

INDEPENDENT AMBASSADOR POLICY DOCUMENT

This Policy Document is incorporated into and forms a material part of the Noonday Collection Ambassador Agreement. By logging into your Ambassador Studio, you agree to enter into the Ambassador Agreement and agree to be bound by this Policy Document.

Throughout this Policy Document, when the term "Agreement" is used, it collectively refers to the Ambassador Agreement, the Ambassador Compensation Plan and any applicable Addendum. These documents are incorporated by reference into the Ambassador Agreement (all in their current form and as amended from time to time by Noonday Holdings, LLC).

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Introduction

The Independent Ambassador Policy Document is designed to create and maintain a fair and equitable Ambassador opportunity and culture at Noonday Collection. It is your responsibility as an Independent Noonday Ambassador to read and familiarize yourself with this document. This document will guide you in the operation of your Noonday business and help you uphold the values and standards of this extraordinary community.

Document Amendments

Noonday Collection may amend its documents and business practices, including, but not limited to: 1. Ambassador Agreement, 2. Compensation Plan, and 3. Independent Ambassador Policy Document at any time as deemed appropriate. Noonday may also amend product prices and product and service availability at any time as deemed appropriate. Amendments will be communicated to you through official Company publications, including websites or email. Amendments are effective and binding on all Independent Ambassadors and your continued service as an Independent Ambassador constitutes your acceptance.

Practicing the Values of Noonday Collection

Noonday Collection is a professional, ethical, and equal opportunity company. As an Ambassador, it is expected that you will positively represent Noonday at all times by:

- Operating with the highest level of integrity, ethics and professionalism. This includes maintaining
 professionalism and courtesy with customers, other Ambassadors, and all members of the Home Office
 team.
- Not discriminating against any individual because of age, race, creed, gender, sexuality or any legally protected status.
- Acting in good faith at all times.
- Providing helpful customer service in the spirit of developing long-term customer relationships.
- Refraining from making disparaging comments or gossiping about others.
- Dealing professionally with any conflicts, questions or concerns with Home Office or other Noonday Ambassadors through the appropriate channels. (see Section XI for more details)
- Abiding by all the guidelines listed in Noonday Ambassadors Platforms to ensure it remains a positive and supportive environment, never looking for loopholes or skirting the intent of the Independent Ambassador Policy Document.

Noonday Collection Contact Information

By Mail:

Noonday Collection Home Office 1825 E. 38 ½ Street Austin, Texas 78722

Noonday Collection Returns P.O. Box 4159 Austin, Texas 78765

By Email:

Customer Support: support@noondaycollection.com

Commissions Questions: commissions@noondaycollection.com

By Telephone:

Home Office Main Line: 512-524-1388

Ambassador Support Line: 512-379-2004 (available M-F, 9:00 a.m. - 5:00 p.m. CT)

SECTION I. Launching Your Ambassador Business

1.1 Ambassador Agreement

When you join Noonday Collection as an Independent Ambassador, you will be required to read and accept the Ambassador Agreement. The Ambassador Agreement defines the roles and responsibilities of an Independent Ambassador. Non-compliance with the Ambassador Agreement may result in a Home Office termination.

1.2 Qualifications

You become an independent Noonday Ambassador once your completed Ambassador Agreement has been accepted by Home Office. To be a Noonday Ambassador, you must:

- Be eighteen (18) years of age or older,
- Reside in the United States and have a valid Social Security Number, Taxpayer Identification Number, or Social Insurance Number,
- Be authorized to work in the United States, and
- Sign up on the corporate website by submitting the online form which includes the electronic acceptance of your Ambassador Agreement. You will also need to purchase a Starter Collection.

1.3 Ambassador ID

Every Ambassador has a unique Ambassador ID which is automatically assigned during the Join process. Your Ambassador ID cannot be changed. If an Ambassador is Deactivated or Resigned and then chooses to return after the required waiting period, a new Ambassador ID will be provided at the time of return.

1.4 Selecting a Coach

We believe that the best person to help you launch and grow your business is an Ambassador who is already doing business with Noonday Collection. This is why every Ambassador must select a Coach as part of her Join process. If you already know an existing Ambassador, you may designate her as your Coach. If you do not know an existing Ambassador, Noonday Home Office will assign you to a Coach who has a proven record of personal sales and coaching abilities as they are described in the <u>Home Office Coaching Assignments</u> section of this policy document.

1.5 Noonday Business Fee

The Noonday Business Fee is a tax-deductible expense that covers the direct sales software and services that run your personal website (PWS) and Ambassador Studio. It also includes any other technology and services used to market your business and manage the fulfillment of your orders. Noonday Home Office will continuously invest in technology solutions and provide resources to assist with the marketing, order fulfillment and Customer Support services you will need to grow your business.

You may choose to pay your Noonday Business Fee annually or monthly:

- Annual \$109.89 charged to your credit card once per year (plus state sales tax, if applicable)
- Monthly \$9.99 charged to your credit card on the 8th day of every month (plus state sales tax, if applicable)

The Business Fee is waived during an Ambassador's Join month and first full month (payment will be due the 8th day of the second full month). After that time, an Ambassador's access to their Ambassador Studio will be restricted immediately upon non-payment of the Business Fee. Ambassador Studio access will be reinstated upon completion of the Business Fee order process as described above.

The Noonday Business fee is *non-refundable* except in the case where:

- An Ambassador resigns within 30 days of the Business Fee processing
- An Ambassador is deactivated within 7 days of the Business Fee processing

The resigned or deactivated Ambassador may reach out to Support to request a refund of her Business Fee payment to her original payment method.

In certain cases, Home Office may claw back an Ambassador's commission to cover the Business Fee. Refer to the Commission Adjustments section for more information about commission claw backs.

1.6 Communication Channels

Noonday Home Office communicates with Ambassadors through several communication channels. Noonday Collection has a zero-tolerance policy for any form of harassment on any Noonday brand platforms or channels owned by the Noonday Home Office. Ambassadors should act with respect toward one another in all forms of communication.

Emails are the primary form of push communication from the Noonday Home Office. It is imperative that all Ambassadors maintain updated email address information in the Ambassador Studio. Please review Noonday News emails within 24 hours to ensure you are up-to-date on important business information and opportunities.

Noonday Home Office is the administrator for the Noonday Ambassador Facebook page (https://www.facebook.com/groups/noondayambassadors/). Noonday Home Office moderates the content and activity on this page and will sometimes post reminders and comments. However, all information will be communicated via email first.

1.7 Ambassador Personal Website (PWS)

Every Ambassador is provided with a Noonday Collection Personal Website (PWS) upon joining. The URL for your PWS is username.noondaycollection.com. The username is defined upon joining. You should market your Ambassador Personal Website (PWS) to encourage online sales for your business within the following guidelines:

- Do not market your Ambassador Personal Website (PWS) on any Noonday Home Office owned social media pages or the social media pages of celebrities, bloggers, influencers or press. Social media includes but is not limited to Facebook, Instagram and Pinterest. We actively monitor these pages and will respond to questions and comments accordingly.
- Do not use any level of search engine optimization (SEO) or search engine marketing strategies such as Google AdWords for your Ambassador Personal Website (PWS).

1.8 Noonday Email Address

Every Ambassador is provided with a personal Noonday Collection email address upon joining. Your email address is username@noondayambassador.com. The username is defined upon joining. Your email inbox is accessed through your Ambassador Studio. We recommend setting up your Noonday email address to forward emails to your most frequently used personal email address.

1.9 Ambassador Studio

The Ambassador Studio is the back-office administrative tool you will use to run your Noonday business. Ambassadors receive log-in information for the Ambassador Studio in the Welcome email from Noonday Home Office. Step-by-step instructions for how to perform tasks in the Ambassador Studio are available in the Studio Tutorials section of the Ambassador Help Center.

1.10 Ambassador Help Center

The Ambassador Help Center is your central hub for Noonday business information and Frequently Asked Questions. The Help Center is restricted to Ambassadors only and can only be accessed when an Ambassador is logged into to the Ambassador Studio.

1.11 Ambassador Learning Center

The Ambassador Learning Center is your central hub for Noonday business and sales training. The Learning Center is restricted to Ambassadors only and is accessed through the Ambassador Studio.

1.12 Runway Period

Your Join month plus your first 3 full months as an Ambassador is considered your Runway period. Your Runway period begins the day you complete the Join process and receive the welcome email from Noonday Home Office. For example, if you join on January 15, your Runway period begins on January 15, and extends through the rest of January plus the next 3 full months of February, March and April. In this example your Runway period would end on April 30.

An Ambassador in her Runway Period is eligible to purchase samples for her business at a 50% discount through the Ambassador Studio. Noonday Collection gift cards cannot be used as a payment method for discounted sample orders and are also not eligible for the 50% off discount. Discounted sample purchases may not be associated with a Trunk Show, and they do not count toward an Ambassador's Personal Qualifying Sales (PQS) or Personal Commissionable Sales (PCS).

Your Runway period is intended as a time for you to learn best practices and set goals for your business. Noonday Home Office provides Runway training specifically designed to teach a new Ambassador about the tools and strategies she will need while building her Noonday business. Your Coach is also a great resource for training and support during your Runway period.

1.13 Runway Rewards

An Ambassador is eligible to earn Runway Rewards during her Runway period. Refer to the Help Center in your Studio for more details.

1.14 No Inventory Requirements

As an Independent Ambassador, you are not required to purchase product samples, nor are you permitted to carry any specific amount of inventory of any Noonday Collection product.

1.15 Independent Ambassador Agreement

Each Independent Ambassador is responsible for ensuring the accuracy of her information that is on file with Noonday Collection. It is of particular importance that you provide us with your current email address, since we send corporate communications primarily via email. You are responsible for updating your information as needed, either by making changes in your Ambassador Studio or by contacting the Support Team. This policy applies to name-change requests and updates to Social Security numbers.

