



**DIRECT SELLING
ASSOCIATION OF NIGERIA**

CODE OF ETHICS

SEPTEMBER 7, 2022

1.0 INTRODUCTION

The objective of this Code of Ethics (the ‘Code’) is to ensure the all-round protection of consumers, create an environment for healthy competition among companies, in order to create income generation and entrepreneurial opportunities to independent contractors called Direct Sellers.

These objectives are to be achieved within the framework of free enterprise, and the enhancement of the public image of the Direct Selling Industry.

The Code is intended to govern the conduct of all Member Companies of the Direct Selling Association of Nigeria (DSANG) and all persons contracted either as employees or independent Direct Sellers of such Member Companies.

The principles set out do not interpret, qualify or supplant the law of the land, and are not intended to be applied to non-consumer sales. These principles do not replace the rights or remedies a consumer may derive from any agreement, the common law or any legislation. It is nevertheless conceivable that conduct which is the subject of a contract, and which may not conflict with statutory or common law, may still amount to an unacceptable business practice in terms of the Federal Competition and Consumer Protection Act, 2018. This Code is published in accordance with requirements as set out in the Direct Selling Code of Ethics as published by The World Federation of Direct Selling Associations (WFDSA).

1.1 DEFINITION OF TERMS

For the purpose of this code the terms below shall have the following meaning

- 1.1.1 **Board:** Refers to the Board of Trustees of the DSANG (or whatever existing structure exists) as duly elected from time to time.
- 1.1.2 **Code Administrator:** The independent person or body appointed by the DSANG Board of trustees to monitor a Company’s compliance with the Code and to resolve complaints under the Code.
- 1.1.3 **Company:** A business entity that utilises a Direct Selling distribution system to market its Products and is a member of the DSANG.
- 1.1.4 **Consumer:** Any person who purchases and consumes Products from a Direct Seller or a Company.
- 1.1.5 **Direct Seller:** (independent contractors that are also referred to as distributors, consultants, managers, sales agents, promoters and independent business operators, amongst others) are micro-entrepreneurs who market and sell products and services,

typically outside of a fixed retail establishment, through one-to-one selling, group product demonstrations/presentations (also referred to as Party Plan) or a combination and with online support.

- 1.1.6 **Order form:** A printed or written document confirming details of a Consumer order and providing a sales receipt to the Consumer. In the case of Internet purchases, a form containing all terms of the offer and purchase provided in a printable or downloadable format.
- 1.1.7 **Product:** Tangible and intangible consumer goods and services.
- 1.1.8 **Recruiting:** Any activity conducted for the purpose of assisting a person to become a Direct Seller
- 1.2 Each member company prior to admission must have a code of conduct similar in form, incorporating the minimum provisions of the Code or must do so as soon as is admitted in order to enjoy continued membership. The provisions of this Code shall be publicized by member companies upon acceptance and shall be made available upon request by customers and Direct Sellers.
- 1.3 Direct Sellers even though are not bound by the provisions of this Code, shall, as a condition of membership in a Company's distribution system, be required by the Company with whom they are affiliated to adhere to the rules of conduct of this Code.
- 1.4 This Code or its provisions is not meant to replace any relevant law operating within the federal Republic of Nigeria, however, its obligations require a level of ethical conduct from Companies and Direct Sellers which conforms with or exceeds applicable legal requirements. Non-observance of this Code may create civil law responsibility or liability. With termination of its membership in DSANG, a Company is no longer bound by this Code. However, the provisions of this Code remain applicable to events or transactions that occurred during the time a Company was a member of DSANG.
- 1.5 Companies and Direct Sellers must comply with all requirements of law within the Federal Republic of Nigeria when conducting business. Therefore, this Code is not exhaustive as it operates as a general guide as it does not state all legal obligations; compliance by Companies and Direct Sellers with laws that pertain to Direct Selling is a condition of acceptance by or continuing membership in DSANG
- 1.6 Every national DSA pledge that it will require each member as a condition to admission and continuing membership in the DSANG to comply with the WFDSA World Codes of Conduct for Direct Selling with regard to direct selling activities outside of its home country, unless those activities are under the jurisdiction of Codes of Conduct of

