

stella & dot

FAMILY BRANDS

INDEPENDENT SPECIALIST

POLICIES & PROCEDURES



Our amazing culture is one that sets us apart! These Policies & Procedures are designed to protect our culture and ensure each Independent Business Owner plays by the same rules. To that end, it is your responsibility as an EVER Independent Specialist and Independent Business Owner (an "**Independent Specialist**" or a "**Specialist**"), to read and familiarize yourself with this document. This document will guide you in the operation of your Stella & Dot Family Brands business and help you uphold the values and standards of our extraordinary community.

From time to time, it may be necessary to amend these agreements. You can always find the most recent version in EVER Connect.

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INTRODUCTION

These Policies & Procedures are incorporated into and form a material part of the Stella & Dot Family Brands Independent Business Owner Agreement (the "Business Owner Agreement"). If you sign up for one (or more) Stella & Dot Family Brand by entering into a Business Owner Agreement and purchasing a Starter Kit for such brand(s), you agree to be bound by these Policies & Procedures that apply to such brand(s).

Throughout these Policies & Procedures, when the term "Agreement" is used, it collectively refers to the Business Owner Agreement, which includes these Policies and Procedures, the Compensation Plan and any applicable Addendum. These documents are incorporated by reference into the Business Owner Agreement (all in their current form and as amended from time to time by Stella & Dot LLC).

In this document, we use general terminology to refer to each brand collectively. Please refer to Appendix A for definitions of the terminology used in these Policies & Procedures. Any terms used in these Policies & Procedures but not defined in Appendix A shall have the meanings ascribed to them in the Business Owner Agreement or Compensation Plan, as applicable.

PRACTICING THE VALUES OF OUR STELLA & DOT FAMILY

We pride ourselves on professionalism, honesty and equality. With this in mind, we expect you will represent EVER and the Stella & Dot Family Brands at all times by ensuring that you operate with integrity, ethics, and professionalism. Act in good faith and abide by all Policies & Procedures, never looking for loopholes or to skirt the intent of the Business Owner Agreement. Thank you in advance for always operating within the Stella & Dot Family Brands spirit!

FOR QUESTIONS AND SUPPORT

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If you have questions about any part of the EVER Independent Business Owner Agreement, including the Policies & Procedures, please first reach out to your Mentor or Upline Leaders. If you require additional information, you are always welcome to contact the Home Office Field Development team or you Specialist Relations team at specialistrelations@everskin.com

SECTION I. GETTING STARTED AS AN INDEPENDENT SPECIALIST

1.1 - Qualifications

You become an EVER Independent Specialist or Business Owner once Home Office has received and accepted your completed Business Owner Agreement, submitted through the EVER Corporate website. To be an EVER Independent Specialist, you must:

- Be eighteen (18) years of age or older;
- Have a valid Social Security number, Green Card, or possess a valid work visa in the U.S.
- Have a valid default Credit or Debit Card on file at all times;
- Have a valid taxpayer identification number. We will use this number for tax reporting purposes;
- Have purchased a Starter Kit.

1.2 - Online Independent Business Owner Agreement

The Business Owner Agreement defines the role and responsibilities of a Business Owner. When you purchased the Starter Kit during the online sign-up process, you were required to read and accept the online Business Owner Agreement. Violation of any of the policies outlined within these Policies & Procedures may result in termination of your Business Owner Agreement, the impact of which is outlined in these Policies & Procedures. You will need to sign an agreement for each brand you represent.

1.3 - Independent Business Owner ID

Every Independent Specialist has a unique Business Owner ID. You will automatically be assigned a non-changeable ID. If you represent more than one brand within the Stella & Dot Family Brands, you will have a unique ID for each brand.

1.4 - Calculation of Commissionable Earnings

All qualifications are determined based on Personal Qualifying Volume (PQV) rather than Retail Sales. Similarly, Personal Sales Commissions will be paid based on Personal Retail Volume (PRV), and team sales commissions are paid based on your team's Commissionable Volume, assuming you and your team are in compliance with the terms of your Business Owner Agreement, including the Policies & Procedures.

1.5 - Family Tree Structure

We believe the best person to coach you in your business is someone who knows how to run the business first-hand. This is why the EVER business model is based on a Family Tree team structure. You are assigned a Mentor who will provide coaching and guidance to help you succeed! The vast majority of your training and answers to your questions will be readily available in the Lounge, in training materials, or provided by your Mentor and nearest Executive Business Owner, along with your Family Tree Upline.

1.6 - Digital Marketing Tools and Personal Website (PWS) and Automatic Renewal

EVER has made available technology tools for your business, however it is your decision if you would like to use the Digital Marketing Tools and/or its components, including the Independent Business Owner Personal Website ("**PWS**"). As a new Specialist, you will receive a free trial period of the tools. If you decide to retain the PWS and/or Digital Marketing Tools after the free trial, your credit card on file will automatically, without notice to you, be charged the applicable fee the day after your free trial ends. Please keep track of the number of days left on your free-trial and plan accordingly.

If at any time, you decide to cancel your free trial, you will no longer have the option of restarting or continuing your free trial where you left off.

If you choose to cancel your added services (such as Digital Marketing Tools or PWS), you may enroll again at any time via your Lounge; however, when enrolling again, please keep in mind that there is no guarantee that the original PWS URL extension you initially requested will remain available. Please see your Lounge for more information and to sign-up.

1.7 - Independent Business Owner Discounts

In addition to the personal discount you receive on EVER products, you may also receive special offers for products of another Stella & Dot Family Brand ("**Sister Brand**"), providing not only an exciting benefit for you as a consumer, but also a strong competitive advantage in building your downline. In true Stella & Dot Family Brands style, each Sister Brand will offer only the best products and value in its category.

Global Stella & Dot Family Brand policies around personal Business Owner discounts are as follows:

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- All Discounts are for YOU. You may buy gifts for friends and family using your discount but please ensure these gifts do not fall under 'Bonus Buying'. For detailed information, please see the Bonus Buying policy;
- Your discounts are non-transferrable to customers or other Independent Business Owners. Items purchased for someone else with your discount will not be covered under our Refund, Returns, Exchanges and Delight Guarantee Policies;
- When purchasing product using your discounts, the credit card used to purchase these items must bear your name. This helps us ensure your account is not flagged for extending your Business Owner discount to others; and
- All discounts may not apply to Business Supplies.

EVER specific:

- EVER Referral Rewards are non-transferrable;
- EVER Subscribe To Save perks such as discounts and gifts are non-transferrable;
- Please refer to the Referral Rewards Program and Subscribe To Save policies available on EVER Connect in the Lounge, as these policies are relevant to you and your customers.

1.8 - Independent Contractor Status

As an Independent Specialist, you are not an employee of Stella & Dot Family Brands; by that token, you are not entitled to receive any benefits from the company, such as unemployment compensation, workers' compensation or minimum wages. Stella & Dot Family Brands shall not be required to make contributions for employment insurance, workers' compensation and other similar levies in respect of payments to be made. You are fully responsible for paying all applicable federal and state/provincial withholding taxes, source deductions, taxes, employment insurance premiums, workers' compensation contributions or provincial employee health tax contributions and other levies, premiums, license requirements and fees related to your earnings and activities as a Business Owner.

Per the terms of your Business Owner Agreement, you agree that as an Independent Specialist you are an independent contractor and not an employee or agent of Stella & Dot Family Brands. You shall be solely responsible for paying all expenses incurred by yourself, including but not limited to travel, food, lodging, secretarial, office, telephone and other business expenses. You will not have authority to incur any debt, obligation or liability on Stella & Dot Family Brands' behalf and you will not represent, indicate or suggest in any

manner that you have influence over Stella & Dot Family Brands' corporate decisions, or authority or representation of Stella & Dot Family Brands.

1.9 - No Inventory Requirements

As an Independent Specialist, you are not required to purchase nor are you required to carry any specific amount of EVER inventory. Order transactions can be made directly with Stella & Dot Family Brands on behalf of Independent Business Owners through the EVER Connect website, through our Dottie®app and/or via an Independent Specialists PWS.

1.10 - Independent Specialist Information

Each Independent Specialist is responsible for ensuring the accuracy of her/his information on file with Stella & Dot Family Brands and also with keeping such information up-to-date in your Lounge. It is of particular importance you provide us with your current email address, since we primarily send you communications via email. To change a Social Security number, please fax an updated W-9 to (650) 745-1293, Attn: Finance Department, with a fax cover sheet for confidentiality purposes. Business Owners must submit appropriate legal documentation to support a name change request.

SECTION II. DOING BUSINESS

2.1 - Commissions

Your pay depends on your monthly Pay Rank and is comprised of commissions from your personal sales, your retail sales, your Subscribe To Save Customer sales, and your team sales commissions (where applicable). You can view activity and track progress towards your pay in the reports area of your Lounge. For full Pay Rank details, please refer to the Compensation Plan, also available in your Lounge.

Here are a few additional important notes about Commission and Payout:

Non-Commissionable	Business Supplies
Preferred Customer Sales	Because Subscribe To Save Customers receive a 10% discount on purchases, Specialists will earn full retail value commission (25%) on customer first purchase made by a Subscribe To Save Customer, and 15% commission thereafter.

'Special Sale' Items	Commission is earned on the sale price of these items, not the regular retail price. For Personal Orders, Commission is earned on the discounted price of the item, not the regular retail price.
Overpayments	If overpayments are made to you, they will be deducted from an existing balance or from future payments if the existing balance is insufficient.

Most of your questions pertaining to commission payout or payout timeline can be answered by your Mentor or found in the Compensation Plan located in your Lounge.

Commission payments are issued in YOUR name and cannot be paid otherwise. If you have any issues or discrepancies with your commission report, please report them by end of the calendar month following the month for which the commission was issued. For any questions pertaining to issues with your commission, please do not hesitate to contact the Delight Center.

Please keep in mind that you are not required to purchase products for your own personal use, for personal gifting, or for business purposes to become, maintain or promote your business

2.2 - Pay Portal and Independent Specialist Debit Card

Questions around Pay Portal and your Debit Card are best addressed directly by Pay Portal. You'll find 'Pay Portal FAQs' in your Lounge. If you have questions beyond that, please contact Pay Portal Customer Support either by email or by phone at support@everskinpay.com, 877-538-8077.

Your VISA Debit Card may take up to ten (10) business days to be delivered after signing up as a Business Owner.

Your payout will not be loaded onto your VISA Debit Card from your Pay Portal account until:

- you activate it once you receive the card in the mail; and
- you set-up your account to transfer funds to/from your branded VISA Debit Card.

Please note, Pay Portal may charge a nominal monthly usage fee. Please refer to the Pay Portal site for additional details.

2.3 - Personal Information and Orders

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Handling Personal Information

As an Independent Specialist, you will receive personal information from and about prospective business owners, customers, and other individuals. Keeping all personal information secure not only helps to ensure your compliance with the law, but it also helps you to maintain current customers' and potential customers' trust. Do not share an individual's personal information, unless you have his/her consent. You are responsible for protecting personal information from unauthorized access or disclosure.

Give the Customers Notice and Respect Their Choices

Be clear with customers about what personal information you are collecting, how you will use it, and with whom you will share such information. Notify customers before or at the time you collect their personal information and then be sure you use and share personal information only in the ways you promised. Provide customers with choices how you communicate with them and respect your customer's choices. Your customers have the right to access the personal information you hold about them, ask that it be corrected, and to make complaints about how you have treated the information.

