of products through Independent Distributors (known as “Distributors”) throughout the United Kingdom, Republic of Ireland, The Channel Isles and Isle of Man (known as the Territory).

SheerSense® is a business built on the highest ethical standards, combining the best of the highest quality ingredients and a unique application system.

SheerSense® provides its Distributors with the opportunity to improve on looking fabulous and financial well-being while helping others to do likewise.

As a Distributor of SheerSense®, you are required to understand and agree to comply with the ethics, rules, regulations, policies, and procedures set forth in the SheerSense® Terms of Agreement and Terms and Conditions.

SheerSense® reserves the right to amend or revise the SheerSense® Terms and Conditions as it deems appropriate at any time by publishing amendments.

Such modifications will be published on the official website and any change which is to the detriment of Distributors will take effect no earlier than fourteen days after the date of such publication.

SheerSense® expects all Distributors to comply with all UK Law governing Marketing and Advertising and with other applicable laws.

It is your responsibility to comply with all laws and regulations.

If you have any questions regarding any policy, seek an answer from your Upline, or from the Compliance Department at the SheerSense® Team.

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## Section 1: Professional Ethics

SheerSense® requires that Distributors assume certain responsibilities toward both the Company and the customers. To ensure you have basic fair and ethical principles and practices to which SheerSense® Distributors must adhere in the conduct of their business.

Distributors shall:

1. Be honest and fair in all dealings as a Distributor for SheerSense®.
2. Be courteous and respectful to every person contacted via their SheerSense® Independent Distributorship business.
3. Perform all their professional activities in a way that enhances their reputation and the reputation of SheerSense®. This includes being the best version of you when you are promoting your business. We all like a day off and chill out in PJ's, but if you are out and about, remember you are your own marketing department.

Refrain, at all times from belittling the good name and reputation of SheerSense® and the other Distributors. This includes but is not limited to comments written or oral, and actions that might reflect negatively upon SheerSense® or other Distributors.

4. Fulfil their Upline responsibilities to including training and otherwise supporting the Distributors in their own business, as described in this handy guide.
5. Please do not engage in any deceptive, unlawful, or unethical customer recruiting practices.
6. Make no statements, promises, or testimonials which are likely to mislead customers or prospective Distributors. See the Trademarks, Literature and Advertising Section for more detail.
7. Make accurate and truthful offers of products and services with respect to price, grade, quality, make, value, performance, quantity, and availability.
8. Deliver a written/digital order or receipt to customer at time of sale which sets forth clearly all charges, terms of sale, and the name and address of the Distributor and a cancellation form.
9. Make no therapeutic or curative claims for products.
10. Make no claims for any SheerSense® products that are not contained in the official Company literature. See the Product Knowledge Section available in the Back Office for product terminology.
11. Make no false or misleading income representations to prospective Distributors.
12. Please do not use the inner workings or other "genealogical" printouts/screenshots of other direct marketing companies or otherwise use information held as proprietary by

other companies. Please concentrate on your products and your business.

13. Conduct their SheerSense® Distributorship business in such a way as to respect the products and professionalism of other companies, realising that SheerSense® is an exciting way of bringing a vast array of products and services to the marketplace. In this way, each Distributor will help promote the reputation of all reputable direct marketing companies and further the cause of personal independence and financial freedom for their Distributors.

SheerSense® will not abide activity that it considers unethical or unprofessional by its Distributors. SheerSense® will 'step in' when it seems such behaviour has been reported or is evident and reserves the right to use its sole judgment in deciding whether a particular Distributor has acted inappropriately, and to discipline such Distributor, including but not limited to termination of the Distributorship.

## Section 2: Distributor Status

### A. BECOMING AN INDEPENDENT DISTRIBUTOR

An applicant becomes an Independent Distributor of SheerSense® when the applicant pays the registration fee to SheerSense®, and the applicant's completed Distributor Application and Agreement has been received and accepted by the SheerSense® Team.

SheerSense® reserves the right to reject a Distributor Application and Agreement. This right may be exercised by SheerSense® in its absolute and unfettered discretion without reason or explanation. Upon such rejection SheerSense® will refund any registration fee paid by the applicant within 30 days.

### B. INDEPENDENT CONTRACTOR STATUS

Each Distributor is an independent contractor and, therefore, shall never be considered a representative, agent, employee, partner, joint venture, director, CEO or franchisee of SheerSense®. As an independent contractor, each Distributor is responsible for obtaining any permissions, insurances or tax regulations required by law. In addition, each Distributor is responsible for any and all expenses incurred in the operation of his or her Distributorship.

Distributors may not represent themselves in any manner as being a representative, agent, employee, partner, joint venture, director, CEO or franchisee of SheerSense®, nor may Distributors represent themselves as having any authority to bind SheerSense® to any obligation or contract.

All Distributors shall comply with all UK Law and responsibilities concerning the operation of their businesses. All Distributors are responsible for their own managerial decisions, working hours, methods of sale, and expenditures, including all estimated income and self-employment taxes.

### C. NO PURCHASE REQUIREMENT

No person is required to purchase any SeneGence product or service in order to become a Distributor.

### D. ANNUAL RENEWAL

The SheerSense® Distributorship is good for a term of one year. Each Distributorship will be renewed automatically unless otherwise notified by the Company or the Distributor.

### E. TERRITORIAL LIMITS – THIS IS VERY IMPORTANT – PLEASE READ

Distributors are authorised to sell SheerSense® products only in the country and/or The Territory in which they initially applied, which is the United Kingdom, Isle of Man, the Channel Isles and Republic of Ireland.

All Distributors may sponsor new Distributors in the United Kingdom, Isle of Man, Channel Isles, Republic of Ireland and in any other country or territory where SeneGence® may have officially opened up for said opportunity, regardless of in which country or territory his or her Distributorship is located.

There are no exclusive territories for marketing or recruiting purposes. No Distributor may sell SheerSense® products online or sponsor new Distributors to a country or territory which has not been officially opened for business by SheerSense®

No Distributor may purchase product in one country and ship it for sale or other distribution in another country, even if both countries have been officially opened for business by SheerSense®. Violations of territorial limits may result in immediate disciplinary action, including but not limited to termination of Distributorship.

#### F. LEGAL AGE

A Distributor shall be at least eighteen (18) years of age or the age of legal contractual capacity for the state or legal jurisdiction in which the applicant resides.

#### G. CORPORATIONS, PARTNERSHIPS, AND TRUSTS

Corporations, partnerships, and trusts may become Distributors for SheerSense® ONLY if the Distributor Application and Agreement is accompanied by copies of:

1. The Articles of Incorporation, Partnership Agreement, or trust documents as filed with the state;
2. A complete list of all directors, officers, and shareholders involved in the corporation (partnerships must disclose all general and limited partners) and any changes to such information; and
3. Entities doing business under a different business name must provide SheerSense® with a confirmed copy of its business name filing.

#### H. MARRIED COUPLES AND CIVIL PARTNERS

Unless the SheerSense® Distributorships pre-date the marriage or civil partnership, married couples or civil partners must be enrolled/sponsored as a single Distributorship entity, and may not have any interest, directly or indirectly, or in any capacity, in another SheerSense Distributorship. Married individuals or civil partners may not sponsor each other in any manner. Further, no commission will be paid to one spouse/partner based on the other spouse's/partner's purchases, even in the circumstance where the separate Distributorships of each spouse/partner pre-date the marriage or cohabitation. The spouse or partner of a Distributor is considered by SheerSense® as having a beneficial interest in the Distributorship, regardless of whether the spouse or partner is registered as an applicant or not. A spouse or partner who wishes to formally register as a Distributor must apply as a co-applicant in his or her spouse's/partner's Distributorship.

In no event shall SheerSense® be bound, or considered to be bound, by the SheerSense®Terms of Agreement, the SheerSense®Terms and Conditions and these

SheerSense®Policies and Procedures, the Distributor Compensation Plan, or any other contractual document or agreement, in regard to any spouse or partner who has not applied and been accepted as a co-applicant in his or her spouse's/partner's Distributor Application.

