

*Life Force Canada*  
**STATEMENT OF POLICIES AND PROCEDURES**  
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# CODE OF CONDUCT DECLARATION

Life Force Canada (subsequently referred to as “LFC” or the “company”) has established the following code of conduct to guide the appropriate, efficient and ethical operation of LFI. We require our members and customers to abide by the letter and spirit of this code that forms our contract with all registered parties of LFC.

## 1. Member Obligation

*LFI members will:*

- a. Conduct themselves in an ethical and professional manner;
- b. Sell the company’s products in accordance with the Company’s compensation plan;
- c. Make it clear that success in LFC’s compensation plan is based on retail sales rather than sponsoring;
- d. Represent the compensation plan only as prescribed by LFC; indicating that the average member earns less than \$2000 per year;
- e. Comply with applicable consumer protection laws and regulations; and
- f. Provide training, motivation and support to members in their organization.
- g. Maintain current and accurate information concerning the address, phone number, email, method of payment and any other data on their file.

*LFI members will not:*

- a. Engage in deceptive, unlawful, or unethical business or recruiting practices;
- b. Engage in high pressure selling or recruiting practices;
- c. Make misleading sales claims or guarantees concerning the company’s products;
- d. Make misleading claims or guarantees concerning potential earnings;
- e. Sponsor or enroll minors or persons who are not capable of making an informed decision;
- f. Conduct business activities in countries other than those approved by LFC;
- g. Purchase Business Volume on another member or customer’s account to qualify for any LFC bonus or commission;
- h. Seek in any way to violate or circumvent LFC policies.

## 2. Obligations of LFC

*The company will:*

- a. Conduct itself in an ethical and professional manner;
- b. Administer the policies and procedures of the company fairly, without prejudice or favor;
- c. Provide worldwide liability insurance on its products when used in accordance with the instructions on the label;
- d. Compensate members in accordance with LFC’s approved compensation plan;
- e. Process orders and ship products in a timely fashion;
- f. Provide members with the organization and volume information required to manage business activities; and
- g. Comply with all laws governing the sale and distribution of products and the compensation of participants.

*The company will not:*

- a. Guarantee success in LFC;
- b. Provide any commissions for the recruitment of others;
- c. Tolerate members pressuring prospects into purchasing large quantities of inventory;
- d. Tolerate misleading product claims;

- e. Tolerate members “stocking up” on products merely to obtain commissions;
  - f. Advise members on their personal account management;
  - g. Represent that there is any substitute for hard work and preparation;
  - h. Tolerate members purchasing Business Volume, or soliciting other members to do so, on another member or customer account other than their own to qualify for any LFC bonus or commission.
- Violation of these policies may result in disciplinary measures listed in policy 57.

# ADMINISTRATIVE POLICIES

## Membership Policies

### 1. Becoming a Customer

LFC defines customers as persons who simply wish to purchase products and choose not to participate in the LFC income opportunity. Anyone may become a customer at absolutely no cost whatsoever and purchase LFC products at low factory-direct prices. Alternatively, customers may purchase directly from their sponsor at a fair and equitable retail price. To become a customer, you must have a sponsor. Bonuses on customer purchases will be paid to the sponsoring organization.

For account management purposes, a customer will be assigned a computer-generated Identification Number which they should use when ordering products or making account inquiries. In addition, to remain active a customer must purchase products at least once every twelve months. However, LFC reserves the right to accept or reject any customer at any time.

In the event a customer is registered under a business name, it is required to have the contact name for the owner/manager of the business entity.

Customers may elect to change their status and become a member at any time during the calendar month. Should a customer become a member, the newly converted member will be eligible to change their placement sponsorship as detailed in policy 20D. Any new downline the upgraded member has built will be transferred upon completion of the placement change. The enrollment sponsorship of the upgraded member however cannot be transferred.

### 2. Becoming a Member

Membership in LFC does not constitute the sale of a franchise or distributorship and no product purchase is required as a means to obtain the right to become an LFC member. A person may be awarded a membership as an individual, or in the form of a bona fide business entity such as a partnership or D.B.A.

Should a business entity register as a member, the point of contact for the business entity will be subject to the policies and procedures as if they were the member. In addition, there must be a contact name for the owner/manager of the business entity as well.

To become a member and participate in the LFC compensation plan, an individual must:

- a. Agree to abide by the LFC policies and procedures;

- b. Be of legal contractual age in their province of residence;
- c. Have a sponsor; and
- d. Remain active by purchasing products at least once every six months.

If a registered member of LFC goes six months without making a purchase, at midnight on the last day of the sixth month of inactivity, the member will revert to a customer status. The member's existing downline organization will roll up to the immediate upline sponsor, and the enrollment sponsorship of any members who had been previously enrolled by the inactive member will be transferred to the member's Enroller. As a converted customer, the individual will then have an additional six months to place an order before complete removal from LFC takes place.

If a member calls after being changed to a customer to place an order, they will remain a customer unless they request to become a member again. A member who upgrades back to a member status after being changed to a customer due to inactivity will not re-obtain their previous downline organization.

Compliance with these requirements entitles a participant to lifetime membership. Membership is not transferable, and cannot be sold or assigned without prior approval of LFC. Although no product purchase is required to become a member, new member registrations over the telephone where the new member is not present, or registrations via the internet or utilizing any other electronic method where an individual cannot verify their intent to become a member, must include the following:

Full name, address (mailing and shipping), complete telephone number, and both enrollment and placement sponsor's Identification Number. Incomplete electronic applications will be automatically rejected, whether sent via email, internet or fax.

Due to LFC's liberal application process, any registered member who has never placed an order may challenge the validity of their registration and request immediate termination without prejudice, and join under the member of their choice.

Registering members or customers without their permission is not allowed. Anyone caught registering an individual without the permission of the individual being registered shall be subject to the disciplinary measures listed in policy 57.

Although members are authorized to sponsor other members and enroll customers, LFC reserves the right to accept or reject any member.