1.16 Negative Comments

Complaints and concerns about Noonday Collection should be directed to the Support Team. Ambassadors must not defame the Noonday Collection brand or provide false information about Noonday Collection, its owners, Noonday employees, other Noonday Ambassadors, or the Compensation Plan. Disputes or disagreements between any Ambassador and Noonday Collection shall be resolved through a dispute resolution process.

1.17 Participation in Other Network Marketing Businesses

Noonday Collection Ambassadors may participate in another multilevel or network marketing business venture(s) as long as it is not a jewelry/accessories business as stated in the non-compete clause of the Ambassador Agreement.

However, during the term of the Ambassador Agreement, an Ambassador may not directly or indirectly recruit other Noonday Collection Ambassadors or Customers for any other network marketing business. If a Noonday Collection Ambassador joins your Downline team at another direct selling business, this may be viewed as a breach of policy and we may pursue legal remedies. If an Ambassador has joined your Downline team at another direct selling business, please notify the Noonday Support team.

1.18 Business Accounts

Ambassadors may not use the trademark or trade name Noonday Collection on bank accounts, credit applications, or other business forms. If you need to list a business for a checking account, use your name and Noonday Collection Independent Ambassador. The intent of this is to avoid any implication that an Independent Ambassador is the Home Office.

SECTION II: Running Your Ambassador Business

2.1 Purchasing Samples

Ambassadors may purchase discounted samples for their business through their Ambassador Studio. Noonday Collection gift cards cannot be used as a payment method for discounted sample orders. Discount sample purchases may not be associated with a Trunk Show and they will not count toward an Ambassador's Personal Qualifying Sales (PQS) or Personal Commissionable Sales (PCS).

Ambassadors are always eligible to purchase available samples at 25% off retail price. Ambassadors also have the opportunity to make purchases at an increased discount during:

- Runway Period Ambassadors in their Runway Period are eligible to purchase samples at 50% off retail price.
- Seasonal Launches Home Office offers a limited-time 50% off retail price to all Ambassadors during each new season launch.

The Ambassador sample discount does not apply to sale items. For example, if a \$50 item is on sale for \$30, the Ambassador discount is applied to the \$50. Ambassador-earned Product Credit may be used to purchase samples at full retail price or at sale price when applicable.

An Ambassador can purchase a maximum quantity of 2 samples of each item (SKU) per year, based on the Ambassador start date. Exceptions may be made in the case of capsule collections or limited-edition releases and will be communicated to Ambassadors prior to the launch of those lines, if applicable.

2.2 Inventory Loading

The Trunk Show business model is structured to be an even and affordable playing field to all Ambassadors. Through this model, an Ambassador can conduct successful business with no inventory other than the samples she chooses to purchase. She may not maintain excess inventory or encourage other Ambassadors to do so. This is referred to as "Inventory Loading."

2.3 Business Tools

Ambassadors may purchase business tools through the Noonday Market in their Ambassador Studio. Business Tools are essential items outside of product samples that an Ambassador needs to run her Noonday business (i.e. lookbooks, printed order forms, etc.). Ambassador-earned Market Money is an eligible form of payment for

business tool orders. Noonday Collection gift cards cannot be used as a payment method for business tools. Business tool orders may not be associated with a Trunk Show and do not count toward an Ambassador's Personal Qualifying Sales (PQS) or Personal Commissionable Sales (PCS).

2.4 Gift Cards

Noonday Collection gift cards are available in increments of \$10, \$15, \$25, \$50, \$75, \$100, \$150 and \$200. Gift cards are delivered electronically to the email address provided by the Customer at the time that the gift card is purchased.

Noonday Collection treats gift cards as a form of payment and not a product. Under Generally Accepted Accounting Principles, Noonday Collection is not permitted to recognize the sale of a gift card as revenue. Revenue is recognized only after the gift card is redeemed on the order of physical product and that order is shipped.

At the time a gift card is *purchased*, the purchase amount:

- will not count toward an Ambassador's Personal Qualifying Sales (PQS),
- will not count toward an Ambassadors Personal Commissionable Sales (PCS),
- will not count toward any Trunk Show Total (if the gift card is purchased through a Trunk Show), and
- will not count toward Hostess Rewards.

At the time a gift card is *redeemed*, the redemption amount will be treated as any other payment method. It will not reduce the order's Qualifying Sales (PQS), Commissionable Sales (PCS) or any contribution to a Trunk Show Total.

2.5 Bulk Orders

A bulk order is any order that contains a quantity of 20 or more of the same item. Bulk orders might be used for a Customer's corporate gifting needs or for an Ambassador's Hostess gifting needs. Placing a bulk order follows the same process as placing a regular order, but be sure to **note the following conditions**:

- Noonday Collection reserves the right to review all bulk orders and may cancel the order or modify the
 requested quantity as necessary. Due to the potentially long production times of our handmade pieces, we
 must protect our inventory on certain items. Our Customer Support Team will contact you directly if any
 changes need to be made to your bulk order.
- A bulk order only applies to items purchased at retail price.
- Bulk orders can be associated with a Trunk Show and count toward Personal Qualifying Sales (PQS) and Personal Commissionable Sales (PCS).
- Noonday Collection does not waive shipping or offer quantity discounts on bulk orders, though an Ambassador may choose to personally offer free shipping to a Customer at her own expense.
- Returns for bulk orders can only be processed if the person requesting the return provides the Customer Name
 or Order Number of the bulk order. The Customer Support Team cannot reference and verify the purchase
 without this information.

2.6 Sales Tax

By law, items sold by Noonday Collection and shipped to destinations in the United States are subject to sales tax. Sales tax is charged per item (including shipping) rather than on the subtotal and is based on the Ship To zip code. In general, the sales tax rate is based on the customer's ship to address. However, for Texas orders, the sales tax rate is based on the Noonday Collection corporate office address in Austin, TX.

Our website is integrated with a sales tax software for sales tax calculation. To determine the sales tax rate of an order, the software utilizes three data points: the ship-from location, the ship-to location, and the types of products ordered and their value. It calculates the sales tax on each item ordered (versus the order total). In

general, the tax basis of each item is the full price less any discounts. Hostess Reward Dollars are not treated as a discount but as a payment method, therefore they do not reduce tax basis. See the table below for some examples.

Order type	Item type	Tax basis	Price	Discount	Discounted price	Reward \$ used	Tax basis
Hostess	Full price item	Full price	100.00	0.00	100.00	0.00	100.00
Hostess	Reward \$	Before Reward \$	50.00	0.00	50.00	40.00	50.00
Hostess	Half-price item	After discount	50.00	(25.00)	25.00	N/A	25.00
Hostess	Hostess/guest special	After discount	50.00	(20.00)	30.00	0.00	30.00
Hostess	Hostess/guest special + Reward \$	After discount, before Reward \$	50.00	(20.00)	30.00	10.00	30.00
Hostess	Markdown item	After discount	60.00	(10.00)	50.00	0.00	50.00
Hostess	Markdown item + Reward \$	After discount, before Reward \$	60.00	(10.00)	50.00	20.00	50.00
Customer	Full price item	Full price	100.00	0.00	100.00	0.00	100.00
Customer	Guest special	After discount	50.00	(20.00)	30.00	0.00	30.00
Customer	Markdown item	After discount	60.00	(10.00)	50.00	0.00	50.00
Discount	50%-off item	After discount	60.00	(30.00)	30.00	0.00	30.00
Discount	25% off item	After discount	60.00	(15.00)	45.00	0.00	45.00

2.7 Order Fulfillment

For orders placed with Standard Shipping, allow 1-3 business days from the date an order is received by our warehouse for the order to be processed and prepared for shipping. Once an order ships from the warehouse, the Customer will receive the order within 3-5 business days of the shipment date. Note that during high-volume periods, orders typically take 2 additional business days to process and ship.

Refer to the Express Shipping section below for order fulfillment times on expedited orders.

2.8 Standard Shipping

Noonday Collection ships orders to US, Army Post Office (APO), and Diplomatic Post Office (DPO) addresses. The shipping carrier varies depending on the weight of each package. Carrier details and tracking numbers will be specified within all the shipping notification emails sent to the Customer on the shipment date.

Ambassadors can track order shipments for their own orders as well as their Customers' and Hostesses' orders through the Orders page in the Ambassador Studio.

Standard Shipping Fees and Rates:

- Customer orders placed through an Ambassador Personal Website (PWS) or the Noonday Collection corporate website are charged a flat rate of \$6.95 for standard shipping with tracking.
- Hostess Rewards orders are charged a flat rate of \$6.95 for standard shipping with tracking.
- Select business tools ordered through the Noonday Market ship free for standard shipping with tracking.
- Lookbook/product catalog orders are charged based on weight and dimension, and shipping rates are subject to change each season. The rates for standard shipping with tracking will be published at the start of each season.
- Ambassador à la Carte full-price sample purchases are charged a flat rate of \$6.95 for standard shipping with tracking.
- Starter Collections are charged a flat rate of \$14.95 for standard shipping with tracking.

2.9 Express Shipping

Express shipping is only available for Customer orders placed through an Ambassador Personal Website (PWS) or the Noonday Collection corporate website. The shipping carrier for express shipments varies depending on the shipment destination and the selected shipping time.

Orders placed by 12:00 p.m. CT Monday–Friday will be processed and shipped same day. Orders placed after 12:00 p.m. CT Monday–Friday, along with orders placed on Saturday or Sunday, will be processed and shipped the following business day.

Express shipping is not available for orders placed through the Ambassador Studio. This is meant to protect the Ambassador in cases where a Trunk Show Customer places an order using a paper order form, but the Ambassador is unable to place the order in the Ambassador Studio until a later time. If a Trunk Show Customer wishes to place an order with express shipping, the Ambassador should direct the Customer to place the order through her Ambassador Personal Website (PWS).