#### I. FICTITIOUS BUSINESS NAMES

A person may apply as a SheerSense® Distributor using a fictitious name or D.B.A. (Doing Business As) The legal name of the applying individual or individuals having rights to such fictitious names shall be disclosed by providing to SheerSense® a conformed copy of the filed application with which they were obtained.

#### J. IDENTIFICATION NUMBERS

SheerSense® will assign an ID number to each Distributor, and will use this number to register all Distributors and to provide various services to Distributors.

#### K. CANCELLATION

See the SheerSense®Distributor Terms and Conditions regarding termination of Distributorship. Speak to The SheerSense® Team to help you with your exit strategy.

#### L. MULTIPLE INTERESTS

An individual may not participate in more than one SheerSense® Distributorship. A member of one partnership or corporation that is a SheerSense Distributorship may not be involved in another SheerSense Distributorship, including having a passive financial interest in such organisation.

#### M. MINIMUM PRODUCT PURCHASE TO MAINTAIN DISTRIBUTORSHIP

After becoming a Distributor, in order to maintain his or her Distributorship, each Distributor must purchase a minimum of 100 PV (£200 UK retail value) of commissionable product, per each six month period. Should a Distributor fail to make this minimum purchase, his or her Distributorship will lapse, and thereafter additional purchases from the Company (or the exercise of any Distributor right) will require a new Distributor Application and Agreement and an application deposit (where applicable). If a Distributorship lapses pursuant to this provision, the Distributor will lose all status, downline Distributors and future commissions. If the Distributor chooses to reapply for a Distributorship, it will be as a new Distributor beginning with no status and no downline.

## Section 3: Sponsoring and Training

### A. SPONSORING

SheerSense® Distributors are entitled to sponsor other Distributors in the United Kingdom, Isle of Man, Channel Isles, Republic of Ireland and in any other country or territory where SheerSense® has officially opened up for said opportunity, into the SheerSense® business. Under no circumstances are Distributors to be recruited, solicited, sponsored or trained from any country not officially opened by SheerSense® to do business. Pursuant to the Distributor Compensation Plan, Distributors are compensated only for sales as described in the Distributor Compensation Plan, not for sponsoring new Distributors.

### B. TRAINING REQUIREMENT

Distributors must fulfil the obligation of performing a bona fide sponsoring, supervisory, distributing, and selling function in the sale or delivery of product to the consumer/end product user and in the training of those sponsored. This means that Distributors must have ongoing contact and communication with and provide supervisory support to their downline sales organisation, which shall include but not be limited to contact and assistance through the telephone, mail, email, and personal contact, as appropriate and available to foster the success of said downline.

Upon request, Distributors shall provide evidence of their fulfilment of this responsibility, to the satisfaction of the Company. Failure to perform these functions, or to provide such satisfactory evidence of same may result in discipline of the Distributor, up to and including the termination of such Distributorship.

### C. MULTIPLE APPLICATIONS

If one applicant submits multiple Distributor Application and Agreements listing different sponsors, only the first completed and signed form to be received by the Head Office of SheerSense® will be accepted. In any such situation, SheerSense® reserves the right to make the final decision, in its sole discretion.

### D. CHANGING SPONSORS

Changing of sponsors in the course of the Distributorship is not allowed. Our business relies on the building and sustaining of relationships. Once a Distributor is sponsored, SheerSense® believes in the maximum protection of that relationship.

### E. CROSS-LINE SPONSORING

No SheerSense® Distributor shall engage in cross-line sponsoring. Cross-line sponsoring is defined as attempting to encourage existing Distributors to cease or decrease their business building activities under their current sponsor in order to participate in any way in a SheerSense® organisation formed under a different sponsor. If a SheerSense® Distributor is found to be participating in any way in a cross-line sponsoring endeavour, SheerSense® reserves the right to immediately suspend that entity or individual pending a final determination that may ultimately result in termination.

#### F. DISTRIBUTORSHIPS WITH OTHER COMPANIES.

No SheerSense® Distributor shall attempt to encourage existing Distributors to cease or decrease their SheerSense® business in order to participate in a distributorship formed with a different company. SheerSense® reserves the right to immediately suspend that entity or individual pending a final determination that may ultimately result in termination.

#### G. TERMINATION OF A SPONSOR

If a Distributor's sponsor is terminated, voluntarily or required by SheerSense, the Distributor can contact The SheerSense® team for future support.

The remaining Upline and Downline Distributors maintain their position in the Genealogy and the Distributor Compensation Plan will treat the position of the terminated person as one that makes no purchases. Please refer to the Distributor Compensation Plan.



## Section 4: Trademarks, Literature and Advertising

### A. USE OF COMPANY'S TRADEMARKED OR COPYRIGHTED MATERIAL

SheerSense® will not permit the use of its trademarked or copyrighted material, including but not limited to trademarks, trade names, logos, artwork, and anything that is similar to SheerSense® trademarked or copyrighted material (hereinafter referred to as “trademarked or copyrighted material”) without prior written permission from the SheerSense® Compliance Officer or Head Office.

### B. COMPLIANCE PROCEDURE

SheerSense® requires Distributors to obtain prior written permission for any use of its trademarked or copyrighted material. Distributors must provide to the Compliance Officer or Head Office a final, print-ready proof of any and each use of trademarked or copyrighted material prior to publication or release. The Distributor will then be issued an Approval Number. It is the obligation of the Distributor to maintain a file with Approval Numbers and to provide SheerSense® with an Approval Number for a given use upon request.

### C. COMPANY MATERIALS

All SeneGence®/SheerSense® materials, whether on film, digital, printed, displayed on the Internet, transmitted via electronic communications, or produced by sound recording, are copyrighted and may NOT be reproduced without prior written permission from the SheerSense® Compliance Officer.

### D. COMPANY NAME

A SheerSense® Distributor shall not at any time use the SheerSense® name or any of its trademarked or copyrighted material as part of his or her own corporation, proprietorship, partnership, or Distributorship business name. A SheerSense® Distributor may not hold him or herself out to be, or imply in any other way that he or she is a representative, agent, employee, partner, joint venture, director and/or franchisee of the Company. The ONLY authorised use of the SheerSense® name by a Distributor is in identifying him or herself as an “Independent Distributor of SheerSense®”, which identification must be bold, clear, and prominent if used in conjunction with the SheerSense® name or any of its trademarked or copyrighted material.

### E. PHONE AND VOICEMAIL GREETINGS

Distributors may not answer their phones by saying “SheerSense®”, may not record voicemail greetings as if they are the Head Office of SheerSense®, and may not in any other manner lead callers to believe that they have reached the Head Office of SheerSense® instead of an Independent Distributor. Each Distributor must make it clear that they are an “Independent Distributor of SheerSense®”.

## F. USERNAMES, EMAIL ADDRESSES, TELEPHONE DIRECTORY LISTINGS, AND OTHER DIRECTORY LISTINGS

No username, email address, or other identification of a Distributor may in any manner lead others to believe that the Distributor is the Head Office of SheerSense® instead of an Independent Distributor. Telephone directory listings or other directory listings must identify the Distributor boldly, clearly, and prominently as an “Independent Distributor of SheerSense®.” In addition, all directory listings must be placed under an appropriate topical heading (eg. Cosmetics, Beauty Supplies, Skin Care).

Any confusing or misleading usernames, email addresses, telephone directory listings, other directory listings, and any other confusing or misleading way Distributors identify themselves must be changed by the Distributor immediately, at the request of the Company.

## G. RADIO AND TELEVISION

Distributors are prohibited from granting radio, television, newspaper, tabloid, or magazine interviews, from making public appearances and public speaking engagements, and from making any type of statement to the media to publicise SheerSense®, its products, or their individual SheerSense® Distributorship except with the express prior written approval of the SheerSense® Compliance Officer or Legal Department.

## H. RECORDING

A SheerSense® Distributor, unless specifically permitted in writing in advance by an authorised Company officer, **MAY NOT RECORD** any talk, presentation, or telephone call (whether made or received), by any company, agent, representative, or employee.

## I. NON-COMPANY MATERIALS

A SheerSense® Distributor may not make, manufacture, or obtain from any source other than the Company, promotional items or literature of any kind upon which trademarked or copyrighted material is imprinted, without prior written permission from the SheerSense® Compliance Officer or Head Office. This restriction includes all promotional gift items of any kind, all printed materials, and other items SheerSense® Distributors may want to give to their customers or to prospective Distributors.

