



AMBASSADOR
POLICIES AND PROCEDURES

CA/Dec/2019

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INTRODUCTION

These Policies and Procedures are designed to create and maintain a fair and equitable Ambassador opportunity and culture. It is your responsibility as an Ambassador to read and familiarize yourself with this document. This document will guide you in the operation of your S&D business and help you uphold the values and standards of our extraordinary community.

At times, it may be necessary to amend the Ambassador Agreement and these Policies and Procedures. We will notify you in advance of any amendments and you can always find the most recent version in your Lounge.

PRACTICING THE VALUES OF S&D

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

- Operating with integrity, ethics, professionalism and courtesy extended to customers, other Ambassadors, and all members of the S&D Corporate Office ("Home Office")
- Acting in good faith at all times.
- Providing helpful customer service in the spirit of developing long-term customer relationships.
- Refraining from making negative or disparaging comments or gossiping about others, Home Office, the Pay Plan, or our products.
- Abiding by all Policies and Procedures, never looking for loopholes or to skirt the intent of the Ambassador Agreement.

Company Information

Mailing Addresses and Phone Numbers

Home Office:

8000 Marina Boulevard, Suite 400
Brisbane, CA 94005 USA

Delight Center:

US and Puerto Rico: 800-920-5893
Canada: 866-444-7142

5820 Opus Drive
Groveport, Ohio 43125 USA

FOR QUESTIONS AND SUPPORT

If you have any questions about any part of the S&D Ambassador Agreement, including the Policies and Procedures, please contact compliance@stelladot.com. Please see your Lounge for contact list by department.

Section 1 GETTING STARTED AS AN AMBASSADOR

1.1 Qualifications

You become a S&D Ambassador once your completed Ambassador Agreement has been accepted by Home Office. To be a S&D Ambassador, you must:

- (a)** Be eighteen (18) years of age or older
- (b)** Be authorized to work in the United States or Canada and have a valid Social Security Number, Taxpayer Identification Number or Social Insurance Number
- (c)** Have a valid default Credit or Debit Card on file at all times
- (d)** Sign up on the corporate website by submitting the online form which includes the electronic acceptance of your Ambassador Agreement and these Policies and Procedures. You will also need to purchase a Starter Kit.

1.2 Ambassador Agreement

You are required to read and accept the online Ambassador Agreement. These Policies and Procedures are incorporated into and are a material part of the Ambassador Agreement. The Ambassador Agreement defines the role and responsibilities of an Ambassador. It is imperative for Ambassadors to read and fully comply with the Ambassador Agreement upon signing-up. Violation of any of the provisions of the Ambassador Agreement or these Policies and Procedures may result in termination of your Ambassador Agreement, the impact of which is outlined in the Termination and Effects of Termination policies of these Policies and Procedures.

1.3 One Ambassador for Each Ambassador Agreement

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

You may sponsor and/or reside at the same address as another S&D Ambassador regardless of relationship, marital or family status, provided that each business is funded (Starter Kits must be purchased by the operating Ambassador) and operated entirely independent and without interference from any other Ambassador. All activities of each business must be in accordance with the Bonus Buying policy.

1.4 Acts of Third Parties

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

1.5 Ambassador ID

Every Ambassador has a unique Ambassador ID. You will be automatically assigned a non-changeable ID upon sign up.

1.6 Ambassador Information Accuracy

Each Ambassador is responsible for ensuring the accuracy of her/his information on file with S&D via their Lounge. You must provide your current email address and legal name. We primarily send you communications via email. To change a Social Security Number or Social Insurance Number, please contact Pay Portal (See Pay Portal policy). Ambassadors must submit appropriate legal documentation to support a name change request.

1.7 Independent Contractor Status

As an Ambassador, you are not an employee of S&D. You are not entitled to receive any benefits from the company, such as unemployment compensation, workers' compensation, or any form of wages. S&D shall not be required to make contributions for employment insurance, workers' compensation and other similar levies in respect of payments to be made. You are fully responsible for paying all applicable federal and state/provincial withholding taxes, source deductions, taxes, employment insurance premiums, workers' compensation contributions or provincial employee health tax contributions and other levies, premiums, license requirements and fees related to your earnings and activities as an Ambassador.

Per the terms of your Ambassador Agreement, you agree that as an Ambassador you are an independent contractor and not an employee or agent of S&D. You shall be solely responsible for paying all expenses incurred by yourself, including but not limited to travel, food, lodging, secretarial, office, telephone and other business expenses. You will not have authority to incur any debt, obligation or liability on S&D's behalf, and you will not represent, indicate or suggest in any manner that you have influence over S&D's corporate decisions, or authority or representation of S&D.

1.8 Continued Permanent Residence

In order to retain your original Ambassador Agreement with S&D, you must be a resident and have the legal right to own a business and earn income in the US or Canada.

1.9 Licenses

Some local governments might have ordinances that restrict the way you conduct your S&D business. Please contact your local government office to determine if any business licenses are required. Check with your neighborhood association to determine if there are any limitations on conducting business activities in your home, for example, some condominiums or subdivisions may restrict business activities. In the event that you do not obtain any required licenses to operate your independent S&D business, we reserve the right to terminate your Ambassador Agreement or withhold any commissions, credits, or other incentives you may have earned until you obtain such necessary licenses.