2.10 United States Military Bases/Posts

All orders are available to ship to U.S military bases-both national and overseas-and to Army Post Office (APO) and Diplomatic Post Office (DPO) addresses.

2.11 Customer Returns and Price Adjustments

The Noonday Collection Returns Policy is available on your Ambassador Personal Website (PWS) and the Noonday Collection corporate website by clicking on "Returns" at the bottom of the homepage. This page provides detailed information on our policies for returns, defective items, items lost or damaged in transit, price adjustments, and items not included in our return policy.

2.12 Hostess Rewards Order Returns

- Product purchased using Hostess Rewards Product Credit can be replaced-with the same item within 30 days of shipment if it arrives damaged, or within 180 days of shipment if there is a defect in construction. It may also be returned for a refund in the form of a Noonday Collection gift card within 90 days of shipment.
- Product purchased as a Hostess Rewards Half-Off item can be replaced with the same item within 30 days of shipment if it arrives damaged, or within 180 days of shipment if there is a defect in construction. It may also be returned for a refund of the amount paid by the Hostess to the original payment method within 30 days of shipment or in the form of a Noonday Collection gift card within 90 days of shipment.
- Hostess Rewards Half-Off items are a one-time use reward. A Hostess cannot return a Hostess Rewards Half-Off item and purchase a different item at Half-Off.

2.13 Ambassador Sample Order Returns

Product received as part of a Starter Collection or a Bundle may be replaced with the same item within 30 days of shipment if it arrives damaged, or within 180 days of shipment if there is a defect in construction. Individual Starter Collection or Bundle items may *not* be returned.

For Ambassador à la Carte Sample Purchases (and for Rewards & Discount Orders), unworn items in resalable condition may be returned within 90 days of the original shipment date. In such cases, the original payment method will be refunded directly. If a product arrives with a defect in construction, please contact Support within 180 days of shipment as stated in the Noonday Collection Returns Policy.

Ambassador Terminations: Products purchased within one year of an Ambassador Agreement termination (for any reason) may be returned for a refund of 90% of the purchase price if the products are unused and in resalable condition. Refunds for returns of an incomplete Starter Collection or incomplete Bundle orders will be prorated based on the value of the resalable items returned. Products and marketing materials that Noonday Collection

clearly discloses as seasonal, discontinued, or special promotion are not subject to the repurchase obligation (i.e. seasonal lookbooks/product catalogs).

2.14 Backorders

An item is moved to Backorder status when the number of orders for that item exceeds the available inventory. Home Office will notify Ambassadors through our communication channels when an item is moved to Backorder status.

Backordered items will appear with a "Back in Stock Date" banner on your Ambassador Personal Website (PWS) and on the Noonday Collection corporate website. Backordered items are available for Customer and Hostess purchase.

If an item becomes Backordered after an order is placed, Home Office will email all affected Customers and their Ambassadors to notify them of the Backorder and of when they can expect the item to be back in stock.

If a Backordered item is part of an order with available items, the available items on the order will ship within the standard timeframe. Noonday will notify the Customer of the Backorder and attach a packing slip to the outside of the Customer's order with information about when the backordered item will be back in stock. Once the Backordered item becomes available, it will be shipped separately, at no additional cost, to complete the order.

2.15 Stop-Sell

An item is moved to Stop-Sell status when Home Office makes the determination to temporarily stop selling that item in order to allow our Artisan Partners to fulfill any backlogs in demand for that item. Home Office will notify Ambassadors through our communication channels when an item is moved to Stop-Sell status.

Stop-Sell items appear with a "Coming Soon" banner on your Ambassador Personal Website (PWS) and on the Noonday Collection corporate website. Stop-Sell items are not available for Customer or Hostess purchase.

Home Office reserves the right to make Stop-Sell items available for Hostess purchase. If a Hostess orders a Stop-Sell item, she will be placed on the backorder list and the item will be shipped to her when it is back in stock at no additional cost. In these circumstances, this information will be clearly communicated to Ambassadors through our communication channels.

2.16 Ambassador Sample Sales

The purpose of a sample sale is for an Ambassador to sell discontinued or sold out items that will no longer be displayed at Trunk Shows. Ambassadors can use those earnings to re-invest in their business by purchasing new samples for the next season. These guidelines are provided to make sure Ambassador Sample Sales align with the overall Noonday brand and avoid market confusion on item pricing and availability.

If an Ambassador has a sample item from the *current season* that is not resonating with her customer base, she is permitted to sell that sample within these guidelines:

- Ambassadors may sell these samples to another current Ambassador anytime during the season
- Ambassadors may sell these samples to a non-Ambassador, 8 weeks after each sample's public launch date
- Ambassadors may sell these samples to a closed audience of her Customer base through:
 - Direct email campaigns to Customer lists
 - Private VIP Customer Groups on social media
- Ambassadors may sell these samples to a closed audience of other Ambassadors through:
 - Private social media groups
 - Direct personal interaction by phone or email

If an Ambassador has a sample item that is *phasing out* or has already *sold out*, she is permitted to sell that sample to anyone and is permitted to sell the samples through public social media pages.

Sample sales are a direct transaction between the Ambassador and Customer. It is the responsibility of the Ambassador to communicate to a Customer that the Noonday Collection Return Policy does *not* apply to items purchased through a sample sale. If any quality issues or problems arise with a sample purchase, it must be resolved between the Ambassador and the Customer. In cases where the Customer contacts Noonday Home Office about an item purchased through a sample sale, our Customer Support Team will direct the Customer back to the Ambassador. Our expectation is that the Ambassador will resolve the question or issue in a timely manner to maintain the integrity of the Noonday Collection brand.

Sample sales are conducted outside your Ambassador Studio and therefore do not count toward a Trunk Show Total. Noonday Collection does not pay commissions on sample sale transactions.

2.17 Handling Customer Personal Information

Personal information is any data that identifies or permits you to contact an individual, financial information and sales data. It includes, but is not limited to, an individual's name, address, email address, phone number, credit card information, Social Security number, purchase history and other information. Any personal information an Ambassador collects about Customers, Hostesses, current Ambassadors and prospective Ambassadors must be kept secure. This ensures compliance with the law and also maintains the trust of your business contacts.

Ambassadors must adhere to the following guidelines when handling any personal information related to their Noonday business:

- When information is being collected, share *why* you are collecting the information, and with *whom* the information will be shared (Noonday Collection).
- Only use and share the information for the reason it was provided.
- Collect only necessary information. For example, do not collect a Customer's credit card or debit card number unless the Customer is making a purchase.
- When collecting personal contact information, find out if the individual would like to receive promotions and other marketing messages related to your business. Ask for the preferred communication method (i.e. email, phone, or text) and respect the person's preference.
- Keep personal information up to date by reminding your contacts to let you know if/when there are any changes to their personal information.
- Do not share an individual's personal information unless you have permission to do so; even then, only share necessary information.
- If a Customer places an order using a paper order form, tear off the Customer's credit card information at the bottom of the order form immediately after the order is submitted online, then thoroughly shred the credit card information. Credit card information should never be stored either electronically or in paper form.
- Consider these steps when handling credit card/debit card numbers and Social Security/Tax ID numbers to reduce the risk of identity theft:
 - pay attention to your surroundings and use good judgment when discussing or transmitting sensitive personal information;
 - never share (or ask anyone to share with you) sensitive personal information, including payment information via email or text;
 - if someone shares personal information with you in this way, immediately delete the information and communicate to the individual that personal information should not be shared in this way in the future;
 - keep especially sensitive personal information in a secure place (i.e. a locked drawer), and do not leave it lying around where someone might see or take it;

- avoid storing personal information on your laptop or another portable device that could be lost or stolen unless the device is encrypted; use passwords that are not easy to guess, install virus protections and password protect documents containing sensitive personal information; and
- do not keep sensitive personal information longer than necessary.

2.18 Ambassador Account Transferability

Neither this Agreement nor an Independent Noonday Ambassador's business may be transferred or assigned by you or operated in partnership with any other person.

Under no circumstances may an Ambassador or Coach manage another Ambassador's account. This includes but is not limited to:

- Purchasing another Ambassador's Starter Kit
- Managing Trunk Shows
 - Example: If an Coach wants to help a downline member with a Trunk Show, they cannot log in to that downline's account to create the Trunk Show, manage the orders within the Trunk Show, or close the Trunk Show for the downline member. This is to ensure privacy for the downline member's account and the customers affiliated with them. However, you can assist a downline member through social media promotion/management and running Live Videos on their behalf.
- Sharing Commission Payout Information (including routing & accounting numbers)
- Receiving commission payouts on another Ambassador's behalf
- Managing Subscriptions
- Managing Login Credentials
- Managing Customer Sales
- Reaching out to Home Office on an Ambassador's behalf via email, phone, etc. to manage their account or
 make specific requests on their behalf (such as but not limited to: obtaining customer information or
 resetting their login information) even if the account owner is CC'd in the email. All communication
 regarding an Ambassador's account must be between the Home Office and the account owner directly.

2.19 Intended Use of Noonday Collection Products

You must adhere to the guidelines provided by Noonday Collection related to the intended use of our products. There are numerous state and federal laws, plus our own rules and regulations, that govern testing requirements for children of certain ages. Noonday Collection 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. *Always* assume that 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 Noonday Collection. You will be responsible for any product uses that violate Noonday Collection guidelines.

