

Franchise Support Reps are to provide you guidance especially with the operations of your store and are your connection with Head Office. They will provide you with advice of upcoming advertising, promotions, special pricing and upcoming events. They will provide you and your staff with computer, sales and product training. They will also work on the sales floor with customers to show you ways to increase your sales per customer.

Franchise Support Reps listen to concerns and comments from the Franchisee and relay it to Head Office. This allows Head Office to stay informed and responsive to the Franchisee's business and strategy. They are also ensuring that all Franchisees are operating the franchised business in accordance with the franchise operating system and the terms of the Franchise Agreement.

Continue to stay in contact with your Franchise Support Rep on a regular basis. They will work with you on addressing any challenges, concerns, may have access to information which can be a valuable resource to your overall success. They have insight into national trends, top selling products you may want to be selling, and many ideas which have been successful in other markets.

They also will help you keep on track with your store budget, marketing plan for the year and your marketing budget for the year. They will work with you in all areas of your business to build and strengthen each success you have; guide, coach and advise in areas needing to be strengthened.

Whether your floor is wood or tile it must be swept or washed daily. The following schedule works well for cleaning:

VC Tile or Plank Tile: Tiled floors are to be mopped daily. Initially your VC floor will be waxed with 2 coats. The cleaning company you have hired will then come in every 3-6 months again depending on traffic to buff the floor only. The floor may need a coat of wax in the center traffic area after 6-12 months and then buffed again. Buffing removes the black marks and scuffs. It also brings back the shine.

The Plank tile needs only to be washed daily.

Wood Flooring: Wood flooring is to be swept daily. Depending on the traffic and the season you may need to mop the floor with water. Consult the manufacture for stripping and sealing on a yearly basis.

Sangster's has built its reputation as a leading health food retailer, in part, due to their clean and well organized locations. Appearance is everything and Sangster's feel that the more attractive your location, the more people will want to walk into your store. It is especially important to portray your location as being clean due to the nature of the business you are in. When your store is disorganized and sloppy looking, people will get the impression that your product is treated in the same manner.

One of the most successful marketing tools you have is the appearance of your store. It is very important to arrive at your location half an hour before you open to objectively look at your store. Look at your store from different directions and ask yourself:

Are the shelves dusty, is the floor clean, are the lights burned out?

By objectively looking at your store you will see what the consumer sees.

Does that display attract my eye?

At the beginning of a sale always check to make sure products are priced correctly and displayed in a way to show the consumer it is on sale.

Check that the bag stuffing materials are readily available. At the end of each shift, each staff member's duty is to fold 50-75 bag stuffers. They should contain 3 pamphlets and a magazine. Bag stuffers are silent salesmen. Once the consumer goes home or down the mall for coffee they may read the info and then come back for the product. The bag stuffers can consist of sale items or information on products that aren't selling that quickly or pamphlets on new products recently brought into the store.

Keeping the store attractive to the customer is as important as having the store remain clean at all times. Here are some reminders and helpful tips of keeping the store clean and updated through-out the year.

Cleaning Shelves

- ☐ Shelves are to be cleaned once a week.
- ☐ Take the bottles off the shelves.
- ☐ Clean both the shelves and the bottles thoroughly.
- ☐ Replace the bottles properly so as not to mix sizes and products, as well as to make sure to have the product with the lower expiry date at the front.
- ☐ Initial and date the attached checklist so that the next person knows where you left off.
- ☐ If you find an expired product remove it from the shelf immediately.

Section 9: Retail Store Operations

Store Cleanliness and Appearance

Policy No. 9.03

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NOTE

Sangster's brand of vitamins and herbs are put on the shelf in alphabetical order according to your Restore Holdings Wholesale Catalogue. Follow the order and it will be easier to find your products.

Miscellaneous Duties

- ☐ Computer should be updated periodically so as to keep it in top condition.
- ☐ The cooler should be cleaned out monthly so that it does not take on any unwanted odour.
- ☐ All windows and glass doors should be cleaned daily.
- ☐ Products should be neatly displayed on shelves and at all times "fronted"
- ☐ All lights must be working.
- ☐ Garbage emptied every night
- ☐ Ceiling vents should be dusted twice a year

The following charts on the next page can be used for scheduling clean ups. Please have yourself and/or your staff initial and date the charts so that you may monitor the cleaning. Post these charts in the backroom so that each staff member, manager/franchisee knows what has been cleaned and by whom.