another country's WFDSA-affiliated DSA to which the member also belongs. Should a Company be the subject of a Code Complaint in a country in which it is not a member, the company must accept jurisdiction of the Code Administrator in its home country (or if the company is not a member in its home country, any country in which it is a DSA member) and shall bear reasonable costs incurred by the home country Code Administrator associated with resolution of the complaint. Moreover, the Code Administrator of the home country may coordinate with the Code Administrator (if one exists) of the complainant's country and, in evaluating the alleged Code Complaint, apply, in order of priority, (i) the standards of the Code of Ethics in the country in which the complaint is filed, or (ii) the standards of the Code of Ethics in the subject company's home country, or, (iii) at a minimum, the standards set forth in the WFDSA Code of Ethics.

2.0 CONDUCT FOR THE PROTECTION OF CUSTOMERS

2.1 Prohibited Practices

No member company of the Association or Direct Sellers for a member company shall engage in any deceptive, false, unethical or unlawful consumer or practice. Direct Sellers shall ensure that in marketing of any goods they do not directly or indirectly express or imply false, misleading or deceptive representation concerning a material fact to a consumer or prospective consumer. Member companies shall ensure that no statements, promises or testimonials are made that are likely to mislead consumers.

2.2 Proper Identification

Before the presentation or initiation of a sales pitch, a Direct sellers shall promptly and without request identify themselves; the identity of their Company; the nature of their Products; and the purpose of their solicitation to the prospective Consumer.

2.3 Accurate Explanation and Demonstration

Direct Sellers shall offer Consumers accurate and complete Product explanations and demonstrations regarding price and, if applicable, credit terms (any interest rate charged on an annual compounded basis should be clearly stated in the original agreement), terms of payment, a cooling-off period, including right to examine goods and return policies; terms of guarantee, after-sales service; and delivery dates. Direct Sellers shall give accurate and understandable answers to all questions from Consumers. To the extent claims are made with respect to product efficacy, Direct

Sellers shall make only those verbal or written product or earnings claims that are authorised by the Company. Consumers shall have the right to all information in plain and understandable language

2.4 **Order Form**

A written Order Form shall be delivered or made available to the Consumer at or prior to the time of the initial sale. In the case of a sale made via mail, telephone, the Internet, or similar non-face-to-face means, a copy of the Order Form shall have been previously provided, or shall be included in the initial order, or shall be provided in printable or downloadable form via the Internet. The Order Form shall identify the Company and the Direct Seller and contain the full name, permanent address and telephone number of the Company and the Direct Seller, and all material terms of the sale. Terms of a guarantee or a warranty; details and limitation of after-sales service; the name and address of the guarantor; the duration of the guarantee; and the remedial action available to the Consumer shall be set out clearly in the Order Form or other accompanying literature provided with the Product. All terms shall be clear and legible.

2.5 **Literature**

Promotional literature, advertisements and mailings shall not contain product descriptions, claims, photos or illustrations that are deceptive or misleading. Promotional literature shall contain the name, address and telephone number of the Company and may include the name and telephone number of the Direct Seller.

2.6 **Advertisements and Testimonials**

Advertisements and Testimonials shall not contain any descriptions, claims or illustrations, which directly or by implication, are misleading about the products, services, financial earnings potential or in any other regard. All advertisements and testimonials shall conform to the Nigerian Code of Advertising Practice, Sales Promotion and Other Rights/Restrictions on Practice (The Advertising Code), the Advertising Practitioners Council of Nigeria (APCON) Vetting Guidelines, Federal Competition and Consumer Protection Act. Companies and Direct Sellers shall not use any advertisement, testimonial or endorsement that is unauthorised, untrue, obsolete, or otherwise inapplicable, unrelated to the offer or used in any way likely to mislead the Consumer.