2.20 No Combining of Customer Orders

Combining the orders of multiple Customers into one order in the Ambassador Studio is not permitted. Every Customer order should be submitted independent of any other Customer order. There are three important business reasons for this requirement:

- Entering one order for each Customer allows for that Customer to receive an order confirmation email when the order is submitted and a shipment confirmation email with tracking information when the order leaves our warehouse.
- Each order entered in the Ambassador Studio generates a unique order number which must be referenced by the Support Team in the case of a return or any order-related question.
- Our flat rate of \$6.95 for standard shipping is calculated based upon the assumption that
 Customer orders are placed separately and takes into account average package weight and labor

hours for packing/shipping. When two or more Customer orders are combined into one order, it increases our base cost of shipping (based on package weight) and also increases the labor hours for each order, which would ultimately require the Home Office to increase the flat-rate for standard shipping.

While it is not permissible to combine two or more Customer orders, we do allow Ambassadors to place bulk orders of any one item. Refer to the <u>Bulk Orders</u> section for details about placing orders that contain a quantity of 20 or more of the same item.

2.21 Bonus Buying

The success of Noonday Collection depends on the success of each Ambassador. Your success as an Ambassador depends upon your personal sales to your Customers and, if applicable, the sales of Ambassadors on your Team to their respective Customers. It is unacceptable to personally purchase products to qualify for compensation levels or incentive programs. Likewise, it is unacceptable to personally purchase products on behalf of other Ambassadors so that they qualify for compensation levels or incentive programs. This unethical and strictly-prohibited practice is referred to as 'Bonus Buying.'

Bonus Buying is taken very seriously and may result in disqualification from an incentive or promotion, or it may result in the immediate termination of an Ambassador Agreement. Ambassadors should think of Bonus Buying behaviors as buying, rather than earning, a way into promotions or compensation level. This should be avoided. Instead, Ambassadors should focus on pursuing incentives and promotions through legitimate business development and the acquisition of new Customers or Ambassadors.

The practice of Ambassadors buying from themselves or their Team Members, or marketing on behalf of their Team Members to attain a certain sales volume, Paid-As Title or Peak Title is prohibited and is considered Bonus Buying. Bonus Buying includes, but is not limited to, the following:

- The purchase of product, either through your account or a Downline Ambassador's account to:
 - Qualify for incentive trips, contests, promotions, personal sales requirement for Team Sales commissions (also known as Coaching commissions) or Paid-As Title,
 - Increase sales to achieve a higher tier of monthly selling bonuses (also known as Radiance Rewards) or Hostess Rewards,
 - Qualify a Trunk Show or any other incentive-driven purpose via the Ambassador's purchase of an item from her own Trunk Show, PWS or account,
 - Qualify a Trunk Show or any other incentive-driven purpose via the Ambassador's purchase of an item from a Trunk Show, PWS or account belonging to another Ambassador in the same Organization.
- Requiring a Customer to purchase a product at a specific time through your Personal Website (PWS) or your Team Member's Personal Website (PWS) in order to meet certain requirements.
- Placing an order on behalf of a Customer through your Team Member's Personal Website (PWS) in order to meet certain requirements.
- Marketing or directing Customers to the Personal Website (PWS) of a Downline Ambassador with the intent of asking Customers to place orders through that website in order to meet certain requirements.
- Reassigning non-Trunk Show orders to Trunk Shows for incentive-driven purposes such as increasing sales, earning Hostess Rewards, or qualifying a Trunk Show.
- Subsidizing the entire or partial cost of a Customer purchase or new Ambassador Starter Collection to count toward your volume or to add a new Ambassador to your Team. This includes offering a 'Blanket Discount' or rebate on the purchase of products.
- The enrollment of:
 - Individuals into an Ambassador Agreement without their knowledge,
 - Non-existent persons as Ambassadors,
 - An Ambassador under a different account or with an alias name.

- The unauthorized use of a credit card or use of a fraudulent credit card.
- 'Inventory Loading,' or encouraging others to 'Inventory Load.'
- Hosting a Trunk Show for another Ambassador

Examples of Prohibited Bonus Buying Practices:

 A Senior Team Leader needs an additional \$200 in Team Qualifying Sales to achieve a Paid-As Title of Manager.

This Senior Team Leader may not:

- Place a personal order through a Team Member's Personal Website to increase her Team
 Qualifying Sales for the month.
- Place an order on behalf of a Customer through a Team Member's Personal Website to increase her Team Qualifying Sales for the month.
- Direct Customers to a Team Member's Personal Website by way of marketing or advertising to increase her Team Qualifying Sales for the month.

This Senior Team Leader may:

- Coach her Team Members on ways to generate Customer orders thereby increasing her Team Qualifying Sales for the month.
- Coach her Team Members to rally a Hostess for an additional Trunk Show or hold an Ambassador-Hosted Trunk Show before the end of the month.
- An Ambassador needs an additional \$100 in Personal Qualifying Sales (PQS) to reach the next level of Radiance Rewards and earn Product Credit plus Radiance Commissions.

This Ambassador may **not**:

 Place a personal order through her Personal Website (PWS) to increase her Personal Qualifying Sales.

This Ambassador may:

- Generate Customer orders by way of marketing or advertising her Personal Website (PWS). This
 may include offering an Ambassador-Driven Discount.
- Rally a Hostess for an additional Trunk Show or hold an Ambassador-Hosted Trunk Show before the end of the month.
- An Ambassador has 6 Trunk Shows booked during a seasonal launch incentive period and wants to maximize the incentives by holding 2 more Trunk Shows.

This Ambassador may not:

 List herself as the Hostess on a Standard Trunk Show to reach her desired number of Trunk Shows.

This Ambassador may:

- Rally a Hostess for an additional Trunk Show during the incentive period.
- Host an Ambassador-Hosted Trunk Show. Note: Noonday Home Office reserves the right to limit the number of Ambassador-Hosted Trunk Show that can count towards seasonal launch incentives.
- Host an Adoption Trunk Show as long as the adoptive family meets the requirements to qualify for Adoption Trunk Show rewards as outlined in the Adoption Trunk Show section of this policy document.

Bonus buying practices do *not* support the Noonday Brand intent and the best practices used to grow a sustainable and healthy business. They cannot and should not be replicated month after month, and they will likely be a financial detriment to Ambassadors who use them.

Noonday Home Office audits orders at the time of month-end commissions processing to identify possible cases of Bonus Buying. Any orders with a combination of the Ambassador's information being listed as the Customer name, shipping address and/or payment method will be flagged for further review. We understand that Ambassadors sometimes place orders on a Customer's behalf so it is feasible that an order may ship to an Ambassador's address or might have an Ambassador's name on the payment method. However, an order that lists the Ambassador's information on more than one of those of those fields will be flagged for further review.

Home Office will contact the Ambassador and all affected Team Members to request more information on any activity flagged as a possible case of Bonus Buying. If it is determined that an Ambassador has violated the Bonus Buying policy, the associated order(s) will be cancelled and refunded. In addition, the following adjustments will be made in our system for the Ambassador and any Ambassador in her organization who may have benefited from the Bonus Buying:

- Personal Qualifying Sales (PQS),
- Personal Commissionable Sales (PCS),
- Paid-As Titles.
- Peak Titles,
- Coaching Commissions
- Generation Bonuses

An Ambassador is permitted to purchase from her own PWS as long as the purchase is not intended to qualify for compensation levels or incentive programs. For example, purchasing personal gifts through your own Personal Website (PWS) is not a violation of the Bonus Buying Policy.

SECTION III: Noonday Trunk Shows

Noonday Collection Trunk Shows are gatherings where an Ambassador shares the Noonday style and story and accepts Customer orders. A physical or online Trunk Show may be held anywhere Noonday Collection ships. An Ambassador may accept Trunk Show orders as soon as the Trunk Show is created in the Ambassador Studio.

All Trunk Shows are required to close 7 days after the Trunk Show date by 11:59 p.m. CT. The day the Trunk Show takes place is not included in the 7 days. For example, a Trunk Show held on August 1, must be closed no later than August 8, at 11:59 p.m. CT.

There are 3 types of Noonday Collection Trunk Shows. See below for an explanation of each type.

3.1 Standard Trunk Show

A Standard Trunk Show is a gathering where an Ambassador partners with a Hostess. The Hostess is eligible to earn Hostess Rewards on a qualifying Trunk Show, based on the Trunk Show Total and she is eligible to shop the monthly Hostess Special for the month in which her Trunk Show takes place.

3.2 Adoption Trunk Show

An Adoption Trunk Show is a gathering where an Ambassador partners with a Hostess for the benefit of an adoptive family. Before booking the Trunk Show, it is the Ambassador's responsibility to ensure that the adoptive family meets all 3 of these requirements to qualify for Adoption Trunk Show rewards:

- 1. Home Study has been completed prior to the Trunk Show date.
- 2. The adoption is still in process at the time the Trunk Show takes place. This means the adoption is not fully complete either the child is not home yet, or paperwork has not been finalized.
- 3. The Adoptive Trunk Show qualifies, which means there are three unique orders and the Trunk Show Total reaches a minimum of \$250.

Home Office prefers to issue checks directly to adoption agencies. If there is no agency or there are no longer agency expenses, Home Office will write the donation check directly to the adoptive parents. The federal government views these direct payments to individuals as taxable income. Any individual who receives more than \$600 in annual donations from Noonday will receive, as required by law, a Form 1099-MISC that must be filed with the IRS. Donations made to Adoption Agencies are not considered taxable income for an adoptive family.

The qualifying adoptive family will receive a donation of 10% of the qualifying Trunk Show Total sales to the Recipient defined in the Trunk Show. The donation will be issued in lieu of the Hostess Reward Dollars earned on a Standard Trunk Show. The Hostess does not earn free Hostess Reward Dollars, but she is still eligible to earn Half-Off items based on the Trunk Show Total and is eligible to shop the monthly Hostess Special for the month in which her Trunk Show takes place.