Section 1: Vitamins and Minerals

Row	Init/Date	Init/Date	Init/Date	Init/Date	Init/Date	Init/Date	Init/Date
1							
2							
3							
4							
5							
6							
7							
8							
9							
Base							

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Section 2: Herbs

Row	Init/Date	Init/Date	Init/Date	Init/Date	Init/Date	Init/Date	Init/Date
1							
2							
3							
4							
5							
6							
7							
8							
9							
Base							

Section 3: Herbal Teas

Row	Init/Date	Init/Date	Init/Date	Init/Date	Init/Date	Init/Date	Init/Date
1							
2							
3							
4							
5							
6							
7							
8							
9							
Base							

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Section 4: Body Building and Weight Loss

Row	Init/Date	Init/Date	Init/Date	Init/Date	Init/Date	Init/Date	Init/Date
1							
2							
3							
4							
5							
6							
7							
8							
9							
Base							

Section 5: Cosmetics/Natural Body Care

Row	Init/Date	Init/Date	Init/Date	Init/Date	Init/Date	Init/Date	Init/Date
1							
2							
3							
4							
5							
6							
7							
8							
9							
Base							

Section 6: Gondolas/Bunks

Row	Init/Date	Init/Date	Init/Date	Init/Date	Init/Date	Init/Date	Init/Date
1							
2							
3							
4							
5							
6							
7							
8							
9							
Base							

The hours your store is open is dependent on the rules of your mall. You must follow your location's policy set out by the landlord.

Schedule yourself or your best employee in the busy hours. Never have an employee with a \$20 average sale work the busy times while your other employee with a \$40 average sale works the slow times. (This can be reviewed in Smart Vendor POS in Reports/Transaction Audit).

If your store is very busy on certain days where you are normally working by yourself, you shouldn't hesitate to schedule someone else with you. You want your customers to be attended to and you can't up sell if you don't talk to your customers. You can check your busy times by using the Smart Vendor POS in Reports/Transaction Audit.

The POS System can also provide you with accurate numbers that tell you how many customers come in, what time they are buying throughout the day, and even how much they are spending per hour. Use it as a measurable resource to best staff your store.

Float

To open for business you need money in the till, this is called a float. Your float should be \$200.00, in cash that you would get at your bank. The money should be divided evenly throughout \$5-\$20 plus coins.

Quantity		Dollar Amount		Total Amount
2	x	\$20	=	\$40
3	x	\$10	=	\$30
9	x	\$5	=	\$45
1 roll	x	\$2	=	\$50
1 roll	x	\$1	=	\$25
quarters, nickels, and dimes combined =				\$10

\$200.00 in your float

The float is never counted as part of your daily sales. At night, the float (\$200.00) should be taken out of the cash drawer and put in a hiding place in the store. This way if the store was ever broken into, they would have a hard time finding the money. Make sure the staff member who opens knows where the hiding place is so they are able to put the float back into the cash drawer. The float is to be counted again in the morning to make sure the staff member who closed the previous evening counted it correctly.

Any store supplies (ex. scotch tape, toilet paper, computer paper) that are needed should be paid for right out of the till. Make sure you always put receipt and change back into the till. Have the staff initial receipts so you know who took money out. This will show up as a 'paid out' or till expense on your sales summary report at the end of the day.

If there are bigger purchases, they can be listed under a charge account with a local stationary store of your choice and then paid by cheque.

Paid out Procedure for Smart Vendor POS:

1. From the Sales Register main till screen, press F5 for NO CUSTOMER
2. Press TAB for alternate selections
3. Press F3 for PAID OUT
4. Reference – type in the receipt # or any number just to have something in the space
5. Put in a comment (what you bought; ie: pens) – press ENTER
6. Press F10 for Reason
7. Choose which reason most closely matches why you bought the merchandise (ie: Store Supplies) – if you do not see the reason listed, press F2 and enter in the reason – press Enter
8. Enter the subtotal of your invoice
9. Enter the GST and PST – this will automatically total up your amount – check to see if it is correct – adjust if necessary
10. Press PAGE DOWN to apply
11. F9 to Total
12. A box will pop up saying “A Refund Is Due On This Transaction – Proceed?”– Select YES

Continue as you normally would – select CASH as the payment type

After surveying hundreds of our customers and finding out why they shopped at **Sangster's**, one of the top reasons was because of our **Product Knowledge**. This is what sets us apart from the big box stores who can offer customers a cheaper product but no support or assistance with information to go along with the purchase. Customers rely on you, the representative of **Sangster's**, to supply them with enough information to help them know which supplements would be best for them. Each and every sales person in a **Sangster's** must be willing to learn the benefits of all the products and in turn must be able to show the customers these benefits.

Certified Product Advisor Course - This course is available through head office and the focus is on Sangster's brand products. This is an extremely valuable course for new staff members to take as it familiarizes them with all Sangster's products. We recommend all staff take this course and finish it in their first month of employment, as it is a great tool to learn the basics of all vitamins, herbs, etc.