### 3. Member Identification

Similar to customers, each member is assigned an Identification Number. This number is used to track sponsoring efforts, product purchases and bonus payments.

### 4. Independent Status

Members associated with LFC are independent contractors. If members do any business, they are responsible for conducting their own business activities without company control or direction and are not an agent, employee or legal representative of the company.

Members are not authorized to incur any debt, expense or obligation on behalf of or for LFC nor bind LFC to any agreement or contract. Independent contractors have the following responsibilities:

- a. Abide by all laws, rules and regulations pertaining to the acquisition, receipt, holding, selling, distribution and advertising of LFC products and business opportunity;
- b. Be solely responsible for declaration and payment of any associated taxes or fees. LFC is not required to issue T4's to Canadian members;
- c. Be solely responsible for any required disability or compensation insurance;
- d. Supply any equipment and tools necessary for operating their business, such as telephone, transportation, professional services, office supplies; and
- e. Provide their own place of business and determine their own work hours.

### 5. Beneficiaries

Upon death or incapacity, the benefits of this agreement shall inure to the member's heirs or successors in interest and the obligations and benefits of this policy shall be binding upon the respective successors.

In the event of death, the designated beneficiary will need to provide LFC with a certified copy of the final will and testament (or probate decision in absence of a will) along with a certified copy of the Death Certificate.

### 6. Second Position

Without exception, only members who have achieved the rank of Gold in the LFC compensation plan may have a second position in LFC under the following conditions:

- a. The second position may only be enrolled and placed first level to the first position;
- b. Members and customers originally sponsored under the first position with an enrollment date preceding the second position, may not be transferred to the second position;
- c. The second position may be in the name of a spouse or bona fide business entity, but no HOUSEHOLD may have more than two business positions.

A spouse, business/charity organization, or secondary personal account would fall under the category of a second position. In addition, customers would not be allowed to have a second account unless they have become a member and achieved the rank of Gold.

Failure to meet these may be subject to the disciplinary measures listed in policy 57.

### 7. Multiple Households at a Single Address

LFC has an obligation to ensure that the integrity of its multilevel organizational structure is protected from stacking, a manipulation of the compensation plan that negatively impacts upline sponsors. For example, when family members are chain-sponsored one after the other; upline commissions are negatively affected, even cut off. To prevent this situation, multiple households residing at the same address must be enrolled and placed front line to the original member residing at that address. For example, if parents and adult children are living at the same address, all family members must be sponsored front line to the original member of LFC residing at that address.

- a. Individual rent-paying tenants in the same building or residence are not considered a household.
- b. Roommates are not considered a household.

### 8. Marriage of LFC Members

In the event that two LFC members have separate accounts prior to their marriage, LFC will allow them to maintain their accounts after they are legally wed with the presentation of a

marriage certificate, verifying the date of their marriage or legal union for domestic partners.

### **9. The Divorce/ Annulment of LFC Members**

If there is an LFC member account that is shared by a married couple and those two parties become divorced or have an annulment, they may open separate individual accounts. Both parties would be required to send in a signed written request of their registration along with an official copy of their divorce/annulment papers before the registrations can take place.

### **10. Fictitious/Falsified Information**

The use of a fictitious name, address, phone number, or other information for an LFC account is strictly prohibited. Members participating in such activity may be subject to disciplinary measures listed in policy 57.

### **11. Change of Name, Business Name, and SIN/Tax ID Number Information**

Members and customers are responsible for notifying LFC in writing using General Purpose Request Form 1052 by letter or fax of any change in their name, business name, SIN/Tax ID information (if applicable), etc.

Send form to:

Life Force@ Nutri-Blends Canada Inc.  
106 -2293 Leckie Road  
Kelowna BC V1X 6Y5 Canada  
Email: canada@lifeforce.net  
Fax: 250-860-6917  
Telephone: 250-860-6517

### **12. Voluntary Resignation**

Members and customers may resign their membership at any time with a signed and dated letter indicating their intent to discontinue their LFC account. For a member terminating their position, any downline organization affected by the resignation shall be transferred to the resigning member's sponsor. Enrollment Sponsorship shall be transferred to the resigning member's enroller.

Once resigned, a formerly active member or customer may not re-apply for a new account for three calendar months following the month in which the termination occurred or unless they have received the signatures of the six previous upline sponsors. However, an individual can re-register, with no wait period, under the same sponsor as that of their resigned position. If a resigned member had achieved the rank of Platinum or higher, readmission as a customer or member requires the approval of a senior LFC Executive.

### **13. Sale of an Independent Membership**

An Independent Member may sell, assign or otherwise transfer their Independent Membership, marketing position, or any other Independent Member right with the prior written approval of LFC. Prior to approval, LFC requires that all documents of sale be signed and notarized by all parties, and that they be submitted to LFC.

The Offer of Sale of the Independent Membership must first be offered in writing\* to the Independent Member's immediate upline sponsor and a copy of this offer must be forwarded to the LFC Home Office. If the immediate upline sponsor declines the offer and sends their refusal to LFC in writing\*, the Independent Member must offer the Independent Membership, individually, one at a time, to the five additional upline Members. Copies of each Offer of Sale

must be sent to LFC. If each of these five additional upline members send their refusal in writing\* to LFC, the member may then offer to any Gold or above in good standing with LFC, on the same terms and conditions as were offered to the immediate upline sponsor. If the transaction is completed and approved by LFC, the organization that is sold/purchased will remain in its original position in the LFC genealogy. The sale, transfer or assignment of the majority of voting shares in a corporate Independent Membership is deemed a sale of an Independent Membership and is subject to the same requirements. In the case of a member electing to purchase a second position, that position will take the place of the possible "first level" position that could be originated and developed by attaining the rank of Gold. In all cases, LFC reserves the right to review and approve the entire transaction including, but not limited to, the "offer to sell." It is a violation of LFC Policy to solicit or compensate a downline Independent Member to voluntarily resign his/her independent Membership solely for the purpose of advancement in the Compensation Plan.