Limit your Collection of Personal Information

Collect only the personal information you really need. Review the forms you use to collect personal information, and revise them to remove fields of information you do not need. For example, don't collect a credit or debit card number unless your customer actually makes a purchase.

Store and Dispose of Personal Information Responsibly

Protect personal information you hold using physical, organizational, and technological safeguards appropriate for the sensitivity of the information. More sensitive information requires a higher degree of protection. Dispose of it in a way that makes it unreadable, such as by shredding paper documents.

Order Forms

You are responsible for ensuring the security and confidentiality of customers' Personal Information you obtain. Please make sure to never transcribe your customer's credit card information.

Do not use or disclose the information on order forms for any purpose other than submitting an order or confirming the information with the relevant customer. You are required to keep order forms for six (6) months from order placement date, in case a customer has an order question. After the six (6)-month period, shred the

form. Note when using the Stella & Dot Family Brand mobile application, Dottie, your customers' credit card information is never stored.

Personal Website (PWS) Orders

When a customer orders through your PWS, the system will automatically add the customer to your contact list for purposes of follow-up and remarketing. Please note that a customer's contact information, excluding credit card information, is stored electronically in your Lounge under 'Contacts.' You may only contact email addresses in your contact list, including customers, Hosts and Hostesses, via email where you are able to establish consent to do so in accordance with the Unsolicited Communications policy.

2.4 Contests and Giveaways

You are solely responsible for giveaways from EVER Skincare and for the legal operation of your giveaway. If you want to consider offering a giveaway, please be aware of the following:

- You cannot require participants to make any form of purchase and/or to provide any other form of valuable consideration in order to participate. If a purchase is one way to get an entry, make sure that guests can also enter for free. You must ensure that everyone has an equal chance to win regardless of how they enter;
- You must objectively and fairly choose the winner (e.g., by a random drawing.)
- You must clearly indicate the prize and its value and the odds of winning, eligibility for entry and contest end date;
- You must make clear how someone is eligible to enter and when the contest ends;
- You must make clear to the winner that she/he is responsible for any taxes associated with the prize, and you may need to take care of reporting obligations;
- If you will be publicizing the participants or winner (e.g., in photos online), make sure you have the permission to do so; and
- Giveaways are governed by many different laws in the US and Canada. We strongly recommend that you contact appropriate legal counsel in your jurisdiction of residence prior to offering a giveaway of any kind.

As with all of your activities as a Business Owner, you are responsible for ensuring that your giveaway – including your marketing messages and promotions – is in compliance with all applicable federal, state or local laws or regulations or any third-party rights. This includes, for example, truth in advertising laws and gaming laws, which can vary from state to state.

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2.5 - Sales of Sample Products

You may not sell open product to customers. You may create samples from open product to give away to potential Specialists and customers. Please refer to the Repackaging or Relabeling Prohibited policy for further guidance.

2.6 – Orders and Site Downtime

To ensure the highest level of customer satisfaction for EVER products, please ensure you make every best effort to:

- Process all orders within twenty-four (24) hours of customer payment. Orders should not be held for your benefit, such as for incentive programs or to count toward next month's commission. Out-of-stock items will be placed on backorder and will be shipped once inventory is received.
- Provide follow-up services as needed to assist your customers with any product and order specific questions.
- Customer orders require a valid email address. You may not create a false email address or use your own email address for customer orders.
- EVER does provide an online self-service order placement tool for customers.
- We take the quality of EVER products very seriously and want you and your customers to be thrilled with each purchase. Please visit the EVER website to view the Delight Guarantee section for more information on refunds, exchanges, returns, and the Delight Guarantee policies. To help service your customers, product returns or exchanges should be provided by you rather than the customer making a direct request to the Delight Center.

In the event a submitted order has not been processed on the website, deeming it a "failed order," please be sure to report it to the Delight Center within seventy-two (72) hours of original submission. All requests to correct failed orders must be submitted within the same month the order was placed, otherwise it will not be eligible to count toward that month's commissions, promotions, or incentives. The order will instead be credited to the month in which it was reported for correction.

At times the website for any of the Stella & Dot Family Brands may be subject to temporary shutdowns for maintenance and/or due to causes beyond our reasonable control, in such events, Stella & Dot LLC shall not be liable for any losses caused by any shutdowns or downtime.

2.7 - Bulk Orders

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We recognize that there may be special situations in which you or your customers may need to order large quantities of the same item. This could be for either charity or other events, and we are more than happy to help make this happen. For bulk orders, please reach out to Specialist Relations for approval. A bulk order is considered to be an order of five (5) or more of the same item.

Your bulk purchase might not qualify for existing contests or promotions during that time, such as Glam Getaway and other incentives.

We do not offer discounts, waive shipping costs (other than the standard free shipping for EVER purchases of \$80 or more per Specialist or per customer) or accept returns on Bulk Orders, subject to our Buy-Back policy. Please make sure to communicate this with your customers prior to completing the order. You may offer a discount or promotion to your customer, on a 'Bulk Order' from your personal sales commissions. This is an agreement between you and your customer, Home Office are not responsible for such agreements.

To ensure all Business Owners have equal opportunity to sample new products, 'Bulk Orders' for newly released products within thirty (30) days of product release may not be approved.

2.8 - Third-Party Consumers

Independent Specialists who cultivate business contacts must remember that a third party or a company can purchase Stella & Dot Family Brands Product as gifts for its employees or clients, but there may not be a resale value attached to the products. Independent Specialists cannot become a "vendor" to another business. Independent Specialists who sell product to a business for gifts must include a personal letter with each gift that provides information about how the end-user can receive personal service from the Business Owner. Large-scale sales of Stella & Dot Family Brands Products to regional or national companies are prohibited since they do not lend themselves to the development of personal relationships and personal service that Stella & Dot Family Brands is based upon.

2.9 - Gift Cards

Currently gift cards are not available. We hope to offer this option in the future.

2.10 - Independent Business Owner-to-Business Owner Sales

In general, we do not permit sales of Stella & Dot Family Brands Products to other Business Owners within the same Stella & Dot Family Brand, as each Business Owner within each respective Sister Brand has an equal opportunity to purchase products with the same discount.

Stella & Dot Family Brands does not take any responsibility for any resale transactions. The relevant Business Owners are responsible for ensuring compliance with applicable laws, rules and regulations when engaging in such transactions. No adjustments of volume or commissions will be made by us on these types of sales, and Business Owner-to-Business Owner sales are not covered by our Delight Guarantee policy.

2.11 - Blanket Discounts

In order to provide a level playing field for all Specialists, you may not offer blanket discounts. The following are a few examples of blanket discounts:

- "25% off everything at my Sales Event"
- "Place an order today and receive 15% off"
- "If you provide a review, you may have the products at my cost"
- "Free shipping on all orders."

Any other offer permutations that serve to undercut the retail price of Stella & Dot Family Brands Products are also restricted.

However, you may offer occasional, specific and time-limited incentives, which must:

- Be offered to a closed, specific group of individuals (such as a club, or within a closed Facebook page.) Any Facebook page or other media site that is viewable to all is not in alignment with this policy.
- Run for no more than three (3) consecutive days; and
- Occur no more than one (1) time per calendar quarter.

As long as these guidelines are followed, you may personally incur the cost of the specific promotion for your customers, the way you see best fit. Please note that your promotional discount should not contribute to earning the minimum PQV in order to qualify or promote as this could be considered 'Bonus Buying.'

2.12 - Bonus Buying

Your success as a Business Owner depends upon your personal sales to customers. It is unacceptable to personally purchase products to qualify for compensation levels or incentive programs. This unethical, prohibited practice is referred to as Bonus Buying and it is taken very seriously as it opens you and Stella & Dot

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Family Brands up to scrutiny under applicable laws and regulations which apply to direct selling companies. The purpose and intent of each Brands Compensation Plan is to incentivize and pay commissions to Independent Business Owners based on sales to customers versus personal purchases, thus allowing IBOs to earn team sales commissions. You should think of Bonus Buying as buying your way into a promotion, compensation level, or incentive, rather than selling and earning a promotion or compensation level.

'Bonus Buying' includes, but is not limited to, the following:

- The enrollment of:
- Individuals into a Business Owner Agreement without their knowledge;
- Non-existent persons as Business Owners; or
- A Business Owner under a different account or with an alias name.
- The unauthorized use of a credit card or use of a fraudulent credit card.
- Subsidizing the entire or partial cost of a customer purchase or new Business Owner Starter Kit purchase to count toward your volume or to add a new Business Owner to your team. This includes offering a Blanket Discount or rebate on the purchase of products.
- The purchase of product, either through your account, a family member, or a Downline Business Owner's account, to:
 - Qualify for contests, promotions, personal sales requirement for team sales commissions or Pay Rank;
 - Avoid Compression;
 - Increase sales or Hostess Rewards; or
 - Qualify a Sales Event or any other incentive-driven purpose via your purchase, as a Business Owner, of an item from your own Sales Event, PWS or account or the purchase of an item from a Sales Event, PWS or account of another Business Owner on the same Family Tree.
- The practice of 'Inventory Loading,' or encouraging others to 'Inventory Load.'
- Requiring a customer to purchase a product at a specific time in order to meet certain requirements.

- Reassigning non-Sales Event orders to Sales Events, or Sales Event orders from one Sales Event to a different Sales Event, for the purpose of increasing sales or Hostess Rewards, or Referral Rewards, or qualifying a Sales Event or any other incentive-driven purpose.
- Hosting a Sales Event for another Business Owner within the same Brand.

While you are welcome to place personal purchases in reasonable quantities for team incentives, these volume purchases should not be the tipping point to qualify for a Pay Rank or incentive. If you would not have qualified without that order, it will be deducted from your total sales. Stella & Dot Family Brands maintains zero tolerance for Bonus Buying and failure to comply with this policy will result in immediate termination of your Business Owner Agreement.

2.13 - Inventory Loading

Start-up capital can be one of the biggest barriers to starting a business. The Sales Event business model is structured in a way that this barrier is alleviated and a level, affordable playing field is available to all Business Owners. Through this model, you can conduct successful business with no inventory other than your samples, should you choose to purchase them. You are encouraged to leverage your business with any technology available within your brand, such as Dottie, your PWS and other scalable resources to promote your business. You may not maintain excessive inventory or encourage other Business Owners to do so. This is referred to as "Inventory Loading."

2.14 - Permanent Retail Displays/Pop-Up Shops

Subject to the terms of this policy, as an EVER Independent Specialist, you may set up a permanent display using tester product in retail locations, med-spas, dermatological offices, etc. Only one (1) Business Owner may have a display per location. Please note, you are responsible for ensuring all sample or tester product displayed at a retail location is stored and marketed in compliance with the EVER Products – Proper Storage policy. Before setting up a permanent display in a retail location, you must forward a request for approval of the retail location and display to Specialist Relations via email at SpecialistRelations@everskin.com. Please include the following information:

- Your name and Specialist identification number
- Name of the retail location
- Physical street address of the retail location
- Photo of the retail location
- Photo of the display

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Specialist Relations will reply with confirmation of approval within forty-eight (48) hours after reviewing a completed submission request. Specialist Relations will not review requests that do not include all of the required information.

2.15 - Product Claims

The Federal Trade Commission (FTC) as well as state laws strictly regulate truth-in-advertising and prohibit false or misleading claims. All objective claims must be truthful, not misleading and have prior and adequate substantiation. The FTC looks especially closely at consumer products and income claims. As an Independent Specialist, you must ensure that you are not making independent claims about your business or EVER products that could be false, misleading or otherwise violate the law.