Nutritional Consultant Course - This course is bought through **Sangster's** Head Office. This is to be completed by every new Franchisee before the store is open for business. We recommend that all staff members who work in a Sangster's should complete the course in their first 3 months of employment. If they are not willing to take the course, then they may not be willing to sell your products and are probably not a benefit to your customer or yourself. If your staff or you as a Franchisee do not know the products, it will be very hard to sell to the customers; in turn it will be very hard to make money. Your staff members will have a hard time learning the product if they are watching you and you do not know the products. The old saying is true, "You sell what you know."

There are many other courses you can take to improve your knowledge in the health industry. Contact Head Office if you need more information. Reading books to improve your knowledge in nutrition is very helpful as well as books for business and personal development.

If you feel that Sangster's should have certain items in our own label, please send in the suggestions to Head Office, as we want our customers buying Sangster's Brand instead of other brands.

Sangster Brand Suggestions:

Illegal products as described by Health Canada cannot be sold in stores. A good rule to follow is if the product is not in a catalogue with its real name and product description, do not order it. Head Office when notified by Health Canada regarding a specific issue will notify all stores at that time with instruction depending on the circumstances if requiring any action.

All products must be correctly labeled as per local Health Standards. Product name, ingredients list, weight and manufacturer must be on every label. If it doesn't have French on the label it wasn't manufactured for Canada. All supplements of vitamin, mineral or herb must have an NPN number (Natural Product Number). If they don't they are not legal to sell in Canada.

In regards to stores that choose to bring in bulk and package in store, all labels must state the store name with location, product description, weight and price.

Products purchased must be ordered from preferred suppliers only. Submit requests for product along with the company name to Head Office and we will investigate the company to ensure they conduct business within the high standards that we require. The company must be GMP (Good Manufacturing Practices) approved. We want to avoid having companies in any one of the stores that would hurt the reputation of the other Sangster's retail outlets.

Sales of Multi-Level merchandise are not permitted. There is no benefit in promoting a product that is sold out of people's houses with relatively low margins.

If you are unsure of the products which you can carry in your store, please contact a Franchise Support Representative.

Please note that some of the bottles with security bands on the outside of the lid do not have a security seal on the inside. The foam liner under the cap is not a security seal and may come off when you take the lid off. Please explain this to your customers if they come back and mention this as it will help prevent returns.

However, there are a few products that do not have an outside security seal but an inner seal, which is harder to open and you will be able to tell if the seal had been broken.

A ***RAIN CHEQUE*** should be given to a customer if you have been promoting a certain item and you have run out of it.

A rain cheque should be filled in with the:

- product name
- price at which they are allowed to buy it
- date that you gave it
- store location
- expiry date should be marked as to when it will expire
- signed by the person authorizing it.

When rain cheque are returned to the store take it from the customer and allow him/her to purchase the specified product at the raincheck price. At day end you will staple that used raincheck to your daily sales report so it is not used again. Expiry dates on rain cheques are written as month, day and year issued. Make the expiry date 1-3 months from date issued.

SANGSTER'S
The natural choice for health

RAINCHECK

LOCATION: _____

CUSTOMER'S NAME: _____

PHONE NUMBER: _____

PRODUCT: _____

QTY: _____ PRICE: _____

AUTHORIZED BY: _____

EXPIRY: ____/____/____

SANGSTER'S
The natural choice for health

RAINCHECK

LOCATION: _____

CUSTOMER'S NAME: _____

PHONE NUMBER: _____

PRODUCT: _____

QTY: _____ PRICE: _____

AUTHORIZED BY: _____

EXPIRY: ____/____/____

SANGSTER'S
The natural choice for health

RAINCHECK

LOCATION: _____

CUSTOMER'S NAME: _____

PHONE NUMBER: _____

PRODUCT: _____

QTY: _____ PRICE: _____

AUTHORIZED BY: _____

EXPIRY: ____/____/____

SANGSTER'S
The natural choice for health

RAINCHECK

LOCATION: _____

CUSTOMER'S NAME: _____

PHONE NUMBER: _____

PRODUCT: _____

QTY: _____ PRICE: _____

AUTHORIZED BY: _____

EXPIRY: ____/____/____

When putting out new stock, it is very important that the new stock is placed behind the old stock on the shelf. The older inventory is to be sold first and the new inventory sits behind it. This will help to ensure to sell stock with the nearest expiry dates first.

It is very important to check your stock and expiry dates frequently. Expired product can account for large losses to a business if not watched. Check expiry dates on a monthly basis and/or while cleaning your shelves.

A rule of thumb to follow for short-dated products when selling to customers:

Expiry of 6 months or less

Talk to your staff and make sure they are aware of this short-dated product. Feature this product in a display, bag stuff information sheets, etc to create awareness and offer a discount (20-40% off) depending on the product.

