

stella & dot

COMPENSATION PLAN

get set for rewards!

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OVERVIEW

The Stella & Dot Compensation Plan offers you the ability to be in control of your income. Many Stylists work part-time, while others choose to reap the rewards of a full-time business. It's simple, profitable and fun! Stella & Dot offers unlimited potential with a custom fit. Our compensation plan is designed to reward the key behaviors of success, which include personal sales, team growth and leadership development. As you promote yourself up the Stella & Dot Career Path, you increase your earnings.

Stylists earn up to 35% retail commission from all personal sales.

WEEKLY SALES*	AVG MONTHLY SALES*	PERSONAL COMMISSION**	AVG MONTHLY EARNINGS
£250/€250	£1,000/€1000	25%	£250/€250
£575/€575	£2,300/€2300	30%	£690/€690
£1,250/€1250	£5,000/€5,000	32%	£1600/€3500
£2,500/€2500	£10,000/€10,000	35%	£3,500/€3500

*excluding VAT and shipping. ** personal commission %s are determined by a Stylist's total personal qualifying volume in each month. The %s in this example are based on average monthly sales to monthly PQV ratios.

Stylists also enjoy earning DISCOUNTED PRODUCT and BUSINESS SUPPLY CREDITS based on their personal sales and sponsoring.

Build a team and increase your earning potential with unlimited team commissions!

You'll be expanding our mission, helping others find happiness and growing your income. When you sponsor others to join your team, you'll earn commissions on their sales. Your commission percentage will depend on your Pay Rank. As you develop a larger and more successful team, you will promote up the ranks and earn a higher percentage of your team's sales.

WHAT IS YOUR GOAL?	CAREER RANK	AVERAGE MONTHLY EARNINGS (£)	AVERAGE MONTHLY EARNINGS (€)	HOURS PER WEEK (EST)
extra fun and spending money	STYLIST	£125	150 €	3-5
	LEAD STYLIST	£375	450 €	
	ASSOC. STYLIST	£715	870 €	
part-time, flexible and rewarding business	SENIOR STYLIST	£950	1,150 €	8-12
	STAR STYLIST	£1,900	2,300 €	
executive business builder and large income	ASSOC. DIRECTOR	£3,000	3,800 €	15-25+
	DIRECTOR	£5,000	6,250 €	
	EXECUTIVE DIRECTORS	£9,800- £52,500	12000€ -70000€	

*All numbers represent averages. This is an illustration of commission potential, not a guarantee of earnings.

5 BEHAVIORS OF SUCCESS

This is a business that works when you work it! There is a proven path to success when you focus on high value activities that support these 5 key behaviors. No matter your goal, you'll follow the behaviors of success to get there. Stack up your BEHAVIORS OF SUCCESS to promote to the top of our Career Plan! Our innovative and generous compensation plan is designed to reward you for focusing on these key behaviors.



There are 4 Different Roles in our Compensation Plan, with 2-3 career levels within each, creating 11 Titles. Because our business is designed to be flexible and help you define success as happiness, each career level requires different efforts and offers commensurate rewards.

Roles & Career Levels

Behaviors

I. STYLIST ROLES			1. PERSONAL SALES
STYLIST	LEAD STYLIST		
2. TEAM LEADERS			2. PERSONAL SPONSORING 3. TEAM GROWTH
ASSOCIATE STYLIST	SENIOR STYLIST	STAR STYLIST	
3. DIRECTORS			4. DEVELOP LEADERS
ASSOCIATE DIRECTOR	DIRECTOR	SENIOR DIRECTOR	
4. EXECUTIVE DIRECTORS			5. DEVELOP EXEC LEADERS
STAR DIRECTOR	PLATINUM DIRECTOR	DIAMOND DIRECTOR	

HOW TO QUALIFY

Let's take a look in 2 steps... How You Qualify for each career level and then How You Earn rewards. You qualify for each career level based on 3 types of qualifications:

PERSONAL SALES	TEAM STRUCTURE	TEAM VOLUME
Monthly sales	Qualified Legs Active team size (see below for detail)	Group Qualifying Volume sales volume from the first three lines of your team
	Titled Legs Team members with a specified career level	Total Qualifying Volume sales volume from everyone in your team, infinite lines deep!

NOW, LETS COVER SOME KEY TERMS:

Don't worry about memorising them all right away as they are shown in your reports with definitions right there. Most of these terms are just clarifying your SALES.

PERSONAL RETAIL VOLUME (PRV)

PRV = your personal retail sales based on the local retail price, not including VAT, shipping or discounts. Your personal commission is based on PRV.

Example: A customer buys a £150 necklace on sale for £100. £16.66 VAT is included in the sales price.

PRV = £83.33 (£100-£16.66 VAT). Stylist earns 25% x £83.33 PRV = £20.83 cash commission. To calculate the PRV of an item, divide the retail price by 100% + the local VAT rate – i.e. 120% in the UK or 123% in Ireland.

Note: Some items or order types hold a lower PRV rate, such as charity items, orders referred to you from corporate, etc. Please see the chart in the appendix for a full list.

PERSONAL QUALIFYING VOLUME (PQV)

QV exists for the purpose of global alignment, assigning points to each item based on the US retail price. Globally, the QV of an item is based on the USD Retail price (1 QV is generally equivalent to \$1 USD) and the QV of an item will be the same in every country, regardless of local retail price. This system keeps things 'fair' so that equal sales activity is required across borders, regardless of currency changes. See APPENDIX for an example of how the price and QV associated with a given necklace compares globally.

For UK Stylists, as a rule of thumb, £1 PRV= approximately 1.5 QV. A necklace that retails for £100 has a PRV of £83.33 and approximately 125 QV. In Ireland, the 'rule of thumb' ratio is €1 PRV = approximately 1.3 QV. A €100 necklace is €81.30 PRV and approximately 106 QV. Stylists should always check their reports for their actual sales and QV figures.

PQV is simply the Qualifying Volume (QV) that you have personally sold.

QUALIFIED STYLIST A Stylist who has sold 500 PQV in the month.

PAY RANK VS CAREER RANK

Your Pay Rank determines your monthly commission rate for team coaching commissions and is based on your personal sales and the activity of your team within the month. This resets to Stylist at the beginning of each month and will progress with your activity. Your Career Rank is the highest

Pay Rank achieved within the past 6 months, and is used for recognition, sampling and your personal career title.

LEGS

A Leg begins with a Line 1 Stylist (someone you sponsored) and includes all Stylists beneath her. A Stylist has as many Legs as she has Line 1 Stylists. When you sponsor a new Stylist, you are adding a new Leg. Legs are used for the purposes of qualifying for a Pay Rank.

As a leader, legs motivate you to coach deeply on your team. Even if your L1 Stylists are not aiming to promote, you can promote as you develop those further down in your organisation.

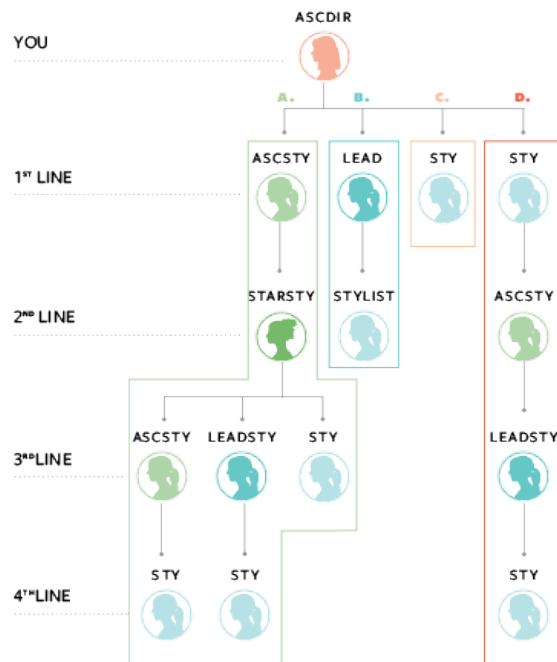
QUALIFIED LEG / TITLED LEG

A Leg is Qualified if there is at least 1 Qualified Stylist somewhere on that Leg. If there are multiple Qualified Stylists on a Leg, it still only counts as 1 Qualified Leg.