The Federal Drug Administration (FDA) strictly regulates any products that are (i) intended for the use in diagnosis, cure, mitigation, treatment or prevention of a disease or (ii) intended to affect the structure or any function of the body, which in each instance, are considered drugs. The FDA also regulates any instrument, apparatus, machine or similar article that is intended to do any of the above as a medical device. The FDA also requires strict labeling of over-the-counter drugs, such as sunscreens. Cosmetics, on the other hand, are meant to clean, beautify or affect appearance only and are not regulated as drugs, so long as drug claims are NOT made for products.

For your reference, below are a few examples of cosmetics claims versus potential drug claims

. These examples are not meant to constitute a comprehensive list and are for informational purposes only.

Example 1:

Generally acceptable cosmetic claim – *“This product can help reduce the appearance of fine lines.”*

Non-permitted potential drug claim – *“This product prevents or treats wrinkles and dramatically cures the aging of your skin.”*

Example 2:

Generally acceptable cosmetic claim – *“This product can help reduce visible signs of aging.”*

Non-permitted potential drug claim – *“This product helps to grow or regenerate collagen and skin cells.”*

Example 3:

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Generally acceptable cosmetic claim – *“This product can help reduce the look of blemishes.”*

Non-permitted potential drug claim – *“This product can cure and prevent acne.”*

To protect your EVER business, you must only make the product claims that are provided in our Marketing Materials. Failure to comply with this policy may result in the termination of your Business Owner Agreement.

Before & After Photos and Product Testimonials:

If you use before & after photos in connection with your business, the photos must comply with the following requirements:

- The information shared must represent your honest and truthful opinions, beliefs, experiences and results in connection with your use of Stella & Dot Family Brands Products;
- The information shared must clearly and conspicuously disclose the details regarding the product claims made (e.g., duration and how often products were used; whether any other products or treatments may have contributed to any claimed results; etc.);
- Photos must show a clean face free of make-up with hair pushed back; minimal eye make-up is acceptable, but must be consistent across the before & after photos; you may use the Daylight Radiance Moisturizer SPF in your after photo;
- Before & after photos must be taken under the same conditions to allow for easy comparison;
- Photos must be in focus, in a well-lit, plain background and must not be altered (e.g., no touchups or Photoshop editing) and preferably of high resolution (300 dpi or higher); and
- Photos must be of the face from a straight-on view or of your profile from each side.

If you wish to use before & after photos or product testimonials of a customer, family member or friend, in addition to the above requirements, you must also obtain permission from the person who is the subject of the photos or providing the testimonial per the form provided to you in your Lounge. All before & after photos and product testimonials must be submitted to Home Office for review and approval before publication or posting to any social media site. Please send submissions to SpecialistRelations@everskin.com.

FTC rules require that before and after photos depict “typical results” that would be achieved by people who use EVER products according to the product directions. No photos should depict unusual results or results not achievable by the average user.

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2.16 - Income Projections or Claims

When presenting or discussing the Stella & Dot Family Brands' opportunity or the Compensation Plan to a prospective Independent Business Owner, you must provide the prospect with a current copy of the Income Disclosure Statement and you may not make claims or projections about potential or guaranteed income or profits. You must also make clear that Independent Business Owners make commissions based only on the sale of Stella & Dot Family Brands Products and not through sponsoring other Business Owners. The FTC and the laws of several states strictly regulate claims regarding the amount of income that can be earned for business opportunities, such as those offered by Stella & Dot Family Brands. These regulations require that appropriate disclosures also be provided when making income claims or earning representations. Stella & Dot Family Brands Independent Business Owners do not have the data necessary to comply with the legal requirements for making income claims or earnings representations

The Federal Trade Commission (FTC) and several states have laws and/or regulations that prohibit certain types of income claims and testimonials by persons engaged in direct selling businesses and opportunities such as those offered by EVER Skincare and Stella & Dot Family Brands. As a Specialist, you may believe it beneficial to tell other Specialists or potential Independent Business owners about your earnings or the earning of others, however such claims may have legal consequences and may adversely impact EVER Skincare and your personal business, unless an appropriate Income Disclosure Statement, which is required by law, is made contemporaneously with the income claim. Because Specialists generally do not have the information necessary to comply with such legal requirements, when discussing your business, or sales commissions with potential IBOs, you may not make any projections, claims, or estimates regarding such potential or guaranteed income, including showing account statements, checks, copies of checks, tax records, bonuses, or such other documents.

Lifestyle claims, (e.g. my EVER business allowed me to buy a house, retire from my other job, allow my spouse to quit his job, or take a luxury vacation) are considered to be equivalent to income claims. Specialists may make lifestyle claims or provide hypothetical income examples only if the following conditions are met:

- The information must be accurate and not misleading;
- The level of effort required to achieve the results described must be fully detailed;
- Claims of potential or guaranteed income may not be made;
- Actual earnings may not be disclosed
- Hypothetical income examples must be clearly indicated as such;

- The Income Disclosure Statement must be provided in all instances.

Any writings, including on social media, email signature blocks, or written personal stories must include the following statement: "For information regarding earnings under the EVER Skincare Compensation Plan, see the Income Disclosure Statement: <https://www.ever>" A copy of the Income Disclosure Statement should be handed out if speaking about income projects or lifestyle claims during in person meetings.

2.17 - No Representations Regarding Governmental Approvals

Independent Specialists may not make representations in any way that would indicate or imply that the EVER opportunity or products has been approved or endorsed by any governmental or regulatory agency. For example, you may not say that EVER products are approved or cleared by the FDA.

2.18 - Repackaging or Relabeling

EVER products are subject to additional legal requirements and as such repackaging and/or relabeling could violate laws or result in civil liability, for this reason, all products must be sold in their original packaging only.

2.19 - Intended Use of EVER Products

You must adhere to the guidelines provided by EVER related to the intended use of our products. There are numerous state and federal laws and rules and regulations that govern testing requirements for children of certain ages. EVER makes every effort to adhere to testing requirements applicable to our products. In some instances, we are not able to undergo the very rigorous and cost-prohibitive testing required for children's products with respect to each and every one of our products. Please assume our products are not intended for use by children, unless the product is specifically labeled for use by children. You must adhere to these warnings and inform your customers of the usage guidelines provided by EVER. You will be responsible for any use of our products in violation of our guidelines.

2.20 - Proper Storage of Products

EVER products are best stored in a cool, dark place out of direct sunlight and in its original packaging. Please avoid storing EVER products in extreme temperatures. Do not leave any EVER products overnight in an extremely hot or cold car, trunk, or anywhere where they can be exposed to harsh conditions. Please inform your customers about these storage conditions.

You will be responsible for ensuring that products you purchase for sampling are stored in accordance with the above so they do not become damaged or destroyed.

2.21 - United States Military Bases/Posts

Domestic

We currently support shipping product and business supplies to U.S. military bases. Prior to joining a Stella & Dot Family Brand, if you are posted to U.S. military bases, please inquire with the applicable base whether a business license is required.

Overseas

We currently support shipping products to overseas Army Post Office (APO) and Fleet Post Office (FPO) addresses; however, we do not currently support shipping business supplies to overseas APO/FPO addresses. Prior to joining EVER, if you are posted to an overseas base, please check with your base commander to make sure you are permitted to operate a home-based **BUSINESS** and/or use the APO/FPO shipping address.

Please note, you may sell EVER product only while physically on a base and only to those individuals who are posted to the base (i.e. on American soil.)

SECTION III. ADVANCING AS AN INDEPENDENT SPECIALIST

As an Independent Specialist, you are ultimately in charge of running your own business and deciding whether to take advantage of various opportunities that are offered. We want you to have the opportunity to advance your business by receiving the training, support, and pay that matches your goals, efforts and results. This section of the Policies & Procedures will describe the importance of, and difference between Pay and Career Ranks, how they relate to your business and the different programs we offer to help support you in further growing your business by building a team. Remember your best support system is your Mentor and the full gamut of support you receive from all those in your Family Tree.

3.1- Pay Rank

We believe in rewarding the hard work and efforts of both you and your team. Your Pay Rank resets at the beginning of each month and is determined by your Retail Sales, PQV, and your sponsorship activity, as well as your team's sales, PQV, and sponsorship activity over the course of each month. Your monthly Pay Rank determines what percentage of team sales commissions you earn from your team's sales. Please refer to the Compensation Plan found in your Lounge, to review the Pay Rank formula and all applicable definitions. You should become familiar with all reports available in your Lounge to track your Pay Rank throughout the month.

The Compensation Plan does not reward Independent Specialists for purchasing products or for merely sponsoring others. The rewards and commissions earned under the Compensation Plan are based on sales to

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customers. All references to “recruitment” and “sponsoring” in the Agreement are simply descriptive of the proposed method of building a Downline organization under the Compensation Plan. Personally recruiting Independent Specialists to EVER is the method of building a personal Downline organization.

3.2 - Career Rank

Your Career Rank is the highest Pay Rank you have earned within the previous six (6) months, beginning the month you earn a promotion. When you promote to a new Career Rank, you maintain that Career Rank for six (6) months. At the end of the six (6) month period, if you have not earned that Pay Rank again, your Career Rank will change to reflect the highest Pay Rank you achieved within the last six (6) months. For example, if you earn a promotion to Executive based on your April sales, your Career Rank for April will also change to Executive. If you do not earn at or above that Career Rank in May, June, July, August, or September, your October Career Rank will adjust to the highest Pay Rank you earned between May and September. Your Career Rank establishes the title you can use when publicly announcing yourself as an EVER Independent Specialist and determines which events and meetings you are eligible to attend and when you are eligible to sample product, among other things. Please remember that if your Career Rank changes, you must change your title in print, online and all communication materials within fifteen (15) days.

3.3 – Executive and Above Personal Qualifying Volume (PQV) Exemption Period

We offer a one time, one month only PQV and NV exemption policy for Business Owners who have achieved and maintained a Pay Rank of Executive or above. This policy allows eligible Business Owners to earn a one month exemption from having to earn the PQV and NV required to Qualify for team sales commissions and to maintain a Executive and above Pay Rank. This exemption does *not* apply to any other components of a Pay Rank. To qualify for this one (1) time exemption, you simply need to have achieved a Pay Rank of Executive or above for at least three (3) months within the preceding six (6) months.

You may use your one (1) time exemption whenever you would like, but once you have used it, it is gone. The exemption period cannot be lifted once granted, even if actual PQV and NV is achieved during the exemption period. Please reach out to Field Relations for the exemption request in writing by no later than the 20th day of the month in which the exemption is intended to be used. Any PQV and NV generated during the exemption period will count toward BV, sales programs, contests, awards and monthly incentives.

3.4- Corporate Leads

Leads refer to customers or non-customers who visit our Corporate Website and request more information about EVER, typically on one or more of the following:

- Receiving a copy of our Marketing Materials;
- Learning more about how to launch an EVER business.

We want to ensure each Lead has the best *local* experience possible. As such, if the Lead has requested to either *only* receive a copy of our Marketing Materials, we will connect the Lead to the nearest Business Owner in the applicable brand who Qualified the month prior, based on their Family Brand's Qualifying Volume (QV) requirement to be a Qualified Business Owner.

If the Lead is interested in learning more about becoming a Business Owner, we use the same requirements and qualifications as outlined in the Corporate Manual Assignments policy, to connect the Lead with a seasoned Leader in order to successfully launch a business as a new Business Owner.