A SheerSense® Distributor may not produce, sell, or distribute literature, films, or sound recordings that are deceptively similar in nature to those produced, published, and provided by the Company for its Distributors. Nor may a Distributor purchase, sell, or distribute non-Company materials which imply or suggest that said materials originate from the Company.

## J. PRINT MEDIA

Printed advertisements, including display ads (signs, posters, banners, etc.), print ads (magazine, newspaper, etc.), direct mailings, leaflets, brochures, and any other printed items containing SheerSense® trademarked or copyrighted material must identify the

Distributor boldly, clearly, and prominently as an “Independent Distributor of SheerSense®”. Such printed items must be emailed to the Compliance Officer for approval, and may not be displayed, published, or disseminated without an approval number from the SheerSense® Compliance Officer or Head Office.

#### K. BUSINESS CARDS, LETTERHEADS, ETC.

All business cards, letterhead, and any other materials utilised by the Distributor must identify the Distributor boldly, clearly, and prominently as an “Independent Distributor of SheerSense®”. Any changes and/or additions to the standard layout for business cards must be approved by SheerSense® Compliance Officer or Head Office and allocated an approval number. No business cards, letterhead, or any other materials utilised by the Distributor may suggest that the owner is the Head Office, and any confusing or misleading materials used by the Distributor shall be changed by the Distributor immediately, at the request of the Company.

#### L. TESTIMONIAL RELEASE

In consideration of its grant of this Distributorship, SheerSense®, its subsidiaries, affiliates, agents, representatives, and anyone authorised by the Company, will have the right to use, in any and all media, Distributors’ photographs, names, likenesses, appearances, images, voices, statements, quotes, letters, endorsements, testimonials, and/or other information and materials supplied by Distributors (hereinafter referred to as “The Back Office”). For this purpose, any and all recorded appearances taken or obtained by SheerSense® at any company function at which Distributor is present, shall be conclusively considered to have been supplied by Distributor with such permission and subject to this grant. Under no circumstances shall Distributors be entitled to any consideration for the use of “The Back Office” information and materials by SheerSense®.

These rights shall include the right to incorporate Distributor information in “The Back Office” and materials in video or audio form, print ads, still photographs, catalogues, packaging, package inserts, and all other media. These rights include but are not limited to printing, copyrighting, reproducing, exhibiting, broadcasting, transmitting, publishing, editing, distributing, or otherwise using or licensing others to use Distributor information from “The Back Office” and materials, in whole or in part, for purposes of advertising and promoting the Company and its subsidiaries and affiliates, or for any other purpose relating to the business of the Company.

The Company’s use of a Distributor’s information in “The Back Office” and materials as described above will not violate the rights of the Distributor, or of any person or organization. Said statements will be honest and truthful.

#### M. INTERNET RESTRICTIONS

Any use on the Internet of trademarked or copyrighted material must identify the Distributor boldly, clearly, and prominently as an “Independent Distributor of SheerSense®”. When included in listings of any kind, Distributor websites must appear under the most appropriate topical heading available through that service.

Where available, such listings can appear only in “Independent Distributor,” “Independent Contractor,” or “Distributor” categories, and the Distributor must list him or herself as an Independent Distributor rather than as “SheerSense” or anything that could cause consumers to believe that the Distributor is the Head Office or anything other than an Independent Distributor.

The use on the Internet of any trademarked or copyrighted material shall be specifically limited as follows:

#### 1. Prohibited Uses:

a. Trademarked or copyrighted material shall not be used as any part of a domain name or URL (Internet address). This policy applies to all domain names and URLs, regardless of the universal domain extension utilised.

For example, [www.sheersense.com](http://www.sheersense.com), and <http://store.yahoo.com/LipSense.html> are all prohibited uses of trademarked or copyrighted material.

b. Trademarked or copyrighted material shall not be used as any part of a meta tag or website description of a Distributor’s website. Further, such material shall not be used anywhere in the HTML source code of a Distributor’s website (except as otherwise specifically authorised herein).

c. Distributors may not place buttons, pop-up ads, banners or any other type of Internet advertisement on any website, or anywhere on the Internet, using trademarked or copyrighted material.

d. Distributors may not offer any SeneGence® product for sale on unapproved websites or portals, on any third party website or auction site or other website where sale of product is conducted through the solicitation of offers on the Internet.

e. Distributors may not in any way purposely direct Internet traffic to unapproved websites or allow Internet traffic to be directed to unapproved websites using trademarked or copyrighted material.

#### 2. Limited Uses:

a. Trademarked or copyrighted material shall not be used as part of the content of any website or webpage, except (1) on a Company-approved website, (2) if specifically approved in writing by SheerSense®, or (3) as provided to the Distributors by SheerSense® as a website page referencing the product.

b. Trademarked or copyrighted material shall not be used by Distributors to register for any Internet search engine or other information retrieval system on the Internet.

#### N. EMAIL SOLICITATIONS

Unsolicited email advertisements (“spam”) are specifically prohibited, and shall be deemed to constitute unethical activity by any participating Distributor. It is the sole responsibility of the Distributor to comply with all state and local laws relating to email

marketing programs. Distributors are strongly urged to utilise reputable “opt-in” email address lists exclusively. The use of any trademarked or copyrighted material in an unsolicited email advertisement (“spam”) is specifically prohibited.

Distributor, by virtue of his or her distributorship, irrevocably grants to SheerSense® the right to communicate to him or her via email, telephone, or any other common method of commercial communication, without regard to ‘anti-spam’, ‘do not call’ or other similar regulations, whether based in State or other jurisdictional law.

#### O. MASS MAILINGS AND TELEPHONE SOLICITATIONS

The use of trademarked or copyrighted material may not be made with automatic calling devices, “boiler room” operations, or through unsolicited mass mailings to solicit Distributors and/or retail customers.

#### P. SOCIAL MEDIA

Social Media is a powerful tool that can create new opportunities and promote brand image if used properly, but it can also be damaging and harmful to businesses.

SheerSense® promotes these policies to ensure that Distributor and SheerSense®/SeneGence® are not harmed through Distributor’s use and participation in Social Media.

Social Media is any computer-mediated tool that allows people to create, share or exchange information, career benefits, ideas, pictures, videos, etc. through virtual communities and/or computer networks.

These virtual communities and/or networks are known by many trade names, including, but not limited to, the following: Facebook®, LinkedIn®, Myspace®, Twitter®, Instagram®, Snapchat®, YouTube®, and Periscope®. These communities also extend to participation in a blog and wiki page.

The use on Social Media of any SheerSense®/SeneGence® trademarked or copyrighted material, including but not limited to SheerSense®/SeneGence® trade names, logos, artwork, and anything that is similar to SheerSense®/SeneGence® trademarked or copyrighted material, shall be subject at all times to the general requirement that such use be specifically approved in writing by the SheerSense® Compliance Officer.

Any use on Social Media of trademarked or copyrighted material must identify the Distributor boldly, clearly, and prominently as an Independent Distributor of SheerSense®. When included in listings of any kind, Distributor’s Social Media user profile must appear under the most appropriate topical heading available through the Social Media provider.

The Distributor must identify himself or herself as an Independent Distributor rather than as “SheerSense” or anything that could cause consumers to believe that the Distributor is the corporate office or anything other than an Independent Distributor.

Where available, such listings can appear only in “Independent Distributor,”

“Independent Contractor,” or “Distributor” categories, and the use on Social Media of any trademarked or copyrighted material shall be specifically limited as follows:

## 1. Prohibited Uses.

a. Trademarked or copyrighted material shall not be used as any part of a user profile, user name, topic identifier, subject identifier or any other means to identify yourself or the subject or topic matter of Distributor’s Social Media post and/or comment.

This policy applies to any Social Media utilised. All user profiles and/or user names must clearly state Independent Distributor of SheerSense, and include, whenever possible or practicable, your SheerSense® independent distributor number.

