



Stampin' Up!®

INDEPENDENT DEMONSTRATOR AGREEMENT

STAMPIN' UP! CANADA, ULC

This Agreement is made this _____ day of _____, 20____, between Stampin' Up! Canada ULC, a Nova Scotia Unlimited Liability Company, engaged in the sales of decorative rubber stamps, scrapbooking supplies, and related products, with offices located at Suite 330— 2618 Hopewell Place NE Calgary, Alberta, Canada (the "Company") and Applicant ("I" or "me"), who agree as follows:

- 1. Qualification as Independent Demonstrator.** I apply for authorization to serve as an Independent Demonstrator ("Demonstrator") of the Company and certify that I am of the age of majority in the province in which I reside. I understand that I may conduct my demonstratorship through a business entity as explained in the Stampin' Up! Canada *Demonstrator Manual*, ("Demonstrator Manual"), which is available online at www.stampinup.com, that I may not operate more than one demonstratorship at one time, and that I must be able to provide a Canadian social insurance number and have a permanent address in Canada.
- 2. Independent Status/Taxes.** I certify that I am an independent contractor with control over the scope, methods, and manner of my activities pursuant to this Agreement. I understand that I shall be treated as an independent contractor in every respect. I shall bear full responsibility for the payment of all applicable federal, provincial, and local income, sales, use, and taxes, and will be responsible for the remittance of any statutory taxes and deductions, workers' compensation, social insurance, and other taxes, premiums, license requirements, and fees attributable to my sales activities and earnings. In those jurisdictions where the Company is so licensed, I authorize the Company, on my behalf, to collect and remit to the applicable governmental agencies the proper goods and services and sales/use taxes assessed as a result of my purchases and resale of products of the Company (the "Products"). I understand that I have no right, power, or authority to incur any debt, obligations, or liability on behalf of the Company, to employ or engage others on behalf of the Company, or to bind the Company to any agreement of any kind whatsoever without the express written approval of the Company.
- 3. Insurance Liability and Assumption of Risk.** I agree to keep in force all liability, business, and vehicle insurance with such coverage and in such amounts as are required by law or as are reasonable as prudent business practice. I understand that while traveling to or from Company-related meetings, events, workshops, or gatherings, I am doing so as a part of my own independent business and not in any manner as an employee, agent, or functionary of the Company, notwithstanding the fact that my attendance may be based in whole or in part by invitation from, or agreement with, the Company to attend. I assume all risk and responsibility for such travel.
- 4. Starter Kit.** The Company shall provide me with an Independent Demonstrator Starter Kit for sales demonstrations, which will be composed of Company Products selected in whole, or in part, by the Company. The kit will be sold to me at a price that does not exceed the cost of the kit to the Company. I understand that the Demonstrator Starter Kit is personal to me and cannot be resold.
- 5. Responsibilities as an Independent Demonstrator.** Subject to acceptance of this Agreement by the Company, I agree to purchase the Company's Products for resale (or in the case of digital stamps and imagery, to sublicense) to consumers on a direct-sales basis only and to perform the role of a Demonstrator according to the terms of this Agreement, the *Demonstrator Manual*, or their successor documents, the terms and conditions of which are incorporated herein by reference. As a Demonstrator, I understand that my recruits expect to be provided leadership training and direction as explained in the *Demonstrator Manual*. I will operate my business in full compliance with all federal, provincial, and local laws and regulations. In my activities as a Demonstrator, I will exercise reasonable care and good judgment in the promotion of Stampin' Up!'s name and Products in a manner favorable to both me and the Company. I will be respectful and courteous towards fellow demonstrators, customers, and Company staff at all times. I will not engage in any activity that would damage the copyrights, trademarks, patents, trade secrets, or reputation of the Company. I will conduct my business and my dealings with my customers, my recruits and potential recruits, my fellow Demonstrators, and the Company in an ethical fashion and will abide by the spirit and intent of this Agreement, the *Demonstrator Manual*, and any amendments thereto. I will conform my activities to the Company's sales, recruiting, and incentives programs as announced from time to time. I will conduct all sales and activities in a fair and ethical manner, including but not limited to:
 - (a) being subject to deadlines, quarterly minimum sales requirements, and cutoff periods;
 - (b) submitting orders under my name only, if I have obtained such orders directly from customers;
 - (c) orally notifying customers of their right of rescission at the time of the sale, as well as providing the right to cancel forms to the customer;
 - (d) informing hostesses, customers, and potential new recruits of any current Company-sponsored specials, incentives, and/or rewards designed for their benefit so as to not deliberately overcharge or deny hostesses, customers, or potential new recruits of any special pricing or benefits to which they may be entitled;