2.7 **Misleading Comparison and Denigration**

Companies and Direct Sellers shall not use comparisons which are misleading or can be seen to be misleading. Every point of comparison shall be based on facts which can be substantiated. Companies and Direct Sellers shall not unfairly denigrate any Company, business or product, directly or by implication. Companies and Direct Sellers shall not take unfair advantage of the goodwill attached to the trade name and symbol of another Company, business or product.

2.8 **Cooling off (Cancellation) and Return period**

A consumer shall have the right to cancel any booking, reservation or order for any goods or services, or return of goods for full refund (if practicable) subject to a reasonable charge for cancellation of the order by a company or Direct Seller.

Companies and Direct Sellers shall make sure that an order form for each sale shall be issued to the customer and shall contain details of a cooling-off and the return period. The customer shall be responsible for returning any products and/or paying any costs thereto. The cooling-off/return period shall be clearly stated and shall apply equally to direct sales and distance sales (i.e. telephone, mail or online orders).

Subject to applicable laws, Companies or Direct Sellers may be exempted from providing a cooling off period. In such cases, this must be clearly communicated to the customer during the sales process and details must be included on the order form in simple language mentioning the Act and section of the Act under which the obligation to provide a cooling-off period has been exempted or limited.

2.9 **Respect of Privacy**

Direct Sellers shall make personal or telephone contact with Consumers only in a reasonable manner and during reasonable hours to avoid intrusiveness. A Direct Seller shall discontinue a demonstration or sales presentation immediately upon the request of the Consumer. Direct Sellers and Companies shall take appropriate steps to ensure the protection of all private information provided by a Consumer, a potential Consumer, or a Direct Seller.

2.10 **Fairness**

Direct Sellers shall respect the lack of commercial experience of Consumers and shall not abuse the trust of individual consumers or exploit a Consumer's age, illness, lack of understanding or unfamiliarity with a language.

2.11 **Referral Selling**

Companies and Direct Sellers shall not induce a person to purchase goods or services based upon the representation that a Consumer can reduce or recover the purchase price by referring prospective customers to the Direct Sellers for similar purchases, if such reductions or recovery are contingent upon some uncertain future event.

2.12 **Delivery**

Companies and Direct Sellers shall fulfil Consumer orders in a timely manner. When orders cannot be delivered in a timely manner, the Consumer shall immediately be informed.

2.13 **Complaints and Responsibility**

In the event of a consumer complaining that a Direct Seller, in offering for sale the products of a member, has engaged in any improper course of conduct pertaining to the sales representation of its goods, the Company shall promptly investigate the complaint and shall take such steps as it may find appropriate and necessary under the circumstances to assist with the redress of any wrongs which its investigation discloses to have been committed. In all instances a consumer retains the right to refer any complaint to the Federal Competition and Consumer Protection Commission should a Member and/or the DSANG be unable to resolve the complaint to the complete satisfaction of the consumer.

2.14 **Direct Sellers' Compliance**

Companies shall require their Direct Sellers, as a condition of membership in the Company's distribution system, to comply with the Company's Code or with their rules of conduct, which Company's Codes or Rules of Conduct must incorporate the provisions of this Code and at a minimum, meet the provisions of this Code.

3.0 **CONDUCT TOWARDS DIRECT SELLERS**

3.1 **Relationship**

Companies shall provide to their Direct Sellers either a written agreement to be signed by both the Company and the Direct Seller or a downloadable electronic statement, containing all essential details of the relationship between the Direct Seller and the Company. Companies shall inform their Direct Sellers of their legal obligations, including any applicable licenses, registrations, and taxes.

3.2 **Fees**

Companies shall not require Direct Sellers or prospective Direct Sellers to pay more than reasonable fees (according to local market) for any of the following: entrance fees, training fees, franchise fees, fees for promotional materials or other fees related solely to the right to become or remain a participant in the company's distribution system.

No company shall require product purchases as part of the application process unless included in the starter kit. However, where not prohibited by law, mandatory purchase of a starter kit is permitted. Any required fees charged to become or remain a Direct Seller including any required additional service offered by the company (e.g. on-line training, eCommerce or other internet solutions, shipment costs) shall be fully refundable (less any commission earned by the Direct Seller)

In the event the Direct Seller terminates his/her distributorship within 30 days of payment. The refundable fees are limited to those paid by the Direct Seller in the 30 days prior to the distributor termination." Any commissions paid on fees charged to become or stay a Direct Seller, which are, in effect, remuneration for recruiting Direct Sellers into a sales system, shall be prohibited.