For example, the use of profile names and/or domain names or any other means to identify yourself on Social Media accounts with names such as, SheerSense® Ladies, SheerSense.com/lips, LipSense Lady, BrowSense Broker, SheerSense® Store, @SheerSenselips, @SheerSense, @lipsense, @senedermsolutions, would all be prohibited uses of trademarked or copyrighted material.

b. Distributors may not place buttons, pop-up ads, banners or any other type of advertisement on any Social Media post and/or comment using trademarked or copyrighted material, with the exception of SheerSense-provided graphics and artwork located in the Distributor Back Office.

c. Distributors may not direct Social Media followers to any auction site or other website where sale of product is conducted on the Internet.

d. Distributors may not in any way purposely direct Social Media followers to unapproved websites or allow Social Media followers to be directed to unapproved websites which use trademarked or copyrighted material.

e. Distributors are prohibited from posting or otherwise communicating in any manner, comments or materials that, in the sole discretion of SheerSense, is harmful to the good name or reputation of SheerSense.

f. Distributors are prohibited from using any trademarks, copyrights or other intellectual property of any third party, including but not limited to trade names, logos, artwork and anything that is similar to a third party’s trademarked or copyrighted material.

## 2. Limited Uses.

a. Trademarked or copyrighted material may be used as part of the content of any Social Media post and/or comment if it is:

(1) a Company-approved post (e.g. a “share” on Facebook of a Company post, a “retweet” on Twitter of a Company post, etc.);

(2) specifically approved by SheerSense® prior to posting and/or commenting (e.g. based upon Company distributed marketing materials)

(3) provided to the Distributors by SheerSense® as an approved Social Media tool (e.g.

available in the Back Office)

(4) a stock photo provided to the Distributors by SheerSense® for use in marketing and development (e.g. available in the Back Office). Distributors may modify Company provided materials, but any modifications must otherwise comply with the Distributor Policies and Procedures, including the section on Trademarks, Literature, and Advertising. Approval must be sought from Compliance Department for any such modifications.

b. Distributors shall ensure that all trademarks used are properly marked with the appropriate trademark notices indicating registration for registered marks or indicating common law notice for unregistered marks. The appropriate statutory notice indicating registration of a mark is “®”, so that statutory notice would appear, for example, as LipSense®. The appropriate common law notice indicating an unregistered mark is “TM”, so the common law notice would appear, for example, as SenseCosmetics™.

c. Trademarked or copyrighted material shall not be used by Distributors to register for any Social Media. For example, such material shall not be used as part of a user name, page name, group name, or web address (URL).

### 3. Guidelines.

If a Distributor participates in Social Media, the following guidelines are designed to protect Distributor and Company. These guidelines will assist Distributor when Distributor uses Social Media to promote your business and build customer loyalty.

#### Use Your Real Identity

Always use your real identity and properly disclose that you are an Independent Distributor of SheerSense. If a Social Media post and/or comment may lead to confusion about whether or not you are an independent distributor, please note on your post and/or comment, e.g., “I am an Independent Distributor of SheerSense”, “Not affiliated with or an employee of SheerSense”, “#independentdistributor”, “#distributorad”, etc.

#### Properly Disclose Advertisement Material

To avoid any claims of false or deceptive advertising, always disclose that your post and/or comment is an advertisement, e.g., “Independent Distributor Advertisement”, “#ad”, “#advertisement”, “#sponsored”, etc.

#### Do Not Make Any False Claims

i. Make accurate and truthful statements in Social Media posts and/or comments of products and services with respect to price, grade, quality, make, value, performance, quantity and availability.

ii. Do not make any deceptive, unlawful, or unethical consumer recruiting practices in Social Media posts and/or comments.

iii. Do not make any statements, promises, or testimonials which are likely to mislead consumers or prospective Distributors in Social Media posts and/or comments.

iv. Do not make any therapeutic or curative claims for products in Social Media posts and/or comments.

v. Do not make any claims in Social Media post and/or comments for any SeneGence products that are not contained in the official Company literature.

#### Only Bind Yourself

Do not commit SheerSense® to do or not do any specific conduct. Your position as an independent distributor provides you with no authority to do so.

#### Avoid Financial Disclosures and/or Earnings Representations

i. Do not comment or post any statements that disclose actual or implied financial performance or condition of SheerSense. Likewise, do not comment or post any statements that represent the actual or potential sales or earnings of Distributors.

Also, do not make any statements that could be deemed a violation of state laws such as disclosure of non-public information.

ii. Do not make any lifestyle claims regarding the benefits of a SheerSense® Independent Distributorship. Respect the Privacy of Others and Maintain Your Privacy.

Do not ask other Distributors or third-parties for their login credentials and/or passwords to their Social Media accounts. Likewise, do not provide your login credentials and/or passwords to your Social Media accounts to other Distributors or third-parties.

#### Avoid Malicious, Abusive, Threatening, Defamatory, or False Statements

i. Social Media posts and/or comments should not be offensive or meant to harm someone's reputation, and should not create a hostile environment due to: age (40 and over); ancestry; colour; race; gender; gender identity; gender expression; genetic information; marital status; medical condition, including those related to pregnancy, childbirth, or breastfeeding; denial of family and medical care leave; mental disability; national origin; physical disability; religious creed; sex; sexual orientation; past, current or prospective service in the uniformed services; or any other categories protected under applicable state or local law.

ii. Do not make any posts or comments that hold SheerSense® or another SheerSense® or SeneGence Independent Distributor in a bad light or in a manner that may harm the reputation of SheerSense® and its Distributors.

#### Common Sense Principles Should Always Apply

Understanding and implementing these policies is important, but the reality is that Distributor's own experiences with Social Media will demonstrate to the Distributor that the lines between public and private, personal and professional are often skewed and distorted. Should you engage in Social Media, you may be creating perceptions and opinions about Distributor and/or SheerSense® without knowing or intending it, and, as such, always conduct your activities with common sense principles; be professional, be straight forward, be appropriate, add value to the social discourse.



## Reporting Unethical and/or Unlawful Conduct.

If a Distributor witnesses or sees something online that is potentially defamatory, maliciously false, unlawful and/or unethical conduct against SheerSense®/SeneGence®, SheerSense®/SeneGence® trademarked or copyrighted material, and/or another SheerSense®/SeneGence® Independent Distributor, please do not communicate or converse with the individual and please report such conduct to the SheerSense® Compliance Office immediately.

## 4. SheerSense® Monitoring.

All Distributor Social Media posts and/or comments will be audited by SheerSense® at any time. SheerSense® reserves the right to require changes or deletion to any Social Media post and/or comments if the Company deems such action essential to protect the interests of SheerSense® and its Distributors. If the Distributor fails to comply regarding such change and/or deletion requested, SheerSense® reserves the right to suspend and/or terminate Distributor's SheerSense® Distributorship, should the Distributor violate these Social Media Policies.

This policy is not intended to restrict communications or actions protected or required by state or local law.

## Section 5: Trade Shows, Expos, and Fairs

### A. PARTICIPATION

SheerSense® products may be displayed, and the SheerSense® business opportunity offered, at official trade shows, expos, fairs or other publicly-held events.

In order to protect the trademarks and trade names of the Company and its public image, SheerSense® reserves the right to restrict Distributor participation in such events, in all respects, including but not limited to pre-approval of the identity and number of Distributors allowed to participate in any such event.

### B. CODE OF CONDUCT

Subject to the rights of SheerSense® set forth above, SheerSense® Distributors may choose to participate in local trade shows, expos, fairs, and other publicly-held events that allow them to sell and display SheerSense® trademarked products and literature.

There are certain standards and guidelines which must be adhered to when participating in these types of events, and failure to do so may result in disciplinary action, including the termination of a Distributorship. The following are the guidelines and code of conduct for a SheerSense® Distributor when selling at trade shows, expos, fairs, or other publicly-held events:

1. SheerSense® Distributors are required to refrain from predatory pricing when selling or displaying SheerSense® products. Predatory pricing and such undercutting of other SheerSense® Distributors at trade shows, expos, fairs, or other publicly-held events is a particularly serious infringement of another Distributor's right to earn the retail selling profit set forth in the Distributor Compensation Plan and to economically participate in said events and the opportunities they present. Conduct of this nature will not be tolerated and is grounds for suspension or termination of the violating person's Distributorship. Nothing herein shall be interpreted to mean that predatory pricing in environments other than trade shows, expos, fairs, and other publicly-held events is condoned or will be allowed by SheerSense®.