3.5 - Corporate Referral Orders

Orders placed on a brand website not attributed to a particular Business Owner are assigned to the nearest Qualified Business Owner based on the bill-to address of the order. To qualify for the referral, order, a Business Owner must subscribe to EVER's Digital Marketing Tools and have Qualified based on Personal Qualifying Volume (PQV) in the previous month.

Should following up with this referred results in future orders, you will receive the full benefits of your applicable Compensation Plan on those subsequent orders.

3.6 - Training Events

Home Office and Field Leaders offer events throughout the year including local meet-ups, regional trainings and National Sales Conferences. We recommend you attend as many of these meetings as possible. In fact, depending on your Career Rank, you may be required to attend certain events in order to maintain your Career Rank. These events are meant to provide you with the training needed to advance your business and to learn more about new collections, new incentive programs and general business updates! They are fun and a great way to connect with the EVER community. You can learn more about these events in your Lounge.

If you choose to bring personal items or samples to an event please take care to secure your personal artifacts or samples, as we are not responsible for any lost or stolen items.

Stella & Dot Family Brands will provide accommodations for the hearing impaired at Home Office led events only upon direct request. To request accommodations, you must submit your request to your brand's events team via email (email) no less than thirty (30) days in advance of the event.

SECTION IV. BUILDING A TEAM

One of the key elements of a successful Business Owner's business is the ability to build a team. Building a team empowers you to lead by example and coach other Business Owners on skillsets you have acquired in the business. One of the many benefits of building a team is earning team sales commissions for the time and effort you spend in coaching each of them to success in their business.

4.1- Leadership Support

A successful Business Owner provides support and encouragement to Business Owners in her or his Downline. Below are some of the ways you can support your Downline and grow your team.

Lead by Example

- Exemplify the cornerstone of leadership by maintaining an active and consistent in-home Social schedule.
- Show consistent engagement in your business.

New Business Owner Training

- Conduct training by phone or in-person within seven (7) days of new Business Owner sign-up, following the New Business Owner Training available in your Lounge.

Coaching and Guidance

- Actively engage in mentoring your Downline Business Owners and assist them in achieving their goals;
- Return phone calls or emails within three (3) business days unless you have pre-notified your Downline that you will be unavailable for a short vacation period of no greater than two (2) weeks.
- Keep friendly and professional relationships with the EVER community at large. Disparaging remarks and negative behavior about anyone within EVER or the Stella & Dot Family Brands' community is not in line with our code of conduct.
- Keep a positive presence within social media and in all other channels. All questions about product quality and policies should be handled directly with Home Office and not in any public forum, including social media.

Training

- Regularly attend all meetings and trainings.

- Communicate proactively, on a monthly basis by email, phone, or in-person meetings, to your Downline to discuss business goals and progress as well as offer encouragement and kudos.
- Disseminate Home Office information to your Downline in a timely manner.

Kudos and Recognition

- Regularly recognize your Downline team via kudos for efforts and achievements through personal notes, phone calls, team newsletters or forum postings.
- Keep open and regular communications with your own Mentor so as to not cut off additional coaching support for your Downline team. Your Upline leadership team should feel comfortable to freely communicate with your team members in all forums.

In the rare event that a Leader is consistently not providing leadership support, Home Office may step in and evaluate a more supportive reporting structure for some or all of the Downline teams, or, in appropriate circumstances, allowing a Roll-up (see Roll-up policy below).

4.2 - Building Teams in a Sister Brand and Referral Sales Commissions

Building a Referral Team

Stella & Dot Family Brands Independent Business Owners earn referral sales commissions when they refer other Business Owners to any other Sister Brand, regardless of whether or not you have enrolled in the Sister Brand.

Upon signing up, a new Business Owner will be able to select both a Mentor in her brand as well as a Referrer from a sister brand assuming she has a pre-existing personal relationship with both the Mentor and the Referrer. In the event she does not have a pre-existing relationship with the Mentor, she should enroll under Home Office and she will be assigned to the closest Qualified Mentor.

You must select your Referrer either at the time of enrollment or within two (2) weeks of enrollment by contacting your Field Relations team. You will *automatically* be the Referrer for a Business Owner who has been active on your first line as a direct team member (i.e. not your Referral Team) within the last six (6) months, if this Business Owner enrolls in a Sister Brand.

Referral Sales Commissions

A Referrer does not earn bonuses or Group Qualifying Volume based on the sales activity of her/his referral Team. Referral teams also do not count toward qualifications for attaining Pay Rank. Please see your applicable Compensation Plan for a full overview.

You are only eligible to earn either direct team sales commissions or Referral Team Sales Commission for the same Business Owner under any given brand. Should you sponsor someone from your direct team in one brand onto your direct team in a second brand, you forfeit all rights to referral team benefits and team sales commissions for that Business Owner, as you will be earning Direct Team's team sales commission on the sales of that Business Owner in each brand.

4.3 - Sponsoring/Mentorship Relationships

Personally sponsoring new Independent Specialists is the foundation of leadership because it reinforces the activity that leads to a consistent, sustainable and strong business – introducing new people to the Stella & Dot Family Brands Independent Business Owner opportunity. Please note, it is our expectation that when you introduce someone to the opportunity, you bring her/him into your direct line for mentorship. We do not support “stacking” teams by suggesting or requiring a new Business Owner to join the team of a Business Owner on your Downline team for the purpose of promoting that Downline or yourself.

Personally Sponsored Independent Specialists are first line Business Owners who specifically entered your name/ID number when they enrolled. This can mean either:

- You have personally sponsored organically; or
- You have personally sponsored after receiving a Home Office Lead but not through the Corporate Manual Assignment process (i.e., you were assigned the Lead before she/he enrolled).

If you have Personally Sponsored Independent Specialists on your first line (as noted above), you may enjoy the full benefits of our Compensation Plan including team sales commissions and qualifications to promote and maintain Pay Rank, based on Qualified Legs.

We do recognize the time and effort required to mentor all new Independent Specialists anywhere in your Downline organization through your brand's Jump Start program and onto success; therefore, those assigned to you via the Corporate Manual Assignments policy within their first month of enrollment and those who roll up to your first line for any reason will count toward the full benefits of the Compensation Plan, just as if they were “Personally Sponsored”.

Occasionally, it may be necessary for Home Office to join some direct-to-corporate teams together, particularly at the beginning of a new brand or to re-assign a Business Owner to an entirely new Upline leader within the brand (i.e., not someone who was previously a member of her Upline Leadership Team). An Adopted Business Owner is defined as a Business Owner who is re-assigned to a Business Owner's first line at any time after her first month of enrollment in the brand.

Adopted Business Owners are a wonderful addition to your team and count toward your BV and your team sales commissions. However, these Business Owners are familiar with the Stella & Dot Family Brands and do not require the same start-up coaching as a new Business Owner. In addition, because Sponsoring new is such a fundamental activity to the success of your business, Adopted Business Owners will not count towards your Team Structure (Qualified or Titled Legs) for Pay Rank or Promotions for the first six (6) months they are on your team. Additionally, you are not eligible to earn the any leadership bonuses on the Legs they lead. After six (6) months, Adopted Business Owners (and their teams) will count toward the full benefits of the Compensation Plan.

4.4 - Executive Responsibilities

By achieving and accepting the Executive Business Owner Pay Rank, you will be required to fulfill all the qualifications listed below. Should you choose not to accept these responsibilities, you must inform your Specialist Relations team via email to transition your team.

- The minimum PQV requirement as set forth in the Compensation Plan for all Leaders must be derived from sales.
- Hold monthly open team meetings, or support existing local meetings that are open to all Independent Specialists, regardless of whether they are on you team.
- Participate in all weekly Leadership calls conducted by Home Office or by your immediate Upline Leader and disseminate relevant information to your team.
- Coach your Downline Independent Specialists to help build their business.
- Be available and responsive to questions or inquiries from your team members. Plan, hold and conduct one Meet Stella & Dot Family Brand Opportunity Session (as described in the Stella & Dot Family Brands Leadership Guide) per calendar quarter.
- Attend applicable Stella & Dot Family Brands company sales events, such as Hoopla. In the event you are not able to attend, you should inform your Field Relations team and ensure other arrangements have been made for your team.
- You are invited and encouraged to attend the Leadership Retreat if you are able.

4.5 - Senior Executive Responsibilities

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In addition to the aforementioned duties, Senior Executive and above responsibilities include but are not limited to:

- Attend Leadership Retreats. In the event you are not able to attend, you should inform your Field Relations team and ensure other arrangement have been made for your team.
- Hold monthly All Business Owner meetups and/or support existing local meetings.
- Plan and conduct at least three Opportunity Events per calendar quarter.

4.6- Vice President Responsibilities

If you advance to Vice President level or above, in addition to the aforementioned duties, you agree to the following additional responsibilities during the term:

- Work with other Vice Presidents or above in your region and Home Office to conduct regional team meetings. The frequency and location of such meetings can be determined in coordination with your regional Sales Directors and Home Office.

4.7- Leadership Focus

Business Owner holding the career rank of Senior Executive or above may not simultaneously lead a team in another direct selling line of business (internal or external to the Stella & Dot Family Brands).

If you are involved in another direct selling company and do not wish to terminate your relationship with that company, you must inform Specialist Relations, who will transition your Stella & Dot Family Brands team to the Next Qualified Leader. This Leadership Focus Policy applies to the extent permitted by applicable law, which can vary from province or territory.

If you feel being a leader is not of interest to you at the time of a promotion, you may work with Field Relations to maintain a lower Career Rank.

4.8 - Corporate Manual Assignments

When a new Business Owner signs up without indicating a Mentor-of-Choice, Field Relations will manually assign the new Business Owner to a Mentor. Assignments are made within the same brand and are based on Career Rank to ensure the new Business Owner is being assigned a Mentor who is active in the business and currently leading a team. Assignments are based on the following criteria:

- Is geographically closest;

- Holds pay rank of Senior Influencer or above in the preceding month. If there is not a Senior Influencer Business Owner within a fifty-mile radius, we will assign to the next pay rank down within a fifty-mile radius and
- Is Qualified based on the Qualifying Volume requirement for the Brand.

4.9 - Inadequate Support

Leaders are encouraged to coach Business Owners at all levels of their Downline team. As such, please note Mentor Reassignments are exceedingly rare and are considered only in extreme circumstances.

Your Mentor and Leadership team are encouraged to provide you with the support, coaching, and guidance needed to help you successfully build and grow your business. If you feel that you are not receiving adequate support or training from your Mentor or Leadership team, you should discuss this directly with your Mentor or Leadership team

If efforts to obtain sufficient training or support from your Upline are not successful, you should contact your Specialist Relations team for assistance.

As part of our EVER team, you are welcome to sell and build teams (until you reach Senior Executive Pay Rank) with multiple brands within the Stella & Dot Family Brands. However, leaders with multiple teams are expected to provide coaching, training and support for all teams. A leader's chronic inattention or neglect of her or his Downline team members may result in the Downline team members being rolled up to the next qualified Upline Business Owner.

4.10 - Roll-ups

A Roll-Up is defined as a team transitioning from their current Mentor to a new Mentor. If you are a Mentor, Roll-ups can occur in the following instances:

- Cancellation of the Business Owner Agreement (voluntary or involuntary), or;
- Loss of a team due to the Compression Policy or Inactivity Policy, or;
- Documented chronic failure of a Mentor to meet any of the Leadership Support Policies outlined in section 4.1.