A member who has sold their membership may not reapply for membership or purchase another position for three calendar months following the month in which the original membership was sold, or unless they have received the signatures of the six previous upline sponsors.

\*All correspondence must be signed and officially notarized.

### **14. Cross Sponsoring**

LFC prohibits current and former members, either directly or through a third party, from promoting another company's business during an LFC-sponsored activity or any activity promoted as such. Members shall not solicit members to any other REFERRAL MARKETING, network marketing or direct sales business except those members they personally sponsored. Violation of this policy by a member constitutes voluntary resignation and cancellation of their Independent Member status, effective the date of the violation, and the forfeiture of all bonuses payable for and after the calendar month in which the violation occurred. If LFC pays any bonuses for and after the calendar month in which the violation occurred, these shall be refunded to LFC. Any cross sponsorship or cross recruiting is strictly prohibited, and may result in disciplinary measures listed in policy 57.

Violations of this policy are especially detrimental to the growth and sales of other independent members' businesses and to LFC's business. Therefore, LFC may seek and obtain from the violating member damages for violations of this policy. If litigation or arbitration is undertaken to recover bonuses or damages as specified herein, the prevailing party shall be entitled to an award of legal fees and expenses.

### **15. Proprietary Information and Trade Secrets**

By joining LFC, an Independent Member acknowledges that all membership information contained in any report provided by LFC that includes, but is not limited to names, email addresses, mailing addresses and telephone numbers of other LFC members and customers is considered to be LFC's proprietary trade secret information. The member agrees not to disclose such information to any third party or use such information for non-LFC purposes. The member acknowledges that such proprietary information is of such character as to render it unique and that disclosure or use thereof in violation of this provision will result in irreparable damage to LFC and to independent LFC businesses. LFC and its independent members will be entitled to injunctive relief to prevent violation of this policy. If litigation or arbitration is required to obtain injunctive relief or to recover damages, the prevailing party shall be entitled to an award of legal fees and expenses.

## Independent Member & Sponsoring Policies

### 16. Direct Solicitation to LFC

From time to time, LFC may receive inquiries from the public about its products and opportunity. When this occurs, the company tries to ascertain whether the contact with the company resulted from a member's sponsoring/prospecting efforts. If so, the inquiring party will be referred to that member. Prospective members and customers, who have simply heard of LFC without any discoverable contact with a member, will be informed of their need to have a sponsor. LFC will not distribute leads.

### 17. Sponsoring

Members have the right to recruit or sponsor others into a LFC business. Any member, who sponsors other members, must fulfill the obligation of performing bona fide supervisory, training and selling functions in the marketing of LFC products and program benefits. Firstly, sponsors should teach their organization that nutritional and dietary supplements are food products - not medicines. Secondly, no hypothetical examples of what is mathematically possible, nor income representations, projections or potentials may be used in any Business Presentation without the appropriate Disclaimer, "the average Network Marketing Distributor earns less than \$2000.00 per year." No member can guarantee the success of any prospect. Members shall avoid any suggestion that it is easy to attain high-income levels, and shall always explain that each individual's success depends solely upon the level of effort expended and their personal commitment to the LFC program. A member shall make it clear that the Compensation Plan is based upon retail sales of the LFC products, and that no compensation is available from the Compensation Plan or otherwise merely for the sponsorship of other members. Retail selling is a requirement in this marketing program, and must be emphasized in all sponsoring presentations.

### 18. International Sponsoring

Members may only sponsor people in countries where LFC is authorized to conduct business. Legal requirements differ for each country, so sponsors should not assume that membership requirements are the same worldwide. Some countries, for example, legally require both application forms and fees. International sponsors are subject to the policies and procedures set forth by LFC in each country where they build a marketing organization. Also, members should be aware that prices vary from country to country due to governing economic influences such as taxation, freight and importation duties.

LFC members must utilize only authorized distribution channels to build their marketing organizations. Members may not individually import, export or distribute LFC products or business building tools in any country. Violators of this policy shall be subject to the laws governing that

The placement change request must be submitted on the New Enrollee Placement Change Form, and must include the Enrollment Sponsor's signature. The placement change form must be received by LFC no later than midnight on the last day of the third full calendar month from the new enrollee's date of registration.

All Placement or Enroller changes will occur between the 10th and the 22nd of the month. Placement change forms received before the 22nd of the month will have the placement change occur in that same month. Placement changes received after the 22nd will be processed the following month.

country. Violators of this policy are likewise subject to the disciplinary measures listed in policy 57.

### 19. Unauthorized Countries

Members are not allowed to sell, advertise, market, or ship LFC products, the business opportunity or other LFC related services to countries LFC does not have official authorization to conduct business in. Violation of this rule may lead to legal problems, which is very damaging to LFC's reputation and standing with regulatory agencies. Members who participate in this activity will be held directly liable and will be subject to the disciplinary actions detailed in policy 57.

### 20. Enrollment and Placement Sponsor Changes

It is highly recommended that all new members be placed on the first level of their Enrollment Sponsor upon registration, meaning that the Enrollment Sponsor and Placement Sponsor is the same person. Any placement of a new member or customer other than on the first level will be considered the Enrollment Sponsor's one placement for that member or customer. Upon registration, a member or customer understands that his or her Enrollment Sponsor may change his or her Placement Sponsor following the guidelines below.

All Enrollment and Placement Sponsor changes or transfers must be sent to LFC in writing on the specified form.

All members agree that the decision to allow or disallow a transfer of Enrollment or Placement Sponsorship, whether the required approvals have been obtained, will be at LFC's sole discretion.

### 20A. New Enrollee Placement Change

An Enrollment Sponsor will have three full calendar months from the new member's registration date to place this first level member on a lower level in the Enrollment Sponsor's downline organization. The same three calendar month time period applies for customer placement changes. For example: If a new member or customer joined on January 15th, the Enroller would have until the last day of April to place that new member or customer anywhere in their downline. The placement change of a new member may only occur one time. Multiple moves of a membership will not be permitted.