3.3 **Direct Sellers' Compliance**

Companies shall require their Direct Sellers, as a condition of membership in the Company's distribution system, to comply with the standards of this Code and must adhere to the rules of conduct of this Code.

3.4 **Recruiting Practices**

Companies shall ensure that recruiting practices with prospective or existing Direct Sellers are fair and transparent. The recruiting tactics employed by companies shall therefore not be misleading, deceptive or unfair.

3.5 **Business Information**

All Information provided by Companies to prospective or existing Direct Sellers concerning the opportunity and related rights and obligations shall be accurate, complete and communicated in plain language. Companies shall not make any factual representation to a prospective Direct Seller that cannot be fulfilled. Companies shall not present the advantages of the selling opportunity to any prospective recruit in a deceptive manner.

3.6 Earnings and Accounts

Companies shall provide Direct Sellers with periodic accounts concerning, as applicable, sales, purchases, details of earnings, commissions, bonuses, discounts, deliveries, cancellations and other relevant data, in accordance with the company's arrangement with the Direct Sellers. All monies due shall be paid and any withholdings made in a commercially reasonable manner. Earnings paid to Direct Sellers shall be derived from sales of products or services to consumers. Earnings of Direct Sellers may be based on the sales and personal consumption by the Direct Sellers and their downlines. Direct Sellers shall not receive earnings for recruiting other Direct Sellers into a sales system; except that companies may provide Direct Sellers with minimal incentives which are in accordance with local law.

3.7 Earning Representations

No company shall misrepresent the actual or potential sales or earnings of its Direct Sellers. Any earnings or sales representations that are made by member companies shall be based on documented facts.

Earnings representations and sales figures must be truthful, accurate, and based on documented and substantiated facts.

Potential direct sellers must be informed that actual earnings and sales will vary from person to person and these potential factors affecting earnings must be highlighted by a company.

3.8 Respect of Privacy

Companies shall contact Direct Sellers only in a reasonable manner and during reasonable hours to avoid intrusiveness. Direct Sellers and Companies shall take appropriate steps to ensure the protection of all private information provided by a Consumer, a potential Consumer, or a Direct Seller, in accordance with local laws that apply to privacy and data protection particularly Nigeria Data Protection Regulations (NDPR) 2019 among others.

3.9 Inventory Loading and Repurchase

Companies shall not require or encourage Direct Sellers to purchase Product inventory in unreasonably large amounts. Companies shall take clear and reasonable steps to ensure that Direct Sellers who are receiving compensation for downline sales volume are either consuming or reselling the Products they purchase to qualify to receive compensation.

If requested upon cessation of a Direct Seller's relationship with a Company, Companies shall buy back any unsold, re-saleable Product inventory, promotional material, sales aids and kits, purchased within the previous twelve months and refund the Direct Seller's original cost, less a handling charge to the Direct Seller of up to 10% of the net purchase price.

The Company may also deduct the cost of any benefit received by the Direct Seller based on the original purchase of the returned goods. This inventory repurchase policy must be clearly communicated to Direct Sellers. It shall be considered an unfair and deceptive recruiting practice for a company or salesperson to require or encourage an independent salesperson to purchase unreasonable amounts of inventory or sales aids.

The Code Administrator may employ any appropriate remedy to ensure any individual salesperson shall not incur significant financial loss as a result of such prohibited behaviour. The Code Administrator, upon finding a member company has engaged in false, misleading or deceptive recruiting practices, may employ any appropriate remedy to ensure any complainant shall not incur significant financial loss as a result of such prohibited behaviour, including but not limited to requiring such member company to repurchase all inventory, promotional materials, sales aids and/or kits which a complainant has purchased.

3.10 **Other Materials**

Companies shall prohibit Direct Sellers from marketing to other Direct Sellers any materials that are not approved by the Company and that are inconsistent with Company policies and procedures.

