

TERMS & POLICIES

Effective Date: 25 June, 2022

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INTRODUCTION

1.1 POLICIES INCORPORATED INTO DISTRIBUTOR AGREEMENT

These Policies and Procedures, in their present form and as amended from time to time at AQUASTAR's discretion, are incorporated into the AQUASTAR Instructor Agreement. It is the responsibility of each Instructor to read, understand, adhere to, and ensure that he/she is aware of and operating under the most current version of these Policies and Procedures. For the purposes of these policies, the term Instructor refers to all individuals who signed an Instructor Application.

1.2 PURPOSE

The purpose of the Instructor Agreement is:

- To define the relationship between AQUASTAR and the Independent Instructor;
- To set standards of acceptable business behaviour;
- To assist Instructors in building and protecting their business.

1.3 CHANGES

Price changes are effective immediately once posted on AQUASTARCANADA's website.

AQUASTAR may from time to time amend items including, but not limited to: the terms and conditions of the Instructor Agreement, Policies and Procedures, and Commission Payout Plan. Any amendment to the Agreement enters into force 30 days after its communication to active Instructors through official publication. These communications may be made online, on AQUASTAR's website, by email, on message boards or in general through any AQUASTAR publication.

1.4 DELAYS

AQUASTAR shall not be responsible for delays and failures in performing its obligations due to circumstances beyond its reasonable control, such as strikes, riots, war, fire, death, curtailment or interruption of a source of supply.

1.5 POLICIES AND PROVISIONS SEVERABLE

If any provision of the (WSI) Instructor's Agreement as it currently exists or as may be amended is found to be invalid, illegal, or unenforceable for any reason, only the invalid provision will be severed from the Instructor Agreement; the remaining terms and provisions shall remain in full force and effect and shall be construed as if such invalid, illegal, or

unenforceable provision never comprised a part of the Instructor Agreement.

1.6 TITLES NOT SUBSTANTIVE

The titles and headings to these Policies are for reference purposes only and do not constitute, and shall not be construed as, substantive terms of the Instructor's Agreement.

1.7 NO RELIANCE

An Instructor should seek advice from their professional advisor for matters of legal, financial, or other professional advice and not rely on any such advice if given from AQUASTAR.

1.8 LIABILITY AND INSURANCE

AQUASTAR assumes full responsibility and liability for all client or host location damages, injuries, expenses, legal costs or losses:

Associated with the classes, services, and activities provided under this Agreement.

That AQUASTAR incurs as a result of any error or omission in part or on the part of its instructors or employees in the delivery of AQUASTAR services.

AQUASTAR will carry appropriate insurance, including appropriated General Liability in an amount not less than \$2,000,000.00 per incident to cover adequately and sufficiently all risks giving rise to liabilities that are reasonably foreseeable in respect of its delivery of AQUASTAR services under this Agreement.

Coverage for WSI's existing clients who have become clients prior to joining AQUASTAR is available on a \$20 per student basis. If WSI wishes to continue the lessons with existing clients, Schedule A should be filled out and to be incorporated as part of this agreement to ensure existing clients are registered in the system for the coverage to avoid confusion.

BECOMING A (WSI) INSTRUCTOR

2.1 REQUIREMENTS TO BECOME A AQUASTAR INSTRUCTOR:

- Be at least the age of majority in your country of residence;
- Reside in a geographic area where AQUASTAR has been approved for business;

- Read and approve the AQUASTAR Policies and Procedures and Income Compensation Plan;
- Submit an original signed Instructor Application and Agreement to AQUASTAR or digitally sign your online Instructor Application and Agreement;
- Provide AQUASTAR with a current and correct correspondence address and phone number where you can be reached;
- Purchase or/ Rent a AQUASTAR Water Equipment System (WES)/Starter Kit for a nominal cost to start your private lessons;
- Have a valid personal license and/or social insurance number
- Suppose AQUASTAR determines that the (WSI) Instructor Application and Agreement contain inaccurate or false contact or other information. In that case, it may immediately terminate the Instructor contract or declare the Instructor Application and Agreement null and void from its beginning. Further, it is the obligation of the Instructor to report to the Company on an ongoing basis any changes which affect the accuracy of the Instructor Application and Agreement.
- The instructor reserves the right to accept or reject any application for any reason.

2.2 WATER EQUIPMENT STARTER KIT (WES) / STARTER KIT

No instructor is required to purchase or rent a (WES) or Starter Kit to become a (WSI). We encourage all our instructors to use similar equipment to help achieve our client's highest expectations. However, if an instructor resigns or gets terminated from AQUASTAR, the equipment they rent from our company must be returned within 7 days of termination. The deposit will be released once the equipment is returned.

If a new instructor wants to rent our equipment, a deposit is required before the contract is signed. The instructor must then confirm that they have the payment ready within 5 days after the contract.

2.3 IDENTIFICATION AND WSI NUMBER

When AQUASTAR receives and accepts an Instructor's original Application and Agreement, AQUASTAR will assign a unique Instructor Number to that Instructor. Instructors must use their Instructor Number whenever they email to AQUASTAR Instructor Services to track commissions and bonuses.

RESPONSIBILITIES OF (WSI) INSTRUCTORS

3.1 ONGOING TRAINING

As a qualified (WSI) instructor, you must keep up with the latest training and strokes to ensure that your skills are sharp and professional. Aside from being updated with the latest equipment and procedures, you also need to know about the various packages offered by AQUASTAR. Also, be updated in AQUASTAR income Compensation Plan, and the Policies and Procedures. AQUASTAR will supervise and monitor all Instructors to ensure they conduct business professionally and ethically, promote sales properly, and provide quality customer service.