- **QUALIFIED LEG:** If anyone in a leg is qualified with 500PQV, it is a qualified leg.
- **TITLED LEG:** A leg with a Lead Stylist or above. The title of the leg is based on the stylist on the leg who has the highest Pay Rank month-to-date. This Stylist is called the 'Leg Leader'. If Emma is an Associate Stylist on your L1, but someone on her L4 is a Star, this is a Star leg for you (and for anyone above that Star).

All titled legs count toward the qualified leg requirements, as outlined for specific Pay Ranks, e.g. Star requires 3 qualified legs, including 1 Associate Stylist leg. The Associate Stylist leg counts as 1 of the qualified legs, so a Star needs a total of 3 legs: 1 Associate Stylist titled leg plus 2 additional qualified legs.

- A. Star Leg
- B. Lead Leg
- C. Stylist Leg
- D. Associate Stylist Leg



Exclusions: There is one category of Stylist who will not count toward your Qualified or Titled Leg Qualifications during her first 12 months after joining your team:

- **Adopted Stylists** are Stylists who weren't previously part of your downline team and were re-assigned to your team by the Home Office after their 1st month of enrollment

Adopted Stylists are a wonderful addition to your team and count toward your GQV & TQV and your coaching commissions! However, because these Stylists are familiar with Stella & Dot, they do not require the same start-up coaching as a new Stylist; and they are not on your first line as a result of personal sponsoring, a fundamental activity for career progression. Therefore, they will not count toward Qualified or Titled Leg qualifications during their first 12 months. After 12 months, they will count toward all qualifications in the same way as Personally Sponsored Stylists.

HOW TO EARN

PERSONAL COMMISSIONS	TEAM COMMISSIONS	BONUSES
<p>25-35% commission</p> <p>25% of PRV +</p> <p>Power Seller Bonuses +5% over 2,300 QV +7% over 5,000 QV +10% over 10,000 QV</p>	<p>Line Commissions</p> <ul style="list-style-type: none"> 4-9%, up to 2 Lines Extra 3% New Stylist Line 1 Commission <p>Generation Commissions for Star Stylists+: 1-2% bonus commissions on your entire organisation</p>	<p>Monthly Leadership Development Bonus £50-£75; €60-€90</p> <p>1st time promotion bonus £325/€375 - Star Stylist £500/€600- Associate Director</p> <p>Heart of Leadership Cash Bonuses £750-£40,000 €800-€46,000</p>

PERSONAL SALES COMMISSIONS OF 25-35%

Every Stylist earns a base 25% commission on Personal Retail Volume, paid weekly, right from the day you sign up. This includes sales at Trunk Shows, via your Personal Website (PWS) or individual orders.

CORPORATE REFERRAL ORDERS: When a customer places an order on our website, without specifying a Stylist, we gift that order to the closest Qualified Stylist. As a Stylist, you'll earn 5% commission on that order (i.e., the order is included in PRV, QV and CV but discounted to 20% of the full retail) and full commissions on any subsequent orders from the customer. We encourage you to reach out and offer delightful service to develop a loyal customer, hostess or even future Stylist!

POWER SELLER BONUSES

When your total sales volume in a month exceeds the following Personal Qualifying Volume (PQV) thresholds, you'll earn a higher percentage of your Personal Retail Volume (PRV) for that month. The additional 5-10% Power Seller bonus is paid out after month end, based on your total monthly sales volume.

PERSONAL QUALIFYING VOLUME	% POWER SELLER BONUS
2,300 - 4,999	25% + 5% = 30% of PRV
5,000 - 9,999	25% + 7% = 32% of PRV
10,000+	25% + 10% = 35% of PRV

Personal Sales Commission = Personal Retail Volume (PRV) x Retail Commission %

DECIDE HOW MANY TRUNK SHOWS BASED ON YOUR EARNINGS GOALS

UK				
Monthly Trunk Shows	Monthly Total PRV, including online orders	Monthly Total QV (UK)*	Commission %	Monthly Commission
2	£1,000	1,500	25%	£250
4	£2,000	3,000	30%	£600
8	£4,000	6,000	32%	£1,280
14	£7,000	10,500	35%	£2,450

Ireland

Monthly Trunk Shows	Monthly Total PRV, including online orders	Monthly Total QV (IE)*	Commission %	Monthly Commission
2	€ 1,200	1,560	25%	€ 300
4	€ 2,400	3,120	30%	€ 720
8	€ 4,800	6,240	32%	€ 1,536
13	€ 7,800	10,140	35%	€ 2,730

Based on average Trunk Show sales

*Based on average ratios of PRV to QV (1.5 in UK and 1.3 in IE); actual ratio may vary. Stylists should always check their reports in the Stylist Lounge for their actual PRV and QV figures.

SPONSOR TO EARN TEAM COMMISSIONS

Earn your first promotion and pay check bump.

When you sponsor, you are sharing an opportunity and increasing the impact of our mission. When those you sponsor succeed, so do you! You can earn unlimited Coaching Commissions on your team sales, and can promote through the Pay Ranks based on your team's size, structure and sales. Your upline leadership team is rewarded for co-training your team with you from Day 1. The percentage commission you earn on team sales depends on your Pay Rank. As you promote in Pay Rank, you earn increasing coaching commissions on the people you sponsor as well as those whom they sponsor and so on, down the line. You'll earn more on the same team sales as you increase your Pay Rank. Of course, team sales will be increasing at the same time, creating a double-impact of earnings growth for you!

- There are no territories; you can sponsor anyone within your country, and beyond.
- A team member can promote to any Rank and still be on your team, regardless of your Rank.
- It costs Stylists nothing to have a Sponsor; the company pays coaching commissions.
- The potential of coaching commissions is truly unlimited.



TITLES	STYLIST	LEAD STYLIST
Title Abbreviations	STY	LEAD STY
Qualifications	Enroll as a Stella & Dot Stylist 500 Monthly PQV to Qualify	500 PQV 1 Qualified Leg

All Stylists automatically hold a Stylist Pay Rank until they promote above it.

KEY TERMS TO KNOW

UPLINE LEADERSHIP/SPONSOR

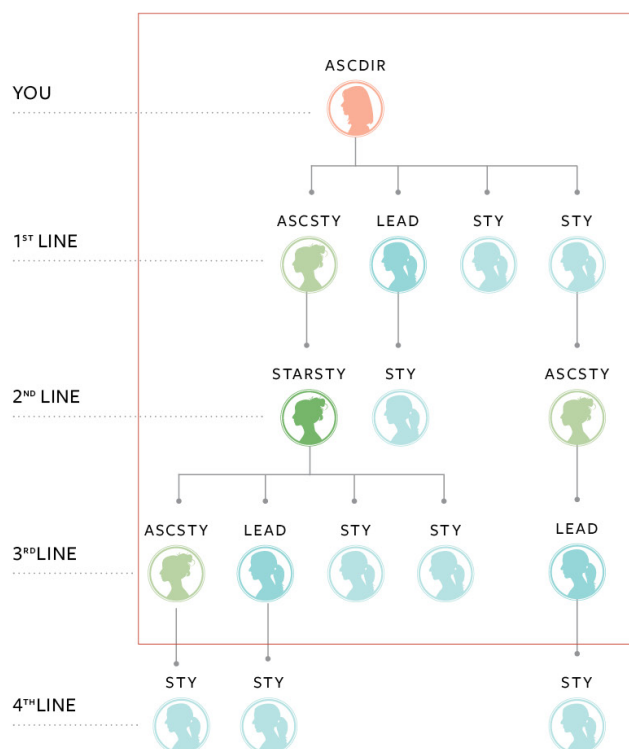
The person who sponsored you and is responsible for your coaching is your Sponsor. Your Sponsor, your Sponsor's Sponsor and her Sponsor, all the way up, are considered your upline leadership team. Everyone on your upline leadership team is motivated to help you advance in your career progression and is financially rewarded for your success. Don't be shy to reach out for help advancing to the next rank!