Any downline that the new member has generated during the initial three calendar month period, and up until the change is made in the genealogy, will be moved with them in the event of a placement change.

Enrollment sponsorship may also be permanently transferred to the new Placement Sponsor during the initial three-month period. This is optional and must occur at the time of Placement Sponsor change. After the initial three full calendar month period, enrollment sponsorship cannot be transferred. However, in the event that a member or customer's Enrollment Sponsor resigns or terminates, Enrollment Sponsorship will be transferred to the resigning member's Enroller.

Refer to the Sponsor Change Processing Deadline and Notary Policy below for additional details.

### 20B. Platinum and Above Bi-Annual Placement Change

The Enrollment Sponsor of the member to be transferred must be a Platinum or above in the month prior to requesting the change. Both the new Placement Sponsor of the transferred member and the Enrollment Sponsor must be on a minimum of 100 BV Autoship.

The Enrollment Sponsor may place a member along with his/her downline on a lower level in the Enrollment Sponsor's downline organization. This move can only be

made if the organization to be moved has no more than 9,999BV within six levels of uncompressed volume for the month previous to when the change will be processed. In addition, the new Placement Sponsor's organization must have a greater total group volume than the organization being moved under him/her. Organizations with greater than 9,999BV within 6 levels uncompressed volume for the month prior will not be permitted to move. Only one of these moves will be allowed in any 6-month period.

The placement change must be submitted on the Bi-Annual Placement Change Form and must include the notarized signatures of the current six direct upline members, the Enrollment Sponsor submitting the request, and the transferring member

Any annual placement changes will be made between the 10th and 22nd of the month.

Refer to the Sponsor Change Processing Deadline and Notary Policy below for additional details.

#### **20C. Changes in Upline Placement Sponsor**

An individual member may request to change their Placement Sponsor at any time. Upon approval by LFC, the member requesting an upline placement sponsor change will receive a new LFC Identification Number. The member's existing downline organization will roll up to the immediate previous sponsor, and the enrollment sponsorship of any members who had been previously enrolled by the transferring member will be transferred to the resigning member's Enroller.

The upline placement change must be submitted on the Upline Placement Change Form and must include the notarized signatures of the Enrollment Sponsor and the current six direct upline members.

Refer to the Sponsor Change Processing Deadline and Notary Policy below for additional details.

#### **20D. Upgraded Member Placement Change**

Customers may elect to change their status and become a member at any time during the calendar month. Should a customer choose to upgrade to be a member, the Enrollment Sponsor will have three full calendar months to place this member on a lower level in the current Placement Sponsor's downline organization.

Any downline that the newly upgraded member has generated during the initial three calendar month period from the time they upgraded, and up until the change is made in the genealogy, will be moved with them in the event of a placement change. If this newly upgraded member has not yet established a downline, the Enrollment Sponsor may elect to move this member anywhere in their downline organization.

The placement change request must be submitted on the Upgraded Member Placement Change Form, and must include the Enrollment Sponsor's signature. In addition, if the enrollment sponsor requesting the placement change is not the current Placement Sponsor, then the notarized signature of the current Placement Sponsor is also required to complete the request.

Enrollment sponsorship of the upgraded member cannot be transferred.

Refer to the Sponsor Change Processing Deadline and Notary Policy below for additional details.

#### **21. Sponsor Change Processing Deadline**

Transfer requests will be accepted at all times, however changes will only occur between the 10th and 22nd of any calendar month. Any changes received after the 22nd of any calendar month will be effective for the following month. All members agree that the decision to allow or disallow a transfer of sponsorship, and whether the required approvals have been obtained, will be at LFC's sole discretion.

If a signature or required notary stamp is missing when LFC receives the documents, the deadline of the 22nd will not be extended. The corrected form will be reviewed for the following month. Any changes that have not been received in complete form will be sent back to the Enrollment Sponsor listed on the form.

#### **22. Upline Sponsor Signature Policy**

If an Enrollment Sponsor, after a reasonable amount of time (or "a reasonable attempt"), cannot obtain one of the six direct upline notarized signatures required for Platinum and Above Bi-Annual Placement Change (Policy 20B) or a Change in Upline Placement Sponsor (Policy 20C), the following steps shall be taken:

- a. LFC will send a certified letter to the unresponsive upline sponsor requesting his/her response to the Placement Change request within ten business days from the day of receipt.
- b. If no response is received by LFC within ten business days, LFC will allow the notarized signature of the next upline sponsor in the upline signature tree (above six levels) to replace the unresponsive upline sponsor's signature for that move.
- c. LFC will send a second certified letter to the unresponsive upline sponsor regarding future notarized requests for Placement Changes. If no response is received by LFC within 30 days, the upline sponsor will be permanently removed from the upline signature tree and their signature would not be required for any future placement change requests that require the six direct upline signatures.

Any member found promoting any other referral marketing, network marketing, or direct sales business constitutes voluntary resignation and cancellation of their right to withhold their notarized signature on a Platinum and Above Bi-Annual Placement Change or a Change in Upline Placement Sponsor request.

#### **23. Notary Policy**

If a notary has any connection or interest in a change being processed that requires notarized signatures, he or she may not be the notary used for the required signatures. The signing member must commission a notary in the same province that the documents are signed and notarized. In addition, each notarized signature must be stamped and dated the day it is witnessed.

### **Bonus & Compensation Policies**

#### **24. Bonus Qualifications**

Members must meet published personal retail sales requirements as well as supervisory responsibilities, to qualify for bonuses, advancements or incentives. These requirements are detailed in approved LFC literature and apply to each bonus period.

All bonus errors must be reported within 60 days for review. LFC will not be responsible for any errors or omissions reported after 60 days.