- (e) submitting customers' orders in a timely manner (in 11 days or fewer after receiving money from any customer);
 - (f) delivering customers' orders, if any are shipped to me, in a timely manner (no more than seven days after receiving the shipment).
6. **Territory.** I understand there are no geographical or territorial restrictions imposed upon me by the Company, other than restricting sales and recruiting to Canada and its territories and provinces. Except as allowed under Foreign Activity Memorandums as may be issued from time to time by the Company, I shall only sell and recruit within Canada. I understand that relocating outside of this territory may jeopardize my demonstratorship.
7. **Supporting Demonstrators.** I understand that my legal spouse or legal partner in a domestic or civil union: may not be in my downline or any other Demonstrator's downline; may participate with me in my demonstratorship only as a Supporting Demonstrator; shall be subject to all the terms and conditions of this Agreement and the Demonstrator Manual; and may actively participate in product ordering, sales, and related activities. However, I acknowledge that there shall be only one demonstratorship. All of my Supporting Demonstrator's rights with the Company are derived through me, and the rights of my Supporting Demonstrator shall terminate or be modified upon termination or modification of my demonstratorship. Supporting Demonstrators shall not be entitled to separate or independent notice. Upon termination of my demonstratorship, neither my Supporting Demonstrator nor I will be allowed to sign up as a member of another downline until the prescribed six-month waiting period has passed. A Supporting Demonstrator may not assume the role of Demonstrator should the primary Demonstrator pass away, unless such policy is prohibited by the law of the province or territory in which I reside.
8. **Company's Commitment to Workshop Demonstration Method of Sale.** I understand that the Company is committed to the workshop demonstrations and related methods of sale (as defined in the Demonstrator Manual) as the most suitable means of promoting the sale and use of the Company's Products. I agree not to sell or demonstrate the Company's Products to or through retail stores or other fixed commercial sales outlets (permanent retail locations), or to participate in cash-and-carry sales. Furthermore, I understand that the company strictly limits sales on Internet auction sites, as more fully described in the "Internet/Web Site Policy," and that any violation of this provision may result in the termination of my demonstratorship.
9. **Restrictions on Representation of Competing Companies or Products:** I understand that as an independent contractor, I am free to conduct such business in such manner as I deem appropriate. I also understand that the value of my demonstratorship and the demonstratorships of others, as well as the Products, is in large part dependent upon my obligation to refrain from promoting or selling the products of other companies, or engaging in recruitment that competes with the Products that I have a right to sell through my demonstratorship. In this regard, I understand that although restrictions may apply to promoting, marketing, or selling products of other companies, such restrictions shall not extend to the casual or incidental reference or display of such products as long as the reference or display is not reasonably made to drive people to the source or seller of those products, such as providing purchasing information, referrals to catalogs or publications, or links to blogs, web sites, or the like that promote, market, or sell products of other companies. Accordingly, I agree to the following:
- (a) **Company-Organized Events:** While participating in or involved in any Company-organized events such as convention, leadership, or incentive trips, I understand that unless otherwise allowed by the Company, I will not represent or assist any other person or entity in the promoting, selling, or marketing of non-Stampin' Up! Products or services, nor will I encourage or promote the recruitment of persons to sell for other companies at such events. I understand that this restriction applies to all meetings and gatherings whether official or unofficial surrounding the Company-organized event.
 - (b) **Demonstrator-Organized Events:** I understand that workshops, stamp camps, and other such events that I may organize or may be arranged by my fellow demonstrators are an important forum for the process of promotion, marketing, and sale of Stampin' Up! Products as well as recruitment of new demonstrators to sell the Products. I understand that an exclusive selling environment is an important part of this process. Accordingly, I will refrain from using such events to promote, market, or sell the products of other companies (direct or retail sellers) who offer similar products, which includes: decorative stamps (in any form), stamp art accessories, scrapbooking products, digital art solutions, and vinyl wall art. I understand that the definition of similar products may change as the products of the Company change and that I must be prepared to conform and limit my selling and marketing of products accordingly.
 - (c) **Demonstrator Business Web Services (DBWS):** The DBWS has been developed by the Company to assist me with the ease of selling and recruiting. Accordingly, I shall take care to assure that any content that I include in my DBWS shall be devoted to the promotion, marketing, and sale of Stampin' Up! Products and recruitment of new demonstrators to sell such Products, and will link only to electronic communication as set forth in paragraph d. below.
 - (d) **Electronic Communications:** I understand that the content of my electronic communications such as e-mail, personal blog, web site, Twitter, Facebook, other social media and the like can have a considerable influence on how I am perceived as a Demonstrator for Stampin' Up! and also reflect significantly on the Company. Accordingly, I will refrain from using such electronic communications to promote, market, or sell the products of other companies (direct or retail sellers) who offer similar products, which includes: decorative stamps (in any form), stamp art accessories, scrapbooking products, digital art solutions, and vinyl wall art.