COMMISSIONABLE VOLUME (CV)

Commissionable Volume (CV) is the volume that is used as the basis for calculating Team Coaching Commissions. Think of it as wholesale. Commissionable Volume (CV) = 65% x Personal Retail Volume (PRV). Generally 100 PRV = 65 CV.

LINES & GROUP

Those you directly sponsor are called your first line Stylists. Those sponsored by your first line are your Line 2 and so on. Your Group is made up of your first 3 lines as outlined in the red box below.



LINE COMMISSIONS

Line commissions reward you for the sales of Stylists you sponsor (your Line 1) and for the Stylists they sponsor as well (your Line 2). Depending on your Pay Rank, you can receive a % commission on the CV of your Line 1 and Line 2 Stylists. Line Commissions = Commissionable Volume (CV) x Line Commission %. The % is determined by your Pay Rank:

- 4% - 9% of your First Line's CV, depending on your Pay Rank
- 0% - 5% of your Second Line's CV, depending on your Pay Rank

EXTRA 3% LINE 1 COMMISSIONS ON NEW STYLISTS

You are rewarded for coaching New Stylists on your first line with an additional 3% line commission on your new Stylist's CV during her first 60 days (her Jump Start period). This layers on top of the line commission you would earn at your Pay Rank.

TEAM LEADER ROLES

As you develop Stylists on your team you will be on track to becoming a Stella & Dot Leader and your monthly earnings will grow by helping your team members advance up the career path with you. As a Team Leader, you will be selling and sponsoring, and then working with your teams to help them do the same.

Star Stylist is the sweet spot of the Stella & Dot Compensation Plan. A Star Stylist has mastered the fundamental skills of this business: book, sell & sponsor and helps others do the same. This level offers incredible rewards and can still fit into a busy life. Many successful Star Stylists balance their Stella & Dot business with a full-time job and a house full of young children.

Stylists at this level typically spend 5-12 hours per week on their Stella & Dot businesses.



TITLES	ASSOCIATE STYLIST	SENIOR STYLIST	STAR STYLIST
Title Abbreviations	ASCSTY	SRSTY	STARSTY
Qualifications	1,200 PQV 1 Qualified Leg 3,000 GQV	1,500 PQV 2 Qualified Legs 6,000 GQV	2,300 PQV 3 Qualified Legs 1 ASCSTY Leg 12,500 GQV

WHAT'S NEW WHEN YOU PROMOTE TO THE TEAM LEADER ROLES:

- Group Qualifying Volume (GQV)
- Monthly Leadership Development Bonuses

For Star Stylists & Above

- First Time Promotion Bonuses and Heart of Leadership
- Generation Commissions

GROUP QUALIFYING VOLUME (GQV)

Group Qualifying Volume (GQV) is the sum of all the QV from a Stylist herself and all the Stylists on her 1st, 2nd and 3rd lines. GQV is used for Pay Rank qualification purposes and is a measure of Team Growth. You need different GQV levels to promote and hit your monthly Pay Rank: Associate Stylist requires 3,000 GQV, Senior Stylist 6,000 GQV, Star 12,500 GQV, and Associate Director 25,000 GQV. This requirement does not increase past the Associate Director level.

MONTHLY LEADERSHIP DEVELOPMENT BONUS

You receive a monthly cash bonus for each new Leg you personally sponsor and coach to achieve a Pay Rank of Associate Stylist or above for first 12 months of that Leg. How it works:

When you Sponsor, you are creating a new Leg. For your new Stylist's first twelve months (start month + 11 months), you can earn a bonus each month based on the highest title obtained in that Leg.

Bonuses begin at the Pay Rank of Associate Stylist (£50/€60) and go up to Star & Above (£75/€90). You must be an Associate Stylist (or above) Pay Rank to qualify for this bonus and you can only earn a bonus as high as your own Pay Rank. See appendix for detailed example.

Pay Rank of a New Leg (1 st year)	Cash Bonus Each Month
Associate Stylist	£50/€60
Senior Stylist	£60/€75
Star Stylist and above	£75/€90

FIRST TIME PROMOTION BONUSES:

Get ready to earn exciting cash bonuses for promoting to Star Stylist & Associate Director. When you qualify for the Pay Rank for the first time, you will receive a one-time cash bonus:

- Star Stylist: £325/€375
- Associate Director: £500/€600

HEART OF LEADERSHIP CHARMS

Beginning at the Star Stylist level, you can earn our Heart of Leadership Bracelet and Career Rank Charms. These are awarded the first time that you earn at the Star Stylist Pay Rank (or above) for 4 months in a row, and are awarded exclusively at our bi-annual national Stylist events.

GENERATION COMMISSIONS

Generations are groups within your team formed by the promotion to Star Stylist by anyone within your team. You can think of Generations as both coaching groups as well as bonus commission pools to reward you for coaching and development!

Each Generation starts with a Star Stylist or above and includes her entire downline organisation, down to - but not including - the next downline Star Stylist or above. Generations are based on Career Rank (not monthly Pay Rank).

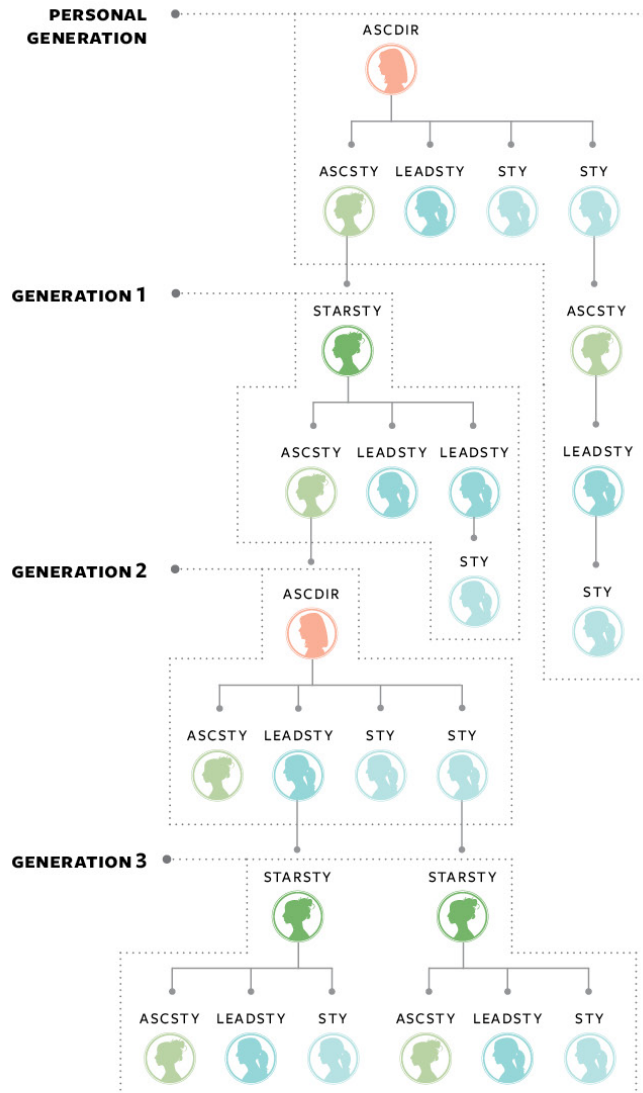
Generation Commissions reward you for promoting to Star Stylist & developing other leaders! They enable you to earn beyond your first 2 lines on your entire organisation.

PERSONAL GENERATION COMMISSION rewards you for coaching anyone in your organisation who would look up to you as their nearest Star Stylist (or above). It also pays you additional commission for your personal sales since you are included in that generation!

A Star Stylist (or above) earns commission on the Commissionable Volume (CV) of everyone in her Personal Generation (for whom she is the nearest upline Star Stylist), regardless of whether they are on her Line 1, her 5th line or infinitely beyond.