#### **25. Cheques and Business Management System**

Bonus cheques are mailed by LFC to members on the 10th day of each month for bonuses earned during the previous month. When the 10th day of the month falls on a weekend or national holiday, cheques will be mailed on the next business day. Any cheques for \$5.00 or less will be held and added to the next month's cheque.

The bank will not honor bonus cheques that have not been cashed for more than 90 days. Members who are in possession of expired bonus cheques will be issued a replacement cheque upon receipt by LFC of a written request from the member to whom the original cheque was issued. The original cheque must accompany the replacement request. Lost cheques require a \$15 stop payment and reissue fee.

A Business Management System (BMS) will be printed for members receiving a bonus cheque. The BMS will show the calculation of a member's bonus in detail. Members should use their BMS as a tool to manage, supervise and train the members of their MARKETING ORGANIZATION.

For members paid as an associate three through silver, a printed version accompanies the bonus cheque, and a small monthly fee is deducted from the cheque. For members paid as Gold and above, an online version is provided for viewing anytime during the month, and a small monthly fee is debited from the account. If a member wishes to discontinue the online BMS and revert to the paper BMS accompanying their commission cheque, the member may contact the customer service department to do so.

### **Purchasing & Ordering Policies**

#### **26. Sales Taxes**

In Canada the LFC uses the Alternative Collection Method, collecting GST, HST and PST at the time of purchase by the member, on the Suggested Retail Price of the product. LFC is then responsible for remitting the PST and GST to the member's respective governmental agency. This alleviates the necessity for members to register for PST and GST numbers in their own right. The member recoups the prepaid GST and PST from the retail customer at the time of sale. If the member ultimately sells to a bona fide tax-exempt organization or a tax-exempt purchaser, he/she must apply to Revenue Canada directly for any GST refund. For PST, if there are any exemptions or rate differentials unique to a particular order, the member who purchased the products may submit a claim for refund to the LFC on the tax-exempt Sale Refund Claim Form (contact the corporate office to have the form faxed out), along with the sales receipt pertaining to the transaction for which he/she is requesting a refund. The refund should be remitted within ten (10) days of the day of receipt. Alternatively, for sales that are completely exempt from sales tax (i.e. church, non-profit organizations, etc.), the purchasing member may submit the Tax Exempt Sale Refund Claim Form and supporting documentation, including a sales receipt pertaining to the transaction for which he/she is requesting a refund at the same time as the order.

#### **27. Ordering Product**

Using their Identification Number, members or customers may purchase products directly from LFC. We encourage members to order early in the month. All orders are credited to the calendar month in which they are received by LFC.

Orders may be placed by telephone, mail, email, website, or fax. Orders may be paid in cash, money order, Visa, MasterCard or American Express. When paying by credit card, please include the card number and expiration date.

www.lifeforce.net (enter under Canadian flag)

Email an order to [canada@lifeforce.net](mailto:canada@lifeforce.net)

Fax an order to: 1-250-860-6917

Telephone an order to: 1-800-860-0288 (Orders only)

Member Services: 250-860-6517

#### **28. Automatic Orders**

When members and customers choose to have their products automatically shipped to them on the day of the month they specify, the members, the customers and LFC all save money. Both members and customers purchase products at low factory-direct prices from the company. Automatic order members and customers, however, enjoy an additional discount. We are able to offer this discount due to the improved efficiency automatic shipments promote. Furthermore, autoship members and customers are free to place additional orders and enjoy the same low autoship prices.

Autoship – The products a member/customer designates will be automatically processed each month on the day they specify, regardless of any other orders they have placed during the month. The member/customer can change the order up to five business days prior to the processing date.

When the processing date of an automatic order falls on a weekend or holiday, the order will be processed the previous business day. To sign up for Autoship, simply call Customer Services at (800) 860-0288 or fill out the appropriate form and fax it to (250) 860-6917. Member Services will gladly help place the first Autoship order and establish a processing date.

Automatic orders may be paid by bank draft, Visa, MasterCard or American Express.

#### **29. Autoship Cancellations**

Automatic order cancellations must be received by LFC via phone, mail, email or fax at least five business days prior to the processing date. If an autoship package is returned or refused, the automatic order may be cancelled and the membership may be subject to the disciplinary measures listed in policy 57. The terminated member may not reapply for membership for three calendar months following the month in which the termination occurred.

#### **30. Inventory Loading and the 70% Rule**

As an LFC member, primary emphasis should be placed on product sales and distribution to end-users. Members may purchase products for personal consumption and such sales are recognized as retail sales for end-user consumption. However, the company does not require its members to maintain an inventory and acts as a fulfillment house by servicing customers who purchase factory direct.

The company expressly prohibits purchases of products solely for bonus qualification. Any member found to be promoting inventory loading may be subject to the disciplinary actions listed in policy 57. LFC reserves the right to verify that inventory loading is not being practiced by randomly sampling those members receiving bonus cheques. Members must certify that over 70% of previously purchased company products have been sold or consumed before further products can be ordered.

### **31. Returned Remittances and Delinquent Payments**

Returned and rejected payments constitute a breach of the agreement, and a service fee will be charged. It is strictly a customer or member's responsibility to keep their method of payment current. Expired credit cards, returned or insufficiently funded debit accounts may result in a loss of earnings. Orders will not be shipped and sales volume will not count if payment has not been collected.

In the case of automatic orders, if payments are declined three consecutive months, the automatic order will be permanently cancelled.

### **32. Unauthorized Purchases**

Any sponsor who registers a new customer or member without their authorization and then places an initial or automatic order for the new person without their permission, will be responsible for the purchase, all shipping and handling fees, and a 10% administration fee. Offenders are also subject to the disciplinary measures listed in policy 57.

### **33. Back Orders**

If an item ordered is temporarily out of stock, the packing order will have the notation "Back Ordered" under the product description. Once the product is available, it will be shipped priority at no additional charge. Back ordered products are paid for when ordered. BONUS VOLUME is accrued for the bonus period in which the order was placed.