An Ambassador may host an Adoption Trunk Show for the benefit of an adoptive family (without a Hostess). In this situation, a Member of the adoptive family is listed as the Hostess. For qualifying Trunk Shows, the adoptive family will receive a check toward the adoption from Noonday Collection on a qualifying Trunk Show based on the Trunk Show total. They will also be eligible to earn Half-Off items. Only the adoptive family is eligible to redeem the Half-Off items and shop the monthly Hostess Special for the month in which her Trunk Show takes place. The Ambassador will not be eligible to purchase Half-Off items that are not redeemed by the adoptive family, *nor* will she be eligible to shop the monthly Hostess Special as part of an Adoption Trunk Show.

3.3 Self-Hosted (Ambassador-Hosted) Trunk Show

A Self-Hosted Trunk Show is a gathering where there is no Hostess other than an Ambassador. The Ambassador is listed as the Hostess. At these Self-Hosted Trunk Shows, Ambassadors are eligible to earn Hostess Reward Dollars on a qualifying Trunk Show based on the Trunk Show Totals. Ambassadors organizing these Self-Hosted Trunk Shows are *not* eligible to earn Half-Off items, and they are *not* eligible to shop the monthly Hostess Special. An Ambassador may choose to either keep the Hostess Rewards for herself or give away the Hostess Rewards as part of an Ambassador-Driven Special. Hostess Reward Dollars earned from a Self-Hosted Trunk Show will be included in the Ambassador's Form 1099 as taxable income. Any Hostess Rewards that are given away as part of an Ambassador-Driven Special can be deducted as a business expense.

Examples of Self-Hosted (Ambassador-Hosted) Trunk Shows are:

- Runway Ambassador Launch Show
- Ambassador New Season Launch Show
- Hostess Appreciation Trunk Show
- Mystery Hostess Trunk Show

3.4 Hostess Rewards

Noonday Collection recognizes Trunk Show Hostesses as an integral part of our business model. We offer generous Hostess Rewards to show our appreciation to Hostesses for opening up their homes and gathering their friends together to share the Noonday story.

Hostess Rewards are only earned on a qualifying Trunk Show. To qualify, a Trunk Show *must* contain at least 3 unique Customer orders, each placed with different email addresses, and must generate a Trunk Show Total of at least \$250, excluding shipping and tax.

- Hostesses will earn Hostess Reward Dollars on each qualifying Trunk Show at a percentage of that Trunk Show total. The Hostess Reward Dollars may be used to purchase Noonday product at retail or current sale price.
 Hostess Reward Dollars cannot be applied to shipping and tax, and they cannot be applied to other Hostess Rewards such as Hostess Half-Off items, Hostess Specials, or Guest Specials.
- Hostesses earn Half-Off items on a qualifying Trunk Show based on the Trunk Show total. If a Hostess selects a
 current sale item as a Hostess Half-Off item, the sale item will be discounted by 50% of its full retail price, but
 not its sale price. Refer to the policy section Hostess Rewards Order Returns for details about returning Hostess
 Half-Off items.

Hostess Rewards (i.e. Hostess Reward Dollars, Half-Off items and Hostess Specials) are meant for the exclusive benefit of a Hostess and are *non-transferable*. Ambassadors are *not* permitted to personally use Hostess Rewards, and they are *not* permitted to offer unused Hostess Rewards to other Customers. Hostess Rewards that the Hostesses themselves do not redeem at the time that a Trunk Show closes will be forfeited.

3.5 Hostess Special

The Hostess Special is a discounted item(s) selected by Home Office each month. The Hostess of a qualifying Trunk Show is eligible to purchase the current Hostess Special based on the date in which her Trunk Show takes place.

- Hostess Reward Dollars cannot be used toward the purchase of a Hostess Special.
- The purchase of a Hostess Special counts toward the Trunk Show Total.
- The purchase of a Hostess Special is non-commissionable and will not count toward an Ambassador's Personal Commissionable Sales (PCS) and Personal Qualifying Sales (PQS).
- The Hostess Special must be submitted as part of the Hostess Rewards order and is no longer available to the Hostess once a Trunk Show has closed.

3.6 Guest Special

The Guest Special is a discounted item(s) selected by Home Office each month. The Trunk Show Hostess and Trunk Show Customers are eligible to purchase the current Guest Special based on the date in which the Trunk Show takes place.

For Trunk Show Customer:

- Guest Specials are only available to Customers who shop through a Trunk Show link and purchase a minimum dollar amount (not including shipping and tax).
- Guest Special purchases count toward the Trunk Show Total.

For Trunk Show Hostess:

- Guest Specials are available when the Hostess purchases a minimum dollar amount (not including shipping and tax) of non-reward items on the Hostess Rewards order.
- If Guest Specials are purchased as non-reward items on the Hostess Rewards order, the Guest Special purchases count toward the Trunk Show Total and are commissionable.
- If Guest Specials are purchased with Reward Dollars on the Hostess Rewards order, the Guest Special purchases do not count toward the Trunk Show Total, are non-commissionable, and will not count toward an Ambassador's Personal Commissionable Sales (PCS) and Personal Qualifying Sales (PQS).

3.7 Booking a Trunk Show at a Trunk Show

If a Trunk Show Guest books a future Trunk Show, the Hostess of the current show will earn a Half-Off item for each future Trunk Show booked (up to two) as part of her Hostess Rewards. The future Hostess will earn an additional Half-Off item at the time of her own qualifying Trunk Show as part of her Hostess Rewards. The future Trunk Show must be dated within six months of the Trunk Show at which it was booked for the Hostess of the current show to earn the Half-Off item(s). The Hostess of the future Trunk Show will earn an additional Half-Off

item at the time of her own qualifying Trunk Show, regardless of the trunk show date. Ambassador-Hosted Trunk Shows are not eligible for this incentive.

3.8 Home Office Hostess Leads

A Hostess Lead is someone who is interested in hosting a Noonday Collection Trunk Show, but who does not know an Ambassador with whom to partner. In these cases, Home Office connects the potential Hostess with an Ambassador based on proximity and recent sales activity. Home Office will email the selected Ambassador with the Hostess Lead's contact information, and the Ambassador *must* reply within 1 business day to confirm that she will connect with the Hostess Lead. If the Ambassador does not respond within 1 business day, or if the Ambassador is unable to pursue the Hostess Lead, Home Office will select another Ambassador based on the same criteria. This process continues until the Hostess Lead is matched with an Ambassador.

SECTION IV: Ambassador Commissions

4.1 Commissions Policy

Ambassadors earn a base 20% personal commission rate on their Personal Commissionable Sales (PCS) and have the opportunity to receive additional monthly commission bonuses through monthly performance rewards and star commission. Ambassadors also have the opportunity to earn coaching commissions and leadership bonuses based upon team sales. For more details, please refer to <u>Addendum A: Ambassador Compensation Plan</u>.

Personal Qualifying Sales (PQS) is the sum of your monthly sales (excluding Hostess Rewards) after discounts, before tax and shipping. PQS is used for qualification purposes (e.g. Radiance Rewards, Star Status and Paid-As title achievement).

Personal Commissionable Sales (PCS) is your Personal Qualifying Sales (PQS) adjusted for any items with a commissionable value below the full retail value. PCS is used to calculate commission earnings. For more details, please refer to Addendum A: Ambassador Compensation Plan.

- Ambassador Sample orders and Business Tool orders do not count toward Personal Commissionable Sales (PCS).
- Hostess Half-Off Reward items, Hostess items fully or partially paid for with Hostess Reward Dollars, and Monthly Hostess Specials are non-commissionable and will not count toward an Ambassador's Personal Commissionable Sales (PCS) and Personal Qualifying Sales (PQS).
- The Personal Qualifying Sales (PQS) and Personal Commissionable Sales (PCS) on certain product categories is calculated differently. For more details, please refer to Addendum B: Commissions Structure for Select Product Categories.

4.2 Order Association

If a Customer places an order (or you place an order on behalf of a customer) through your website that should have been associated to a Trunk Show that the Customer was invited to attend, you may associate the order to the correct Trunk Show through your Ambassador Studio within 24 hours of the order placement date. Ambassadors receive an order confirmation email to the email address provided in the Studio each time an order is placed through their Ambassador personal website. It is your responsibility to verify the order association on that order confirmation and complete the order association within 24 hours of the order placement date. You may associate an order to a Trunk Show except in these cases:

- 1. If the Trunk Show has already closed, an order can no longer be associated to that Trunk Show.
- 2. If an order was mistakenly placed under a Trunk Show, you cannot move the order to a different Trunk Show. You may contact Customer Support with a description of why you are requesting the order association change. Your request will be reviewed and approved on an exception basis.

If a Customer places an order through the Noonday Collection corporate website that was meant to be placed through your Ambassador Personal Website, you may contact Customer Support to request the order be associated to you. You must submit the request within 24 hours of the order placement, with these conditions:

- 1. If weekly or monthly commissions have already been processed as of the request date, no changes to the Ambassador association can be made.
- 2. If an order was mistakenly placed under an Ambassador, the order cannot be associated to a different Ambassador.

An order placed through the Noonday Collection corporate website will automatically be associated to an Ambassador if it meets the following requirements:

- 1. The customer has previously shopped with an active Ambassador*, and
- 2. The active Ambassador has had any PQS in the past 30 days
- * In the case that the customer has previously shopped with more than one active Ambassador, the most recent active Ambassador will be selected.

4.3 Commission Adjustments

When a return is completed, commission is clawed back, or adjusted, based on the percentage paid to that Ambassador when the order was initially placed. The commission adjustment occurs in the month when the return is completed.

4.4 Receiving Your Commissions

An Ambassador's 20% base commission on Personal Commissionable Sales (PCS) is paid on a weekly basis each Wednesday based on personal sales from the prior week, Sunday through Saturday.