GENERATION 1 COMMISSIONS reward you for developing team leaders (Star Stylists) within your organisation. A new Generation forms at each Star Stylist (or above), i.e. Generation 1 starts with your nearest Star Stylist and Generation 2 would start with the next Star Stylist below her.

GENERATION 2 (AND BEYOND) reward you for coaching other leaders to develop Star Stylists (and above) too.



TEAM DIRECTOR ROLES

Ready to shoot beyond Star Stylist and promote to the Executive Ranks? Grow your team to increase your leadership impact on others, all while you grow your earnings. As you progress up the compensation plan to ASSOCIATE DIRECTOR and beyond, you will be rewarded for coaching other Stylists to master the key behaviors of success.



TITLES	ASSOCIATE DIRECTOR	DIRECTOR	SENIOR DIRECTOR
Abbreviations	ASCDIR	DIR	SRDIR
Qualifications	2,300 PQV 4 Qualified Legs 1 ASCSTY Leg +1 STARSTY Leg 25,000 GQV	2,300 PQV 4 Qualified Legs 2 STARSTY Legs 25,000 GQV 75,000 TQV	2,300 PQV 4 STARSTY Legs 25,000 GQV 150,000 TQV

WHAT'S NEW WHEN YOU PROMOTE TO THE DIRECTOR ROLE:

- Star Stylist Titled Leg requirement
- Non-Star GQV requirement
- Total Qualifying Volume- TQV (at Pay Ranks of Director and above)
- Heart of Leadership Cash Bonuses (at Pay Ranks of Director and above)

STAR STYLIST TITLED LEG REQUIREMENT

Associate Directors are required to have 1 Star Stylist leg, Directors to have 2 Star legs and Senior Directors to have 4 Star legs on their teams. These Star legs also count toward the Qualified Leg requirement.

NON-STAR GQV REQUIREMENT

To ensure leadership by example, our compensation plan requires senior leaders to maintain a personal team with volume equivalent to the requirement for Star Stylist. Thus, at the Director levels, 12,500 of the 25,000 total minimum GQV requirement (from first 3 lines) must come from your Non-Star Group. These are Stylists in your first 3 lines who are in your Personal Generation (i.e., you are their closest upline Star).

TOTAL QUALIFYING VOLUME (TQV)

This is a qualification for Director and above Pay Ranks. TQV includes the qualifying volume of you and your entire organisation, infinite lines deep. TQV grows fastest by developing depth in your organisation, which happens when leaders develop leaders below them and everyone promotes. Only 50% of a Director's TQV can come from any one leg. This ensures that leaders are developing multiple leaders in their organisation.

HEART OF LEADERSHIP BONUSES

Ready for a big cheque? One-time cash bonuses await you, in addition to a charm, when you achieve leadership consistency by earning your Pay Rank or above for 4 months in a row. This

bonus is paid the first time it is achieved at each Pay Rank, starting at the Director Pay Rank. These bonuses and awards are awarded exclusively at our bi-annual Stylist events e.g. Hoopla.

EXECUTIVE DIRECTOR ROLES

Once you arrive at the Executive Director roles of Star Director, Platinum Director or Diamond Director, you will be rewarded for not only promoting more Stars, but also for developing other executive leaders.



TITLES	STAR DIRECTOR	PLATINUM DIRECTOR	DIAMOND DIRECTOR
Title Abbreviations	STARDIR	PLDIR	DIDIR
Qualifications	2,300 PQV 4 STARSTY Legs +2 DIR Legs 25,000 GQV 400,000 TQV	2,300 PQV 5 STARSTY Legs +2 DIR Legs +1 SRDIR Leg 25,000 GQV 1,000,000 TQV	2,300 PQV 6 STARSTY Legs +3 SRDIR Legs +1 STARDIR Leg 25,000 GQV 2,500,000 TQV

What's new when you become an Executive Director:

- Director Titled Leg requirements
- Newly-promoted Star requirement

DIRECTOR TITLED LEG REQUIREMENTS

Team Structure qualifications for Executive Directors include not only Star Stylists, but also Directors and above.

NEWLY-PROMOTED STAR REQUIREMENT

Starting one year after initial Executive Director Promotion, a leader must have a newly promoted Star Stylist within every rolling 12 month period. This means, someone who was in the leader's Personal Generation must promote to Star Stylist (or above), thereby moving into the leader's 1st Generation.

A Star Stylist will be considered 'newly promoted' if the Star Stylist had not held the Career Rank of Star Stylist or above in the prior 12 months before this promotion (i.e., had not earned the Pay Rank of Star Stylist or above in the past 18 months).

PRODUCT CREDITS & ADDITIONAL REWARDS

Feel truly appreciated for your hard work. Earn exclusive gifts, amazing experiences and Glam Getaways with bonuses and profit-boosting programs that go beyond the basics of our plan.

EARN DISCOUNTED ACCESSORIES

Be rewarded with discounts and credits for new accessories every season!

PRODUCT DISCOUNTS

BASED ON SALES & PAY RANK

- 25% Personal Discount for all active Stylists
- 50% Sampling: Sell 250 QV in the previous 3 month season, qualify for 50% off each new line
- Plus seasonal 'earn your sample discount' promotions throughout the year. See the Stylist Lounge for the latest details

PRODUCT CREDIT* (PC)

- **£70/€80 QUALIFIED CONSISTENCY BONUS.** When you are Monthly Qualified (500 QV) in all 3 months of a quarter, receive £70/€80 PC.
- **£100/€120 STELLAR SELLER:** Sell 5,000 QV in one month, receive £100/€120 PC. Sell 10,000 QV, double it to £200/€240 PC. This award can be achieved every month.
- **£350/€400 Jump Start Promotion Matching Bonus-** Sponsor and help your new Stylist promote to Associate Stylist during her Jump Start. Both the new Stylist and her Sponsor earn £350/€400 PC each.

*Product Credits can only be applied to the net retail value of an item (the value excluding VAT), and VAT on the item is payable by the Stylist. For example: a Stylist wishes to use her product credits to purchase a necklace priced £100. The net retail value of the necklace is £83.33 and the VAT due is £16.67. The Stylist can use £83.33 of product credits but must pay £16.67 in cash. (Example based on UK VAT rate of 20%)

JUMP START FOR NEW STYLISTS

See the Jump Start Planner in the Stylist Lounge for full details on additional rewards for the first 60 days in business.

BUSINESS SUPPLY CREDITS (BSCs)

2% of your PRV as Business Supply Credits: Earn Business Supply Credits every month that you sell over 500 QV. Redeem Business Supply Credits on essential paper business supplies such as Order Forms, Look Books, etc. Business Supply Credits cannot be used to purchase jewellery and accessories or display items. They are issued weekly as earned and can be applied at checkout. Business Supply Credits expire after 180 days

NOTE:

- Product Credits apply to accessories only (not business supplies or display items).
- Amount is deducted from the full retail price of the item (i.e., the Stylist 25% or 50% sampling discount does not apply).

- Business Supply Credits apply to paper materials only, e.g., Look Books, order forms, etc.
- PCs & BSCs expire after 180 days.

GLAM REWARDS

Live the lifestyle you deserve with amazing trips and prizes! Earn points based on your personal and team sales. Qualifications vary based on incentive.

STYLE COUNCIL

Stylists who are consistent and strong sellers throughout the year are rewarded with membership in our Style Council.

REWARDS:

Benefits include recognition at Hoopla, Product Credit awards, access to product sneak peeks and opportunities to provide feedback directly to the Design Team and Home Office.

- **Product Credit Award:** £340/€400 PC every 6-month term.

QUALIFICATION PERIODS:

- Spring Style Council: July – December
- Fall Style Council: January – June

QUALIFICATIONS:

- £30,000/€40,000 in sales in the Qualification Period
- OR earn at the Pay Rank of Associate Director or above during 4 out of 6 months of the Qualification Period.