- (e) **Brand Protection:** I understand that the Company has invested considerable resources in developing and promoting its name, brands, logos, Products, and programs to its Demonstrators and customers, and agree that I shall refrain from using the Company's drawing power or downline or customer lists, whether at Company events or otherwise, to promote or sell similar products of other companies.
 - (f) **Non-Disparagement:** I will refrain from disparaging the Company or its Products or services.
 - (g) **Angel Policy:** I will not mass produce works created using Company Products for commercial resale, except as set forth in the "Angel Policy" or in the *Demonstrator Manual*.
 - (h) **Ownership of Craft-Related Business:** I understand that I am ineligible to be a Demonstrator if my spouse (or partner in a domestic or civil union as allowed by the laws of the province or territory in which I reside), my Supporting Demonstrator, or I own, in whole or in part (meaning greater than 5.0% of the stock or membership or other ownership interest), a retail or wholesale business whose principal products or emphasis is the sale of products similar to the Company's Products or products supplying the arts and crafts industry generally.
 - (i) **Representation of Directly Competitive Companies:** I understand that I cannot be a Stampin' Up! Demonstrator and at the same time be a distributor, demonstrator (or the equivalent thereof), or an employee, agent, or professional consultant of a direct selling company that competes directly with Stampin' Up! by selling similar products such as decorative stamps (in any form), stamp art accessories, scrapbooking products, digital art solutions, and vinyl wall art. I understand that the definition of similar products may change as the products of the Company change and that I must be prepared to conform and limit my selling and marketing of products accordingly.
 - (j) **Activities Regarding Retail or Wholesale Competitive Products:** I understand that if I am an artist, designer, consultant, or similar role with a retail or wholesale business whose principal products or emphasis is supplying the arts and crafts industry generally, I am not exempt from strict compliance with the provisions outlined in this section.
- 10. Use of Company Intellectual Property.** I understand that the Company's trademarks, service marks, trade names, trade dress, patents, trade secrets, and copyrighted materials (collectively the "Intellectual Property") belong solely to the Company, and any use of the Intellectual Property must be in strict compliance with the Company's policies, which may be amended by the Company from time to time.
- 11. Other Proprietary Rights.** I agree that the Company has the exclusive proprietary interest in information developed by or for the Company, such as, but not limited to, demonstrator lists, downline and upline lists, Company-generated customer lists, customer profile data, credit data, manufacturing procedures, Product development information, Product purchase information, consultant and advisor lists, all operating, financial, and planned marketing materials, and all other information not provided by the Company to the public; and that such information is confidential (the "Confidential Information"). I agree not to use or disclose such Confidential Information to any third party except in strict accordance with this Agreement. I further agree that any Confidential Information given to me is based on my role as a Demonstrator and must be used solely in my business relationship with the Company. During the term of this Agreement and thereafter, I will not sell or use Confidential Information to sell products or services other than the Company's Products and services, or in connection with any other business, or for any other reason except in compliance with this Agreement. Upon termination or nonrenewal of this Agreement, I will immediately cease all use of the Company's Intellectual Property and Confidential Information, and upon request by the Company, I will return all such materials in my possession or control to the Company. The Company reserves the right to publish the sales, recruiting, and other performance measures of Demonstrators for purposes of awards and recognition.
- 12. Privacy Policy.** By entering into this Agreement, I am consenting to the collection, use, and disclosure to authorized third parties of my personal information by the Company for the purposes of supporting and supplying me as a Demonstrator and fulfilling the obligations of the Company under this Agreement. Other than as authorized herein, the Company shall not sell, exploit, or market this information to third parties. The authorized third parties shall include independent contractors providing services to the Company, provided that they adhere to the Company's privacy policy, and relevant government agencies, and shall also extend to any person or corporation to which the Company may transfer this Agreement, provided that my personal information is used for the same purposes. I will obtain a similar consent from any customer or other person whose personal information I supply to the Company, and hold the Company harmless for any failure on my part to obtain such consent. I acknowledge that I am aware that to gain access to my personal information held by the Company and a description of the types of personal information held by the Company and their use, including their disclosure to related organizations, I should contact the Demonstrator Support (provided by an affiliate) at 1-800-STAMP UP. I acknowledge that I have reviewed the Company's privacy policy as contained in this article. The Company reserves the right to publish the sales, recruiting, and other performance measures of Demonstrators for purposes of recognition. I understand that use of personal information is governed by the Personal Information Protection and Electronic Documents Act (PIPEDA), and that I will limit my usage of demonstrator and customer information to that allowed under the act.
- 13. Submission of Designs, Images, and Product Applications.** I understand that I may from time to time submit to the Company ideas for stamp designs, images, or related Product applications, as well as for methods or processes ("Submissions"). The Company shall have no obligation to compensate me for such Submissions, and all Submissions shall become the sole property of the Company. The Company may, through contests or promotions, choose to compensate me in the form of prizes, cash, or Products. I authorize the use of the my Submissions

