

# Entrepreneur Kannaway Marketing Do's And Don'ts

## Kannaway's Mission

Kannaway's mission can be summed up in a few basic concepts. For one, we strive to deliver high-quality hemp-based CBD products designed to promote overall health and wellness. But most importantly, Kannaway believes in empowering their customers to create successful home-based businesses of their own. By becoming a Kannaway Entrepreneur, customers will have the opportunity to spread awareness of hemp's many powerful benefits while securing financial futures for themselves and their families.

In order to make this possible for everyone involved with Kannaway, we as a company, make every effort to comply with all local and national regulations. Every industry has laws, rules, and guidelines which they must strictly adhere to so they can best serve their customers. Whether it is providing goods, services, or a combination of both, companies like Kannaway in the direct selling industry follow guidelines set by different governmental agencies, including

## 1. Food and Drug Administration (FDA)

The role of the FDA is to ensure the safety and accurate labeling of the products that it regulates. In general, the FDA regulates food, including dietary supplements, food additives and other food products, cosmetics, including skin moisturizers and cleansers, as well as veterinary products, including pet foods.

## 2. Federal Trade Commission (FTC)

The FTC's job is two-fold—protect consumers and prevent unfair business practices. Essentially, their role is to protect customers from fraudulent or deceptive marketing actions. Governmental agencies, like the FDA and FTC, take their role very seriously, and have been known to enact harsh punishments when their regulations have been violated. Sometimes their action may only result in a warning letter. Other times, however, they have been known to fine companies monetarily, sometimes by millions of dollars, or even shut them down entirely.

## 3. Advertising Standards Authority (ASA)

The Advertising Standards Authority (ASA) is the UK's independent regulator for advertising. The ASA makes sure ads across UK media stick to the Advertising Codes, including the UK Code of Non-broadcast Advertising and Direct & Promotional Marketing (the CAP Code). The Committee of Advertising Practice (CAP), whose members represent advertisers, media owners and agencies, is responsible for writing the Advertising Codes. Together, we work to make UK ads responsible by taking action against misleading, harmful or offensive advertising and providing advice and training to help businesses get their ads right. Sometimes their action may only result in a warning letter to a company involved, however they have also been known to fine companies monetarily.

## **4. Direct Selling Self-Regulatory Council (DSSRC)**

DSSRC is the new Direct Selling Self-Regulatory Council, a third-party self-regulatory program founded by the Direct Selling Association (DSA) and to be administered by BBB National Programs, Inc. beginning on January 4, 2019.

The DSSRC will monitor the entire U.S. direct selling industry and will embody these principles: Clear industry standards on issues such as product and earning representations; Identification of relevant best practices from other self-regulatory models; Creation of a process that both monitors and enforces strict business principles; and Enacts measures to raise the bar of excellence for DSA members and the entire direct selling channel. The purpose of the DSSRC is to strengthen the direct selling industry with additional third-party oversight, as well as articulate clear principles based on established business ethics set forth for more than five decades by the DSA.

### **What does this mean for Kannaway?**

To avoid potential issues, we follow these guidelines with strict adherence. This is not only best for the company, but also for our customers and our Entrepreneurs. Because of this, Kannaway has a zero-tolerance policy when it comes to infractions of these rules. Any infringement will result in immediate termination.

Here's why: What you say doesn't affect only you, but it also affects everyone in the company and the company as a whole. One wrong word to the wrong person could shut down the business without warning. For example—CBD, the natural compound found in hemp oil, is not recognized for health benefits by the FDA. This means as a food, or dietary supplement, we cannot talk about any of the possible health benefits of CBD, whatsoever. That may seem strict, but we want to make sure we stay 100% compliant with the FDA at all times.

### **Marketing Dos and Dont's**

#### **1. DO: Maintain customer confidentiality.**

Do not give information about one customer to another. Do not mention other customers' stories or their use of the products to other customers. For example—you may not say things like, "I have several cancer patients that I'm working with" or "My favorite client has MS and is using our products and loves them." Statements like these breach HIPAA (Health Insurance Portability and Accountability Act) confidentiality and border on making medical claims.