ELITE MEMBERSHIP:

- Rewards: Additional perks such as access to our Elite Suite and backstage passes at Conferences.
- Qualifications: Sell £60,000/€80,000+ from 1st July - 30th June

APPENDIX

WHAT'S INCLUDED IN PRV, QV, CV

	Personal Retail Volume (PRV)	Qualifying Volume (QV)	Commissionable Volume (CV)
USED TO CALCULATE:	Personal retail commissions	Pay Rank, Sample Discount, Incentives, etc.	Team Commissions
What's included?			
Customer orders	Local price net of tax/VAT and shipping	USD Retail Price net of tax/VAT and shipping	Local price net of tax/VAT and shipping - multiplied by 65%
Personal orders	Not included	Included at full retail value (before Stylist discount)	
Corporate Referral Orders	5% commission instead of 25% (PRV, CV, QV all discounted to 20% of full retail) $20\% * 25\% = 5\%$ commission		
Tax/Vat	Not included		
Shipping	Not included		
Discounts	Net of discount		
Charity products	15% commission instead of 25% (PRV, QV, CV all discounted to 60% of retail) $25\% * 60\% = 15\%$ commission		
Hostess orders	Items where a 40% off or Rewards credit is used are excluded Items purchased at full retail without applying Rewards are included		
Items purchased with store credit or product credit	Net of store credit/product credit		
Gift cards	Included when Gift Card is purchased, but not included when Gift Card is redeemed		
Starter kits	Not included		
Stylist sample orders (50% off)	Not included		
Marketing materials	Not included		
Returns / Adjustments	Subtracted out from total in period when return happens		

HOW QV WORKS GLOBALLY

Globally, the QV for each item sold is based on the USD retail price for that item. 1 QV is generally equivalent to \$1 USD retail. The QV of an item is the same in every country, regardless of local retail price.

Here is an example of how a necklace that retails for \$79 in the US translates globally:

	US	CAN	UK	DE/FR/IE
Customer Price	\$79 USD	\$84 CDN	£65 GBP	€79 EUR
Personal Retail Value (PRV) (for personal commissions)*	\$79 USD	\$84 CDN	£54 GBP	€65 EUR
QV (how you qualify)	79	79	79	79
CV (for team commissions) (65% of PRV)	51.35	54.60	35.10	42.25

*in the EU, PRV is net of VAT

PRV/CV Example

Amy qualified for the Associate Stylist Pay Rank in January, with 2 Stylists on her first line (Jane and Julie)

- Julie's PRV in January was £1000. Her PCV was therefore $£1000 \times 65\% = £650$
- Jane's PRV in January was £500. Her PCV was therefore $£500 \times 65\% = £325$
- Amy's first line GCV is therefore $£650 + £325 = £975$
- Amy earns 6% of Line 1 GCV (£58.50) in coaching commissions

MONTHLY LEADERSHIP DEVELOPMENT BONUS EXAMPLE

You are an Associate Stylist. You sponsor Lauren in January (her Month 1) and coach Lauren to launch successfully. By February, Lauren sponsors her first Stylist and by March (her Month 3) Lauren promotes to Associate Stylist. You will receive a £50/ €60 Monthly Leadership Bonus for Lauren in March, assuming you also earn the Associate Stylist (or above) Pay Rank in March.

In April, you continue to earn at your Pay Rank of Associate Stylist. Lauren also earns at her Pay Rank of Associate Stylist, awarding you another monthly bonus. You will continue to earn £50/ €60 each month so long as you maintain your Pay Rank or above and have an Associate Stylist or above in Lauren's leg, for Lauren's entire first year.

You must be the same level or higher to earn the Monthly Leadership Development bonus. For example, if Lauren promotes to Star Stylist, but you are still earning at the Associate Stylist Rank, you will only receive the Associate Stylist level of bonus (£50/ €60). During each of the first 12 months of a leg's existence, you may receive up to one bonus per leg, based on the highest title in the leg.

CAREER LEVELS AT A GLANCE



HOW TO QUALIFY

Enroll

PQV 500 to Qualify

HOW TO EARN

Retail Sales 25-35%

Extra 1st Line Commission for New Stylists 3% of CV

Sister Brand Referral Commission (US/CAN Only)



STY



HOW TO QUALIFY

PQV 500

Qualified Legs 1

HOW TO EARN

Retail Sales 25-35%

1st Line Commission 4% of CV

Extra 1st Line Commission for New Stylists 3% of CV

Sister Brand Referral Commission (US/CAN Only)



STY



HOW TO QUALIFY

PQV 1,200

Qualified Legs 1

GQV 3,000 from you + 3 lines

HOW TO EARN

Retail Sales 25-35%

1st Line Commission 6% of CV

Extra 1st Line Commission for New Stylists 3% of CV

Sister Brand Referral Commission (US/CAN Only)

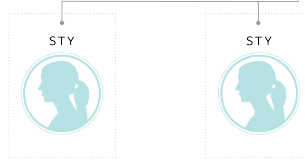
BONUSES

Monthly Leadership Development Bonus

Senior Stylist



HOW TO QUALIFY	
PQV	1500
Qualified Legs	2
GQV	6,000 from you + 3 lines



HOW TO EARN	
Retail Sales	25-35%
1st Line Commission	6% of CV
Extra 1st Line Commission for New Stylists	3% of CV
2nd Line Commission	3% of CV
Sister Brand Referral Commission (US/CAN Only)	

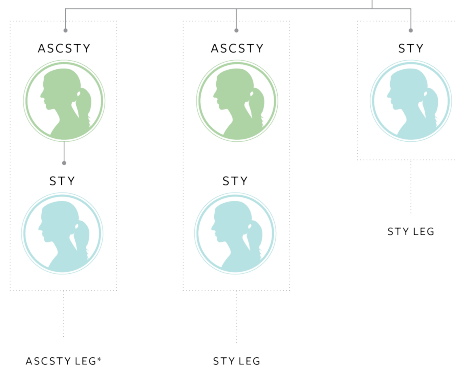
BONUSES	
Monthly Leadership Development Bonus	

* Titled legs are not required to be in your 1st line. The Qualified title can exist anywhere within that leg.

Star Stylist



HOW TO QUALIFY	
PQV	2,300
Qualified Legs	3
Titled Legs	1 Associate Stylist Leg
GQV	12,500 from you + 3 lines



HOW TO EARN		
Retail Sales	25-35%	
1st Line Commission	9% of CV	
Extra 1st Line Commission for New Stylists	3% of CV	
2nd Line Commission	5% of CV	
Generation Commission	Pers Gen	1%
	Gen1	1%
Sister Brand Referral Commission (US/CAN Only)		

BONUSES	
Monthly Leadership Development Bonuses	
Pay Level Bonus	\$500/ £325/ €375
Heart of Leadership Bonus	Charm
Founding Leader Family Bonus (NA)	1 Share

* Titled legs are not required to be in your 1st line. The Qualified title can exist anywhere within that leg.

* Family Bonus Shares only for those Paid-At Star Stylist or above in Oct, Nov, or Dec 2014.

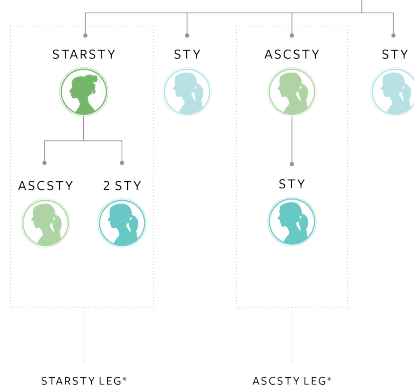
Associate Director



HOW TO QUALIFY

PQV	2,300
Qualified Legs	4
Titled Legs	1 ASCSTY Leg +1 STARSTY Leg
GQV	25,000 from you + 3 lines ¹

¹ 12,500 GQV must be from Non-Star Group



HOW TO EARN

Retail Sales	25-35%	
1st Line Commission	9% of CV	
Extra 1st Line Commission for New Stylists	3% of CV	
2nd Line Commission	5% of CV	
Generation Commission	Pers Gen	1%
	Gen 1	2%
Sister Brand Referral Commission (US/CAN Only)		

BONUSES

Monthly Leadership Development Bonuses	
Pay Level Bonus	\$750/£500/€600
Heart of Leadership Bonus	Charm
Founding Leader Family Bonus (NA)	2 Shares

* Family Bonus Shares only for those Paid-At Star Stylist or above in Oct, Nov, or Dec 2014.