Upon Roll-up, every Business Owner on the first line will immediately roll-up to the Next Qualified Leader (NQL). The NQL will receive all team sales commissions that would have been payable to the terminating Business Owner for the entire calendar month in which the Business Owner terminates. You must have an active IBO agreement at the time of payout in order to earn team sales commissions.

Next Qualified Leader

The Next Qualified Leader (NQL) is defined as the next person up the line in the family tree who has Qualified at least once in the previous three (3) months based on the brand's PQV requirement, and has the willingness and capacity to actively coach the rolling-up team. Home Office reserves the right to review any Roll-ups and change the NQL where there are leadership concerns.

If there is no NQL within the family tree, the 1st line Business Owners will be assigned to the closest Mentor geographically (within the same country) who is an Executive or above, and has a Career Rank at least one (1) level higher than highest Career Rank within the rolling Business Owner's team (the Leg Rank). These 1st Line Business Owners would then be considered 'Adopted.' Senior Vice President and above may remain direct to Home Office rather than being reassigned to another team.

Where an NQL resides in a different country than the rolling up Business Owners, additional steps are taken. The rolling Business Owners will first roll to the Home Office to allow time for the Home Office to partner with the rolling Business Owners and the NQL to ensure a previous coaching relationship exists and is able to continue given potential timezone and language barriers. US-CA mentor relationships are excluded from this process. Where Home Office determines a coaching relationship would not be successful, the team will be rolled to the NQL within their country.

In the event the NQL inherits two (2) or more Senior Influencers (or above), the higher ranked Leg will Qualify towards the full Compensation Plan and the other Legs will be Adopted for six (6) months (Policy 4.3).

If you promote due to a Roll-up, you are agreeing to meeting the responsibilities outlined for your new Career Rank. Should you not be ready for those responsibilities, your Field Relations team can partner with you to adjust back to your original Career Rank.

4.11 - Compression (effective January 1st 2018)

Compression applies to you only if you have a team and it is designed to ensure all Business Owners have an active and engaged Mentor who leads by consistent example through sales and personal leadership. Your personal account is not affected by Compression. Independent Specialists must qualify by selling the required QV and NV in a rolling four (4) month period. Specialists who do not meet this requirement will not earn team sales commissions in months they do not qualify, they will lose their team to the Next Qualified Leader (NQL) per the Roll-Up Policy, and they will be converted to Subscribe To Save customers (rather than Independent Specialists).

SECTION V. MARKETING YOUR BUSINESS

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5.1 - Promoting Your Business

When promoting your business, it is of vital importance to not violate any of the compliance policies that may negatively impact you, the EVER, Stella & Dot Family Brands, or the community of Business Owners. You must at all times conduct your EVER business in a manner that reflects favorably on EVER and the good name, goodwill, and reputation of Stella & Dot Family Brands and our products. You must not engage in deceptive, misleading or unethical conduct or practices that are or might be detrimental to EVER, Stella & Dot Family Brands, our products, or the public. To ensure you are operating your Independent Business in compliance with applicable laws, rules and regulations as well as the terms of your Business Owner Agreement, please carefully review and abide by these policies.

To further assist you with your EVER Independent Business, we are providing the following general guidelines when advertising your business in any medium, in addition please reference the Social Media Marketing Guidelines, available within your brands Lounge

5.2 - Clearly Representing Your Independent Business Owner Status

You may not misrepresent yourself in a way that creates confusion that you represent the Home Office. If you list contact information, you must identify yourself as an 'Independent Business Owner' (i.e. a Specialist) and always use the word "I" instead of "We." In addition, you must clearly state in all marketing materials and on public forums (including your social media pages) that you are an "Independent Specialist," to make it clear that you are not an employee of Stella & Dot LLC (i.e. you do not work at or for Home Office).

5.3 - Advertising

Your advertising activities must ensure fairness to all Independent Specialists. Business Owners are not permitted to advertise through mass mailings or through channels otherwise deemed inappropriate by Stella & Dot. You may not create ads, blogs, or website pages that mimic or look like corporate ads or sites in order to redirect traffic to your PWS. Any advertisements related to your EVER business (whether in print, online, via social media, radio, or television) must be limited to a fifty (50) mile radius of the city in which you live and must be accurate, professional, and not misleading in any way. This policy does not apply to your PWS or personal social media platforms such as your Facebook page, which reaches an audience broader than fifty (50) miles in radius; but it does apply to any paid platforms (such as Facebook Ads or Google Ads). You may not buy ads from search engines, social media platforms, or Google networks such as Display, Product Display, Shopping, and YouTube Ads. Google Search network, kept within a 50 mile radius from your home location is permitted. Please review the Google Ad Guidelines posted in your Lounge for additional details.

5.4 - Social Media

We encourage Independent Specialists to use social networking sites, blogs and other forms of internet communication to promote your business. However, please note the following requirements regarding your use of social media in connection with your business:

- To ensure your EVER business activities are kept separate from your personal social activities, we recommend you establish a new social media profile for your EVER business.
- You may not use any derivative of the Stella & Dot Family Brand names in any social networking account names, website URLs, email addresses or your PWS URL extension, which include but are not limited to "EVER," "EVER Skincare," and the like.
- You may promote EVER products and your Independent Business on social media, but you may not use social media sites to sell EVER products.
- You must comply with the rules associated with any particular social media website or network.
- You must refrain from making postings that are false, misleading or deceptive. This includes but is not limited to, false or deceptive postings about EVER, Stella & Dot Family Brands Products, the business opportunity presented by Stella & Dot Family Brands, and/or Independent Business Owner personal information or credentials.
- You must refrain from making postings or linking to any posting or other material that is or may be considered: (a) sexually explicit, obscene or pornographic; (b) offensive, profane, threatening, harmful, defamatory, libelous, harassing or discriminatory; (c) solicitous of any unlawful behavior; (d) a personal attack on any individual, group or entity; (e) in violation of any intellectual property rights of Stella & Dot Family Brands or any other third party; or (f) not consistent with the terms and conditions of these Policies & Procedures.

Independent Specialists are solely responsible for any postings and online activity related to your EVER business. If you create, operate or own a website, blog or other internet site, you may not sell, offer or sponsor a Business Owner via the site itself. While you may add your Personal Website URL on your respective blog or social media profile, you may not redirect customers to your PWS via an Independent URL or hyperlink to which it is not explicitly clear to the customer what site they are being taken to. Please see section 5.7, Marketing and Naming: (PWS) Any SEO or SEM for this website, blog or internet site must be focused only on the individual Business Owner and may not include any iteration of S&D Trademarks.

5.5 - Sales Through Commenting on Competitor Products Similar to Stella & Dot Family Brands

You may not use social media outlets to comment on other brand products that are competitive to a Stella & Dot Family Brands Products in order to drive sales and direct customers to your PWS.

5.6 - Unsolicited Communications

You may not engage in unsolicited electronic communications in connection with the advertising, promotion or sale of EVER products or in an effort to recruit an individual to your business. You may send electronic communications to (i) any person from whom you have prior consent to contact via the specific mode of communication or (ii) family members, personal friends or any other person with whom you have established a business or personal relationship.

Without limiting the above, any electronic communications, including but not limited to, messages sent via e-mail, social networking sites or other means sent by an Independent Specialist in connection with her/his business must meet the following requirements:

- The communication must clearly identify the Independent Specialist as the sender of the email and as an Independent Business Owner of Stella & Dot Family Brands;
- The communication must include an accurate return email address of the sender;
- The communication must include a notice that advises the recipient that she/he may reply to the email via the return email address provided or other means to change email preferences or opt-out of future emails;
- The communication must include the Independent Specialists physical mailing address; and
- The communication must clearly and conspicuously disclose that the message is an advertisement or solicitation.

In addition to the above requirements, you must refrain from deceptive subject lines or false header information, and you must honor opt-out requests as soon as possible, and in any event, no later than ten (10) days of receipt of any such request.

5.7 - Marketing Materials and Restricted Use of Stella & Dot Family Brands Trademarks

Stella & Dot Family Brands Trademarks and Content are valuable business assets that support a unique and equitable business opportunity for Independent Business Owners. Per the terms of your Business Owner Agreement, Stella & Dot is the sole and exclusive owner of S&D Trademarks and Content. As an Independent

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Specialist, during the term of your Business Owner Agreement, you have a limited right to use the EVER and other Stella & Dot Trademarks solely to promote your EVER business. In summary, you may not create, market, promote or sell any marketing materials that incorporate Stella & Dot Trademarks or Stella & Dot Content to any other Independent Business Owners, Stella & Dot Family Brands customers, or any other third parties.

When representing yourself as an Independent Specialist, you may use only those copies available in the Marketing Materials section of your Lounge. All logos made available to you include the verbiage "Independent 'Business Owner'" underneath the EVER logo. Some of these also include a disclaimer that the applicable Stella & Dot Family Brand has not approved of the independent marketing materials of Independent Business Owners. Your collateral must always maintain the integrity of the EVER brand, comply with all Policies & Procedures, as well as all applicable laws.

In addition, Independent Specialist must not do any of the following:

- Edit, alter or customize any EVER Trademark, including logos approved for use, in any manner.
- Use any trademark or service mark that is similar to or may be confused with any EVER Trademark or Content.
- Combine any EVER Trademark or Content with any other trademarks or service marks.
- Use EVER Trademarks or Content in connection with any other business or opportunity outside of the Stella & Dot Family Brands.
- Use EVER Trademarks or Content in connection with any products that are not genuine Stella & Dot Family Brands Product.
- Profit from the use of EVER or Stella & Dot Family Brand trademarked names outside of commissions earned on the sale of EVER Product that may have been obtained through the use of EVER and Stella & Dot Family Brands trademarked names to directly market their business.
- Register or attempt to register any EVER or Stella & Dot Trademarks or similar marks in any class of products or services anywhere in the world.

Demonstration, display or sales of EVER products in retail or service establishments of any kind must be in accordance with these Policies & Procedures.

5.8 - Restricted Use of Third Party Trademarks

If you do choose to create your own marketing imagery, you may not use trademark-protected names, phrases, or logos of third parties or other brands.

5.9 - Co-Marketing of Brands

Business Owners may co-market other business ventures, as long as those business ventures uphold a high standard of integrity, ethics and professionalism similar to that of the Stella & Dot Family Brands per the discretion of Home Office. The non-solicitation policies in the Business Owner Agreement still apply when co-marketing other brands. Please refer to the Building Your Business and Participating in Direct Selling Companies Policy 8.5 for career level eligibility.

5.10 - Marketing and Naming: Personal Website (PWS)

We highly encourage you to market your PWS link in order to drive online sales to your business! However, please make sure you comply with the following:

- Do not use any level of search engine optimization or search engine marketing strategies for your PWS such as Google AdWords or Facebook Ads. You may not direct leads or potential sales to your personal PWS in social media commentary. Should you notice a potential lead or order on a social media site (including but not limited to Facebook, Twitter, Instagram, blogs), please provide assistance by posting the Stella & Dot, KEEP, or EVER Corporate website URL. The lead or order will be assigned to the appropriate Business Owner, per the Corporate Leads policy or Corporate Referral Orders policy. We actively monitor these pages and will assign these customers via our Leads assignment program.
- Your PWS extension should relate directly to your name – this gives your customers the personalized shopping experience they love! You are not permitted to use any derivative or permutation of any Stella & Dot Family Brands name or any generic extension such as 'shop,' 'skincare,' or geographic locations (cities, major regions).
- We reserve the right to change your PWS extension if it does not relate to your name or is non-compliant with our policies.
- There are some regulatory limitations on statements about our products, and you will be required to abide by these limitations on your PWS.
- You may not use any permutation of any Stella & Dot Family Brands name for use in an independent website URL, your email address or account names for social networking sites.