Further, Direct Sellers who sell company approved, legally allowed promotional or training materials, whether in hard copy, electronic, or any other form, shall (i) offer only materials that comply with the same standards to which the Company adheres, (ii) be prohibited from making the purchase of such materials a requirement of other Direct Sellers, (iii) provide sales aids at a reasonable and fair cost, without any significant profit to the direct seller, equivalent to similar material available generally in the marketplace, and (iv) offer a written return policy that is the same as the return policy of the Company the Direct Seller represents.

Companies shall take diligent, reasonable steps to ensure that sales aids and similar materials produced by Direct Sellers comply with the provisions of this Code and are not misleading or deceptive. Compensation received by Direct Sellers for sales of

training and promotional materials to become or stay a Direct Seller which is, in effect, remuneration for recruiting Direct Sellers into a sales system, shall be prohibited.

3.11 **Direct Seller Training**

Companies shall provide periodic adequate training to enable Direct Sellers to operate ethically.

4.0 **CONDUCT BETWEEN COMPANIES**

4.1 **Interaction**

Member Companies of the DSANG shall conduct their activities in the spirit of fair competition towards other members.

4.2 **Enticement**

Companies and Direct Sellers shall not systematically entice or solicit Direct Sellers of another Company.

4.3 **Denigration**

Companies shall not unfairly denigrate nor allow their Direct Sellers to unfairly denigrate another Company's Products, its sales and marketing plan or any other feature of another Company.

5.0 **CODE ENFORCEMENT**

5.1 **Companies' Responsibilities**

The primary responsibility for compliance of the Company and its Direct Sellers with the Code shall rest with each Company. In case of any breach of this Code, Companies shall make every reasonable effort to satisfy the complainant.

5.2 **Code Administrator**

The DSANG shall appoint an independent person or body as Code Administrator. The Code Administrator shall monitor Companies' observance of this Code by appropriate actions and shall be responsible for complaint handling and a set of rules outlining the process of complaint resolution. The Code Administrator shall be appointed for a fixed

period subject to renewal. The Code Administrator shall settle any unresolved complaints of Consumers based on breaches of this Code.

The Administrator shall be a person of recognized integrity, knowledgeable in the industry.

During his term of office, the Administrator shall be an officer, director, employee, or substantial stockholder in any member or affiliate of DSANG. The Administrator shall disclose all holdings of stock in any member company prior to appointment and shall also disclose any subsequent purchases of such stock.

The Administrator shall determine whether a violation of the Code has occurred in accordance with the regulations promulgated hereunder. The Administrator shall answer as promptly as possible all queries posed by members relating to the Code and its application, and, when appropriate, may suggest, for consideration by the Board of Trustees, new regulations, definitions, or other implementations to make the Code more effective.

If, in the judgment of the Code Administrator, a complaint is beyond the Administrator's scope of expertise or resources, the Code Administrator may decline to exercise jurisdiction in the matter and may, in his or her discretion, recommend to the complainant another forum in which the complaint can be addressed.

The Administrator shall undertake through his office to maintain and improve all relations with better business bureaus and other organizations, both private and public, with a view toward improving the industry's relations with the public and receiving information from such organizations relating to the industry's sales activities.

5.3 **Remedies**

The Code Administrator may require the cancellation of orders, return of products purchased, refund of payments or other appropriate actions, including warnings to Direct Sellers or Companies, cancellation or termination of Direct Sellers' contracts or other relationships with the Company, and warnings to Companies.

5.4 **Complaint Handling**

The DSANG and the Code Administrator shall establish, publicise and implement complaint handling procedures to ensure prompt resolution of all complaints.

Companies shall also establish, publicise and implement complaint handling procedures under their individual complaint handling processes to ensure prompt resolution of all complaints.

5.5 **Publication**

All Companies are required to publicise the DSANG's Code of Ethics to their Direct Sellers and consumers.