* Titled legs are not required to be in your 1st line. The Qualified title can exist anywhere within that leg

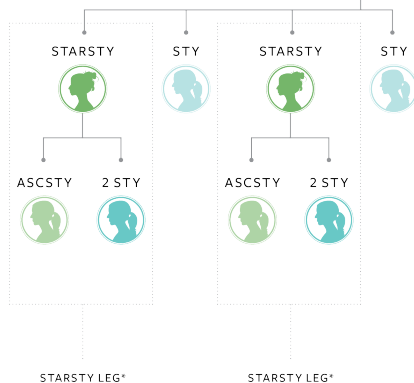
Director



HOW TO QUALIFY

PQV	2,300
Qualified Legs	4
Titled Legs	2 STARSTY Legs
GQV	25,000 from you + 3 lines ¹
TQV	75,000 ²

¹ 12,500 GQV must be from Non-Star Group
² Maximum of 37,500 TQV per leg



HOW TO EARN

Retail Sales	25-35%	
1st Line Commission	9% of CV	
Extra 1st Line Commission for New Stylists	3% of CV	
2nd Line Commission	5% of CV	
Generation Commission	Pers Gen	1%
	Gen 1	2%
	Gen 2	2%
Sister Brand Referral Commission (US/CAN Only)		

BONUSES

Monthly Leadership Development Bonuses	
Heart of Leadership Bonus	\$1,000/£750/ €800 + Charm
Founding Leader Family Bonus (NA)	3 Shares

* Family Bonus Shares only for those Paid-At Star Stylist or above in Oct, Nov, or Dec 2014.

* Titled legs are not required to be in your 1st line. The Qualified title can exist anywhere within that leg

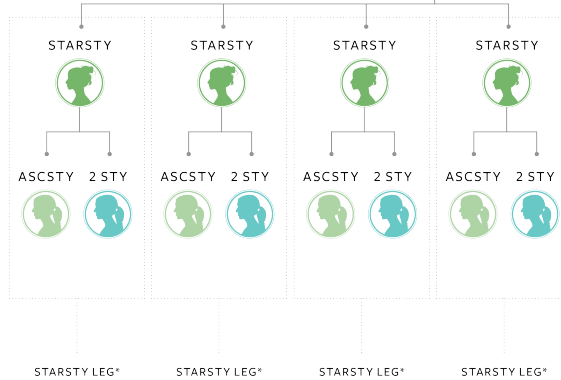
Senior Director



HOW TO QUALIFY

PQV	2,300
Titled Legs	4 STARSTY Legs
GQV	25,000 from you + 3 lines ¹
TQV	150,000 ²

¹ 12,500 GQV must be from Non-Star Group
² Maximum of 75,000 TQV per leg



HOW TO EARN

Retail Sales	25-35%	
1st Line Commission	9% of CV	
Extra 1st Line Commission for New Stylists	3% of CV	
2nd Line Commission	5% of CV	
Generation Commission	Pers Gen	1%
	Gen 1	2%
	Gen 2	2%
	Gen 3	1%
Sister Brand Referral Commission (US/CAN Only)		

BONUSES

Monthly Leadership Development Bonuses	
Heart of Leadership Bonus	\$5000/£3500/€4000 + Charm
Founding Leader Family Bonus (NA)	4 Shares

* Family Bonus Shares only for those Paid-At Star Stylist or above in Oct, Nov, or Dec 2014.

* Titled legs are not required to be in your 1st line. The Qualified title can exist anywhere within that leg

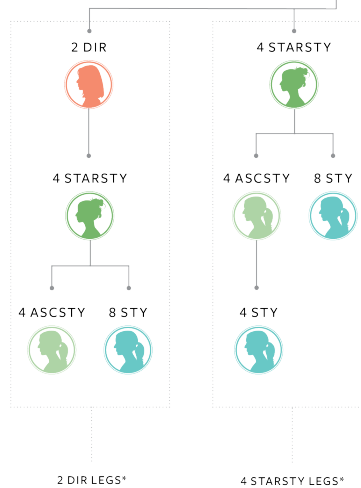
Star Director



HOW TO QUALIFY

PQV	2,300
Titled Legs	2 DIR Legs +4 STARSTY Legs
GQV	25,000 from you + 3 lines ¹
TQV	400,000 ²

¹ Develop 1 new 1st Generation STARSTY within the last 12 months
² 12,500 GQV must be from Non-Star Group
³ Maximum of 200,000 TQV per leg



HOW TO EARN

Retail Sales	25-35%	
1st Line Commission	9% of CV	
Extra 1st Line Commission for New Stylists	3% of CV	
2nd Line Commission	5% of CV	
Generation Commission	Pers Gen	1%
	Gen 1	2%
	Gen 2	2%
	Gen 3	1.5%
Sister Brand Referral Commission (US/CAN Only)		

BONUSES

Monthly Leadership Development Bonuses	
Heart of Leadership Bonus	\$10,000/£7,500/€8,000 + Charm
Founding Leader Family Bonus (NA)	5 Shares

* Family Bonus Shares only for those Paid-At Star Stylist or above in Oct, Nov, or Dec 2014.

* Titled legs are not required to be in your 1st line. The Qualified title can exist anywhere within that leg

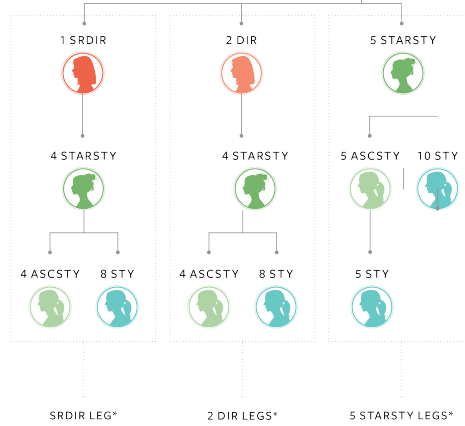
Platinum Director



HOW TO QUALIFY

PQV	2,300
	1 SRDIR Leg
Titled Legs	+2 DIR Legs +5 STARSTY Legs ¹
GQV	25,000 from you + 3 lines ²
TQV	1,000,000 ³

- 1 Develop 1 new 1st Generation STARSTY within the last 12 months
- 2 12,500 GQV must be from Non-Star Group
- 3 Maximum of 500,000 TQV per leg



HOW TO EARN

Retail Sales	25-35%	
1st Line Commission	9% of CV	
Extra 1st Line Commission for New Stylists	3% of CV	
2nd Line Commission	5% of CV	
Generation Commission	Pers Gen	1%
	Gen 1	2%
	Gen 2	2%
Gen 3	2%	
Sister Brand Referral Commission (US/CAN Only)		

BONUSES

Monthly Leadership Development Bonuses	
Heart of Leadership Bonus	\$25,000/ £20,000/ €23,000 + Charm
Founding Leader Family Bonus (NA)	6 Shares

* Titled legs are not required to be in your 1st line. The Qualified title can exist anywhere within that leg

* Family Bonus Shares only for those Paid-At Star Stylist or above in Oct, Nov, or Dec 2014.