2. Distributors of SheerSense® products may only use Company-produced and/or approved literature and sales support materials when conducting, selling, and sponsoring efforts at public events. This includes banners, posters, art work, sales tickets, product information and brochures, and sponsoring information and brochures. All materials distributed at events must be approved by the SheerSense® Compliance Officer or Head Office according to the procedures described in Section 4, above.

3. Professional conduct and courteous behaviour is expected of all Distributors of SheerSense® when participating in public venues. Please make sure that the code of conduct between fellow Distributors is clearly understood when selling and sponsoring efforts ensue at these events. It is important that all SheerSense® Distributors, whether working together in a common booth or in separate booths, promote ethical behaviour toward one another, and take care not to sell to or sponsor a fellow Distributor's customer or contact.

4. Distributors who intend to participate with others in trade shows or other events are

encouraged to make agreements IN WRITING, prior to the event. Important terms for such agreements include: The duration and date of the event, what supplies each Distributor will bring, the number of people who will be working the booth, how each Distributor will recruit during the event (i.e. define how to determine during the show in whose downline new Distributors will be signed up), how sales will be recorded, and how and when proceeds will be divided. The agreement should state that it should not be changed without written assent of all Distributors involved in the event, and all Distributors involved should sign the agreement. SheerSense® can only intervene in conflicts arising out of events when a violation of the Policies & Procedures has taken place, not in contract disputes between Distributors.

5. When booking trade shows, expos, fairs, or other publicly-held events, the booking or listing must be under the Independent Distributorship, not the Company or product name. However, at the same time, the booking or listing must make clear that the booth or space being rented is for the sale of SheerSense® product, so that double booking or overbooking of SheerSense® booths at any given event does not occur. In order to make this clear, Distributors must use “SheerSense®” as the first word of their listing when they register for any event. For example, a proper listing would say, “SheerSense® Independent Distributor/ Jane Smith or “SheerSense® / Lip Colours, Inc., Independent Distributor.” It is advised that Distributors specifically ask the promoter if other SheerSense® Distributors have signed up for a given event.

6. SheerSense® products may not be shown or displayed in the same booth with any other product which competes in the marketplace with any product available through SheerSense® or that is sold via multi-level marketing or direct selling methods.

Should you have any questions regarding selling or sponsoring procedures at these types of events, please email SheerSense® for the attention of the Compliance Officer.

## Section 6: Termination or Transfer of Business

### A. TRANSFER OF A DISTRIBUTORSHIP – SUCCESSION

A SheerSense® Distributorship may not be transferred by any means, except by testamentary transfer through a valid and enforceable written will or other testamentary instrument, and upon the death of a current Distributor in good standing. A Distributorship may not pass intestate or without a valid written testamentary instrument.

All beneficiary transferees must be fully aware that they must conduct business in accordance with the Policies and Procedures as outlined in this manual and in the Terms of Application and Agreement, and must sign a current version of the Distributor Application and Agreement. SheerSense® reserves the right to approve or disapprove at its sole discretion the proposed beneficiary transferee as an acceptable Distributor. Current SheerSense® Distributors are not eligible to accept (by any means, including testamentary) other SheerSense® Distributorship(s). Transfer by will or other testamentary instrument shall be handled on an individual basis. Prior to approval of the testamentary transfer of a Distributorship,

SheerSense® must receive:

1. A certified copy of the death certificate;
2. A copy of the will, trust, or other valid and enforceable testamentary instrument;
3. If a probate or other court proceeding is involved, a copy of the appropriate letters and/or court order;
4. Payment of a new Distributor application deposit (where applicable) from the beneficiary/transferee (said payment shall not constitute an intent by SheerSense® to accept the pending transferee as a Distributor); and
5. A new Distributor Application and Agreement from the beneficiary/transferee, completed in full and signed by the appropriate individual(s).

Approved Distributorship transfers must be confirmed in writing by SheerSense® and shall be effective as of the first day of the month following the approval of the transfer. SheerSense® reserves a minimum of sixty (60) days to approve or disapprove the transfer. Once the transfer of the Distributorship has been approved in writing, the transfer shall be on conditional status for a period of one (1) year from the effective approval date. It is mandatory that the beneficiary/transferee strictly adhere to the Terms of Application and Agreement and to the Policies & Procedures.

### B. VOLUNTARY TERMINATION

A Distributor may voluntarily terminate his or her Distributorship relationship with SheerSense®. Voluntary termination is effective upon receipt of such notice by the SheerSense® Head Office. Notification of the termination may be forwarded to affected parties. A Distributor who voluntarily terminates his or her Distributor status may not participate in or apply for a Distributorship with SheerSense®, in any form or capacity, either alone or in conjunction with another, until six months after the date of said termination. Upon notification of cancellation or termination, the Company will repurchase inventory and mandatory sales materials in accordance with its policies. In the event that SheerSense® repurchases inventory from a Distributor, that person may not again become a SheerSense® Distributor (unless the person has prior written authorization by the Company to again become a Distributor).

## C. INVOLUNTARY SUSPENSION/TERMINATION

Any violation of the Terms of Application and Agreement or the Policies & Procedures could jeopardise certain aspects of the Company's business, or that of the Distributorship. In the event of violation(s), as determined by the SheerSense® Head Office, SheerSense® may elect to discipline Distributors, including but not limited to termination of Distributorships.

SheerSense® may involuntarily suspend and/or terminate the Distributor status of any SheerSense® Distributor who violates the Terms of Application and Agreement or the Policies & Procedures, as they may be amended and/or revised from time to time. Notice of involuntary suspension and/or termination shall be sent to the Distributor's most recent address as shown in the Company records.

A Distributor who has been so involuntarily terminated may not participate in or apply for a Distributorship with SheerSense®, in any form or capacity, either alone or in conjunction with another, until twelve months after the date of said termination.

If the Involuntary Termination is a consequence of the Distributor purchasing no PV-able product then the Distributor may re-apply for the Distributorship immediately or later after the termination but the application must be for the lowest registration fee available at the time.

Upon any application under this section 6.C., said status may be withheld or refused for any reason or no reason, without explanation.

## D. EFFECT OF SUSPENSION/TERMINATION

Upon suspension by SheerSense®, the suspended Distributor shall not have the right to represent him or herself as a Distributor for the Company, all rights to order products as a Distributor from the Company shall cease, and any commissions and/or bonuses due may be held in abeyance by SheerSense® pending resolution of any claims by SheerSense®, or outstanding monies due to the Company.

Upon termination by SheerSense®, the Distributor shall additionally lose all rights and benefits associated with being a SheerSense® Distributor, including but not limited to (1) the right to receive any commissions, bonuses or future payments thereof as a result of commissionable sales and/or downline sales volume, and (2) the right to solicit or sponsor Distributors of SheerSense® products.

Termination is retroactive to the beginning of the pay period in which the termination is effective. Payment of commissions and/or bonuses to the terminated Distributor will be made only for business completed during the last full commission period prior to termination.

## E. ACTION REVIEW

An involuntarily suspended or terminated Distributor may request that SheerSense® review and reconsider the action by submitting, in writing, the grounds for the review or reconsideration. This letter must be sent "Royal Mail Signed For", and must be received

by SheerSense® within twenty (20) calendar days of the date of communication of the Company's notice of suspension or termination. If the Company has not received a letter requesting review or reconsideration within the specified time, the Company's action shall automatically become final.

If a Distributor submits a timely request for review, SheerSense® will, at its sole discretion, review and reconsider the suspension or termination and notify the Distributor of its decision. The decision of SheerSense® shall be final and subject to no further review. If the review or reconsideration is denied, the action shall remain in effect as of the date of original notice.

## Section 7: Payment of Commissions and Bonuses

### A. RECEIPT OF DISTRIBUTOR APPLICATION AND AGREEMENT

Commissions and/or bonuses cannot be earned or paid until a completed Distributor Application and Agreement has been received and accepted by SheerSense®.

### B. COMMISSION PERIOD

Commissions and/or bonuses are calculated based on the Commissionable Volume and Points Value (or other similar units of measure) achieved in a commission period. Commission periods for product sales shall be the calendar month, ending at 11:59 pm on the last calendar day of the month.