### **34. Order Errors**

Members should notify LFC immediately using Shipping Discrepancy Form 1057 of any errors or questions about orders or charges. All packages are accurately weighed and contents are recorded. However, in the unlikely event an item is missing from a package, contact the company within five business days of receipt, otherwise, it will be assumed that the complete order was received. LFC will correct any charge errors that are reported within 60 days, but LFC will not be responsible for any errors, omissions or problems not reported within 60 days.

### **35. Shipping**

Orders received and processed prior to 2:00 p.m. (PT) Monday to Friday should normally be shipped the same day. Orders received and processed after 2:00 p.m. (PT), on weekends, or on holidays should be shipped the next business day. The Canada Post will deliver your package within 5-7 business days. Please add a few extra days for smaller rural communities.

### **36. Postage Charges and Options**

LFC has no minimum order restrictions. All orders are shipped via Canada Post under contract with LFC and these charges are passed on to the end consumer.

### **37. Will Call Orders**

Will Call orders are available at the Life Force distribution facility. Will call hours are 10:00 a.m. to 4:30 p.m., (PST), Mon- Fri. For optimal service when paying by credit card, it is highly recommended will call orders be placed over the phone at least 48 hours prior to being picked up. Products paid by cash or money order must be placed at the will call desk.

### **38. Customer Product Guarantee**

If a customer cancels an order placed directly with LFC within 10 days of purchase, LFC will refund 100% of the purchase price, including shipping and handling fees and tax (if applicable). LFC will process these refunds within ten days of receipt of the product.

If after purchasing a LFC product and using it for a reasonable amount of time you are not completely satisfied, simply contact the customer service department and one of LFC's representatives will assist you with a 100% refund or replacement, less shipping and handling, when goods are returned either used or unused and postmarked within 45 days of purchase. Once received by LFC, refunds will be issued within 30 days of receipt by the shipping department. Returns exceeding 45 days of purchase will not be honored, whether the product is sealed or opened. Return shipping fees are the responsibility of the customer. Proof of purchase (invoice, copy of invoice, or invoice number) is required for all refund or replacements.

To maintain BV statistics, LFC will not process returns on the last working day of the month, but will instead process these returns on the first working day of the next month.

### **39. Member Product Guarantee**

If a member cancels an order placed directly with LFC within 10 days of purchase, LFC will refund 100% of the purchase price, including shipping and handling fees and tax (if applicable). LFC will process these refunds within ten days of receipt of the product.

After the ten days, the member shall receive a 100% refund or replacement, less shipping and handling, when goods are returned either used or unused and postmarked within 45 days of purchase. Return shipping fees are the responsibility of the member. Proof of purchase (invoice, copy of invoice, or invoice number) is required for all refund or replacements.

LFC will honor refund policies provided by the provincial law applicable to the member. LFC will clawback all bonuses and incentives paid to members relating to the purchase of the products being returned. Any refund requests may cancel the Independent Member Agreement at the option of LFC. However, in the following instances: 1) A member makes three returns for refunds in a rolling 12-month period; or 2) A member returns over \$300 worth of merchandise at any given time; LFC will interpret these actions as the member voluntarily resigning their membership.

To maintain BV statistics, LFC will not process returns on the last working day of the month, but will instead process these returns on the first working day of the next month.

### **40. Customer Purchase from Member**

When a customer makes a purchase from a member, the customer shall return the product to the member within 30 days for a 100% refund, exchange, or replacement. Members are required to honor the retail customer refund according to the policy stated on the reverse side of the Customer Retail Receipt in a prompt and courteous manner. Failure to do so is a serious violation of company policy, and may result in disciplinary measures listed in policy 57.

## **Advertising & Marketing Policies**

### **41. Product Display & Retail**

LFC strongly supports home-based businesses and personal product presentations. To maintain a standard of fairness, members may not stock or sell LFC products at retail establishments. Retail establishments are defined as businesses that are available for open entry by the general public and the primary function is the retail sale of products.

Examples of these would include health food stores, pharmacies, grocery stores and supermarkets, kiosks, chain/franchise stores, flea markets, swap meets and malls.

Owners of retail establishments may be sponsored in to LFC, but are required to conduct their business outside of the establishment. A small promotional display of literature with the sponsor's information is allowed with an empty container of product at the sales counter.

LFC further prohibits the retail sale of products through any online retailer or auction sites, including, but not limited to currently operating commercial auction sites. This policy is necessary to protect the integrity of the company and its products and is not intended to harm the member in any manner.

Members who have service-oriented offices will be allowed to display and sell products within their place of business. A service-oriented establishment is defined as a business where entry by the general public would require a membership or appointment and its primary function is the sale of professional services.

Examples of these would include doctor's offices, chiropractors and other health professionals, health clubs/gyms, barbers, salons/spas, nail shops, or counseling centers. Exterior signs or window displays will not be allowed at any location.

#### **42. Restaurants/Coffee Houses/ Juice Bars**

LFC will permit establishments such as restaurants, coffee houses, and juice bars to add LFC products to the foods and beverages produced by the establishment. However, retail sales of LFC product individually would still not be permitted per policy 41.

A small promotional display of literature with the sponsor's contact information along with an empty container of product at the sales counter will be permitted.

#### **43. Resale Product Pricing**

Members are free to resell LFC products to customers at current market prices at their own discretion. However, at no time shall a member be permitted to sell or market the sale of LFC products at any price below the Company "factory-direct prices." Factory-direct prices shall be defined as those prices regularly available from the Company, excluding Auto-ship pricing.

Violation of these policies may result in disciplinary measures listed in policy 57.

#### **44. Reproduction of LFC & LFI Materials**

The reproduction of any current or previously LFC or LFI published material is not permitted without the written consent from LFC or LFI.