#### **2. DON'T: Make health or medical claims.**

This is the number one rule you must abide by. You cannot talk about anything related to health and CBD to customers. This is the case whether it is in written communications, on your personal social media accounts, or in any public or private arena in which you are representing the company. The FDA and FTC take unlicensed medical claims, health claims, and quasi-medical advice very seriously.

They take it so seriously, in fact, that giving out medical or health-related advice or telling people that a product can, say, "cure epilepsy" could result in prison time (for you and possibly others) and a fine (to you specifically, the company, and others). At the very least, heavy fines and suspension of business may be levied by the FDA, ASA, DSSRC or FTC at any time and without warning.

**DO:**

Refer to suggested use or suggested serving sizes.

**DO:**

Refer to overall health and wellness positively.

**DO:**

Suggest your customers conduct their own research.

**DO:**

Suggest they try Kannaway products and see for themselves what they think.

**DO NOT:**

Refer to or discuss "dosage."

**DO NOT:**

Use any customer testimonials not approved by the company. Testimonials are considered to be the same thing to the FDA as making a health claim.

**DO NOT:**

Mention or refer to scientific studies or research AT ALL. This is classed as an associated claim.

**DO NOT:**

Suggest any specific search terms with linking words (example— "CBD and cancer" or "CBD and epilepsy").

**EXAMPLES OF IMPROPER CLAIM STATEMENTS INCLUDE:**

- "CBD may help reduce the severity of seizures."
- "Our oil works for so many conditions, from epilepsy to cancer!"
- You can't use "weasel words" to get around this, either, and disclaimers don't work.

**FOR EXAMPLE—** "Well, I can't say that CBD cures PTSD, but you should check out some studies online!"

### 3. DON'T: Reference or cite any media.

This includes online research, academic or scientific journals, magazines, television specials, etc. For example, saying things like "If you saw Dr. Gupta's special on CNN..." is NOT ALLOWED.

### 4. DO: Speak to each customer the way the FDA, ASA, DSSRC or FTC recommend.

Bending or breaking the rules is never acceptable to the FDA, ASA, DSSRC and FTC, nor is it acceptable to us. The "if you do your own research, there's a lot of information out there" thing can seem really repetitive, but we cannot skirt laws and regulations. You have to be vague because of federal law, not because we don't want you to make a sale or help someone in need.

### 5. DON'T: Use an invalid username for your Kannaway account

Don't use a username for your Kannaway account (which is also the name for your replicated Kannaway website) which may contain invalid characters or words such as profanity, medical terms, or locations. Please choose a different username to be compliant.

### 6. DON'T: Give medical advice or suggest treatment options.

While other supplement and natural product companies may bend the rules or push the envelope, Kannaway follows a strict compliance policy due to the controversial nature of CBD hemp oil. Here some basic guidelines that all Entrepreneurs must follow:

You absolutely cannot talk about the health or medical effects of CBD. Ever. If a customer is asking if our products can help their ailment, here's what you say— "I cannot give you medical advice, as I am not a doctor. But I suggest you conduct your own research and speak to your healthcare practitioner about your concerns." Here is some guidance on dos and don'ts:

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#### DO:

Say "Our products are considered foods or nutritional supplements. Everyone is different, and so we encourage you to try what you feel comfortable with and see how it works for you."

#### DO:

Refer to people as customers.

#### DO:

Refer them to the product information for "suggested use."

#### DO:

Encourage your customers to do their own research on the terms they are curious about.

#### DO:

REMEMBER we are the leading company that has standardized, high-quality, CBD hemp oil products available globally. That's what makes us different from anyone else. The cannabis industry has notoriously inconsistent and hypocritical standards. Our founders spent years and millions of dollars to do this right, so that our customers can have the peace of mind they won't find from any other vendors.

#### DO NOT:

Refer to "treatments" or "dosage", and never say the word "CANCER". EVER. Period.

#### DO NOT:

Use the word "patient."

#### DO NOT:

Give dosage information or guidance. We have suggested serving sizes, and products that have varying amounts of CBD.

#### DO NOT:

TALK SPECIFICS ABOUT OUR PRODUCTS.

Our products are considered food or nutritional supplements. They are not meant to treat specific ailments. They are not drugs.