Expiry of 3 months or less

Follow the same steps as above but offer discounts 40-60% off. At this point, recovering your initial cost is most important.

Once the product has expired, it should be removed from your shelf. You may want to give it away to a customer or staff member if it is a product that does not go stale, i.e. teas, some vitamins and herbs. Remember to be careful with oils and body care expiry dates - these should be thrown out immediately upon expiry.

As for herbs and vitamins, a supplier guarantees the potency and freshness until expiry but this does not mean that they need to be thrown away they may be used for your own personal use.

It is up to each individual store to manage their inventory by watching for near expired product.

As a Sangster's Franchisee you are required to carry the complete line of Sangster's brand and Canadian Bio brand of products. This is to ensure that each store is represented with the complete line of the Franchise System brand of products to provide ultimate customer service and selection to all of our Sangster's customers.

Maintaining a well stocked store is very important as there is a direct correlation between inventory levels and total sales. It is impossible to stock all products customers are looking for but it is important to stay on top of trends in the industry and make sure that you have these items as well as your top sellers adequately stocked.

Inventory levels vary depending on the size of the location but all stores need to have a minimum of \$40,000 in inventory for "Health Centres" and \$60,000.00 for Organic Market".

The following are **Month-End Reports in your Smart Vendor POS** to assist you in keeping good inventory levels and having controls in place for your store's inventory. If these reports are not built in your system please contact your Franchise Support Representative at Head Office to help you build these.

- € **Stock with a Cost of \$0.00**
- € **Stock with a Selling Price of \$0.00**
- € **Negative Quantity on hand**
- € **Current Stock Value by Department**
- € **Sangster's Top Sellers**
- € **Other Brands Top Sellers**
- € **No Sales 90 Days**
- € **Stock Adjustment**
- € **Stock Transfer**

The following is the Allowable Purchases Form to be used at the end of every month to make sure you keep your inventory levels and proper cash flow. Allowable purchases form is a control to not go over budget on your spending or under so that your inventory levels don't drop too low or order too much inventory and can't pay your invoices. This control works with what you did in sales last month and how much money you have to spend on inventory for the next month. Your Franchise Support Rep can provide you with a digital copy for your store.

Every location will encounter competition from other health food stores and big retailers (i.e. drugstores and supermarkets). It is not recommended to enter into price wars, though it is good to pay attention to the competition's promotions and prices. An easy way to do this is to look at their advertisements and get your friends and family to do the same. Another procedure is simply going to their store and casually checking on prices, specials and product selection. It is important to avoid confrontation. If you know what the competition is doing, then it is possible to set your prices competitively and to be ready to match their specials if a customer asks.

It is important to note that price is not everything; often, a competitor's advertised price will seem very low, but the fine print reveals a weaker strength, fewer capsules per bottles, fewer features (extra ingredients or product standardization), or poorer quality. Head Office monitors common brand names and will be able to help identify issues. However, feel free to send your Franchise Support Rep the competition's flyers, or advertisements and we can look at them more closely. When matching prices or discounts, information is a very valuable commodity so that you are comparing apples to apples and not apples to oranges.

Price Matching

- If a customer comes in wanting us to match a competitor's price, they must also bring in the newspaper ad, flyer, etc for us to verify the discount.

Other areas to look for when checking out your competition is to watch and listen to their customer service, sales presentation, merchandising, displays, hand outs of free information or promotions, return policy etc.

Section 9: Retail Store Operations

Cost Comparing

Policy No. 9.16

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When bringing in new products or comparing competitive products to existing costs **do not** buy based on discounted price alone; be sure to compare cost of capsule to capsule.

For example:

Company "B" is promoting 25% off on Vitamin C 90 tablets.

Sangster's 30 day price is 15% off the regular wholesale.

Who is cheaper?

If you automatically assume Company "B", because the "discount" is bigger take a look at the details of the offer. Look at the following comparison.

Company B - Vitamin C 500mg 90 tablets

Regular Wholesale	Discount	Price Per tablet (Total price divided by the tablet count)
\$8.75	25% off	\$0.0729 per tablet X 90tabs = \$6.56

Sangster's - Vitamin C 500mg 120 tablets

Regular Wholesale	30 day Price	Price Per tablet (Total price divided by tablet count)
9.99	15% off	\$0.0708 per tablet X 90 tabs = \$6.37

It is not to your advantage then to promote another brand of Vitamin C just because it is 25% off. Sangster's price would be cheaper when you compare these examples. Based on the cost per tablet, their price for 90 capsules should be \$6.37 but they are \$6.56.