in any tangible medium by the Company and expressly waive any claim for compensation, attribution, or the right to control how any such Submission will be modified or presented, over and above that to which I am entitled pursuant to the rules of any contest or promotion.

- 14. Consent to Use Persona.** I understand that at Company conventions, parties, workshops, incentive trips, special committees, and similar Company-sponsored gatherings, the Company may take photographs or make video recordings of the participants, and may use these or other such media to develop presentations, promotions, and advertising for the Company and its Products. I hereby authorize such use of my image, persona, and appearance (and that of my children, family, guests, and invitees to the extent I may legally grant such rights on their behalf) for such reasonable use and expressly waive any and all rights thereto.
- 15. Payments.** During the term of this Agreement, I will have the opportunity to receive income under the terms of the Demonstrator Career Plan, as more fully described in the Demonstrator Manual. I understand that the Company reserves the right to change the Demonstrator Career Plan and that the Company will not be liable for damages incurred or loss of income from these changes.
- 16. Prepaid Orders.** The Company reserves the right to ship only on the basis of an order prepaid by me. I shall not maintain an inventory of the Company's Products for resale. I am obligated to ensure that customers' cheques are cashed and dedicated to the order prepaid by me. The Company will use its best efforts to fill orders and ship the Products ordered by me; however, the Company shall not be liable to me or any customer of mine for any failure or delay in shipment of any Product. All orders by me of the Company's Products are subject to the approval of the Company.
- 17. Representation.** I will not make any false, misleading, or illegal claims or representations of actual or potential income or guaranteed profits in recruiting, or attempting to recruit, any other Demonstrator, except to the extent that such representation constitutes or includes fair, reasonable, and timely disclosure of information within my knowledge relating to (a) compensation actually received by me, or (b) compensation likely to be received by a typical participant in the plan, having regard to any relevant considerations including (i) the nature of the Product, including its price and availability, (ii) the nature of the relevant market for the Product and (iii) the nature of the plan and similar plans. I certify that no claims or representations of income of any kind have been made to me. Furthermore, I acknowledge that income I may receive is attributable solely to the sale of Products, and that no income or fees are derived from the mere act of recruiting another Demonstrator. In addition, I acknowledge that, other than the price paid to the Company for my Independent Demonstrator Starter Kit, I have not paid, nor will I pay, any application fees or other money to the Company or anyone else to become a Demonstrator. I understand that I do not have the right to speak for or on behalf of the Company, or represent myself as the Company, or an agent thereof.
- 18. Term.** This Agreement shall be in effect until the forthcoming June 30. It shall renew annually thereafter so long as:
- (a) I am in compliance with this Agreement;
 - (b) this Agreement has not been terminated under Article 19;
 - (c) I have not informed the Company and the Company has not informed me of an intent not to renew;
 - (d) the Company has not notified me that I must execute a new contract.

- 19. Termination.** Subject to my rights to a hearing and appeal when termination is made for disciplinary purposes, either I or the Company may terminate this Agreement:
- (a) at any time without cause, by giving the other party 30 days' written notice of such termination; or
 - (b) at any time, upon written notice for a breach of or failure to comply with any provision in this Agreement, the Demonstrator Manual, or Amendments thereto.

