



Stampin' Up!®

INDEPENDENT DEMONSTRATOR AGREEMENT

This Agreement is made effective as stated in Article 26 of this Agreement between Stampin' Up! Inc., a Utah corporation, engaged in the sales of decorative rubber stamps, scrapbooking supplies, and related products, with offices located at 12907 South 3600 West, Riverton, Utah 84065 (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 at least 18 years of age. I understand that I may conduct my demonstratorship through a business entity as explained in the *Demonstrator Manual* available online at www.stampinup.com. No person may operate more than one Demonstratorship at one time except those who are managing a trust before the trustee comes of age. The applicant must be able to provide a US social security number and have a permanent address in the United States.
- 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 with regard to the Internal Revenue Code, Social Security Act, Federal Unemployment Act, Federal Insurance Contribution Act, Worker's Compensation, and any state unemployment act or any other federal, state, or local ordinance, rule, or regulation. I shall bear full responsibility for the payment of all applicable federal, state, and local income, sales, use, unemployment, workers' compensation, social security, 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 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 in such terms and amounts as are required by law or is 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 determined by 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 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, and all of which may be amended from time to time by the Company with 30 days prior notice. Such amendments shall be effective 30 days from the mailing date, unless amended to conform with federal and/or state 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, notwithstanding the fact that the *Demonstrator Manual* is not published annually. 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, state, 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 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 potential new 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 also conform my activities to the Company's sales, recruiting, and incentives programs as announced from time to time. I will also conduct my 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) submitting new recruits under my name only if I have obtained such recruits directly;
 - (e) 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;
 - (f) submitting customers' orders in a timely manner (in seven days or fewer after receiving money from any customer);
 - (g) delivering customers' orders, if any are shipped to me, in a timely manner (no more than seven days after receiving the shipment).
6. **Representation of Competing Products.** I agree not to represent or assist any other person or entity selling or marketing the products of other direct selling or multi-level marketing companies who offer the same or similar Products. I also agree not to sell, promote, or demonstrate any other products, other than those offered and purchased through the Company, while participating in in-home workshops or Stampin' Up! events, or any other meeting with existing or potential Demonstrators or customers. Nor shall I use the Company's name, prestige, drawing power, or Demonstrator/customer lists with or in support of any other events or activities, without first obtaining written approval from the Company. A Demonstrator or supporting Demonstrator or Demonstrator spouse may not own or hold part ownership in, or represent, a retail or wholesale business that sells products in the rubber stamping or scrapbooking industries.
7. **Territory.** I understand there are no geographical or territorial restrictions imposed upon me by the Company, other than restricting sales and recruiting to the designated selling territory. This territory is currently limited to the 50 states of the United States of America, the District of Columbia, and the United States Territories. I will not sell, solicit, place orders, deliver orders, recruit, or conduct any activities relating to my Stampin' Up! demonstratorship outside of this territory. I understand that I am only permitted to sell outside the designated selling territory as allowed under the International and Military Activities policy in the *Demonstrator Manual*. I understand that relocating outside of this territory may jeopardize my Demonstratorship.
8. **Supporting Demonstrators.** I understand that my legal spouse may only participate as a Supporting Demonstrator, and may not be in my downline or any other Demonstrator's downline. As a Supporting Demonstrator, my spouse 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 spouse's rights and obligations as a Supporting Demonstrator are derived through me. My spouse's rights as a Supporting Demonstrator shall terminate or be modified upon termination or modification of my demonstratorship. My spouse shall not be entitled to notice separate or independent of that given to me. Upon termination or resignation of my Demonstratorship, neither my spouse nor I will be allowed to sign up as a member of another downline, regardless of Supporting Demonstrator status, 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 depending upon state law.
9. **Company's Commitment to Home Demonstrations.** I understand that the Company is committed to the in-home workshop demonstration and related methods of sale (as defined in the Demonstrator Manual) as providing 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 will result in the termination of my demonstratorship.
10. **Use of Company Intellectual Property.** I understand that the Company's trademarks, service marks, tradenames, 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 its information developed by or for the Company, such as, but not limited to, Demonstrator lists, downline and upline lists, customer lists, customer profile data, credit data, manufacturing procedures, Product development information, Product purchase information, consultant and advisor lists, and in 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 understand that the Company shall not sell, exploit, or market this information to other persons or entities. 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 the 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, 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 recognition.

12. **Submission of Designs, Images, and Product Applications.** I understand that I may from time to time submit to the Company stamp designs, images, or related product applications. However, the Company shall have no obligation to compensate me for such submissions. Upon receipt of submissions, the same shall become the sole property of the Company. The Company may, through contests or promotions, choose to compensate me through prizes, cash, or Products. Upon the submission, I authorize the use of the item in any tangible medium by the Company and expressly waive any claim for compensation, attribution, or the right to control how any such image will be modified or presented over and above that to which I am entitled pursuant to the rules of any contest or promotion.
13. **Consent to Use Persona.** The Company uses conventions, parties, workshops, cruises, special committees, and such similar gatherings where photographs, videos, and other such media are used to develop presentations for promotions and advertising for the Company and its Products. I hereby authorize such use of my image, persona, and appearance for such reasonable use and expressly waive any and all rights thereto.
14. **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.
15. **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' checks 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.
16. **Representation.** I agree not to 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 to the sale of Products, 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.
17. **Term.** This Agreement shall be in effect until the forthcoming June 30. It shall renew annually hereafter 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.
18. **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 issue commissions and overrides earned while active within 30 days from the date the termination becomes effective.
19. **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 balance of monies due me. If 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 or 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.

20. **Assignment of Agreement.** Due to the special personal relationship which must exist among me, other Demonstrators, and the Company, this Agreement cannot be transferred, assigned, or sold by me.
21. **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 federal, state, and local taxes or contributions imposed or required including, but not limited to, unemployment insurance, social security, sales tax, income tax, or workman's compensation laws with respect to my performance under this Agreement.
22. **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.
23. **Entire Agreement.** This Agreement, the *Demonstrator Manual*, and amendments constitute the full agreement between the Company and me and supersedes 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 the laws of the State of Utah without reference to choice of law rules. Proper jurisdiction and venue for any disputes between the parties shall be in federal court or state court having jurisdiction in Salt Lake City, Utah. The captions of this Agreement are for the 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 by the Company upon publication of any revision or new policy in the Company magazine or upon the revision and publication of its *Demonstrator Manual*. Such changes shall be effective as of the date 30 days following publication thereof, unless amended to conform with federal and/or state laws, in which case the amendment shall be immediate.
24. **Notices.** All notices pursuant to this Agreement shall be in writing and deemed effective when delivered in person or when deposited in regular United States 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 to the other party. This includes change of address, phone number, last name, supporting status, or other information contained in the application.
25. **Company's Acknowledgement.** Subject to the approval of my application by the Company, as evidenced by the shipment to me of my order for a new Independent Demonstrator Starter Kit, 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, the Company, as evidenced by the shipment to me of my order for a new Independent Demonstrator Starter Kit, agrees to be bound by the terms of this Agreement. I further understand, the Company reserves the right to reject my application anytime prior to shipment of my Independent Demonstrator Starter Kit.
26. **Demonstrator's Acknowledgement.** I have read this Agreement in its entirety, and by my signature on the following application I agree to be bound by the terms of this Agreement.