#### **45. Trademark, Service Mark and Trade Name Restrictions**

Members may not in their independent marketing material use, reproduce or disseminate LFC's corporate logos, registered trademarks or service marks except in the use and dissemination of literature or other published items, made available by LFC. This applies to all trademarks or service marks designating products or services offered by LFC and LFI. Members are allowed to use LFC's trade names and product names when describing or discussing LFC, the business opportunity and LFC's products in their sales aids. This may include, but is not limited to, the acronyms "LFC" or "LFI"; the terms "Life Force", "Life Force Canada", "Life Force Nutri-Blends Canada Inc" or "Life Force® International" and any LFC or LFI product names. However,

a website domain name or email address created by an independent member may not contain any of LFC's or LFI's trade names and/or product names.

Examples of these would include:

[support@lifeforcesupport.net](mailto:support@lifeforcesupport.net) [www.osteoprocurehealth.com](http://www.osteoprocurehealth.com)  
[info@LFIteam.net](mailto:info@LFIteam.net)

Members may use the "Independent Member" logo developed by LFC on business cards, letterheads, envelopes or any other advertising (see policy 47) and may not be combined with any non-LFC products or services.

#### **46. Unsolicited Fax and Phone Blasts**

Soliciting anyone for products sales, business opportunities, or other marketing ventures by fax or phone blasts without their prior consent or request is prohibited. Violation of this policy may result in disciplinary measures detailed in policy 57.

#### **47. Restrictions on Advertising**

Members who create, publish, or distribute any literature, audio or video tapes, telephone ads/messages, radio or television ads, materials or merchandise representing LFC, its products, services, compensation plan or business opportunity, other than that which is provided by LFC, or that which contains only information that is set forth in the current marketing materials of LFC, take full responsibility for the content of such advertising and are expected to stay abreast to current guidelines to help ensure their material is within compliance. LFC is not responsible or liable for marketing materials members create outside of corporate sanctions.

Each promotional item independently created by an LFC member that promotes LFC, its products, services or compensation plan must be truthful, substantiated and not misleading. In addition, the following disclaimers must be present at the end of a member's marketing piece: "Distribution within the Canadian market only" and "This [Insert type of advertising] was prepared by an Independent Life Force International member." For those members who create an independent website, these statements must be present on every page of the site. The abovementioned statements must appear in a manner that is both clear and conspicuous to the reader. If a member chooses to make a product structure/function claim in their advertising, the only structure/function claims authorized for use are the ones pre-approved by LFC as detailed in the Member Marketing Guidelines. A structure/function claim is defined a claim that describes the role of a nutrient or dietary supplement that affects the normal structure, function or general well-being of a person .

LFC strongly encourages members to use corporate sanctioned materials. LFC is available to provide assistance to members who have questions about marketing policies in relation to creating their material. However, LFC cannot provide an official review or approval code for any independently created marketing material, including websites. Marketing Guidelines are provided on the corporate website to assist members in ensuring independent materials are within compliance.

Violation of this policy could cause misrepresentations or other legal improprieties in the display, advertisement, or promotion of LFC products, services or marketing plan, which could be injurious to LFC's image, reputation, and standing with various regulatory agencies. A member who creates and uses promotional materials outside of compliance

and company guidelines will be held personally liable and will be subject to the disciplinary measures listed in policy 57.

#### **47b. Free Product Giveaways**

In order to maintain a standard of fairness to all our Members, we must limit the number of bottles of product that can be given free with a purchase. For all print media and websites, one (1) bottle of the product of your choice may be given away free for every eight (8) bottles of products purchased. This is capped at a maximum of one (1) free bottle of product given away free per eight (8) bottle order. No more than one (1) bottle of free product can be given away per order, regardless if more than the minimum of eight (8) bottles is being purchased. Any order less than eight (8) bottles purchased, is not eligible for a free product giveaway.

#### **47c. Free Shipping Offers**

Free shipping can only be offered on first time orders, with the commitment of autoshipment. Offers cannot be combined. Either a free product may be given away (see policy 48b above) or free shipping may be offered. This can only be offered on the first order and cannot be ongoing.

#### **48. Independent Member Website Policy**

Life Force members may create websites that promote LFC, its products, services or compensation plan, however must meet the requirements set forth in policy 47. In addition to the requirements detailed in policy 47, member websites that have any testimonials, product structure/function claims or general statements pertaining to LFC products/product ingredients must be a minimum of two web page clicks away from where the products can be purchased. The clicks cannot contain additional testimonials, claims or comments about LFC products and/or product ingredients. Refer to the Member Marketing Guidelines for further details. For optimum security, Life Force International encourages members who take product orders to provide a redirect link to either the LFC corporate website or a member's self replicating site provided by LFC as an alternative to keeping payment records in unspecified locations. Life Force International is aware that many LFC members sell and promote products and business opportunities aside from LFC. In order to maintain the LFC level of excellence and product integrity, all Life Force members web sites shall be solely limited to promoting and selling Life Force products. No competitive products and services may be included or linked to the member's web site. Violation of these policies may result in disciplinary measures listed in policy 57.

#### **48a. Spamming**

Spam is defined as an unsolicited email or electronic message, often of a commercial nature that is sent indiscriminately to multiple mailing lists, individuals, or newsgroups. Spamming to Internet users is prohibited. Violation of these policies may result in disciplinary measures listed in policy 57.

#### **49. Lead Generation and Downline Building Services**

Members should carefully consider whether to organize or participate in lead generation campaigns or downline building organizations. LFC does not endorse or guarantee success in such programs. In addition, all lead generation and other related downline building services are prohibited from being displayed, linked or used in a member's independent website.

#### **50. Trade Shows and Fairs**

LFC members are allowed to display and sale LFC product at venues such as trade shows and fairs. It is expected of the

member to conduct him/herself in a fair, honest, reputable manner and follow all of the company's advertising and marketing guidelines. The advertising, distribution or marketing of products or services not related to LFC will not be permitted at the same table or booth with LFC's materials. In addition, the display table or booth used must be clearly represented as an independent member's presentation, not as an LFC corporate-sponsored one.