The following commission categories are paid on a monthly basis, and are processed and deposited by the fifth business day of the month (excluding holidays):

- Radiance commission
- Star commission
- Coaching commission (Levels 1-3)
- Leadership bonuses
- Commission adjustments from returns

Orders must be placed by 11:59 p.m. CT on the last day of the weekly pay period to be included in the next weekly commission payment or by 11:59 p.m. CT on the last day of the month to count toward that month's Personal Commissionable Sales (PCS). Any orders placed after these cut-off times will count toward the following week's or month's Personal Commissionable Sales (PCS). Commissions for Trunk Show orders are generated based on the date that the order is submitted and not based on the Trunk Show date.

Commission payments are issued via direct deposit to the banking information on file in the Ambassador Studio. If an Ambassador has not provided banking information, her commission payment will not be paid. Outstanding commission payments will be paid the month following the date on which the banking information is provided.

Each Ambassador's Commission History of earnings and payments is available through the Ambassador Studio.

4.5 Commission Errors

If you identify a potential error with your commission calculation or payment, you must email commissions@noondaycollection.com within 30 days of the order date when the purported error or payment was

made. If Home Office mistakenly issues a commission overpayment, we reserve the right to reduce subsequent months' payments by the overpaid amount.

SECTION V: Building and Leading a Team

5.1 Coaching Path

Ambassadors have an opportunity to increase their impact and earnings with Noonday Collection by progressing through the Coaching Path. Building a Team empowers you to lead by example and coach your Team Members on the skills you have acquired as an Ambassador. One of the many benefits of building a Team is the opportunity to earn additional commissions and bonuses based on the performance of your Team Members. For more details, please refer to Addendum B: Ambassador Compensation Plan.

5.2 Coaching Expectations

A Noonday Coach is expected to maintain regular communications with her Team and provide the support, coaching, and guidance needed to successfully build and grow a Noonday business.

5.3 Home Office Coaching Assignments

New Ambassadors who do not select a Coach during the Join process will remain direct to Home Office without a Coach.

5.4 Compression

When an Ambassador is Deactivated or Resigns, her Team and Organization structure will remain intact.

5.5 Coaching Reassignment

If an Ambassador mistakenly selects the wrong Coach during her Join process, she must contact the Support Team within 3 business days to correct the mistake. An Ambassador may not request to be reassigned to a different Coach in any other case. If an Ambassador feels that her Coach is not providing the appropriate level of leadership and guidance, she should discuss this directly with her Coach or upline Coaching leader.

5.6 Income Projections or Claims

When presenting or discussing the Noonday Collection opportunity or the Compensation Plan to a prospective Independent Ambassador, you may not make claims or projections about potential or guaranteed income or profits. You must also make clear that Independent Ambassadors make commissions based only on the sale of Noonday Collection Products and not through enrolling other Ambassadors. 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 Noonday Collection. These regulations require that appropriate disclosures also be provided when making income claims or earning representations. Noonday Collection Independent Ambassadors do not have the data necessary to comply with the legal requirements for making income claims or earnings representations.

5.7 Team Stacking

The purpose of building a Team with Noonday Collection is to increase your personal impact by enrolling new Ambassadors and coaching them to reach their goals. We believe successful Teams are built on personal relationships; therefore, if you present someone with the Ambassador opportunity and she decides to Join, you are required to enroll her directly into your Level 1 Team. You are not permitted to "stack" or enroll her under another member of your Team.

5.8 Team Roll Up

The policy set forth below applies only to Ambassadors who have recruited Ambassadors and coach a team. A Roll Up occurs only when a Coach retires or deactivates.

In the event that an Ambassador retires or deactivates, their downline team and organization is "rolled up" to the next non-retired Ambassador in their upline in the month when the Ambassador's Studio account is officially closed (usually in the first week of the month following their resignation or deactivation) If the Ambassador does not have an upline, their team and organization will roll up to Home Office.

Roll ups can occur immediately and without prior notification. Home Office has up to thirty days to process roll-ups. Roll ups are effective in the month executed and will not be retroactive to the date of the Ambassador's resignation request. Ambassadors may not choose a new team or new Coach upon a Roll Up. For Coaching Reassignment requests, please review section 5.5.

Roll Up Series Post-Merge with Sseko:

- The Roll Up policy was first applied to legacy Noonday Ambassadors (anyone who was a Noonday Collection Ambassador prior to the merge) on August 1, 2022.
- The Roll Up policy was first applied to legacy Sseko Fellows (anyone who was a Sseko Fellow prior to the merge and agreed to become a Noonday Ambassador) on November 1st, 2022. Legacy Fellows who did not choose to become a Noonday Ambassador by October 31, 2022, as part of the merge process were considered "resigned" and their downline team was rolled up.

SECTION VI: Marketing Your Business

Noonday Collection invests in branding, social media, and email marketing to support our Ambassador community. We also encourage Ambassadors to engage in marketing activities to drive their business within the guidelines described below.

6.1 Promoting Your Business

Noonday Collection is committed to building our brand for the general benefit of all Ambassadors. Our brand name and marks (i.e. logo) cannot be used to confuse or drive traffic away from our Noonday corporate site. Further, they *cannot* be used on any digital or print marketing materials other than those provided by the Noonday Home Office. Additionally, Ambassadors may *not* represent themselves online that detracts from the Noonday Collection Brand.

6.2 Marketing Materials

Ambassadors should utilize the digital and print marketing materials created and provided by the Noonday Home Office. If an Ambassador feels that a needed marketing material is not being provided, she should email the Support Team with this feedback. In compliance with laws and Direct Selling Association policy, all Independent Ambassador marketing both in digital and print must clearly appear as coming from an independent representative of the company. They must *not* lead the consumers to think that they are interacting with the Noonday Home Office.

6.3 Customer Email Lists

Noonday Collection provides Ambassadors with information about her Customers and Team Members through the Ambassador Studio. This information is made available for the express purpose of supporting you and your personal team to further develop your Noonday business. You may use these lists only in connection with your Noonday business and for no other purpose. You must keep the lists confidential and must not make the lists available to third parties. You agree that any wrongful disclosure of the lists or the information on the lists will cause immediate and irreparable damage to Noonday and that the Company may pursue all legal remedies available against you if you violate this provision.

Ambassadors may utilize a Customer email distribution list as a marketing tool for their business. Customer email distribution lists are an acceptable method for communicating Ambassador-Driven discounts.

Email distribution lists must be limited to Customers who have given consent to be contacted via email and all emails must:

- Clearly identify the Independent Ambassador as the sender of the email.
- Advise recipients that they may reply to the email via the return email address provided.
- Provide the option for the recipient to unsubscribe from future communications.

6.4 Ambassador-Driven Discounts

Noonday Collection offers sales and promotions occasionally throughout the year. These are designed to be selling opportunities for Ambassadors, we use them sparingly and intentionally to protect the Noonday Brand.

Ambassadors are permitted to offer their own Ambassador-Driven discounts at their own expense.

- Ambassadors may offer Free Shipping to any audience.
- Ambassadors must not offer product discounts to a broad and unspecified audience on social media.
- Ambassadors must not offer unused Trunk Show Hostess Rewards as a discount offer to any audience.

6.5 Vendor Events

Ambassadors may participate in vendor events (i.e. holiday markets or neighborhood shopping events) as a way to grow their businesses. Ambassadors may use this opportunity to offer Ambassador-Driven Discounts, to collect orders that will be shipped to Customers, or to incentivize potential leads (i.e. Customers, Hostesses, or Ambassadors) to share their contact information. Noonday Collection prohibits cash-and-carry events, meaning that an Ambassador is *not* allowed to sell any physical items, including current or discontinued samples. Gift cards may be sold at a vendor event.

Vendor events should be set up in the Ambassador Studio as a Self-Hosted (Ambassador-Hosted) Trunk Show.

6.6 Charity Requests

Noonday Collection Home Office will occasionally participate in charitable events coordinated through our Marketing Department. If an Ambassador is asked to sponsor a charitable event in her local area, she is permitted to do so at her own expense and must clearly represent herself as an Independent Ambassador.

6.7 Media Engagement

An Ambassador must contact the Noonday Home Office at support@noondaycollection.com before participating in any local or national media plans. Noonday Home Office will initiate its own media affairs, features, and paid advertising opportunities through the following outlets: television, cable TV, radio, Internet, and newspaper media; as well as blogs, syndicated columns, broadcast shows, newsletters and magazine interviews.

If you are presented with an opportunity to promote your Noonday Collection Independent Ambassador business in the media, you must follow these guidelines:

- Ambassadors must always identify themselves as Independent Ambassadors.
- Each Ambassador must use the singular "I" versus the pronoun "We" to clearly state that she is not speaking on behalf of Noonday Home Office.
- It is against policy to leak product or confidential information prior to any launch.
- It is against policy to contact the press without permission from Noonday Home Office.
- It is against policy for an Ambassador to participate in press and advertising opportunities that will be
 distributed outside a 50-mile radius of where she lives, unless she has received approval from Noonday Home
 Office.

• It is against policy to reach out directly to celebrities, bloggers, influencers, national magazines, or other national media outlets on behalf of Noonday Collection.

SECTION VII: Social Media

Ambassadors may use social networking sites, blogs and other forms of internet communication to promote their Noonday businesses. Social media includes but is not limited to Facebook, Instagram and Pinterest. Ambassadors must follow the requirements below with regard to the use of social media in connection with their businesses.

7.1 Naming Guidelines

Ambassadors are permitted to use "Noonday" or "Noonday Collection" as part of their social media handles, but only when attached to a name. "Noonday" or "Noonday Collection" should not be attached to a location when used in a social media handle. For example, @noondayjane and @jane_noondaycollection are both acceptable; however, @noonday_austin is not permitted.