#### DO NOT:

Lead customers to a conclusion! A "DISCLAIMER" IS NOT AN ACCEPTABLE excuse to say whatever you like. Saying things like "just between you and me" or "this is just my opinion" or "I know someone who's been cured of epilepsy, but the FDA restricts me on what I can say" or "this is off the record..." and variations of these themes are still making claims.

## Products

If you have a customer asking specifically about certain products, here are some suggestions for what you can say, and some things you absolutely cannot say:

### Cosmetics (e.g. Cannabis Beauty Defined, Salve, etc.)

#### DO:

Say "leaves skin feeling refreshed, hydrated, nourished, and radiant."

#### DO:

Say "made with sustainable hemp oil."

#### DO:

Say "helps fight the appearance of wrinkles by promoting skin-firming collagen production."

#### DO:

Say "promotes skin elasticity that delays the onset of wrinkles."

#### DO:

Say "first-ever luxury beauty line featuring Kannaway's unique Ancient Asian Herbal formula herbal blends and CBD hemp oil."

#### DO NOT:

Say "cures acne" or "penetrates skin to cure damaged cells."

#### DO NOT:

Say "soothes eczema, psoriasis, diaper rash, and burns."

#### DO NOT:

Say "treats damaged skin."

## **Hemp Oil Supplements (e.g. Pure Gold, Gold Premium Oil, Gel Capsules, Hemp+ Oral Applicators)**

**DO:**

Say "broad-spectrum, filtered CBD hemp oil, extracted from the hemp plant and packaged pure with no other ingredients or additives."

**DO:**

Say "an excellent daily source of CBD, essential vitamins, minerals, fatty acids, fiber and protein, terpenes, flavonoids, and other trace cannabinoids."

**DO:**

Say "invigorates your system while promoting overall Homeostasis."

**DO:**

Say "premium quality broad-spectrum hemp oil, with high concentration of CBD, enriched with vitamins D and E, can help you to stay active or unwind after a long day."

**DO NOT:**

Say "the following are some of the many ailments CBD oil can potentially be therapeutic for..."

**DO NOT:**

Say "excellent results for a traumatic brain injury or epilepsy."

**DO NOT:**

Say "CBD may be effective in treating tumors from cancer."

## **Nutritionals (e.g. SuperGreens)**

**DO:**

Say: "formulated with more than 40 highly nutritious plant-based ingredients."

**DO:**

Say "created using hemp protein and is infused with our proprietary Kannaway's unique Ancient Asian Herbal formula herbal blend."

**DO:**

Say "naturally sweetened with stevia for a pure, nutritious green flavor."

**DO NOT:**

Say "contains acai which is reported to help maintain healthy cholesterol levels in the normal range."

**DO NOT:**

Say "made with maca, which helps women with menstrual pain."

**DO NOT:**

Say "use in management of obesity."

## **Vapors (e.g. Hemp + Vapes)**

**DO:**

Say "combines 100, 200 or 300 mg of CBD."

**DO:**

Say "made from hemp oil with sustainably-sourced MCT oil."

**DO:**

Say "flavored with organic terpenes for an all-natural botanical flavor."

**DO:**

Say "come in three functional flavours to best fit your body needs and lifestyle."

**DO NOT:**

Say "improves blood pressure."

**DO NOT:**

Say "scientific research by doctors shows that..."

**DO NOT:**

Say "cannabis plant, enriched with CBD, can be used for treating diseases like..."

We know that all this information can feel a bit overwhelming, but know this is all in place to protect you first and foremost. You're part of a new industry that's helping thousands of people and has the potential to help millions more. Being compliant gives us the opportunity to bring CBD to the rest of the country and the world. We are hopeful that more reputable studies and increased acceptance of cannabis will push along FDA, ASA and FTC reviews in the near future. For now, however, we believe we have the great-est product in the world. We just have to be very careful with how we talk about it!

## What can I say?

### Quality Assurance From Soil to Sale

After all of that heavy stuff about compliance and health claims, you should know that there are plenty of selling points that you can talk about that don't involve making claims.