Upon termination, or upon a failure to renew this Agreement, all rights to receive payments, promotions, prizes, incentives, bonuses, and other advantages previously earned or available to me as a Demonstrator shall terminate. Stampin' Up! will, within 30 days from the date the termination becomes effective, issue commissions and overrides earned while I was active.

- 20. Payment Due on Termination.** Upon termination of this Agreement, or at any time obligations are due by me to the Company, the Company may satisfy all claims and debts due from me out of any unpaid amounts due me. If such amounts are not sufficient to cover all outstanding debts, I will have 30 days to clear my account. An interest rate of 1.5 percent per month, or the maximum rate allowed by the law, whichever is greater, will be charged on the remaining balance for all accounts exceeding the 30-day limit. I will be responsible for any and all attorneys' fees and costs incurred by the Company to collect such debt, regardless of whether suit has been filed, including fees in any mediation, arbitration, trial court, or on any appeal.

- 21. Assignment of Agreement.** This Agreement cannot be transferred, assigned, or sold by me.

- 22. Indemnification of the Company.** I shall indemnify and hold the Company harmless from and against any and all liability, loss, costs, claims, or causes of action based upon or arising out of damage or injury to persons or property caused or sustained in connection with the performance of this Agreement, or in connection with Company-sponsored activities or travel thereto, or based upon any violation of any statute, ordinance, building code, or regulation, and the defense (including legal fees and costs) of any such claims or actions. I shall also indemnify and hold the Company harmless from and against any and all liability, loss, costs, claims, or causes of action in connection with, and shall assume full responsibility for, payment of all applicable federal, provincial, and local income, sales, use, and taxes, and will be responsible for the remittance of any statutory taxes and deductions, workers' compensation, social insurance, and other taxes, premiums, license requirements, and fees attributable to my sales activities and earnings.
- 23. Attorneys' Fees.** In the event I breach any of the terms and conditions of this Agreement and it shall become necessary for the Company to enforce the same, the Company shall be entitled to payment and/or award of attorneys' fees and costs incurred in connection with resolution of the dispute.
- 24. Entire Agreement.** This Agreement, the Demonstrator Manual, and any and all amendments constitute the full agreement between the Company and me, and supersede all prior written and oral agreements and discussions. If any portion of this Agreement is unenforceable or invalid, the Agreement shall be ineffective only to the extent found unenforceable or invalid, and the validity of the remaining portions of this Agreement shall not be affected. All powers, rights, and remedies given to the Company are cumulative, not exclusive, and are in addition to any other rights and remedies provided by law. The waiver by the Company at any time of any right of the Company contained in this Agreement shall not be deemed a continuing waiver and shall not preclude the subsequent enforcement of any such right or any other right. This Agreement shall be governed by and construed under Canadian law without reference to choice of law rules. Proper jurisdiction and venue for any disputes between the parties shall be in federal court or provincial court having jurisdiction in Calgary, Alberta, unless otherwise required by the law. The captions of this Agreement are for convenience of reference only and shall not be considered in determining the legal effect of any provision of this Agreement. This Agreement may be amended from time to time by the Company upon prior notice in Company publications or via mass-e-mail to demonstrators. Such amendments shall be effective 30 days from the date of publication, unless such amendment is necessary to comply with federal and/or provincial laws, in which case the amendment shall be immediate. I understand that policy changes published in the Company magazine and pending inclusion in the next publication of the Demonstrator Manual are incorporated into this Agreement by reference.
- 25. Notices.** All notices given pursuant to this Agreement shall be in writing and shall be deemed effective when delivered in person or when deposited in regular Canada Post mail, postage prepaid, addressed to either party at the address provided in the Agreement, or as subsequently changed by the Company or me in writing delivered to the other party. This includes change of address, phone number, last name, supporting status, or other information contained in the application.
- 26. Company's Acknowledgement.** I understand that I shall be bound by this Agreement upon the receipt of my application by the Company (my "Start Date"). Subject to the approval of my application by the Company, as evidenced by the shipment to me of an Independent Demonstrator Starter Kit, the Company agrees to be bound by the terms of this Agreement. I further understand the Company reserves the right to reject my application any time prior to shipment of my Independent Demonstrator Starter Kit.
- 27. Demonstrator's Acknowledgement.** I have read this Agreement in its entirety, and by my signature below and in conjunction with the Independent Demonstrator Application, I agree to be bound by the terms of this Agreement.

Demonstrator's Signature

Demonstrator's Printed Name

Date