### C. PAYMENT OF COMMISSIONS

Payment of commissions to Distributors shall be based upon the Distributor Compensation Plan, as it may be amended and/or revised from time to time by SheerSense®, in its sole discretion, in order to maintain a current and viable business plan and operation. The Distributor Compensation Plan is incorporated herein in its entirety, as though fully set forth.

Distributor commissions and bonuses are calculated on a combination of Commissionable Volume and Point Volume of sales of commissionable product only. Please see the current Distributor Compensation Plan for an exact and detailed explanation of this calculation.

Commissionable product includes only those products which are intended for resale to the consumer/end product user by the ordering Distributor.

The SheerSense® New Distributor Kit, Glamour Demonstration Kit, LIPS Kit and all testers, supplies, and other such items are not for resale and intended as marketing supplies, to be used for the demonstration of product or for the purpose of signing and sponsoring new Distributors. These items are not commissionable resale products and are not used to calculate commissions and bonuses.

On or about the fifteenth of the following month, SheerSense® will pay by direct bank payment to the Distributor for the amount of the currently earned commissions which the Distributor has earned in the preceding month.

### D. QUALIFIED STATUS

A Distributor qualifies for commissions by purchasing a minimum amount of commissionable product in the applicable commission period. Please see the Distributor Compensation Plan for exact and current information pertaining to qualification requirements.

In order to maintain qualified status, a Distributor must also be current on any fees due to SheerSense, and in conformity with all of his or her obligations under the current version of the Distributor Application and Agreement, the Terms of Application and

Agreement, and the Policies & Procedures Guide.

#### E. GENEALOGY

SheerSense® will, either at month end or at any other time, provide a Distributor with a genealogy report, which identifies the Distributor's downline and his or her product sales over a commission period. To the extent that SheerSense® makes this information, or any portion thereof, available on its website, there will be no charge to access it.

#### F. RECORD KEEPING

For practical, business, and personal purposes, SheerSense® recommends and advises each Distributor to maintain his or her own complete and accurate records of business expenses and income. Beyond issuing the appropriate taxable income/Distributor forms, SheerSense® will not maintain or provide any accounting information concerning Distributor's independent contractor business. SheerSense® recommends seeking professional business and tax accounting advice. In addition, appropriate records must be maintained to comply with the 70% rule (see Section 8B, below).

#### G. CHARGE-BACKS

If commissionable product is purchased by a Distributor, thereby qualifying his or her upline Distributors for commissions and/or bonuses which are then paid, but the product is thereafter returned, an adjustment will be made by SheerSense®, charging back to the Distributor's upline (if appropriate) the Point Value of the returned product and the corresponding monetary value. SheerSense® reserves the right to hold such amounts as are necessary to make payment of said charge-backs from any commission check due and from any refund otherwise due to the Distributor.

#### H. SPECIAL RECOGNITION

SheerSense® may, in its sole and unfettered discretion, engage in a program of special recognition of any individual or class of Distributors, based upon their sales volume, Commission Volume, Point Value, or upon any other criteria as SheerSense® determines. SheerSense® may continue or discontinue any such program of special recognition at any time and for any reason. Further, SheerSense® may include or exclude any Distributor, or any specific order transaction, from said program, in its sole discretion and without reason or explanation.



## Section 8: Purchase/Sale of Product

### A. PERSONAL USE

The SheerSense® program is built upon retail sales to the consumer/end product user. SheerSense® recognises that Distributors may wish to purchase products in reasonable amounts for their own personal use. For this reason, SheerSense® will recognise, as a retail sale, purchase(s) in reasonable volumes by Distributors for personal or family use. These purchases may not be made for the purposes of qualification or advancement, and must be consistent with the 70% rule set forth below. It is the strict policy of SheerSense® to prohibit the purchase of products in unreasonable amounts solely for the purpose of qualifying for bonuses or advancement in the Distributor Compensation Plan.

### B. 70% RULE

As stated above, the SheerSense® program is based on sales at retail and not on the stockpiling of products. In placing any wholesale order, the Distributor is certifying that at least 70% of his or her previous SheerSense® order has been sold. Upon request by SheerSense®, each Distributor must be able to furnish a statement listing his or her monthly customers. Distributors are also required to keep retail sales receipts on all retail sales for three (3) years, and to make them available for review by SheerSense® upon request.

### C. DIRECT PURCHASE AND SALE REQUIREMENT

All Distributor wholesale purchases must be made directly from the Company in order to qualify for commissions and/or bonuses. SheerSense® will not pay commissions and/or bonuses on purchases by a Distributor from any other Distributor. The Company will not accept orders from any source unless a valid Distributor Agreement has been received and accepted from the ordering Distributor, in the country in which the product is ordered. Product may only be resold by a Distributor in the country in which he or she is registered as a SheerSense® Distributor.

To protect the integrity of the Distributor Compensation Plan, Distributors are prohibited from purchasing product for or from another Distributor or through a delegate of any type unless by prior arrangement with Compliance Department. Distributors are specifically prohibited from ordering product for, on behalf of, or in the name of their downline in order to increase their downline sales volume. Commissions will not be due or calculated on any purchase made by or for another Distributor. Any order placed by a Distributor but initially paid for by another Distributor in the purchaser's upline, is conclusively presumed to violate the above rule and will be exempted from all consideration in qualifying for and calculating commissions, recognition, ranking and contest performance. Additional disciplinary action may result if said Distributor activity occurs.

### D. PAYMENT OPTIONS

No order will be shipped without proper payment, which must be received prior to shipment.

## E. SHIPPING COSTS

Distributors are required to pay shipping and handling costs for all product orders. Should the receiving party of any order refuse delivery and the shipment be returned, the ordering Distributor shall be responsible for all costs.

## F. INTERNET ORDERS

All Distributors must order, and to assist their sponsored Distributors to order, all products and supplies directly from the SheerSense® website, [www.SheerSense.com](http://www.SheerSense.com). These orders are processed efficiently, via real time transaction processing, allowing for rapid shipment of products. All product orders via the SheerSense® website are secured transactions to assure the privacy of credit card or debit transactions.

Distributors must place all orders themselves, and orders must be for product purchased for the Distributor's own personal use or for resale by the Distributor. Access to order screens on the website will be allowed only with a password chosen by Distributor, and Distributors should not give their password to others. Distributors may change their password at any time by using the 'Forgot Password' link in the "Back Office" of the website. Distributors are responsible for all orders placed with their password.

## G. REPACKAGING PROHIBITED

SheerSense® Distributors may not repackage or alter the packaging of SheerSense® products in any way.

## H. DAMAGED GOODS

A Distributor who receives damaged goods should:

1. Accept delivery.
2. Before the driver leaves, document on the delivery receipt the items or packages which seem to be damaged.
3. Take photographs of the damage.
4. Inform SheerSense® using the Contact Form on the website and supply the photographs to SheerSense®.
5. Save the damaged products or boxes for inspection.
6. After all of these steps are complete, SheerSense® will determine on a case by case basis the appropriate action to take regarding the damaged goods.

## I. PRICE CHANGES

All SheerSense® product and sales materials prices are subject to change without prior notice. Consult the SheerSense® website, [www.SheerSense.com](http://www.SheerSense.com), or the SheerSense® Head Office for the most up-to-date pricing.

## J. RECEIPTS

Distributors will provide all retail purchasers of SheerSense® products with a retail sales receipt which identifies the Distributor and provides his or her contact information.

## K. SUGGESTED RETAIL PRICES AND PREDATORY PRICING

SheerSense® provides a reasonable suggested retail price for each of its products. Distributor is not bound to offer or sell SheerSense® products at the Company's suggested retail price and may establish such reasonable price as the Distributor shall determine.

However, the Distributor is prohibited from undertaking predatory pricing of products. SheerSense® will deem predatory pricing to have occurred if the offer or sale price of SheerSense® products by Distributor is at less than Distributor's wholesale cost plus freight and other out-of-pocket expenses relating to the wholesale purchase from SheerSense®. Such expenses as are applicable to Distributor's selling methods or venue (eg. trade show costs) plus a factor of 20% of the wholesale price, Distributor's out-of-pocket costs, and other selling expenses. Additionally, and alternatively, an offer for sale or sale of SheerSense® products at less than 85% of the suggested retail price will be presumed to be predatory pricing until demonstrated and documented by the Distributor to the contrary.