5.6 **Establishment of a Local Head Office**

A Company must have an established Head Office within the borders of the Federal Republic of Nigeria, must be registered with the Federal Inland Revenue Service and must provide the DSANG at the time of application for membership with the following details:

- a) Full registered name of the Company and if it trades under another name full details of such trading name.
- b) Details of physical location and postal and telephone contact details.
- c) Details of where products and services may be viewed.

Should any of the above information change, these changes are to be communicated to the DSANG within 14 days of such change.

5.7 **Extra-territorial Effect**

The DSANG requires of its members as a condition to admission and continuing membership, to comply with the WFDSA Code of Ethics for Direct Selling with regards to selling activities outside of Nigeria, unless those activities are under the jurisdiction of Codes of Ethics of such other country's DSA to which the Company also belongs.

5.8 **Compliance**

Every DSANG member pledges to comply with the Code as a condition of admission and continuing membership of the Association.

6.0 ADDRESSES

All correspondence for the DSANG should be addressed to:

DSANG Secretariat
Direct Selling Association
c/o Mr Cyril Anichukwueze
3 Shagamu Avenue Illupeju, Lagos, Nigeria
contact@dsa.ng

7.0 HOW TO FILE A COMPLAINT

All complaints are required to be submitted in writing either via email at contact@dsa.ng or to 3 Shagamu Avenue, Illupeju, Lagos, Nigeria.

If you have a complaint against a Direct Selling Association Nigeria (DSANG) member company (or an individual direct seller representing a direct selling company) that is a member of a DSANG, you can file a complaint. The complaint can be in response to any business practice you believe is a possible violation of the DSANG Code of Ethics.

Here are the steps you should follow:

7.1 First, try to resolve the matter directly with the individual(s) or the company involved. Your complaint should be in writing, and should include the following information:

- The date and details of the incident
- The parties involved
- The section of the Code of Ethics that you believe has been violated
- A description of the efforts you have made to resolve the matter
- The cost of the product involved, if relevant, including invoices or other supporting documents
- A description of the actions the other parties have made to resolve the matter
- The current status of the complaint
- The remedy you believe should be applied Please provide sufficient time for the company or individual(s) to respond to your written complaint. Usually, 30 days is suggested.

- 7.2 If, after completing step 1 (above) the situation is not satisfactorily resolved, contact the DSANG Code Administrator. You should provide the DSANG Code Administrator with the same information identified in step 1 (above).
- 7.3 If your complaint is not resolved to your satisfaction after completing step 1 and 2 (above), you should send the complete history of your complaint, including responses from both the company and DSANG to WFDSA at: info@wfdsa.org. WFDSA will contact DSANG Code Administrator and DSANG to gain an understanding of why the complaint has not been resolved.

8.0 **PROCEDURE FOR RESOLVING COMPLAINTS**

The Administrator shall establish, publish and implement transparent complaint handling procedures to ensure prompt resolution of all complaints. The Administrator, in accordance with this Code shall hear and determine all charges against members subscribing hereto, affording such members or persons an opportunity to be heard fully. The Administrator shall have the power to originate any proceedings and shall at all times have the full cooperation of all members.

8.1 **Receipt of Complaint**

Upon receipt of a complaint from a bona fide consumer or where the Administrator has reason to believe that a member has violated the Code of Ethics, the Administrator shall forward a copy of the complaint, if any, to the accused member together with a letter notifying the member that a preliminary investigation of a specified possible violation is being conducted and requesting the member's cooperation in supplying necessary information, documentation and explanatory comment. If a written complaint is not the basis of the Administrator's investigation, then the Administrator shall provide written notice as to the basis of his reason to believe that a violation has occurred. Further, the Code Administrator shall honour any requests for confidential treatment of the identity of the complaining party made by that party.

8.2 **Cooperation with Code Administrator**

In the event a member refuses to cooperate with the Administrator and refuses to supply necessary information, documentation and explanatory comment, the Administrator shall serve upon the member, by E mail, a notice affording the member an opportunity to appear before a Panel to be created (the "Panel) on a certain date to show cause why its membership in the Direct Selling Association Nigeria should not

be terminated. In the event the member refuses to cooperate with the Administrator or to request a review by the Panel, the DSANG Board of Trustees, or a designated part thereof, may vote to terminate the membership of the member.