Every manufacturer or distributor has their monthly or quarterly sales which retail competitors may promote. However, since Restore Holdings continuously supplies the Sangster's stores with monthly specials and large sale flyers you the franchisee have the opportunity to promote a brand that no other store can promote making your store unique and different from all your competitors at a competitive price.

Please note: If by chance there is a distributor continuously discounting certain items month after month and you cannot compete then contact your Sangster's Franchise Support Rep for assistance.

Section 9: Retail Store Operations

Corporate Discounts of Preferred Partners

Policy No. 9.17

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Sangster's Exclusive Label (Restore)	15% discount when invoice is paid within 30 days
Essiac Formula (Restore)	10% discount when invoice is paid within 30 days
Higgins & Burke Teas (Restore)	5% discount when invoice is paid within 30 days
Nature's Way (Restore)	10% discount when invoice is paid within 30 days
Precision Sports (Restore)	20% discount when invoice is paid within 30 days
Progressive Brand (Restore)	20% discount when invoice is paid within 30 days
Iron Vegan Brand (Restore)	15% discount when invoice is paid within 30 days
Nutrasea (Restore)	5% discount when invoice is paid within 30 days
Bell Lifestyle Products Inc.	5% discount for stores carrying 30 or more Bell products. They also offer a 5% discount for credit card terms. Minimum for free shipping is 12 units, assorted.
Body Plus	Precision Brand – 20% Waistaway Brand – 20% Progressive Brand – 20%
Boiron	10% discount off wholesale price
Christmas Natural Foods	10-12% discount off wholesale price
Ecoideas	15% - Ecoideas line, Ethnoscience, Lumiere , Premium Grains, Kokimo 10% - Bali Sun, Stevia, Mate Factor, Dietary Supplements, Global Botanical, Quantum, Bio Green Crystals, Eco Nuts, Devas Synergy, Tebas, Suro 5% - Solar Raw, Living Intentions, Isola Yellow Super Food, Kurundu, Chufa Mix, Ecloth, Afragreen, Rivercity, Govinda, Kewaza, Asana, Be Raw Chocolates, Manuka Chocolates, Amandin, Yogavive
Empire Health	25% - 30% discount off Muscle Tech, Cytogenix, Ultimate Nutrition, Star Chem Labs, Nutrabolics Lines 18% - 20% discount off Muscle Asylum Project, Protein Bars, Nitro-Tech Hard Core Protein
4Ever Health	25% discount - 4Ever Fit Line 10% discount – Membrell Line 20% discount – Biologic Vet Line

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Flora	10% discount off Flora Brand products
Lorna Vanderhaeghe	20% discount off wholesale price
Naka Herbs & Vitamins	40% discount off wholesale price
Nature's Way	15% discount off wholesale price
Natural Factors	25% discount off wholesale price
New Roots Herbal	15% discount off wholesale price
Platinum Naturals	25% discount off Platinum Brand wholesale price 25% discount off of Super D's Tea wholesale price
Preferred Nutrition	15% discount off wholesale price
Puresource	15% discount off Now Foods 5% discount off Eco-Pioneer 20% discount off Herbal Select 5% discount off Inari (excluding bulk) 5% discount off Just Juice 5% discount off Purely Bulk 8% discount off Simply Clean 10% discount off Supplements/Homeopathics, Health & Beauty 5% discount off Food/Cleaning Products/Pets/Books/Misc 8% discount off Tea/Coffee 15% discount off Dr. Bronners 10% discount off Joint XL 5% discount off Virage Sante
Purity Life Products	10% discount off wholesale price on shared lines (excluding Hyland's & Herbal Select) 20% off Purity Brands
Relaxus	Unit at Case Cost
Renew Life	20% discount wholesale prices
SISU Inc.	10% discount off wholesale price
True North	15% discount off Nu-Life
West Point Distributors	Private Label of Bulk Foods Pricing depends on volume

With these discounts it gives the store the opportunity to make excellent margins, while still being competitive. These discounts are possible because all Sangster's stores support the companies listed. These discounts and companies can vary so make sure that you check with Head Office to verify when checking your invoices.

Please note the discounts are off each company's regular wholesale catalogue prices. To compare prices check the cost of the regular wholesale price as well as the cost after the discount. Regular wholesale pricing and discounts may change without notice.

Section 9: Retail Store Operations Pricing Policy

Policy No. 9.18

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It is the objective of the Franchise System and each individual franchisee to ensure that Sangster's stores generate maximum sales and maximum profits while still being competitive. Be sure to check top selling items at competitive stores on a regular basis to make sure that your local prices are in line. Each market area has certain items they may have to discount in order to stay competitive with other retail stores, but overall the prices should remain similar throughout the franchise system.

All stores should maintain an average gross margin of approximately 45%. Simple definition of gross margin is the cost as a percentage of the selling price. Gross markup is the selling price as a percentage of the cost.