Product used as a prize in a raffle must be non-profit making or for a charitable organisation.

## L. RETAIL OUTLETS

SheerSense® does not allow Distributors to sell or display its products in retail outlets, except for non-chain store retail outlets owned by the Distributor and having a place of business in three or fewer locations.

For a Distributor to sell their products in a retail outlet, that retail outlet must be sponsored by the Distributor to become a downline Distributor of theirs.

When sponsoring a retail outlet, the owner of the outlet needs to be registered as a Distributor as a Distributor and not the the retail outlet.

## Section 9: Returns

### CUSTOMER RETURNS

All customers must return products back to the Distributor who sold the product to them and not to SheerSense®.

#### DAMAGED PRODUCT OR WRONG ITEM

Using the Contact Us form on the website you must inform us within 48 hours of receiving your order if you find a damaged product or wrong item describing the problem and, in the case of damaged or faulty goods, including photographic evidence.

A case-numbered RMA (Return Merchandise Authorisation) form will be issued from Head office by email, which must be completed and sent back with the product.

The RMA form must include the original Order Number of the item being returned and the Distributor's ID Number and the reason for returning the product.

Each item to be returned must have its own RMA Form. And no item will be accepted without an accompanying RMA form.

If damaged or the wrong item sent from SheerSense®, you should send the product back to us, in appropriate packaging, within 30 calendar days (from the date of delivery) together with its completed RMA form.

Once SheerSense® is in receipt of the product at Head Office it can be checked and, if appropriate, a replacement or refund will be issued.

If the item is replaced then it will be the same product and in the same colour. (No alternatives can be given other than the original product, unless there are none available and then a refund will be issued at the Distributor's purchase price and not retail value).

Postage to return the item(s) will be paid by SheerSense®.

Refunds will be made within 14 calendar days of receipt of the item.

Important, please note that deliveries diverted at the request of the recipient to the courier, and/or receipt without signature, will invalidate return requests.

Missing items: Please be very careful when opening your orders for products rolling aside or being left in bubble wrap. Your orders are all carefully double-checked prior to leaving packaging..

### ORDER / ITEM CANCELLATION

If you are unsatisfied with the product for any reason and wish to return it then:

You must inform SheerSense® within 14 days of receiving your order by using the

Contact Us Form on the website describing your reason for return.

A case-numbered RMA (Return Merchandise Authorisation) form will be issued by email which will need to be completed and sent back with the product.

The RMA form must include the original Order Number of the item being returned and the Distributor's ID Number and the reason for returning the product, the customer's name and telephone number or email address, together with the Sale Invoice Number and the date of the sale.

Each item to be returned must have its own RMA Form. And no item will be accepted without an accompanying RMA form.

It is returned to SheerSense® unopened and undamaged, with the seal intact and in resaleable condition.

You have 14 days after receipt of the RMA to return the products.

All refunds will be at the Distributor's purchase price and not retail value. Refunds will be made within 14 days of receipt of the item by SheerSense®.

Postage will be paid by the Distributor.

## FAULTY RETURNS

You can return (faulty) product back to SheerSense® if:

You inform SheerSense® within 14 days of receiving your order by using the Contact Us Form on the website describing your reason for return and include photographic evidence of such quality that may assist in confirming the fault.

A case-numbered RMA (Return Merchandise Authorisation) form will be issued by email which will need to be completed and sent back with the product.

The RMA form must include the original Order Number of the item being returned and the Distributor's ID Number and the reason for returning the product, the customer's name and telephone number or email address, together with the Sale Invoice Number and the date of the sale.

Each item to be returned must have its own RMA Form. And no item will be accepted without an accompanying RMA form.

It is returned to SheerSense® for inspection with the completed RMA Form.

Once after further investigation and fault found a refund or replacement will be arranged.

All refunds will be at the Distributor's purchase price and not retail value.

Refunds will be made within 14 days of receipt of the item by SheerSense®.

If deemed to be no fault the product will be returned to you in your next order with an explanation.

Postage to return the item(s) will be paid by SheerSense® in certain circumstances.

#### RETURNS DUE TO AN ADVERSE REACTION OR ALLERGY

If you experience an adverse reaction or allergy issue with any of our products you are advised to contact your physician immediately.

To return a product based on an adverse reaction or allergy you must:

Contact SheerSense® to explain the issue, with photographic evidence of such quality that may assist in confirming the issue, using the Contact Us Form on the website and to be sent a case-numbered RMA form.

Return the product to SheerSense® for inspection with completed RMA Form.

Each item to be returned must have its own RMA form.

Further details may be requested by SheerSense® either by email or by telephone. For example, if more than a third of the product has been used then a fuller explanation may be required.

All personal details will be kept confidential in accordance with data protection legislation.

It should be noted that such reaction does not make the product faulty and the company is not obliged to issue a refund in such circumstances. However, each claim will be dealt with sympathetically and on its merit.

Postage to return the item(s) will be paid by SheerSense® in certain circumstances.

All refunds will be at the Distributor's purchase price and not retail value. Refunds will be made within 14 days of receipt of the item by SheerSense®.

#### RETURNS PROCEDURE

Items must be properly protected for posting back to us. The packaging that the item first arrived in could be used for a return, especially the bubble wrap.

Returns arriving at SheerSense® having been damaged in the post through poor protection cannot be accepted for a replacement or a refund.

It must be posted using 'Signed For' delivery.

As well as the item to be returned, the package must include the properly completed case-numbered RMA form which must include the original Order Number of the item being returned and the Distributor's ID Number and the reason for returning the product, the customer's name and telephone number or email address, together with the Sale

Invoice Number and the date of the sale.

SheerSense® will not issue a refund on any product previously certified as sold under the 70% rule.

This does not affect your statutory rights.

## TERMINATION RETURNS

Detailed information on termination returns can be found in the SheerSense® Distributor Terms and Conditions.

Any return of product, upon termination of a Distributorship, must be preceded by notice to SheerSense®, and with a completed RMA Form.

SheerSense® will not issue a refund on any product previously certified as sold under the 70% rule.

Product not in resalable condition, or otherwise not in conformance with this section, will be returned to the Distributor at the Distributor's cost.

In addition, should a Distributorship be terminated, and said Distributor return product to SheerSense®, the Point Value of the returned product and the corresponding monetary value of any commissions or bonuses previously paid to an upline Distributor on that product within the previous 120 days shall be charged back to the Distributor receiving said payment (if appropriate). Refund payments will be made within 30 days from the date SheerSense® acknowledges receipt of the returned product. In the event that SheerSense® repurchases inventory from a Distributor, that person may not again become a SheerSense® Distributor (unless the person has prior written authorisation by the Company to again become a Distributor).

## Section 10: Enforcement/General Provisions

### A. COMMUNICATION REGARDING VIOLATIONS

It is recognised that on occasion a Distributor may unknowingly violate the rules set forth in the SheerSense® Terms of Agreement and in this SheerSense® Policies & Procedures Guide. Should that occur, and another Distributor become aware of such violation, it is the responsibility of the Distributor having such knowledge to do the following.

Where the violating Distributor is part of your team

1. Inform the violating Distributor of the rule or provision violated and discuss it with him or her in a friendly and helpful manner, pointing out the reason for the rule and recommending the appropriate conduct and/or remedy. If the violating Distributor agrees to comply in the future and/or to remedy the situation, the complaining Distributor need not notify SheerSense® of the alleged violation.

2. Should a violating Distributor, by word or deed, indicate an unwillingness or inability to comply with the rules and provisions of the SheerSense® Terms of Agreement and the SheerSense® Policies & Procedures Guide, or to remedy any violation, the complaining Distributor should communicate to SheerSense® such violation, in writing signed by such Distributor and directed to the SheerSense® Compliance Officer or Head Office. Said written communication should include the names, addresses, and telephone numbers or other identification of the Distributor(s) involved, and provide dates, time, places, documentation (if available), and any other pertinent information concerning the alleged violation. The complaining Distributor shall take the utmost care to ensure that the information relayed to SheerSense® is accurate and truthful. Anonymous complaints are unacceptable and will not be acted upon by SheerSense®.