The recommended format for a Facebook Business page is "Ambassador Name, Independent Noonday Collection Ambassador." The Noonday Collection logo may *not* be used as the cover photo or profile photo on any Ambassador's social media account; however, Ambassadors are permitted to use the Noonday Collection Independent Ambassador logo.

7.2 Paid Ads

Ambassadors are permitted to utilize online paid advertising to market their Noonday businesses. The advertising geo-target may not exceed a 50-mile radius and must clearly show that the Ambassador is doing business as an Independent Ambassador.

7.3 VIP Customer Groups

A VIP Customer Group made up of a community of your Customers, Hostesses, friends and family on any social media platform can be an effective marketing tool for your Noonday business. Ambassadors may create VIP Customer Groups as a way to communicate information about their Noonday businesses. Ambassadors may promote Ambassador-Driven Discounts through VIP Customer Groups, but not through social media pages, such as personal Facebook pages, that have no defined audience.

7.4 Pre-Launch Sharing Guidelines

Noonday Collection launches a Fall Collection and a Spring Collection each year. With each launch, Ambassadors have the opportunity to purchase and receive samples from a new collection before it becomes available to the public. Ambassadors also have access to marketing materials for a new collection before the public launch of that collection.

Before a new line is launched to the public, Ambassadors may:

- wear new samples;
- provide a lookbook for the new line to the Hostesses who are hosting shows either on the public launch date or within a week of the public launch date;
- share mini-lookbooks with anyone; and
- share marketing materials on social media that are designated by Noonday Home Office for pre-launch use.

Before a new line is launched to the public, Ambassadors may *not*:

- display sample pieces from the new line;
- share photos of sample pieces from the new line on social media;
- distribute lookbooks for the new line to anyone other than the Hostesses defined above; or

share marketing materials on social media that are not approved by Noonday Home Office for pre-launch use.

7.5 Soliciting Through Social Media Comments

Ambassadors may not comment on Noonday Collection social media posts in order to drive sales and direct Customers to her Ambassador Personal Website (PWS).

SECTION VIII: Taxes and Financials

Ambassadors work as independent salespeople, or contractors, for Noonday Collection. As such, you are responsible for paying local, state, and federal taxes on any income earned as an Ambassador.

8.1 Income Tax (1099)

If you have earned more than \$600 in taxable income within the calendar year, Noonday Collection will report earnings to the IRS by filing a Form 1099. A copy of the Form 1099 will be emailed to you prior to January 31 of the following year. Noonday will not withhold taxes on your behalf.

Examples of income types included in an Ambassador's Form 1099 are:

- Cash Commission payments
- Cash Personal adoption donations
- Rewards Product and Business Tool credit, at amount earned less amount expired
- Rewards Product and Business Tools, at fair market value
- Rewards Ambassador Events, expenses earned and covered by Noonday
- Rewards Miscellaneous (recognition gifts and giveaways)

8.2 Updating Your Personal Information

If any of your personal information changes, such as your name or address, please update your Ambassador Studio immediately.

SECTION IX: Termination and Reactivation

9.1 Ambassador Activity Status

Ambassadors must sell at least \$250 PQS every 9 months to remain in Active status. The 9-month period is calculated on a rolling basis, taking into account the last 9 full calendar months.

If an Ambassador's total PQS over an 8-month period is not at least \$250, her status will be changed to Pending Deactivation. She will still be eligible to earn commission on Personal Commissionable Sales (PCS) and coaching commissions on her Team Commissionable Sales (TCS) while in Pending Deactivation status. An Ambassador can return to Active status while in Pending Deactivation status by selling PQS which brings her 9-month PQS total to \$250. She and her Coach will both receive email notifications when she moves to Pending Deactivation status.

If an Ambassador's PQS over the previous 9 months does not total at least \$250 during the month in which she is in Pending Deactivation status, she will be Deactivated as an Ambassador. She and her Coach will both receive an email notification of her final status change and she will:

- lose access to her Ambassador Personal Website (PWS) and Ambassador Studio;
- be removed from all Facebook pages moderated by Noonday Home Office;
- forfeit her Team Members when applicable;
- forfeit all unused Product Credit and Business Tool Credit; and
- forfeit Lifetime Commissionable Sales achievements for future use and activity.

Once an Ambassador has been Deactivated as an Ambassador, effective immediately she may not:

- represent herself as a Noonday Collection Independent Ambassador, or
- use or disclose Noonday Collection's Intellectual Property and Confidential information.

Home Office will extend a one-month deactivation grace period to any Ambassador in Pending Deactivation status who is dealing with an extenuating personal circumstance. To make a request, you must submit a written explanation to support@noondaycollection.com. If approved, your Ambassador status will remain in Pending Deactivation status and you will have an additional month in which to return to Active status.

9.2 Resigning as an Ambassador

If you no longer wish to continue as an Independent Ambassador with Noonday Collection, you must submit a written resignation to support@noondaycollection.com. The Support Team will reply by email to confirm termination of your Ambassador Agreement and update your status to Pending Resignation. You are still eligible to receive a final commission payment for any current month sales as a Pending Resignation Ambassador. After that month's commissions are processed, your status will become Resigned. At this time, you will:

- lose access to your Ambassador Personal Website (PWS) and Ambassador Studio;
- be removed from all Facebook pages moderated by Noonday Home Office;
- forfeit your Team Members when applicable;
- forfeit all unused Product Credit and Business Tool Credit;
- forfeit Lifetime Commissionable Sales achievements for future use and activity.

Once you have resigned as an Ambassador, effective immediately you may *not*:

- represent yourself as a Noonday Collection Independent Ambassador, or
- use or disclose Noonday Collection's Intellectual Property and Confidential information.

9.3 Reactivation Policy

You are welcome to re-apply as a Noonday Collection Independent Ambassador after a 3-month waiting period from your Deactivation or Resignation date. You will begin a new Runway Period and have the opportunity to take advantage of Runway Rewards during this time. No historical data from your previous time as an Ambassador will be joined to your new Ambassador account.

At the time of re-joining, you must:

- sign a new Ambassador Agreement and be assigned a new Ambassador ID,
- purchase a new Starter Collection,
- select a Coach (you may select your previous Coach, but you will join as a new branch to her Team).

9.4 Home Office Termination

Noonday Home Office reserves the right to remove an Ambassador for non-compliance with the Ambassador Agreement, effective immediately. *Ambassadors who are terminated by the Noonday Home Office are not permitted to re-join at any time.*

SECTION X: Noonday Artisan Partners

10.1 Ambassador Reward Trips

Noonday Collection offers Ambassadors the opportunity to earn Ambassador Reward Trips to visit Noonday Artisan Partners on annual trips curated by Noonday Home Office. Trip dates, destinations and itineraries will vary each year. Ambassadors must qualify for Ambassador Reward Trips based on sales and coaching achievements defined by Home Office; qualifications are subject to change each year. Current-year qualification requirements can be found in the My Trip section of your Ambassador Studio.

An Ambassador who qualifies to travel on an Ambassador Reward Trip must be an Ambassador at the time of the trip to attend. An Ambassador who is Deactivated or Resigns before her trip date forfeits her attendance as well as any trip deposit and payments. Ambassador Reward Trip qualifications do not roll over to the following year, so if an Ambassador qualifies but cannot attend one of the trips in that qualifying year, she forfeits her Ambassador Reward Trip invitation.

Ambassadors traveling on Ambassador Reward Trips are welcome to share images and stories on social media during the trip. However, it is of utmost importance that Artisans' private information and specific locations are not shared publicly. Social media can help us build global connections but can also present potential risk to Artisan Business Partners if too much information is shared.

We ask you to partner with us to help maintain the privacy and dignity of our Artisans, their families and their communities by adhering to these social medial guidelines when traveling on an Ambassador Reward Trip:

All traveling Ambassadors must:

- Ask permission Before you take someone's photograph, whether they are an Artisan or someone you meet on your trip, you should ask for explicit permission, especially when taking pictures of homes or children.
- Protect privacy For your own safety and the safety of our Artisan Partners, always avoid sharing exact locations by turning off your location services. Never check into or tag exact locations on social media.
- Be sensitive Pause and think before posting: "Is this personal information Artisans may not want shared on social media?" Consult your Home Office Trip Leader if you are unsure.
- Enjoy the moment! We know you want to capture every moment of your trip, but take some time to put your
 phone away in order to connect with people and to experience the country that you are visiting. Understand
 there may be times when Noonday will ask one person to be responsible for taking photos and ask everyone
 else to put their cameras and phones away.

All traveling Ambassadors must not:

- Share Confidential Information. Do not share names and locations of Artisan partner's homes or workshops.
- Be a "poverty tourist". As Americans traveling to a developing country, it is easy to feel overwhelmed by what we perceive as poverty. *Do not* share images or stories that do not respect people's dignity. When you are considering whether or not to share a photograph, consider this: "Would I want this photo shared if I was the person in the photograph? How it would make me feel?"
- Create comparative poverty. Be sensitive to the reality that many people living in developing countries cannot
 afford the technology we can. Sometimes it is best to put your phone or camera away and focus on connecting
 with a person.
- Complain. Do not disclose any complaints that you have about your trip or travel experience on social media. If
 you have concerns, reach out to your Home Office Trip Leaders first. If complaints cannot be resolved by
 them, contact the Home Office at support@noondaycollection.com.

10.2 Communicating with Artisan Partners

Noonday Collection is very mindful that our Artisan Partners' core focus is producing beautiful handmade pieces and running a business. We believe strongly in the idea that "we are connected," and we encourage connections among Ambassadors and Artisan Partners in the appropriate setting such as Ambassador Reward Trips and any Noonday events (i.e. Shine and Amplify) at which Artisan Partners are in attendance.

Ambassadors should adhere to these guidelines when communicating with Artisans outside of Ambassador Reward Trips and Noonday events:

• Ambassadors may "follow" or "friend" an Artisan Partner business whose public retail store has a social media presence.