Example: Margin is 50% = cost is \$2.00, selling price is \$4.00.

Markup is 100% = cost is \$2.00 and selling price is \$4.00.

When pricing stock, regular price items are determined by Sangster's Pricing Policy. If you must discount to stay competitive with other stores in your area, use a red sale sticker.

Department	Suggested Retail Price	Approximate Gross Margin
Sangster's Brand	Use retail pricing as stipulated in Restore Wholesale catalogue	55%
Products listed in Darwen Catalogue	Use retail pricing as stipulated in Restore Wholesale catalogue. If no retail price is shown, use appropriate guidelines as follows.	50%
Other Pills & Homeopathy	Contract wholesale cost x 2	50%
Powdered supplements	Contract wholesale cost x 2	50%
Liquids Supplements	Contract wholesale cost x 1.85	46%
Body Care & Aromatherapy	Contract wholesale cost x 1.85	46%
Equipment	Contract wholesale cost x 1.65	39%
Sports Protein Powders	Contract wholesale cost x 1.65	39%
Foods, Snacks & Teas	Contract wholesale cost x 1.60	37%
Meat & Produce	Contract wholesale cost x 1.3	30%
Books	Contract wholesale cost x 1.55 * If suggested retail not listed on the book	35%
Freight Add-On	If you pay freight, add 0.10 to the above multiple	5%

NOTE

Wholesale prices are subject to change without notice, so please watch for updates to your Restore Holdings Wholesale Catalogue. Sangster's Head Office will notify you of any

changes in suggested retail prices when they occur. If you have any questions about the Restore Catalogue, please contact your Franchise Support Rep at head office. For other suppliers please watch your wholesale catalogues and check with your regional sales rep for any questions.

Retail pricing may be subject to change due to competitive pricing. For example, if you research stores in your market area and determine that they are selling Protein Powders at cost x 1.55 then you may be forced to reduce your margin on those items that are 100% identical to what you're selling. This is exactly the reason your Sangster's Exclusive Brand is your store's number one asset and your #1 competitive advantage. Discount, using a red sticker, in order to be competitive, but remember you do not need to be the lowest price in town.

Customers shop at Sangster's because we offer convenience, knowledgeable advice, a memorable shopping experience all in addition to competitively priced products that provide results, which is really what the customer is after.

Using a red sale sticker allows you to still be competitive and still allows you to advertise large discounts. Plus it prevents further discounts such as Senior's Day or the Rewards Program and keeps the regular pricing consistent amongst all Sangster's stores.

Make Money Where You Can

You are likely in this business for two reasons, one is to make money and the second is to help others feel better. During your business years, you may come across rare occasions when the standard pricing guidelines do not apply, for example:

Many stores carry Ephedrine and buy it for \$2.50 - \$3.00 a bottle. Normal mark-ups would imply that you should set the retail price around \$4.99 or \$5.99 depending on your cost. Why then do the majority of our stores sell it for \$9.99? The answer is – because they can. The 'general market' has accepted and is willing to continue to perceive \$9.99 for a bottle of Ephedrine as a 'fair market price'.

Periodically, there are products that come along that allow you a little extra 'wiggle' room when pricing retail. Opportunities present themselves when you're pricing an exclusive product or if you happen to be the first to the market with a new product. This can happen when cost on raw material drops but the market is still willing to pay the initial retail price. The retailer then can use this situation to gain a few points in margin.

MINIMUM ORDERS

There are no minimum orders. Receive free shipping with a minimum order of \$500.

C.O.D. ORDERS

Restore Holdings does not accept C.O.D. orders.

CREDIT CARD POLICY

Restore Holdings accepts Visa & MasterCard as forms of credit card payment.

EARLY PAY DISCOUNT POLICY

Restore Holdings applies a 2% early pay discount to all credit card payments if paid on order date. If some product (but not the entire invoice) is returned for credit, the early pay discount remains in full force and effect.

EFT (Electronic Funds Transfer) POLICY

Restore Holdings EFT payment option automatically withdraws the invoice total from your bank account on (or after) the due date, which is Net 30 Days from the date of the invoice, entitling you to a discount (if offered) off the regular wholesale pricing.

PRICES, TAXES, SPECIFICATIONS AND POLICIES

Restore Holdings reserves the right to update prices, taxes, product specifications and policies at any time without notice.

CANCELLATION POLICY

Restore Holdings state-of-the-art distribution system ensures most orders are prepared for same day shipment within minutes after the order is received. Thus, an order cannot be cancelled unless it has not shipped. After receiving product, please contact Restore Holdings and request a return authorization form. A 20% restocking fee will be assessed and all freight charges (both ways) are the responsibility of the customer.