- Do not redirect traffic to your site via an alias URL or hyperlink that takes a user to your PWS.
- Do not use URL shortening tools to market your PWS. URL derivatives including, but not limited to bit.ly, goog.gl and owl.ly are prohibited and considered a direct violation of the Policies and Procedures.

5.11 - Business Owner to Business Owner Marketing and Services Restrictions

In accordance with the provisions of your Business Owner Agreement, no Business Owner can promote any non-Family Brand services or goods of any kind to another Business Owner. This includes but is not limited to the sales of graphic design services, business coaching, sales tools, marketing materials, business supplies, display items, another direct selling opportunity, etc. Business Owners may make approved sales tools available free of charge if they wish, but may not charge other Business Owner for such materials.

Business Owners from one Stella & Dot Family Brand may sell brand products to Business Owners from a different Sister Brand; however, Business Owners may not use their contacts obtained through one Family Brand to market products, services, or the business opportunity of a Sister Brand, either directly or in any forum (e.g., Facebook, Twitter, Instagram, Community) dedicated to a different brand, see Co-Marketing of Brands policy for further details.

5.12 - Catalogs and Flyers

You may not advertise, promote, sell or sponsor through other company catalogs. We do however encourage you to advertise your business via our Marketing Materials, such as Product Guides and Opportunity Brochures, which can be accessed for view and/or purchase in your Lounge. You may leave a flyer in non-retail establishments, such as a doctor's office or salon, and you may leave product samples, provided you maintain the standard point-of-sale procedure. Please see the Permanent Retail Displays/Pop-Up Shops policy for further detail.

5.13 - Phone Listing

As an Independent Specialist, you may list your phone number in the manner below:

- Name, Career Rank
- Independent Business Owner or Independent Specialist with EVER
- Address, Phone Number.

5.14 - Sales Through Other Internet Sites

You may not sell any Stella & Dot Family Brands Products on any website other than your PWS. The offer of sale of EVER products on other websites, including but not limited to eBay, Amazon, Craigslist, Groupon, Poshmark, blogs or internet auction sites is strictly prohibited. This includes engaging others, even those outside your direct household (e.g., customers, friends, family, acquaintances, or other businesses) to sell on your behalf on such websites. Any means of circumventing this rule are not allowed. Please pay close attention to this rule, as violation may result in immediate termination of your Business Owner Agreement.

You may also not post your PWS URL to a public website to engage in URL redirection or URL forwarding. Additionally, you may not display product images from any Stella & Dot Family Brands Corporate Website on any sales websites, including but not limited to online marketplaces.

You may not sell any Stella & Dot Family Brands Products on any website other than your PWS. You may not post your PWS URL to a public website to engage in URL redirection or URL forwarding. Additionally, you may not display product images from any Stella & Dot Family Brands Corporate Website on any sales websites, including but not limited to online marketplaces.

Even after your Business Owner Agreement is terminated, you must not sell large quantities of Stella & Dot Family brands products acquired as a Business Owner on any websites, including but not limited to websites, such as eBay.

5.15 - Media Engagement and Public Relations

All third-party media communications are handled by our Home Office Public Relations team. As an Independent Specialist, please do not reach out directly through social media platform, chat groups, comment sections, or any other communication modes to celebrities, bloggers, national magazines or other media outlets on behalf of any Stella & Dot Family Brand specifically to direct customers to your PWS in order to generate personal sales.

You must obtain approval from the Home Office Public Relations team before participating in any local or national media plans. The Home Office PR team will initiate all television, cable TV, radio, Internet, newspaper, blogs, syndicated columns, broadcast shows, newsletter and magazine interviews, features and paid advertisements. If you are presented with an opportunity to promote your business in the media, you should contact the Home Office Public Relations team at PR@stelladot.com.

Participate in press and advertising opportunities that will be distributed more than a fifty (50) mile radius of where you live, unless prior approval is given by the PR Department.

5.16 - Trade Shows/Expos/Booth Events

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Public events can be opportunities to receive exposure for your business as you may identify customers interested in purchasing a product or becoming a Business Owner. You may promote your business at exhibits, trade shows and craft fairs, so long as you are in compliance with each of the following:

- You must register for the event and always refer to yourself as an Independent Specialist.
- Only one (1) Business Owner per brand per event - the first Business Owner from a brand to register for the space with the event sponsor has the right to conduct that event. A second Business Owner from the same brand may need to withdraw if the first registered Business Owner does not want double participation. It is a good business practice to check with the event sponsor in regard to this.
- The booth must be staffed at all times and must not be shared by another business.
- Participation in any specific event must have a duration of no more than two (2) weeks in a calendar year. The only exception is annual state fairs, which are typically held for three to four (3-4) consecutive weekends.
- We do not provide our sales/use tax registration information directly to you. If you are required to provide this information to the event organizer, please contact taxpayer@stelladot.com with the event organizer's name and contact information and they will provide them with these details.

5.17 - Charity Requests

Occasionally, we are asked to participate in charitable events coordinated through our Marketing and Public Relations Departments. Business Owners who wish to submit an event for consideration can submit all relevant details to foundation@stelladot.com. Please note that generally speaking, Stella & Dot Family Brands will defer local-area charitable events to be sponsored by local area Business Owners.

Most events that Stella & Dot Family Brands sponsors are at the national level. In the event that we agree to a Social presence at a charitable event, all Business Owners within twenty-five (25) miles of the event location who are Career Rank of Senior Executive and above will be approached with the opportunity to team-up or pass on the event. Senior Executives will be encouraged to donate their commissions to the charity while maintaining the benefit of PQV, prospective Business Owner.

5.18 - Charitable Commitments Responsibilities

Independent Specialist must at all times conduct her/his Stella & Dot Family Brands business in a manner that reflects favorably on Stella & Dot Family Brands and the good name, goodwill and reputation of Stella & Dot Family Brands and our products. If you agree to obligations or commit to promises with customers or members

of the public and fail to fulfill your personal obligations, such failure may result in tarnishment of Stella & Dot Family Brands' reputation and goodwill and/or subject Stella & Dot Family Brands to potential liability. Any failure to fulfill commitments made to third-parties in connection with your Stella & Dot Family Brands business will constitute a breach of your Business Owner Agreement, and will result in immediate termination of your agreement with us.

5.19 - Stella & Dot Foundation

The proceeds from the sale of our Foundation products are allocated to our affiliated charities are purchased through only customer orders or Business Owner personal product orders (i.e. Foundation products redeemed using Business Owner personal purchases are not included in our charitable contributions).

SECTION VI. TAXES AND FINANCIAL RECORDS

For U.S. Independent Business Owners, by approximately January 31st each year, Stella & Dot issues Tax Form 1099 for the previous year. This form will be issued to you if you have earned commission checks, incentives, prizes and such of \$600 or more. Commission and other earnings must be claimed as income with your tax filings each year.

6.1 - W-9 Changes

For any changes, such as your name or address changes, please fax in an updated form to 650.589.5240; Attn: Finance Department.

6.2 - Sales Tax

When you become a Business Owner, you authorize us to collect and remit, to the proper governmental agencies, the applicable sales tax generated as a result of your sales of product as outlined below. When a Business Owner's orders are placed with the Company, sales tax is charged on the actual retail price, taking into account any discounts applied. You must agree to be bound by all sales tax collection agreements between us and all appropriate taxing jurisdictions, and all related rules and procedures.

A sale is not final until inputted into the online order system and the appropriate sales/use tax amount charged, collected, and remitted to the appropriate agencies. When orders are placed, sales tax is charged on the actual retail price, taking into account any discounts applied. As an Independent Specialist, you are bound by all sales tax collection agreements between EVER and all appropriate taxing jurisdictions, along with all related rules and procedures.

6.3 – Notice to Washington State Business Owners

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Any Washington Business and Occupation Taxes owed by an Independent Specialist outside of your EVER business are solely your responsibility. Under Washington Business and Occupation Tax law, we are required to inform all of our Independent Business Owners that we collect and pay Washington Business and Occupation Taxes on your behalf. Washington Independent Business Owners do not have to register with the Washington State Department of Revenue, unless they are engaged in other business activities outside of Stella & Dot Family Brands. Please visit the Washington State Department of Revenue's website at <http://dor.wa.gov/> if you think you may otherwise be subject to Washington Business and Occupation Taxes.

6.4 - Other Exempt Sales

Organizations that are exempt from federal income tax are not necessarily exempt from sales tax. For example, the Girl Scouts of America, while exempt from income tax, are not exempt from sales tax. Each state has its own laws regarding sales tax exemptions. If you are going to be making a sale to an organization that is exempt from income tax and believe they may be exempt from sales tax, please contact taxpayer@stelladot.com

6.5 - Requests for Financial Records

Business Owner financial information for the prior year will be available to you in your Lounge. If you would like to see your financial records for prior years, please send a written request with your name, Business Owner ID, email address, mailing address and financial records requested (please be specific and include the date range requested). Please allow up to six (6) weeks for delivery of your financial records. Requests should be directed to:

Stella & Dot Family Brands
c/o Business Owner Compensation
8000 Marina Boulevard, Suite 400
Brisbane, CA 94005

SECTION VII. TERMINATION AND REACTIVATION

Business Owners who operate businesses with more than one brand may choose to close any/or all business at any time per the below policies, except in the event of Home Office termination. Voluntary cancellation of one business does not automatically mean your withdrawal from all businesses; you must submit a written resignation form for each individual business that you no longer want to run.

7.1 - Buyer's Remorse

If you sign-up as a Business Owner with us and decide that it is not the right thing for you we honor buyer's remorse for our Business Owners within three (3) days of the time you sign-up. Please contact the Delight Center for a full refund and, if your Starter Kit has already shipped, please send it back unopened and in as-is condition.

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7.2 - Voluntary Termination of Business Owner Agreement

You may terminate the Business Owner Agreement at any time and for any reason by submitting a 'Voluntary Cancellation' form, which can be downloaded from the document library in the Lounge. We also ask that if you submit written notification to your Mentor and your Downline team.

7.3 - Inactivity

In order to remain active, Business Owners must sell the minimum PQV and NV required across a rolling six (6) month period as outlined in the Compensation Plan. If a Business Owner does not meet this minimum requirement, they will be deactivated and their team will be rolled to the Next Qualified Leader. Upon deactivation due to Inactivity, an Independent Specialist will be converted to a regular customer.

7.4 - Termination

The Business Owner Agreement may be terminated due to one or more of the following:

- Failure to pay the annual renewal fee;
- Failure to meet the minimum activity requirements;
- Upon the death of the Business Owner or voluntary cancellation;
- Immediately upon relocation and change of your permanent residence to a residence outside of the country in which the Independent Specialist entered into the Business Owner Agreement; or
- A Home Office Termination (see below).

7.5 - Home Office Termination

In accordance with the terms of the Business Owner Agreement, Home Office can likewise terminate your Business Owner Agreement at any time and for any reason upon 30 days' written notice and it can immediately terminate your Business Owner Agreement if you violate or breach any term of the Independent Business Owner Agreement, including but not limited to these Policies & Procedures. In the event of a Home Office termination, annual renewal fees will not be refunded to you.