If the violating Distributor is not part of your team please contact SheerSense® Compliance Officer or Head Office

### B. CONFIDENTIALITY

SheerSense® will supply reports to the Distributor concerning the Distributor's downline sales organisation, as well as other proprietary information concerning formulas, sales and distribution systems, and/or business and marketing information and materials. The Distributor agrees that such information is proprietary, confidential, and trade secret. Unauthorised release of such information can cause severe economic harm to SheerSense® and it is transmitted to the Distributor only with the understanding that it shall be held in confidence.

The Distributor also agrees that he or she will neither disclose such information to any third party directly or indirectly, nor use the information to compete with SheerSense® directly or indirectly. The Distributor and SheerSense® agree that but for this agreement of confidentiality and non-disclosure, the Company would not provide the above confidential trade information to the Distributor. This confidentiality agreement specifically survives the distributor relationship for a period of two years from the date a distributorship is terminated for any reason.



## C. UPDATED LITERATURE, POLICIES, AND INFORMATION

Each Distributor is responsible for learning updated information pertaining to SheerSense® and is responsible for the dissemination of accurate information to his or her downline organisation. New Company forms and literature may periodically become available and will replace old forms and literature. Once these new forms and literature become available, the replaced items will cease to be effective and valid. NOTE: No credit will be given for outdated materials.

## D. SEVERABILITY

If any provision of the SheerSense® Terms of Agreement or the SheerSense® Policies & Procedures Guide is held to be unenforceable for any reason, such provision shall be fully severable, and the remaining terms shall remain in full force and effect and shall be construed as if such unenforceable provisions never comprised a part of either of the aforementioned documents. Please refer to the SheerSense® Terms and Conditions for specific details in such cases.

## E. NON-COMPETE

Distributors agree not to compete with the protected business interests of SheerSense® by selling or promoting other competing products or opportunities while attending to business or performing duties as an independent Distributor. Each Distributor acknowledges and recognises that this restriction is necessary for SheerSense® to preserve and protect its valuable interests and agrees that an injunction or any other available remedy may be necessary and appropriate for the protection of such interests.

For example, (1) while engaged in the sales of Company products, or offering the Company opportunities, Independent Distributors cannot offer any other cosmetic products for sale, or offer any other direct selling opportunities, whether in person or online; (2) while attending Company events, Independent Distributors may not sell or offer any products or services for sale to other Independent Distributors in attendance, unless specifically approved in advance by Company in writing.

## F. NON-SOLICITATION

Distributors of SheerSense® agree that during the term, or any renewal term, of their Distributor relationships with SheerSense®, and for a period of two years thereafter, they shall not approach, solicit, induce, or entice any Distributor, supplier, or employee of SheerSense® to enter into any business relationship with any entity which is engaged in direct or network marketing or which sells any product which competes with the products sold by SheerSense®.

Distributors also agree that they will not, at any time, either during the term of their Distributorships or thereafter, attempt to induce any other Distributor of SheerSense® to terminate or alter his or her business relationship with SheerSense®.

Each Distributor agrees, acknowledges, and recognises that this non-solicitation restriction is necessary for SheerSense® to preserve and protect its valuable interest

and agrees that an injunction and/or any other available remedy may be necessary and appropriate for SheerSense® to protect such interests.

It is agreed that the provisions of this section shall survive the termination or expiration of the agreement indefinitely.

#### G. NON-WAIVER PROVISION

No failure of SheerSense® to exercise any power under these policies or to insist upon strict compliance by a Distributor with any obligation or provision herein, and no custom or practice of the parties at variance with these policies shall constitute a waiver of the Company's rights to demand exact compliance with these policies. Waiver by the Company can be effected only in writing by an authorised officer of SheerSense®.

The Company's waiver of any particular default by a Distributor shall not affect or impair the Company's rights with respect to any subsequent default, nor shall it affect in any way the rights or obligations of any other Distributor. Nor shall any delay or omission to exercise any right arising from default affect or impair the rights of SheerSense® as to that or any subsequent default.

#### H. NO CIRCUMVENTION

SheerSense®, in its sole discretion, hereby reserves the right to take action or to refuse to take action, as such may be necessary to ensure compliance with its policies or applicable law. Specifically, SheerSense® may refuse to honour certain Distributor requests or take other preventative action in situations whereby SheerSense® deems a Distributor is acting to circumvent compliance with this Policies & Procedures Guide, the SheerSense® Terms of Agreement, the SheerSense® Terms and Conditions, the SheerSense® Distributor Compensation Plan, or applicable law. The preceding is not the exclusive remedy but is cumulative with all other remedies which may be available to SheerSense® at law or equity.

#### I. LIMITATION OF DAMAGES

To the extent permitted by law, SheerSense® and its affiliates, shareholders, directors, officers, attorneys, employees, agents, and other representatives shall not be liable for, and Distributor hereby releases the foregoing from, and waives all claims for any loss of profits or incidental, special, exemplary, or consequential damages which may arise out of any claim whatsoever, whether sounding in contract, tort, or strict liability. Furthermore, it is agreed that any damage resulting to Distributor shall not exceed and is hereby limited to the amount of unsold SheerSense® product purchased from the Company and owned by the Distributor.

#### J. INDEMNITY AGREEMENT

Each and every Distributor agrees to indemnify and hold harmless SheerSense® and its affiliates, shareholders, directors, officers, attorneys, employees, agents, and other representatives from and against any claim, demand, liability, loss, cost, or expense it may incur, including but not limited to attorney's fees, arising or alleged to have arisen, in connection with or related to that Distributor's business, or violation of any provision

herein or of any applicable law. It is further agreed that any unresolved disputes between SheerSense® and any Distributor shall be settled by arbitration. It is further agreed that the decision of the arbitrator shall be binding upon all parties. See below for further details.

#### K. ARBITRATION

All disputes, controversies, and claims between any Distributor and SheerSense® shall be totally and finally settled by binding arbitration, conducted pursuant to the SheerSense® Terms of Agreement and SheerSense® Terms and Conditions.

It is agreed that if a Distributor files a claim or counterclaim against SheerSense® such shall be on an individual basis and not in conjunction with another Distributor or as part of a class action. This agreement to submit to arbitration shall survive the termination or expiration of the SheerSense® Distributor Terms of Agreement and SheerSense® Terms and Conditions.

The arbitrator shall be a licensed attorney with business transaction expertise, preferably experienced in the direct selling industry. The decision of the arbitrator shall be final and binding upon the parties and may be reduced to a judgment in any court of competent jurisdiction.

Nothing in this section shall be construed to prevent SheerSense® from obtaining available emergency relief, including but not limited to a temporary or permanent injunction or writ of attachment to safeguard the protected interests of SheerSense® prior to, during, or following any arbitration or other proceeding. Each party shall be responsible for its own costs and expenses related to the arbitration or other proceeding, including all attorney and filing fees.

#### L. ENTIRE AGREEMENT

The SheerSense® Terms of Agreement, the SheerSense® Policies & Procedures Guide, and the SheerSense® Distributor Compensation Plan, as may be amended and/or revised, are incorporated into the SheerSense® Distributor Terms and Conditions. These documents constitute the entire agreement of the parties regarding their business relationship.

#### M. OTHER AGREEMENTS

The Distributor acknowledges and agrees that entering into this Distributorship does not violate or breach any other agreements the Distributor may have with any other person or entity.

#### N. RIGHT TO AMEND

In order to maintain a current and viable business, SheerSense® reserves, and shall have, the right to amend, delete, replace, revise, or otherwise modify the SheerSense® Distributor Terms of Agreement, the SheerSense® Terms and Conditions, the SheerSense® Policies & Procedures Guide, and the SheerSense® Distributor Compensation Plan without notice. In addition, SheerSense® reserves, and shall have,

the right to change at any time its wholesale or suggested retail prices, product availability and product formulation as it deems appropriate.

Such amendments or revisions shall be immediately effective and binding upon publication and notice to all Distributors through any of the following methods: (1) posting on the SheerSense® website, (2) printing in the SheerSense® Newsletter, or (3) delivery by email.