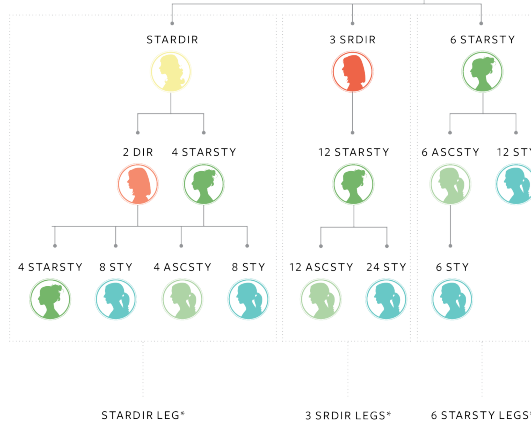
Diamond Director



HOW TO QUALIFY

PQV	2,300
	1 STARDIR Leg
Titled Legs	+3 SRDIR Legs +6 STARSTY Legs ¹
GQV	25,000 from you + 3 lines ²
TQV	2,500,000 ³

- 1 Develop 1 new 1st Generation STARSTY within the last 12 months
- 2 12,500 GQV must be from Non-Star Group
- 3 Maximum of 1,250,000 TQV per leg



HOW TO EARN

Retail Sales	25-35%	
1st Line Commission	9% of CV	
Extra 1st Line Commission for New Stylists	3% of CV	
2nd Line Commission	5% of CV	
Generation Commission	Pers Gen	1%
	Gen 1	2%
	Gen 2	2%
	Gen 3	2%
Gen 4	1%	
Sister Brand Referral Commission (US/CAN Only)		

BONUSES

Monthly Leadership Development Bonuses	
Heart of Leadership Bonus	\$50,000/ £40,000/ €46,000 + Charm
Founding Leader Family Bonus (NA)	7 Shares

* Titled legs are not required to be in your 1st line. The Qualified title can exist anywhere within that leg

* Family Bonus Shares only for those Paid-At Star Stylist or above in Oct, Nov, or Dec 2014.

	STYLIST		TEAM LEADER			DIRECTOR			EXECUTIVE DIRECTOR		
	STYLIST	LEAD STYLIST	ASSOCIATE STYLIST	SENIOR STYLIST	STAR STYLIST	ASSOCIATE DIRECTOR	DIRECTOR	SENIOR DIRECTOR	STAR DIRECTOR	PLATINUM DIRECTOR	DIAMOND DIRECTOR
<i>personal business</i>		500	1,200	1,500	2,300	2,300	2,300	2,300	2,300	2,300	2,300
PERSONAL SALES (PQV)											
SPONSORING: QUALIFIED LEGS		1	1	2	3	4	4	NA	NA	NA	NA
TEAM STRUCTURE					1 ASCSTY	1 ASCSTY 1 STARSTY	2 STARSTY	4 STARSTY	4 STARSTY 2 DIR	5 STARSTY 2 DIR 1 SRDIR	6 STARSTY 3 SRDIR 1 STARDIR
GROUP SALES (GQV)*			3,000	6,000	12,500	25,000	25,000	25,000	25,000	25,000	25,000
TOTAL QUALIFYING VOLUME (TQV)*							75,000	150,000	400,000	1,000,000	2,500,000
SALES COMMISSIONS (UK/IE/DE)			25-35% BASED ON MONTHLY PQV (1-2,299=25%, 2,300-4,999=30%, 5,000-9,999=32%, 10,000+=35%)								
SALES COMMISSIONS (FR)			25-33% BASED ON MONTHLY PQV (1-2,299=23%, 2,300-4,999=28%, 5,000-9,999=30%, 10,000+=33%)								
			25-35% BASED ON MONTHLY PQV (1-2,299=25%, 2,300-4,999=30%, 5,000-9,999=32%, 10,000+=35%)								
<i>coaching commissions</i>			25-35% BASED ON MONTHLY PQV (1-2,299=25%, 2,300-4,999=30%, 5,000-9,999=32%, 10,000+=35%)								
LINE COMMISSIONS		4%	6%	6%	9%	9%	9%	9%	9%	9%	9%
EXTRA 3% L1 ON NEW STYLISTS (L1 STYLIST'S 1ST 60 DAYS)		3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
GENERATION COMMISSIONS											
PERSONAL											
GEN 1					1%	1%	1%	1%	1%	1%	1%
GEN 2					1%	2%	2%	2%	2%	2%	2%
GEN 3							2%	2%	2%	2%	2%
GEN 4								1.5%	1.5%	2%	2%
PROMOTION BONUS					£32.5/€37.5 1ST TIME	£500/€600 1ST TIME	£750/€800 HOL	£3,500/€4,000 HOL	£7,500/€8,000 HOL	£20,000/ €23,000 HOL	£40,000/ €46,000 HOL
MONTHLY LEADERSHIP DEVPT			£/€ PER MONTH FOR 1ST YEAR OF LEG £50/€60 ASCSTY — £60/€75 SRSTY — £75/€90 STAR +								

* GQV: ASSOCIATE DIRECTOR+ MUST HAVE A MINIMUM OF 12,500 NON-STAR GQV. IN THE MONTH THAT SOMEONE IN YOUR GROUP PROMOTES TO STAR PAY RANK FOR THE FIRST TIME, THE NON-STAR GQV REQUIREMENT WILL BE WAIVED FOR THAT MONTH. IN THE FOLLOWING MONTH, THIS REQUIREMENT WILL BE REDUCED BY 50% (I.E., 6,250 GQV). * TOV = TOTAL QUALIFIED VOLUME. ONLY 50% OF YOUR TOV CAN COME FROM ONE LEG.
HOL= HEART OF LEADERSHIP
TITLED LEGS COUNT TOWARDS QUALIFIED LEGS, I.E. STAR REQUIRES 1 ASCSTY + 2 ADDITIONAL QUALIFIED LEGS

GLOSSARY

PERSONAL EARNINGS

Personal Retail Volume (PRV):

Sales commissions are 25-35% of Personal Retail Volume (PRV). PRV is your personal sales - equal to the local retail price of an item sold, net of VAT, shipping, and discounts. Retail Volume excludes Starter kits, Stylist personal orders, items purchased with Hostess Rewards or 40% off credits, and purchases made with Store Credit. PRV is lower for discounts, coupons, sale items, corporate referral orders, and charity products.

Personal Sales Commissions:

The commissions that you receive based on your personal sales.

Power Selling Bonuses:

All Stylists, regardless of Pay Rank can earn up to 35% on their Personal Retail Volume (PRV) by earning 5-10% extra commissions with the Power Selling Bonuses.

- Personal Commissions: Earn 25% on your Personal Retail Volume (PRV)
- Earn 30% Power Selling Bonus (extra 5%) when you sell 2,300 PQV
- Earn 32% Power Selling Bonus (extra 7%) when you sell 5,000 PQV
- Earn 35% Power Selling Bonus (extra 10%) when you sell 10,000 PQV

Customer Retail:

Published price of all items, minus discounts and minus items where hostess rewards are used. This is the basis for calculating hostess rewards. Stylist orders cannot be included. Note: In EU, Customer Retail includes VAT.

TEAM COMMISSIONS

Line Commissions:

When you are Qualified as Lead Stylist or higher, you will receive a percentage

commission on the sales of your Line 1 and Line 2 Stylists. Line Commissions will be calculated based on the total CV of your Line 1 and Line 2 Stylists. The percentage commission is determined by your Pay Rank. *Note: To qualify as a Lead Stylist, you need at least one Qualified Leg (i.e., one Stylist with 500 PQV or higher).*

Commissionable Volume (CV):

The basis for calculating Coaching Commissions. Commissionable Volume is generally equal to 65% multiplied by the Retail Volume. The exception is that CV includes Stylist Personal Orders (but still doesn't include Stylist 50% off sample orders or product credits). For example, if you sell £1000/ €1000 Personal Retail Volume, you have 650 CV.

Coaching commissions = commission % (based on Pay Rank) * 65% * (PRV + full retail value of Personal Orders)

Personal Commissionable Volume (PCV):

The Commissionable Volume (CV) that you have personally sold. For example, if you personally sell £1000/ €1000 PRV, you have 650 PCV (1000 x 65%).

Group:

A Leader's Group includes herself and all Stylists on her 1st, 2nd and 3rd lines (regardless of Titles).