Section 9: Retail Store Operations Freight Policy for Restore Holdings

Policy No. 9.20

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Restore Holdings offers FREE Shipping on all Canada bound package orders with a Net Value (before shipping & taxes) in excess of \$500.00. Foreign bound orders are excluded and are not eligible for the free shipping promotion.

Restore Holdings ships all Canada bound package orders via Purolator and Loomis at ground rates. At times, Restore Holdings reserves the right to use additional freight delivery companies at its sole discretion which may or may not be listed in this policy. We will attempt to ship within 24 hours (subject to credit approval) and begin moving on the following business day.

Foreign bound orders are shipped at standard carrier rates.

Section 9: Retail Store Operations
Damaged Goods (Restore Holdings)

Policy No. 9.21

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Any Restore Holdings product found to be broken, leaking, or otherwise defective must be reported to Restore Holdings for full credit no later than 2 days from receipt date.

Please contact Restore Holdings toll free 1-877-653-4481 and either request a Product Return Authorization Form, and/or fax the form to Restore Holdings toll free fax 1-866-653-4688. Packages damaged due to shipping need to be reported immediately to Restore Holdings.

If you spot damages to the box(s), be sure to designate packages as "damaged" when signing the shipping receipt. The 20% restocking fee will be waived as will any/all return freight charges (if applicable).

All claims [short shipments, (boxes missing or wrong product) wrong product shipped, incorrect pricing] must be reported to Restore Holdings no later than 5 days from receipt date. Please contact Restore Holdings toll free 1-877-653-4481, or fax toll free 1-866-653-4688, in order to resolve the error.

Short Shipments: The amount of inventory shorted will be credited back to the store's account.

Incorrect Shipment: The inventory that was shipped incorrectly (product received but not ordered), will either be kept by the store at a one-time 25% off price; or it will be packaged up by the customer and returned to Restore Holdings on Restore's Purolator account.

Over Shipments: The amount of inventory sent in excess of the amount ordered (of the identical product) is to be either returned to Restore Holdings or kept by the store at a one-time 50% off price.

Invoicing Errors: The difference in the amount charged to the actual determined amount will be credited or charged towards the customer's (store's) account.

Testers are a great way to increase sales for a particular item. Choose testers and/or samples that the customers will receive immediate feedback from. For example choose chewable vitamin C, food items, and liquids that taste good or a product such as Super Energize or ALRG+, where in a few minutes the customer will notice a positive difference.

Please talk to your individual supplier's sales representative for each supplier will have different policies in place which will allow you to obtain products for sampling and gift basket purposes.

Make sure that when you open a bottle for a tester that you mark the bottle "TESTER" so the customer and staff are aware of it.

Restore Holdings **does not** credit accounts for product that is taken off store shelves and then submitted for credit. If you would like product samples from Restore Holdings, you must order them in advance using our *Product Sample Form*. If the product indicated is approved and the amount of lead time is sufficient, the product samples requested will be shipped at no cost to you in your next Restore Holdings order.

There is a complete list of Sangster's Brand sample products which may be used both in-store or at health/trade shows in your Restore Holdings Catalogue.

Generally, Pre-packaged Sample Bags will be provided for the following:

- Sangster's Proteins
- Sangster's Foods
- Sangster's Supplements
- Sangster's Essential Oils (1/4 dram brown bottle)

Whole Sample Bottles will be provided for the following:

- Sangster's Lotions
- Sangster's Juices

Restore Holdings recommends sampling product as a means to increasing product sales of a particular item.

To help promote Sangster's Brand, one Free Gift Basket for each national **Friends & Family Appreciation Event** will be automatically shipped out to all participating stores, no request required. These gift baskets are valued at approximately \$100 retail and the products are pre-determined by Head Office.

By request, there are Free Gift Baskets available anytime a Franchise store wants to promote Sangster's Brand Products during a trade/health show, Sangster's national sales flyers, fundraisers (silent auctions). To request a Free Gift Basket call Yvette Takashima at 1-877-653-4481 ext: 132 or email yvette@sangsters.com. A Gift Basket, valued at approximately \$80 - \$100 retail and with products that reflect the event will be shipped with the next order.

Sampling Saturday Procedure for foods and other categories

Providing samples in-store allows consumers to try a product before purchasing it. This is especially important when we are offering a new or different product that the customer has never tried before. Since food products sell primarily on taste, sampling is a top marketing tool.

Your samples should represent your best flavours, products, etc. Samples of poor products do nothing to enhance your sales. Special care should be taken to ensure that each bite of your product that every customer receives will leave a favourable impression and encourage them to buy.

Once a week plan to sample and do these consistently so consumers come to know that for example, Saturdays offer free tastings.