3.2 SAFETY & QUALITY OF SWIM LESSONS

Ensure the safe execution of all swim instruction and injury prevention activities while performing AQUASTAR swim lessons. Endeavour to ensure that the quality of swim lessons is consistently excellent and deserving of the title "Vancouver's Best Swim Lessons". Work to establish a client base, maintain contact with clients, and work with AQUASTAR and clients to schedule and reschedule swim lessons.

3.3 NON-DISPARAGEMENT

In setting the proper example for our AQUASTAR Family Team, (WSI) Instructors must not disparage other AQUASTAR Instructors, AQUASTAR's swim plans. Such disparagement constitutes a material breach of these Policies and Procedures.

3.4 REPORTING POLICY VIOLATIONS

Instructors should report any observed violations of a policy to the AQUASTAR.

3.5 RENDERING COMPANY VIOLATION

Understand that any service in the area of aquatics provided to anyone, including but not limited to swimming instruction, private lifeguarding, and product sales should be done directly through AQUASTAR. Any attempt at rendering additional aquatic services to clients or non-clients without permission from AQUASTAR may result in the ongoing contract between the two parties being terminated. AQUASTAR's insurance will not cover any of those additional aquatic services and the WSI will be held liable for accidents relating to those services. Furthermore, any negative public opinion or press related to incidents involving undercutting, piggybacking of AQUASTAR services, or the rendering of said additional services will be grounds for a lawsuit due to breach of trust and probable defamation of AQUASTAR's company character.

Never accept additional payment for additional AQUASTAR services rendered to clients unless given permission from

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AQUASTAR.

Never handle payment from clients unless instructed to do so directly by AQUASTAR.

SALES REQUIREMENTS

4.1 SALES REQUIREMENTS

The AQUASTAR Income Compensation Plan is based upon the sale of the AQUASTAR Swim Plan to end consumers. The following sales requirements must be satisfied in order for Instructors to be eligible for commissions, and bonuses:

- 4 Tiers Bonus Program
- Package Percentage Bonus
- Referral Bonus

30 MINUTES PREMIUM FREE SWIM TRIAL

5.1 INSTRUCTORS AVAILABILITY

All AQUASTAR WSI must make it available to provide clients with a 30 minutes Premium free swim trial before a client can select a swim package and the desired instructor for lessons. WSI will have at least a minimum of 1 hour on their schedule available to allow clients to choose their own instructor to provide swimming lessons for them.

5.2 QUALITY CONTROL

All of our 30 minutes free swim trials will not have more than 2 students from the same client learning at the same time, even with the same or similar level. This will enhance efficiency when providing the best experience to our clients. If clients have 2 students who have different levels, they can only use one of the 20 minutes sessions and are not allowed to split them into two sessions for each student as it is unfair to instructors and other potential clients who want swimming trial lessons.

Clients do not need to go through a 30 minutes free swim trial if they do not prefer one. If clients have purchased a package but yet have not tried with a specific WSI, no refunds are allowed for the classes due to any possible bad experience from the instructor. AQUASTAR strongly encourage all clients to take 30 minutes trial to try our top-of-the-line WSI before selecting a swim package they desire.

SWIM GEAR BUY / RENTAL

6.1 BUY / RENTAL

After signing the agreement with AQUASTAR, a section which confirms an instructor if they want to buy out the swim kit before starting to teach private swimming lessons under AQUASTAR.

Once the swim kit has been purchased, the instructor will have full responsibility. Any damage after the swim kit they received, AQUASTAR will not be responsible for holding any liability to the product.

The value of the swim kit will vary depending on the time of purchase.

RENTAL

AQUASTAR understands that many instructors do not have the proper tools for swim lessons. We will provide tools for each WSI to provide lessons to your clients with your best efforts.

AQUASTAR WSIs are responsible for the properties that AQUASTAR lends out to the instructors that become part of the company. Any damages or loss of the properties will result in deductions from payments to the WSI were specified in

If any WSIs decide to own the teaching tools, options to purchase the product from AQUASTAR will be prior to the first lesson of their swim class or the time when signing the contract with AQUASTAR. In such a case, WSIs have to pay AQUASTAR in advance for the tools so AQUASTAR can provide tools to WSIs before their first class.

6.2 DEPOSIT

When Instructor is applying for the application agreement to become AQUASTAR (WSI) Instructor, a section where it list in (WES) Water Equipment Starter Kit is available for the Instructor to purchase. The value is listed in the agreement as (\$60).

6.3 RENTAL EQUIPMENT DAMAGE /OR LOST

In the event where tools from AQUASTAR are damaged or lost, AQUASTAR WSIs are required to pay AQUASTAR in the sum of \$100.00 for replacements, where the same lending policy referred to in this applies to the new set of tools, unless otherwise advised.

TERMINATION AGREEMENT

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7.1 CANCELLATION

Either Party may terminate this Agreement with written notice, seven days prior to the actual termination date, bringing the Agreement to an end. If the Party is materially in breach or default of any of its obligations under this Agreement, the opposing party may unilaterally terminate this agreement immediately without notice. Upon termination, all equipment and tools that are lent to WSIs must be returned to AQUASTAR immediately. In the event that equipment and tools are not returned within 7 days after the actual termination date, AQUASTAR will automatically deduct the sum of \$100.00 from payments to WSI as cost and compensation for the tools.

AQUASTAR reserves the right to extend or shorten the existing contract length anytime and for any reason.

The WSI reserves the right to shorten the existing contract length to two weeks at any time and for any reason.

Balanced payment owed to WSIs after the termination will be calculated and paid out at the earliest bi-weekly payout time after the equipment and tools are returned to AQUASTAR.