In the event you operate a business in more than one Stella & Dot Family Brand, your Home Office termination may apply to some or all of your Stella & Dot Family Brands businesses, at the sole discretion of Home Office.

You must remove references to Stella & Dot Family Brands from social networking profile(s) from public view within ten (10) days of the date of termination. If you created separate accounts for your Stella & Dot Family Brands business, we ask that you close such accounts.

7.6 - Effect of Termination

Terminations of the Business Owner Agreement are effective immediately.

Upon the closing of your account (for any reason) you will receive commissions on any sales you personally generated prior to the account closing, and you are not eligible to receive commissions or incentive bonuses on any sales generated thereafter or fraudulently earned. If you have a team, your team will immediately roll up to the Next Qualified Leader (NQL), and team sales commissions will be assigned as outlined in the Roll-Up Policy. You are also no longer eligible to receive any active Business Owner benefits, such as Business Owner discounts, events, incentive prizes, etc.

Additionally, once your Business Owner Agreement is terminated and your corresponding Business Owner account is closed, you will no longer have access to any Product Credits that you have earned that were unused on your account. You will receive legitimately earned commissions only for the last full payment period you were active prior to termination. You will be liable for any commission you earned on any sales returned after your account closure, and Stella & Dot is entitled to pursue any and all remedies that may be available to Stella & Dot to deduct or seek reimbursement of such commissions.

7.7 - Terminated Business Owners' Buy-Back

We understand that if you are no longer an Independent Specialist with EVER, you may not have use for some of the items that came with your Starter Kit, Sample Products or for Business Supplies. For these reasons, we offer a Buy Back Policy with the options listed below:

Starter Kit and Sample Products

Starter Kits and any unused sample products that a Business Owner has personally purchased from Stella & Dot Family Brands that are in resalable condition may be returned. Items purchased from other Independent Business Owners and third parties are not eligible for return. Starter Kits and Regimen Kits must meet the "resalable" requirements and have all components of the original kit included in the return. Upon receipt of a resalable Starter Kit or any sample products, you will be refunded 90% of the net cost of the original purchase price less applicable setoffs. The original shipping and handling fees are not eligible for refund.

Starter Kit and sample products must be returned to the Fulfilment Center via registered mail. A trackable and/or insured (insured for approximately \$600) shipping method should be used, as Home Office will not be responsible for lost shipments. Please send your package to:

Stella & Dot Fulfillment Center
5820 Opus Drive
Groveport, Ohio 43125 USA
ATTN: Independent Business Owner Buy-Back

Starter Kits and sample products will be deemed "resalable" if each of the following is satisfied:

- the sample products are unopened and unused;
- items were not used for display purposes;
- the packaging and labeling are current and have not been altered or damaged;
- the items and packaging are in such condition and with ample shelf life that they are commercially reasonable to resell the items at full price;
- the items, at the time of purchase, are not identified at the time of sale as a "closeout," "discontinued," seasonal or ineligible for return; and
- the items are returned to us within twelve (12) months of the date of purchase (unless you are from Maryland, Massachusetts, or Wyoming).

We will not refund any sample products that are not in resalable condition, damaged or in otherwise poor condition. Damaged or used products may not be returned.

Refunds for any of the above will be issued within four (4) weeks from receipt of the returned product.

Business Supplies and Discounted, Discontinued or Seasonal Products *(purchased separately from the Starter Kit)*

General business supplies purchased in connection with your EVER business are eligible for return under the policy above applicable to Starter Kits.

Personalized business supplies, such as business cards, are not eligible for return and will not be refunded.

PWS fees are non-refundable, except as required by applicable state law.

7.8 - Account Holds

Home Office may suspend your account if, for example, money is owed, or for violation of other policies in these Policies & Procedures. If an account is suspended, you are prohibited from placing orders, receiving all or a portion of commissions, registering for corporate events, or obtaining other Business Owner rewards. Access to the above will be restored once the account is current and/or all Policy & Procedures violations are corrected; or if you are in a requalification period, until the requalification period has expired.

7.9 - Reactivation

You are welcome to sign up as a Business Owner again if your Business Owner Agreement ended as a result of your voluntarily cancellation or deactivation. If the Home Office terminates you, you may not reactivate at any time. Home Office reserves the right to deny a request for reactivation. If your application is accepted, you must start at the beginning Business Owner Status Level of 'Pending' and beginning Career Rank of Specialist. A Business Owner who reactivates has no right or interest in the Downline team that existed at the time of the cancellation or termination of the Business Owner's prior Business Owner Agreement.

Your Stella & Dot Family Brands account may be reactivated in one of two ways, depending on how long it has been since your Business Owner account was deactivated.

Deactivated Within the Past Six (6) Months (effective Nov 1st 2017)

If you decide to sign up again as a Business Owner within six (6) months of when you self-terminated, please contact the Delight Center and they will assist you with reactivating your account. If you have qualifying Sales Events, Home Office will open your account for forty eight (48) hours to allow for order entry. If after forty eight (48) hours you do not have enough orders to Qualify, your account will once again be deactivated. If you place a personal order during this time, but do not Qualify, you will be charged the difference between the discount rate and retail rate for your Stella & Dot Family Brands products purchased.

When you reactivate, you will retain your previous Business Owner ID and Mentor (Mentor changes cannot be made,) downline team(s) you may have previously mentored will not be realigned to you. You will not be granted a new Jump Start.

Deactivated More than Six (6) Months Ago

If you decide to reactivate after more than six (6) months since your cancellation date, please contact the Delight Center so they can have your previous account cleared. Once this is complete, you will be able to sign-up online and submit a new Business Owner Agreement. In doing this, you will be provided a new Business Owner ID, be able to select any Mentor you would like, purchase a new Starter Kit, and be able to take advantage of a new Jump Start.

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SECTION VIII. GENERAL TERMS

8.1 - Continued Permanent Residence

EVER currently operates only in the U.S. Accordingly, all Business Owners must be a resident and have the legal right to own a business and earn income in the U.S.

8.2 – Transfer of Specialist Independent Business Ownership

It is within Stella & Dot Family Brands' sole discretion to approve a transfer of Independent business ownership. You may not assign or otherwise transfer your business without the prior written approval of Stella & Dot Family Brands. To be considered, the below criteria must be met:

- Your Independent Business may not be transferred to any current Stella & Dot Family Brands Business Owner.
- You may not transfer your business to a former Independent Business Owner who was terminated by Stella & Dot Family Brands.
- The prospective transferee must meet all of the qualifications to serve as a Business Owner (described in Section I. Getting Started as an Independent Business Owner) and must also have direct selling experience.
- The prospective transferee may be required to show leadership capabilities based on prior business experience.
- The written consent of Upline and Downline Leaders within the Family must be provided.

Your request for transfer must be sent in writing to Specialist Relations.

If Home Office approves the transfer, the Downline team will roll directly to the new Business Owner, who will align under the direct Upline Mentor. The new Business Owner will need to abide by the Business Owner Agreement, including these Policies & Procedures.

8.3 - Solicitation of Overseas Business and International Sales

Business Owners are not allowed to operate a business in any country in which their brand does not operate. The only exception to this pertains to Military Bases/Posts, please see United States Military Bases/Posts policy. You may not ship any product or business supplies outside of the country in which you have signed your Business Owner Agreement.

Due to complex legal and tax considerations involving international sales, no sales may be made outside the United States (including Puerto Rico.). You may not solicit business from other countries and/or neighboring territories such as Guam. Additionally, you may sell only in the country in which you have a valid Business Owner Agreement.

8.4 - Annual Automatic Renewal of Business Owner Agreement

Your Business Owner Agreement will automatically renew every twelve (12) months on the anniversary of the date you entered into a Stella & Dot Family Brands Independent Business Owner Agreement, subject to our Inactivity Policy.

We expect all Business Owners to have a default credit card on file as renewal fees are automatically charged on the due date so please plan accordingly. It is your responsibility to track your upcoming renewal date. The Home Office is not responsible for providing advanced notice of renewal dates.

8.5 - Building Your Business and Participating in Direct Selling Companies

At any Career Rank, Business Owners are allowed to sell products and hold multiple agreements both across Stella & Dot Family Brands and with other direct selling companies at the same time.

If you choose to sell and build a team in multiple businesses, you must ensure your businesses are operated entirely separate and apart from each other. In addition, you will need to continue to uphold your responsibilities as an Independent Business Owner as outlined in the Business Owner Agreement, including these Policies & Procedures.

Should an Independent Specialist choose to represent more than one direct sales business, the below policies apply to when the additional business is within the Stella & Dot Family Brands and also when the business is outside of the Stella & Dot Family Brands.

- Selling with Multiple Direct Sales Brands:
- Independent Specialists may sell other brands regardless of their Stella & Dot Family Brands Career Rank provided they meet the requirements of the Leadership Focus Policy if they have a Downline team and are compliant with all Marketing and Confidentiality policies.
- Per the Non-Solicitation and Confidentiality provision of your Business Owners Agreement, you may not request people you've met through your Stella & Dot Family Brands business to solicit sales for your other businesses, either within or outside of the Family.

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- Building Teams with Multiple Direct Sales Brands:
- Independent Specialists who have a Downline team in EVER, may build a team with their other direct sales business up to but not including the Career Rank of Senior Executive and above. Once you are paid at a Senior Executive level for the first time, you will need to forfeit your Direct Team with your other business or forfeit your EVER Downline team. Please ensure you are familiar with the Leadership Focus Policy for additional details.
- In the event your businesses are within the Stella & Dot Family Brands, Direct Teams cannot be transitioned to Referral Team status. Once you sponsor a Direct Team within a brand, you forfeit all rights to Referral Benefits in that brand. We recommend Business Owners focus direct sponsoring in one brand and only build Referral Teams in Sister Brands.
- Per the Non-Solicitation provision of your Business Owners Agreement and the Confidentiality Obligations you may not request people you've met through your Stella & Dot Family Brands business to recruit for your other businesses, either within or outside of the Family.
- Marketing your Direct Sales Businesses:
- You may not co-mingle marketing for your other business(es) within the same social media channels as you market your Stella & Dot Family Brands business.
- You may not market your other business(es) on any social media channels dedicated to a Stella & Dot Family Brand, either public or private. This includes, but is not limited to, Home Office managed public and private Facebook groups and team pages and groups managed by other Independent Business Owners.
- You may not solicit your new business (either for sales or recruitment purposes) at any Stella & Dot Family Brands meet-ups or events.

Should you have specific questions about what is or is not within policy when building your business across Sister Brands or with other direct selling companies, please reach out to your Field Relations team for guidance.

8.6 - Conflicts and Conflicting Obligations

Stella & Dot Family Brands does not permit any person who is a principal, either directly or indirectly, of another direct selling company, to serve as an Independent Business Owner. For the purposes of this policy, principal shall mean any director, officer, executive, sole proprietor, general partner, or owner of 10% or more of any

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outstanding stock in any business entity that conducts sales through a direct sales channel, or controls or is under common control with any business entity that conducts sales through a direct sales channel. Stella & Dot Family Brands reserves the right to limit participation in Stella & Dot Family Brands events if an Independent Business Owner is directly or indirectly an employee of or otherwise involved in another direct selling company.

Additionally, you should not enter into, have or hold agreements, relationships, or commitments to any person or entity that conflict with these Policies and Procedures, your obligations to Stella & Dot under the Independent Business Owner Agreement, and/or your ability to perform services as defined within these policies and your Independent Business Owner Agreement.