#### **51. Radio & Television Advertising**

When participating in radio or television advertising, in addition to adhering to the advertising guidelines set forth in policy 47, it must follow a pre-approved script. There cannot be a question and answer session or any similar format where non-approved information can be relayed. Likewise, if a member receives any inquiries from the media pertaining to LFC's products, compensation plan or services, that member must refer the media representative to the LFC corporate office (see policies 4 and 53).

For a radio or television ad, the following statement would need to be stated on the advertisement "This advertisement has been paid and produced by (name), Life Force Independent Member." Members are expected to following the marketing guidelines as to what can and cannot be said about LFC products and/or business opportunity.

#### **52. Member Telephone Message**

When members create a phone message for their LFC business prospects, they are required to clearly state that they are an independent distributor/member of LFC. This is necessary to ensure that the caller is aware that they are speaking to an individual member and not the corporate office.

Examples of this would include: "You have reached the voicemail of (your name), Independent Life Force member." or "Thank you for calling Life Force Independent Member (your name)."

#### **53. Telephone Yellow/White Page Listing**

If a member chooses to post a listing for the yellow or white pages, their listing would need to be listed under one of the following sections: health supplements/foods, food supplies, holistic/alternative health, nutrition, herbs, fitness or beauty. The only information that would be allowed to appear would be the member's name, LFC identification (ID) Number, "Life Force Independent Member", and a contact phone number. The use of any images, including the independent member logo would not be permitted for use in this sort of advertising.

Example: Mary Smith  
Life Force Independent Member  
ID#123456  
(xxx) xxx-xxxx

### **Miscellaneous Policies**

#### **54. Media Inquiries**

It is LFC's policy to have a single spokesperson handle all corporate inquiries from the media and all media relations. Therefore, members may not for any reason, act as the legal representative or LFC spokesperson if approached by the media regarding LFC, its compensation plan, its products or services (see policy 4). It is in violation of this policy for a member to represent him/herself as such, regardless of whether the information is positive or negative, accurate or

inaccurate. All inquiries members receive from the media (whether radio, television or print) must be referred to LFC.

#### **55. Member/Employee Relations**

Company employees are trained to be courteous and professional in all contact with the public. Should a member ever receive less than this from company personnel, they should document the situation and forward it to an executive staff member for immediate review.

Members are expected to extend these same courtesies when dealing with corporate office staff, via telephone, internet or in person. Company employees are not required to endure any abuse. Whenever they feel this is occurring, they are to turn the call over to a supervisor. If this is not possible they are to politely end the conversation and document the incident. This documentation will also be forwarded to company executives for review. In severe circumstances offending members may be subject to the disciplinary measures listed in policy 57.

#### **56. Compliance Claim and Investigation Procedure**

The responsibility and duty of the LFC compliance department is to make sure all inquiries, investigations, and grievances related to the policies and procedures are handled in a fair and objective matter without prejudice to any party. Because of this, the compliance department must act on claims that can be substantiated with proof of the alleged violation in question. LFC will not tolerate or condone members participating in filing untrue claims for any reason. Reports of alleged policy violations or questions must be submitted in writing to the attention of the compliance department. Upon receipt of such items, the compliance department will conduct all necessary research and follow through with all parties accordingly.

#### **57. Disciplinary Measures**

All of the policies in this Statement of Policies, which constitutes the Independent Member Agreement, and any other agreements entered into by and between LFC and the members are material terms to the agreement between LFC and the members. Any violation of the terms and conditions entered into by and between LFC and the members or the Statement of Policies or any illegal, fraudulent, deceptive or unethical business conduct by a member may result, at LFC's discretion, in one or more of the following corrective measures:

- a. Issuance of a written warning;
- b. Imposition of a fine to be withheld from future commission cheques;
- c. Suspension or termination of current and future commission cheques;
- d. Reassignment of all or part of their marketing organization;
- e. Suspension of their independent member agreement;
- f. Termination of their independent member agreement;
- g. Any other measure expressly stated within the policies set forth in the Statement of Policies.

Should a member be terminated for cause, any rollups will be at the sole discretion of LFC. Should a terminated member

wish to re-apply for membership, approval from a senior Executive will be required.

#### **58. Indemnity**

Each member shall hold the company harmless for any claims, damages, or liabilities arising from the member's misrepresentation, negligence or failure to follow these policies and procedures.

#### **59. Statutory Precedence**

LFC's Statement of Policies is subject to the prevailing laws governing our industry. These laws take precedence over any item included herein.

#### **60. Program Modifications**

In order to maintain a viable business and to comply with governing laws and economic conditions, LFC has the sole right and discretion to modify its compensation plan, product line, pricing or policies without notice. Such modifications shall be immediate.

#### **61. Social Networking Sites**

If a Life Force Member or Customer belongs to a social networking site, i.e. Facebook, My Space, Twitter, etc. they must represent themselves as an Independent Member of Life Force International to avoid confusion with the corporate account. For example, the account name would need to read "Life Force International Independent Member, or "Independent Member, Life Force International.

#### **GLOSSARY OF TERMS**

**ID NUMBER** – The computer-generated number used by LFC to establish a genealogy, track sponsoring efforts, purchased products and generates bonus payments.

**HOUSEHOLD** – Lifetime partners, immediate family (parents, children, or spouse) or dependents residing at the same address.

**REFERRAL MARKETING** – A method of marketing whereby members refer customers and other members they enroll directly to LFC for product purchases. Both members and customers enjoy the same factory-direct pricing, but only members are compensated for promoting LFC and for building a marketing organization

**BUSINESS VOLUME** – The volume assigned to product purchases used to calculate bonuses and award incentives.

**BONUS RECAP STATEMENT** – The accounting record LFC prepares monthly that tracks purchase activities for a marketing organization.

**MARKETING ORGANIZATION** – All levels of individuals and business entities for which LFC provides compensation.

**ENROLLMENT SPONSOR** – A member of LFC who personally enrolls other individuals as a member or customer.

**PLACEMENT SPONSOR** – A member or customer's immediate upline.

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