8.3 Informal Investigation and Disposition Procedure

The Administrator shall conduct a preliminary investigation, making such investigative contacts as are necessary to reach an informed decision as to the alleged Code violation. If the Administrator determines, after the informal investigation, that there is no need for further action or that the Code violation allegation lacks merit, further investigation and administrative action on the matter shall terminate and the complaining party shall be so notified.

The Administrator may, at his discretion, remedy an alleged Code violation through informal, oral and written communication with the accused member company.

If the Administrator determines that the allegation has sufficient merit, in that the apparent violations are of such a nature, scope or frequency so as to require remedial action and that the best interests of consumers, the association and the direct selling industry require remedial action, he shall notify the member of his decision, the reasoning and facts which produced it, and the nature of the remedy he believes should be effected. The Administrator's notice shall offer the member an opportunity to voluntarily consent to accept the suggested remedies without the necessity of a hearing. If the member desires to dispose of the matter in this informal manner it will, within 20 days, advise the Administrator, in writing, of its willingness to consent. The letter to the Administrator may state that the member's willingness to consent does not constitute an admission or belief that the Code has been violated.

8.4 The Panel

The Panel consisting of five representatives from active member companies shall be selected by the DSANG's Board of Trustees. Each member shall serve for a term of three years. The five members shall be selected in a manner that represents a cross-section of the industry.

When an appeal is made by a member company, the Chairman of the DSANG Board of Trustees shall select three of the five members of the Appeals Review Panel to constitute a three-person panel to review the appeal and shall name one of them Chairman of that panel. When possible, no company of the three shall sell a product that specifically competes with the Appellant, and every effort shall be made to avoid conflicts in selecting the panel. If for any reason, a member of the panel cannot fulfil

his or her duties or fill out a term for any reason, the Chairman of the DSANG Board of Trustees can replace that person with a new appointment for the remainder of the unfulfilled term with the concurrence of the Executive Committee

8.5 Appeals Review Procedure

If a member company objects to the imposition of a remedial action by the Administrator, it shall have a right to request a review of the Administrator's decision by the Panel. A member company must make such a request in writing submitted to the Administrator within 14 days of being notified of the remedial action by the Administrator. Within 10 days of receiving such a request, the Administrator shall notify the Chairman of the Board of DSANG who, at that time, shall select the three-person panel. That selection shall take place within 30 days of the member's request for the review.

As soon as the panel has been selected, the Administrator shall inform the Appellant of the names of the panellists, including the name of the chairman of the panel. Within 14 days of that notification, the Administrator shall send a copy of the Complaint and all relevant documents, including an explanation of the basis of the decision to impose remedial action, to the panellists with copies to the Appellant. Upon receipt of such information, the Appellant shall have 14 days to file with the panel its reasons arguing that remedial action should not be imposed along with any additional documents that are relevant. Copies of that information should also be sent to the Administrator.

Once the information has been received by the panellists from both the Administrator and the member company, the panel will complete its review within 30 days or as soon thereafter as practicable. The panel shall decide whether the Administrator's decision to impose remedial action was reasonable under all of the facts and circumstances involved and shall either confirm the Administrator's decision, overrule it or impose a lesser sanction.

The panel shall be free to contact the Administrator and the Appellant and any other persons who may be relevant witnesses to the Complaint, formally or informally as deemed appropriate. A decision by the panel shall be final and shall be promptly communicated both to the Administrator and the Appellant. The costs involved in the appeal such as costs of photocopying, telephone, fax, and mailing, shall be borne by the Appellant.

9.0 **RESIGNATION**

Resignation from DSANG by an accused company prior to completion of any proceedings constituted under this Code shall not be grounds for termination of said proceedings, and a determination as to the Code violation shall be rendered by the Administrator at his or her discretion, irrespective of the accused company's continued membership in the Association or participation in the complaint resolution proceedings.

10.0 **AMENDMENT**

This Code may be amended by vote of two thirds of the Board of Trustees.

As Adopted

.....2022