8.7 - Acts of Third Parties

For the purpose of these Policies & Procedures and the Business Owner Agreement, you must not through any third party, directly or indirectly, engage in any conduct or activity not permitted by the Independent Business Owner. You will ultimately be responsible for ensuring that the terms of the Business Owner Agreement (including these Policies & Procedures) are complied with by any third party acting on your behalf, or under your direction or instructions, and you shall be held responsible for any breach of such terms and policies by such third parties as if you had caused the breach.

8.8 - Targeting Sales From of Other Direct Selling Companies

Stella & Dot does not condone Business Owners specifically or consciously targeting the sales force of another direct sales company to solicit or entice members of the sales force of another direct sales company to become Stella & Dot Family Brands Independent Business Owners while possibly violating the terms of their contract with such other company. Should a Business Owner engage in such activity, the Business Owner bears all risk associated with such activity, including in the event that a third party claims or threatens any action against Stella & Dot Family Brands.

8.9 - One Business Owner for Each Business Owner Agreement

To fully acknowledge your work as an Independent Business Owner, we recognize only one name per Business Owner Agreement. As an Independent Business Owner, you may utilize a support person in your business. However, the individual who has regular customer contact must be the individual whose name is on the Business Owner Agreement. If you engage or allow any other person to have regular customer contact other than in your name, EVER may immediately terminate your Business Owner Agreement and/or employ such sanctions as it sees fit.

Regardless of relationship, marital or family status, you may reside at the same address as another Stella & Dot Family Brands Independent Business Owner or have another Independent Business Owner in your immediate family, provided that:

- You run your business entirely independently of that other Independent Business Owner; and
- You do not directly or indirectly sponsor that other Independent Business Owner, nor may you both be sponsored within the same Family Tree.

8.10 - Licenses

Some local governments might have ordinances that restrict the way you conduct your Stella & Dot Family Brands business. Please contact your local government office to determine if any business licenses are required. Also, if you live in a subdivision or condominium, check with your association to determine if there are any limitations on conducting business activities in your home.

8.11 - Non Exclusive Territories

Stella & Dot Family Brands does not grant franchises. Additionally, you are not permitted to conduct sales or sponsoring for exclusive territories.

8.12 - Charge/Checking Accounts

As a Stella & Dot Family Brands Independent Business Owner, you may not use any S&D Trademarks or derivatives thereof on bank accounts, credit applications with local suppliers or other business forms. Checking accounts can simply be designated as "Business Accounts," or if you need to list a business use your name and Stella & Dot Family Brands Independent Business Owner. The intent of this is to avoid any implication that an Independent Business Owner's business is Home Office.

8.13 - Sale of Third Party Product

As an Independent Specialist, you may not market, sell, offer for sale or promote any third party products to any Stella & Dot Family Brands Independent Business Owners as well as Stella & Dot Family Brands' end customers other than those manufactured, distributed, or approved in writing by Stella & Dot.

8.14 - Customer Cancellation

The U.S. federal government requires that every U.S. customer who generates an order or makes a purchase from you must receive a copy of the Cancellation Policy (found on the back of the order forms). For orders placed using Dottie, a link to Cancellation Policy is included in the order confirmation email.

Orders that are placed on our corporate website or through our mobile application (e.g., Dottie) may only be cancelled up to thirty (30) minutes after the order is placed provided it is within Delight Center Business Hours and it is not already being processed. If a customer wishes to cancel an order that is already being processed, please arrange a return, which will allow the customer to receive a refund in accordance with our Return Policy.

8.15 - Grievances, Complaints and Reporting Policy Violations

If you observe a violation of these Policies & Procedures or have a grievance or complaint about another Business Owner that you are unable to resolve regarding any practice or conduct related to the Stella & Dot Family Brands business, please submit an email describing the situation to the Specialist Relations team for review.

SECTION IX. DISPUTE PROCEEDINGS AND RESOLUTION

9.1 - Sanctions for Breaching the Business Owner Agreement

If you are found in breach of your Business Owner Agreement (including these Policies & Procedures,) or if Stella & Dot Family Brands determines that you have engaged in or are engaging in any illegal, fraudulent, deceptive, or unethical business conduct, you may be subject, at Stella & Dot's discretion, to one or more of the following corrective measures:

- A written warning or admonition;
- A requirement that you take immediate corrective measures;
- Imposition of a fine;
- Suspension of your Business Owner Agreement for one or more pay periods;
- The removal of a frontline Business Owner and their Downline team from your Downline team; or
- Involuntary Home Office termination of your Business Owner Agreement.

To the extent permitted by applicable law, Stella & Dot Family Brands may withhold bonuses and commissions during its investigation into potential or alleged misconduct related thereto, and in the event your Business Owner Agreement is terminated, Stella & Dot Family Brands may withhold any amounts due and owing to Stella

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& Dot Family Brands. If your Business Owner Agreement is terminated, you will not be entitled to any commission or bonus not earned as of the date of your termination.

9.2 - Alternative Dispute Resolution

Any and all disputes will be resolved in accordance with the arbitration provisions of the Business Owner Agreement.

* * *

Appendix A

Glossary

Adopted Business Owner is defined as a Business Owner who is re-assigned to another Business Owner's first line at any time after her first month of enrollment in the brand. Please see policy Sponsoring/Mentorship Relationship for additional detail.

Bonus Buying Unethical and prohibited of personally purchasing product to qualify for compensation levels or incentive programs. This unethical, prohibited practice is referred to as **Bonus Buying** and is taken very seriously, and may result in immediate termination of your Business Owner Agreement.

Business Entity has the meaning in Section 1.11.

Business Owner Agreement means the Stella & Dot Family Brands Independent Business Owner Agreement between any Independent Business Owner and Stella & Dot LLC. The Business Owner Agreement also includes the Policies & Procedures, and Compensation Plan, which are incorporated in the Business Owner Agreement by reference.

Career Rank means the highest achieved Pay Rank within the last six (6) months.

Company means Stella & Dot LLC.

Compensation Plan means the Compensation Plan for your specific Stella & Dot Family Brand.

Compression is the act of losing a team and rolling it to the Next Qualified Upline Business Owner.

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Corporate Leads or Leads means a potential customer, Hostess, or Business Owner who filled out a Connect form on one of the Corporate Websites and did not indicate connection with a specific Business Owner.

Family Brands means any brand within the Stella & Dot Family Brands.

Family Tree means your entire team, beginning with the person whose mentor is Home Office, and all the way down.

Home Office means the corporate office for Stella & Dot Family Brands.

Independent Business Owner (IBO) or Business Owner means EVER Specialists.

Inventory Loading is the practice of purchasing and maintaining excessive inventory.

Lounge means your applicable Business Owner web portal, which you obtain access to once you sign the Business Owner Agreement and purchase a Starter Kit for any of the Stella & Dot Family Brands. This is where Business Owners find Business Owner training materials, view their sales history, enter customer orders, and more.

Marketing Materials means the advertising, marketing and informational materials that Stella & Dot Family Brands provides to its Independent Business Owners from time to time, including but not limited to, our Look Books, Product Detail Guides and Opportunity Brochures.

Mentor is any Upline Leader, including your direct sponsor.

NQL means Next Qualifying Leader, or, the Upline Business Owner who has qualified to receive a Roll-up Business Owner.

Qualify means achieving a minimum PQV or other sales requirement to begin to earn commissions, rewards, or incentives, as applicable and detailed in the Compensation Plan.

Pay Rank means a monthly achievement based on qualifications of QV, BV and team structure as defined and detailed in the Compensation Plan.

Personal Information identifies, may identify, or permits you to contact, an individual. It includes, without limitation, a customer's, potential customer's, or other individual's name, address, email address, phone number, credit card information, Social Security Number, purchase history and other information associated with these details. In short, "Personal Information" includes any information about an identifiable individual. All Independent Business Owners are required to comply with the applicable Canadian privacy legislation, including

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without limitation, the federal Personal Information Protection and Electronic Documents Act, at the Independent Business Owner's sole expense and liability.

Personally Sponsored Independent Business Owner business owners who when enrolling in EVER, requested a specific Mentor.

Policies & Procedures means the Stella & Dot Family Brands Policies & Procedures.

Referral Rewards means the rewards an EVER customer, Host, or Business Owner may earn when referring a specific number of new customers to EVER in a specific time period, as detailed in the Referral Rewards rules on EVER Connect, located in the Specialist Lounge.

Roll-up defined as the process of a team transitioning from the current Mentor to a new Mentor. For additional information, please see the Roll-ups policy.

S&D Content means all text, images, graphics, videos, training tools and other content and materials used or displayed on or in connection with and Stella & Dot Family Brands Products, Marketing Materials, business supplies or any of our Stella & Dot Family Brands corporate websites.

S&D Trademarks means all trademarks, service marks, trade names, product names, logos and domain names used or displayed on or in connection with any Stella & Dot Family Brands product, our Marketing Materials, business supplies or on our corporate website. S&D Trademarks include but are not limited to the following: Covet by Stella & Dot™, Covet by Stella & Dot logos, Create. Share. Love.®, Dottie®, EVERbright®, EVER logos, EVER's leaf logo, EVER's magnolia print pattern, EVER Skincare™, Instant Transformation Long Term Results™, KEEP Collective®, KEEP Collective logos, KEEP Collective's heart of keys logo, KEEP Collective's key logo, Keeper®, LSR10®, Mimi™, Olive by Stella & Dot®, One of a Kind Life™, Our Mission: To Give Every Woman the Means to Style Her Own Life®, Pure Results Regimen with LSR10®, S&D™, S^D®, S&D Style Society™, Smooth All Over Beauty Balm®, Stella & Dot®, Stella & Dot logos, Stella & Dot's ampersand logo, Stella & Dot's heart logo, sublime Retinol Eye Wrinkle Smoother™, The EVER Edit™, The Keys to Happiness™, The Order of Beauty®, Things You Love From the People You Love®, TimeKey®, Use It. Share It. Grow It.™, and You're a Keeper®.

Sister Brand means another brand in the Stella & Dot Family Brands.

Stella & Dot means Stella & Dot LLC, including any of the Stella & Dot Family Brands.

Stella & Dot Family Brands means "Stella & Dot LLC" and includes Stella & Dot, KEEP Collective, and EVER.

Stella & Dot Family Brands Products means any products or goods sold by any of our Stella & Dot Family Brands.

Appendix B

Contact Details by Brand

Home Office Field Relations

EVER: specialistrelations@everskin.com

Compliance

EVER: compliance@everskin.com

Mailing Addresses

Home Office:

8000 Marina Boulevard, Suite 400,
Brisbane, CA 94005 USA

Specialist Relations:

15990 N. Greenway-Hayden Loop, Suite 160,
Scottsdale, AZ 85260 USA

International Corporate Website URLs

We often refer to the Corporate Website throughout the Policies & Procedures. Please note the official Corporate Website URLs for:

Stella & Dot Family Brands: www.stelladotfamily.com

Stella & Dot U.S.: www.stelladot.com

Stella & Dot Canada: http://www.stelladot.com/en_ca

Stella & Dot France: www.stelladot.fr

Stella & Dot Germany: www.stelladot.de

Stella & Dot UK: www.stelladot.co.uk

Stella & Dot Ireland: www.stelladot.ie

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KEEP Collective: www.keepcollective.com

KEEP Collective Canada: ca.keepcollective.com

EVER: www.everskin.com