Extra 3% Line 1 Commissions on New Stylists:

You are rewarded for coaching new Stylists on your first line with an additional 3% line commission on your new Stylist's CV during her first 60 days (her Jump Start). This commission layers on top of the line commission you would qualify for at your Pay Rank. This means, during your new Stylist's first 60 days, you would be earning 7% first line coaching commissions as a Lead Stylist or 9% as an Associate Stylist or above. You need to be Qualified (500 QV) in order to earn any line commissions, including the extra 3% on New Stylists.

Generation:

A Generation starts with a Star (or above) and includes her entire downline organisation, down to - but not including - the next downline Star (or above). A new Generation forms at each Star (or above), i.e., Generation 1 starts with your nearest Star and Generation 2 would start with the

next Star below her. This means that someone in your Generation 2 would have 2 Stars (or above) between you and them.

Generations have no limits on depth – i.e., if a Leader had a downline that was 12 lines deep with no Stars, everyone on her downline would be in her Personal Generation. Generations are determined based on Career Rank (not based on Pay Rank). Generations are used for calculating payouts, specifically for Generation Commissions.

Personal Generation:

As a Leader, your Personal Generation includes you and your entire downline organisation, excluding any other downline Leaders and their downline organisations.

Generation Commission:

Generation Commissions reward Leaders for developing depth in their organisations, i.e., developing other Leaders. When you are Qualified as a Leader, you can receive a percentage on the sales of the teams that develop below you. The number of Generations you are paid on and percentage payouts are based on your Pay Rank. Generation Commissions pay in addition to all of the other bonuses.

BONUSES

First Time Promotion Bonuses:

One-time cash bonuses based on promoting to Star Stylist or Associate Director for the first time. When you qualify for the Star Stylist Pay Rank for the first time, you will receive a one-time bonus of £325/ €375. When you qualify for the Associate Director Pay Rank for the first time, you will receive a one-time bonus of £500/€600.

Heart of Leadership Bonuses:

One-time cash bonuses awarded for consistently earning at a Pay Rank for 4 months in a row. This bonus is paid once for the first time it is achieved at each Pay Rank, starting at the Director Pay Rank.

Monthly Leadership Development Bonus:

As an Associate Stylist or above, you receive a cash bonus for each new Leg you personally sponsor and coach to achieve a Pay Rank of Associate Stylist or above, within the first 12 months of the enrollment date of the Line 1 Stylist on that Leg. The Monthly Leadership Development Bonus is paid

monthly for each month that the Leg earns at the Pay Rank of Associate Stylist or above (within the first 12 months of that Leg). This bonus rewards you for personally sponsoring and qualifying your new Stylist – and then coaching her to promote and maintain the Associate Stylist title and beyond.

Qualifications

Pay Rank:

A monthly achievement based on qualifications of PQV, GQV and team structure as detailed in the Compensation Plan. Used to determine team coaching commission rates for the current calendar month.

Career Rank:

The highest achieved Pay Rank within the last six months. When a Stylist promotes to a new Career Rank, she will maintain that Career Rank for six months. If at the end of six months, she loses her Career Rank, her Career Rank will be changed to reflect the highest Pay Rank achieved within the last six months. For example, if a Stylist promotes to Star in November, but is not paid at Star in December, January, February, March or April, her Career Rank will change to the highest Pay Rank achieved within those given months on 1st May.

Qualifying Volume (QV):

Globally, the QV of an item is based on the USD Retail price. 1 QV is generally equivalent to \$1 USD. QV excludes VAT, shipping, discounts and items purchased with Hostess Rewards. QV includes Stylist Personal Orders at their full USD retail volume (before 25% discount), but doesn't include Stylist 50% off sample orders.

Personal Qualifying Volume (PQV):

The Qualifying Volume (QV) that you have personally sold.

Group Qualifying Volume (GQV):

The sum of all the PQV from a Stylist herself and all the Stylists on her 1st, 2nd and 3rd lines. GQV is used for Pay Rank qualification purposes.

Non-Star GQV:

For purposes of Qualifications, Non-Star GQV is defined as a Leader's total GQV excluding any Leaders (Star or Above) and those Leaders' downline organisations. To qualify for Associate Director and above, a Stylist must have at least 12,500 Non-Star GQV.

Note: In the month that someone in your Group promotes to Star Pay Rank for the first time, the Non-Star GQV requirement will be waived for that month. In the following month, this requirement will be reduced by 50% (i.e., 6,250 GQV) (referred to as the 'Grace Period').

New 1st Generation Star:

To qualify for an Executive Director Pay Rank (i.e., Star Director or higher), Executive Directors must have at least one 1st Generation Career Rank Star (or above) who first promoted to Star within the past 12 months (on a rolling 12 month basis). This means that a Stylist who was previously in your Personal Generation earned at the Star (or above) Pay Rank for the first time during the last 12 months.

Note: This requirement is waived for the first year of promotion to a new Executive Director Pay Rank, i.e., you are not required to fulfill this qualification to promote or to earn at the Pay Rank during the 11 months that follow the first time you earn at a new Pay Rank.

Total Qualifying Volume (TQV):

The total Qualified Volume of your entire downline team – infinite lines deep.

Qualified Stylist:

A Stylist is Qualified if she has sold 500 PQV in a calendar month. To earn coaching commissions, a Stylist must be Qualified.

Leg:

Your Line 1 Stylist and her entire downline represent one Leg. Legs are used for the purposes of Qualifications. When you sponsor a new Stylist, you are adding a new Leg.

Titled Leg:

A titled leg is a leg with at least one Lead Stylist or above. The title of a Leg is based on the Stylist with the highest Pay Rank on that

Leg, regardless of which Line. This Stylist is the 'Leg Leader'. For example, if there is a Senior Stylist and a Director on a Leg, it is considered a Director Leg and the Director is the 'Leg Leader'.

Qualified Leg:

A leg is Qualified if there is at least 1 Qualified Stylist on the Leg (500 PQV). If there are multiple Qualified Stylists on a Leg, it still only counts as 1 Qualified Leg.

Compression/ Roll-up:

In order to maintain her downline organisation, a Stylist must Qualify with 500 PQV at least once within a rolling 6-month period. If a Stylist does not Qualify at least once within a rolling 6-month period, her team will Roll-Up to the nearest eligible Upline Leader.

Deactivated:

A Stylist whose Stylist account has been closed through non-renewal of annual agreement.

Downline Stylists

Personally Sponsored Stylists:

Personally Sponsored Stylists are Line 1 Stylists whom specifically entered your name/ ID number when they enrolled. This can mean either:

- You sponsored organically;
- You sponsored after receiving a Home Office Lead, i.e., you were assigned the Lead before she/he enrolled

Personally Sponsored Stylists count toward all coaching commissions, bonuses and Pay Rank qualifications.

Assigned & Rolled-up Stylists:

Assigned Stylists are Stylists who were assigned to your team, by the Home Office during the Stylist's first month of enrollment.

Rolled-up Stylists are Stylists who roll up to you due to an inactive downline who was the Stylist's upline.

Assigned and Rolled-up Stylists count toward all coaching commissions, bonuses and Pay Rank qualifications in the same way as a Personally Sponsored Stylist.

Cross-Over & Adopted Stylists:

Cross-Over Stylists are Stylists who were enrolled with a Sister Brand within the prior 6 months to enrolling in Stella & Dot. They will be considered Cross-Over Stylists whether or not they maintain enrollment with the Sister Brand after KEEP enrollment.

Adopted Stylists are Stylists who were not originally in your downline organisation and were re-assigned to your team at some point after their first month of enrollment.

Cross-Over and Adopted Stylists do not count toward your Team Structure qualifications for Pay Rank (Qualified Legs, Titled Legs) for their first year after assignment to your team. During this time, you will earn team commissions on their volume (line commissions and generation commissions) and their volume will count toward your volume qualifications (GQV & TQV). They also do not count for the Monthly Leadership Development Bonus. After 1 year, they will count the same way as a Personally Sponsored Stylist.