- Ambassadors may "follow" or "friend" an Artisan Partner Leader whom you have personally connected with on an Ambassador Reward Trip or at a Noonday event.
- Ambassadors *should not* "follow" or "friend" anyone who appears to work for an Artisan Business Partner but with whom you have not personally connected on an Ambassador Reward Trip or at a Noonday event. This is to protect the privacy and safety of both the Ambassador and the Artisan.
- Ambassadors should not initiate or engage in discussion with Artisans about Noonday Collection business. Noonday Home Office believes in complete transparency with our stakeholders – we provide a business update to Ambassadors at least once every Fall and Spring season, and we are in constant communication with Artisan Business Partners with regards to Noonday sales and upcoming orders. Any information shared outside of the context of the business as a whole can be misconstrued and cause potential damage to Noonday's stakeholder model.

Ambassadors should not visit Noonday Artisan Partners outside of an Ambassador Reward Trip unless:

- The Artisan Partner has a retail storefront or other area that is open to the public. Contact the Support Team for a list of Artisan Partners who have a retail store which is open to the public.
- Home Office facilitates a visit between the Ambassador and Artisan Partner. This does not happen frequently because we want to be respectful of our Artisan Partners' time and needs.

Ambassadors may purchase as a consumer from any Artisan Business Partner who has a public retail storefront (physical or online store). However, Ambassadors *are not permitted* to purchase from an Artisan Business Partner for the purpose of re-selling as stated in "Section 20. Artisan-Made Business Conflicts" of the Ambassador Agreement.

SECTION XI: Complaints and Conflict Resolution

11.1 Disruptive Team Relationships

In cases where an Ambassador/Coach relationship is strained to the point where it is disrupting the business of those individuals and other Ambassador, please contact the Home Office who will mediate on a case-by-case basis.

11.2 Grievances and Complaints

If an Ambassador has a grievance or complaint about another Ambassador, company culture, training, etc. please contact the Noonday Home Office for review.

ADDENDUM A: Ambassador Compensation Plan

Personal Sales Commissions

WEEKLY COMMISSION

20%

Total commission opportunity of **20% to 35%** on personal sales

MONTHLY PERFORMANCE REWARDS

	Monthly Sales	Monthly Commission Bonus	Monthly Product Credit
Qualified	\$250	+5%	-
Radiance Rewards	\$1,000 \$2,500 \$5,000	- +3% +5%	\$50 \$100 \$150

LIFETIME STAR COMMISSION

Lifetime Sales	Monthly Commission Bonus					
\$100,000	+2%					
\$250,000	+5%					

Team Sales Commissions

Coaching Path	Ambassador	Senior Ambassador	Team Leader	Senior Team Leader	Manager	Senior Manager	Director	Senior Director	Executive Director
MONTHLY QUALIFICATIONS									
Personal Qualifying Sales	\$0	\$250	\$500	\$750	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Personally Enrolled and Qualified		1	2	2	3	4	6	6	8
Team Qualifying Sales				\$3,000	\$10,000	\$20,000	\$40,000	\$40,000	\$40,000
Branch Leadership					1 Team Ldr+	2 Team Ldrs+	2 Mgrs+	3 Mgrs+	6 Mgrs+
Organizational Qualifying Sales								\$150,000	\$300,000
COACHING COMMISSIONS (Paid on LCS)									
Level 1		6%	8%	9%	10%	11%	12%	13%	14%
Level 2				4%	4%	5%	5%	6%	6%
Level 3					2%	2%	3%	3%	3%

Ambassador Reward Trips



In addition to earning commissions, Noonday Ambassadors can earn the opportunity to travel internationally on **Ambassador Reward Trips** to experience the people and cultures of the Artisan communities with which Noonday Collection partners

NOONDAYCOLLECTION.COM EFFECTIVE AUGUST 1, 2022



Sales Terms

Personal Sales Commissions: Category of commissions that is paid on PCS to incentivize and reward individual weekly sales activity, monthly sales totals, and cumulative lifetime sales

Weekly Commission: 20% Commission on PCS, paid weekly

Qualified: Status of an Ambassador who sells \$250 or more in monthly PQS, which qualifies an Ambassador for a monthly commission bonus

Monthly Commission Bonus: Commission paid monthly on monthly PCS that is in addition to the weekly commission; Qualified status, Radiance Rewards, and Lifetime Star Commission offer the three monthly commission bonus opportunities

Radiance Rewards: Additional commission and product credit earned by reaching PQS thresholds in a calendar month; paid on all PCS within the current month

Star Commission: Monthly commission bonus opportunity earned after reaching LPQS thresholds; paid on all PCS within the current month when Qualified status is achieved

Personal Qualifying Sales (PQS): Sales (excluding Hostess Rewards) after discounts, before tax and shipping; used for qualification purposes (e.g. Radiance Rewards, Star Status, and Paid-As title achievement)

Personal Commissionable Sales (PCS): Personal Qualifying Sales adjusted for any items with a commissionable value below the full retail value; used to calculate commission earnings

Monthly Sales: PQS earned in a calendar month

Lifetime Sales: See Lifetime PQS

Lifetime PQS (LPQS): Noonday career PQS less returns

Total Team Sales (TTS): Aggregate PQS of Level 1 through Level 3

Team Qualifying Sales (TQS): TTS, subject to Maximum Branch Contribution

Organization Qualifying Sales (OQS): Combined PQS of downline, infinite levels deep

Team Commissionable Sales (TCS): 70% of the aggregate PCS for Level 1 through Level 3

Level Commissionable Sales (LCS): 70% of PCS at each Level of a Team; used to calculate monthly Coaching Commission earned at each Level

Organizational Terms

Level: Horizontal structure of an Organization

Branch: Vertical structure of an Organization; initiated by each Level 1 Ambassador

Coach: An Ambassador who has enrolled another Ambassador and currently has at least one active Level 1 team member

Team: All Ambassadors on a coach's Level 1 through Level 3

Organization: All Ambassadors in a coach's downline, infinite levels deep

Roll-up: When an organization shifts up at least one level to the next active Ambassador in an upline after the departure of a coach

Coaching Terms

Team Sales Commissions: Category of commissions that is paid on TCS to incentivize and reward personal recruiting, team engagement, and leadership development

Monthly Qualifications: Personal and team activity thresholds that establish standards for each Paid-As Title and their associated Coaching Commission payout percentages

Paid-As Title: Coaching Title achieved based on monthly qualifications; determines potential Coaching Commissions

Peak Title: The highest Paid-As Title to which an Ambassador has promoted on the Noonday Coaching Path

Promote: To reach a new Peak Title

Personally Enrolled: A Level 1 team member who originally enrolled to become an Ambassador under current Level 1 upline coach; examples of Level 1 team members who are not personally enrolled include team

members who were assigned to a coach or became a Level 1 team member after a Roll-up

Personally Enrolled and Qualified Team Members (PEQ): Personally enrolled Ambassador with \$250 in PQS within one month

Maximum Branch Contribution (MBC): Rule that limits any one branch to 50% of TQS for Paid-As Title qualification

Branch Leadership: Highest Paid-As Title on each Branch from Level 1 through Level 3

Coaching Commission: Monthly commission earned based on Paid-As Title achievement; paid on Level Commissionable Sales, ranging from Level 1 through Level 3

ADDENDUM B: Commissions Structure for Select Product Categories

The commissions structure for select product categories is calculated differently on certain product categories as listed below.

Handbags, Home, and Gift Sets (SKU's beginning with 'HB', 'HO', 'GS')

- PCS is awarded at 80% of the retail price.
- PQS is awarded at 100% of the retail price.
 - Example: \$200 retail price on a handbag equals:
 \$200 in PQS and \$160 PCS
 \$160 PCS * 20% base commission = \$32 commission
- 100% of the retail (PQS) value of handbags, home items, and gift sets will count toward qualifying sales for Monthly Performance Rewards, Star Commissions, Paid-As title qualifications, and other qualification programs (i.e. Ambassador Trips).

Coffee

- Ambassadors earn 10% flat commission on coffee sales. This will show as a new commission field called 'PCS10'.
- PQS is awarded at 100% of the retail price.
 - Example #1: \$18.99 retail price on one bag of coffee equals:
 \$18.99 in PQS and \$18.99 in PCS10
 \$18.99 PCS10 * 10% flat commission = \$1.90 commission
 - Example #2: An Ambassador sells a total of \$200 PQS in one month, \$100 PQS through jewelry sales and \$100 PQS through coffee sales:
 \$100 PQS in jewelry sales = \$100 PCS; \$100 PCS * 20% base commission = \$20 commission
 \$100 PQS in coffee sales = \$100 PCS10; \$100 PCS10 * 10% flat commission = \$10 commission
 Total monthly commission = \$30
- 100% of the retail (PQS) value of coffee will count toward qualifying sales for Monthly Performance Rewards, Star Commissions, Paid-As title qualifications, and other qualification programs (i.e. Ambassador Trips).
- Monthly commissions bonuses (Qualified, Radiance Rewards) and Star Commissions do not apply to coffee commissions.
 - Example: An Ambassador sells \$2,500 PQS in one month, \$2,000 PQS through jewelry sales and \$500 PQS through coffee sales:
 Achieves Radiance Rewards by reaching \$2,500 PQS

\$2,000 PQS in jewelry sales = \$2,000 PCS; \$2,000 PCS * (20% base commission + 5% Qualified commission bonus + 3% Radiance Reward commission bonus) = \$560 commission \$500 PQS in coffee sales = \$500 PCS10; \$500 * 10% flat commission = \$50 Total monthly commission = \$610

- 100% of your team's coffee sales contribute to your Team Qualifying Sales
- Your team's coffee sales do not contribute to your Team Commissionable Sales