The sample station should include:

- Table
- Table cloth
- Tooth picks, wax paper, paper sampling cups or disposable utensils to distribute samples
- Napkins
- Garbage can for waste
- Packaging of the items that you plan to sample so people can look at ingredients, etc.
- Keep samples covered/protected during slow traffic to increase handling protection and avoid sneezes, dust, and insects.
- Access to cleaning supplies to clean spills, mess, etc.

Staffing for Sample Day (ex. Sample Saturdays)

- One person per sample table to hand out and discuss the product(s).
- Staff must be educated on the product prior to sample day – Manager/Franchisee is responsible to set up the training for the products with suppliers
- Sampling hours to be done during your peak times for example – 11am to 4pm.

- Staff should wear proper clothing – closed shoes, business casual dress
- Staff are required to keep the area clean at all times, cleaning up spills, drips, mess, etc.

Sanitary Conditions: Clean hands

It is a good idea to have the staff member doing the demo to have a Safe Food Handling Certificate, especially if sampling food.

You must have a way to wash your hands properly. Though a good addition to hand washing, hand sanitizers do not substitute for proper hand washing. Hand sanitizer does not remove soil or eliminate all contaminants. Gloves can be used but you must be careful to keep them uncontaminated and change them out often.

You should wash your hands or change your gloves:

- After using the bathroom and upon returning to your stand
- After handling money, unwashed produce, baskets, and anything not clean and sanitized
- Any time you leave your stand and return and handle samples in any way

Allergies

There are customers that visit your store that are highly allergic to nuts, milk products, glutens and other common ingredients. It is your responsibility to let those customers know what is in your samples as well as if the product could have come in contact with allergens. It is good to post a sign on the table stating any possible allergens.

Section 9: Retail Store Operations
Customer Returns (Restore Holdings)

Policy No. 9.25

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Customer Returned Stock - any non-expired Restore Holdings product returned by a customer is to be reported to Restore Holdings for full credit. Please contact Restore Holdings toll free 1-877-653-4481 and either request a return authorization form, or fax the return authorization form to Restore Holdings toll free fax 1-866-653-4688. The 20% restocking fee will be waived as will any/all return freight charges (if applicable).

Please Note: All other returns from other suppliers must be returned to their sales representatives.

Restore Holdings:

All requests for product returns as over-stocked inventory must be requested no later than 4 (four) months from original invoice date. To process a return, contact Restore Holdings toll free 1-877-653-4481 and either request a **Product Return Authorization form**, or fax the return authorization form to Restore Holdings at 1-866-653-4688.

All stock must be returned in the condition you received it (all price/sale stickers removed). Lids on liquid products should be tightened and placed in plastic bags, which are then sealed to ensure that if they leak they do not damage other products. All products must be returned with an approved Product Return Authorization Form issued by Restore Holdings. A copy of the previously faxed and authorized Product Return Authorization Form must be included with the returned stock to be credited. A 20% restocking fee will be assessed and the return freight charges are the responsibility of the store (Franchisee).

Boxes sent to Restore Holdings without a Product Return Authorization Form will be accepted, however there will be a 25% restocking fee plus all return freight charges (if applicable) will be deducted from the credit note.

All other product Suppliers:

Please note that individual companies vary and it is always best to confirm with the supplier before sending stock back.

Restore Holdings will replace inventory on all Sangster's brand with a **6 months or less** expiry except for all Sangster's probiotics and functional foods such as; Flax Oil (liquid only), Hemp Seed, Chia Seed, Flax Seed which only have a one (1) year expiry date and will be dealt with on a case by case basis.

As a distributor, Restore Holdings will try to offer the best possible expiry dates on all other brands but due to restrictions from some of our suppliers we cannot guarantee them.

If a product was received with less than a 6 month's expiry without prior notice and/or discount it must be reported to Restore Holdings for full credit no later than **2 days** from receipt date or call into the front office for a discount to keep the product at the store. (This excludes any product from Restore Holdings that was **originally received** with less than 6 months expiry that was announced with a short expiry and/or was sold at a discounted price due to a short expiry).

Please note:

It is up to each individual store to watch for expired products as they are being received into inventory as well as checking for expiry dates on the shelf.

Restore Holdings Policy Summary:

<u>Brand:</u>	<u>Guaranteed expiry date:</u>
1. Sangster's Brand products*	6 months
2. Nature's Way** & NutraSea	3 months
3. Progressive & Precision***	6 months
4. All Other Brands from Restore Holdings with expiry dates	6 months

* *except for probiotics & functional foods*

** *Nature's Way does not guarantee any expiry but Restore Holdings guarantees 3 months*

*** *except food bars*

All other product Suppliers:

Please note that individual company's return policies vary and it is always best to confirm with your supplier and their catalogue policy before sending stock back.