Here are just some of the great points about our CBD oil and our products:

- Our hemp is grown without pesticides, herbicides, and chemical fertilizers.
- Our hemp is also non-GMO and sustainably grown on generational family farms in the Netherlands.
- We have a very reliable and fully-legal distribution system.
- We process our hemp using proprietary growing and harvesting methods which retain all the natural hemp constituents (like chlorophyll) and yield incredibly high levels of pure hemp-based CBD in our hemp oil.
- • Every batch of our CBD hemp oil is processed in state-of-the-art labs. It's tested for contaminants and purity, and is batched so that the natural CBD levels are as consistent as possible for a natural plant constituent. This is UNHEARD OF in the cannabis industry and, in many cases, the natural supplement industry.
- • We disclose our natural variations in CBD content, so customers always know how much CBD (in milligrams) they're getting in their hemp oil. Most supplement companies don't disclose the natural variations in their products.

## More Information

### CBD from hemp?

Here's an important point about CBD from hemp, a point that's crucial to why we're in business. You may hear arguments that say CBD from hemp is inferior, that it should come from cannabis grown for "medicinal purposes." Here's the truth on the matter:

We choose to get our CBD from hemp oil not only because hemp oil is a legal import – and therefore many millions more people can have access to CBD – but also because hemp is comprised of cannabinoid ratios that most closely approximate the ratios that are found when cannabis grows wild in nature. CBD is CBD and THC is THC – and hemp and marijuana are both cannabis, so you're getting the same compounds no

matter which plant they come from. But, hemp is naturally low in THC and higher in CBD, and we feel this makes for the best hemp oil – instead of cloned, selectively-bred marijuana plants that have been altered to have abnormally high THC content.

Scientists, doctors, and the general public are learning more about CBD every day, and demand for CBD and other non- psychotropic cannabinoids is only increasing. Things have changed a lot since we put the first-ever federally legal CBD hemp oil products on the market in 2013, and this is only the beginning for this booming new industry.

## Who We Are

Kannaway's founders established the first publicly-traded cannabis company in the world. They had the vision to create a whole new food supplements and nutraceutical category with CBD, and foresaw a time when cannabis would be legal and cannabinoids would be part of everyday life in foods, multivitamins, and thousands of other products.

At the time, there was no way to get CBD legally in significant quantities. So they created the first legal pipeline of CBD by using hemp oil instead of marijuana. While our CBD hemp oil products were the first to market, we continue to innovate. Today, we remain the world's largest supplier of legal CBD and work to bridge the gap between the marijuana and hemp industries.

Regardless of industry politics and evolving legislation, our goals remain unchanged—to elevate the hemp plant in the minds of the mainstream and to provide natural CBD hemp oil to anyone who wants it, anywhere in the United States and in over forty other countries as well.

We set ourselves apart from the current cannabis industry through unparalleled quality and availability. In an industry that is largely unregulated, we have already taken the steps necessary to ensure consumer trust and to create consistent, quality hemp oil products that have the most natural CBD in the world.

## The Path to Success

Our goal is to share the life-changing benefits of hemp-based CBD with every individual and empower you to do the same for your community. We believe that everyone deserves a life full of prosperity and personal wellness. Kannaway's mission is to help our Entrepreneurs build their own successful businesses, and by following the "Marketing Dos and Don'ts" highlighted here, you will be setting your business up for long-term success.

**DO:**

Remember that you are responsible for the claims that you are making (even if they have been provided by the brand).

**DO:**

Focus on factual or subjective claims about the products in your advertising: The quality, popularity and heritage of the brand. The flavour/texture/smell/taste of the products. Interesting and unique ingredients found in the products.

**DO:**

If you use the products yourself, how much you love them.. (without referencing medical health benefits).

**DO NOT:**

Make or imply health claims that are unauthorised or misleading.

**DO NOT:**

Exaggerate health benefits of products.

**DO NOT:**

Make medicinal claims such as psoriasis, eczema, acne and other conditions.

**DO NOT:**

Use testimonials, reviews etc. where the person who gave it makes a health or medicinal claim – you're responsible for these claims, too.

**DO NOT:**

Assume what you are saying is acceptable because others make the same claim— they could be in breach of the advertising rules as well.