1.10 No Inventory Requirements

Ambassadors are not required to purchase or carry any amount of inventory of S&D products. Ambassadors who have active accounts can earn commissions and bonuses without carrying any inventory. Orders are transacted directly with S&D on behalf of the Ambassador through any S&D website or the Ambassadors Personal Website (PWS). Ambassadors receive full credit for all such sales without the need to carry any inventory. Ambassadors who have a single personal purchase or multiple personal purchases of S&D products, that combined, total \$1,000 or more in any calendar month or who purchase products in bulk (see Bulk Buying Policy) will be subject to the requirements set forth in the Purchase Limitations Policy.

1.11 Activity Requirement

To maintain an active account, Ambassadors must generate at least one customer order within the first 60 days of activating agreement. Additionally, Ambassadors must sell 300 PQV cumulatively across a rolling 6-month period. If an Ambassador does not meet either of these requirements their account will be deactivated for inactivity and their downline team will roll to the Next Qualified Leader (NQL). Upon deactivation of their account, an Ambassador will become a customer.

1.12 Compression

Ambassadors who enroll other Ambassadors and become a Coach to them are subject to the Compression policy. As a Coach, you must qualify with 300 PQV at least once in a rolling three (3) month period.

1.13 Eligibility for Commissionable Earnings

In order for you and your team to earn commission, you and your team must be in compliance with the terms of the Ambassador Agreement, including these Policies and Procedures.

Commission payments are issued in your name and cannot be paid otherwise. If you have any issues or discrepancies with your commission report, please report them within thirty (30) days of receiving your commission check.

For any questions pertaining to issues with your commission, please do not hesitate to contact the Delight Center.

For more information on commissionable earnings, please see the most recent version of the Pay Plan located in your Lounge.

1.14 Annual Automatic Renewal of Ambassador Agreement

Your Ambassador Agreement will automatically renew every twelve (12) months on the anniversary of the date you entered into a S&D Ambassador Agreement.

All Ambassadors must have a default credit card on file as renewal fees are automatically charged on the due date. It is your responsibility to track your upcoming renewal date. Home Office will not provide advance notice of renewal dates, and renewal fees are non-refundable.

1.15 E-Marketing Suite and/or Personal Website (PWS) Automatic Renewal

Ambassadors are provided with a Personal Website (PWS) upon enrollment which will automatically renew every year on the anniversary of enrollment. Cancellation of the PWS renewal may be made at any time before your renewal date.

1.16 Charge/Checking Accounts

You may not use any S&D trademarks or derivatives thereof on bank accounts, credit applications or other business forms. Checking accounts can simply be designated as "Business Accounts," or if you need to list a business use your name and "S&D Ambassador."

1.17 Ambassador Discounts

As an Ambassador you are provided with a personal discount. Ambassador discounts guidelines are as follows:

(a) All discounts are for you. You may buy gifts for friends and family using your discount, but please ensure that these gifts do not fall under Bonus Buying. For detailed information, please see the Bonus Buying policy.

(b) Your discounts are non-transferable to either customers or other Ambassadors. Items purchased for someone else with your discount will not be covered under our Refund, Returns, Exchanges and Delight Guarantee Policies.

(c) When purchasing product using your discount, the credit card used to purchase these items must bear your name. This helps us ensure your account is not flagged for extending your Ambassador discount to others.

(d) Discounts do not apply to Business Supplies.

(e) Discounts cannot be combined with Hostess Rewards to purchase product.

We may offer certain products for purchase for a discount that is greater than your normal Ambassador discount. These deep discount periods are referred to as "Sample Periods." Because sampling quantities are limited, we limit the number of items you can purchase in a sample order during a Sample Period, and certain items may be disabled for sampling at any time and without advanced warning.

Section 2 Doing Business

2.1 Pay Portal

S&D utilizes a third party payment provider, stelladotpay.com, referred to as Pay Portal. You'll find 'Pay Portal FAQs' in your Lounge. If you have questions beyond that, please contact Pay Portal Customer Support either by email at support@stelladotpay.com or by phone at 888-376-8005 (for US & Canada).

Pay Portal may charge a nominal monthly usage fee. Please refer to Pay Portal's website for additional details.

2.2 Personal Information and Orders

(a) Provide Customers Notice and Respect Their Choices

(i) You must provide customers choices about how you communicate with them and respect their choices. Your customers have the right to access the personal information you hold about them, ask that it be corrected, make complaints about how you have treated their information or ask that it be deleted.

(b) Handling Personal Information

(i) You are responsible for protecting personal information from unauthorized access or disclosure. You must disclose the purpose of collecting personal information and the potential for sharing this information. Do not share an individual's personal information unless you have their consent to do so. You should document receipt of each individual's consent in your business files.

(c) Limit your Collection of Personal Information

(i) Collect only the personal information you really need. For example, don't collect a credit or debit card number unless your customer actually makes a purchase. Please make sure to never transcribe your customer's credit card information.

(d) Keep Personal Information Accurate

(i) Keep your customers' personal information up-to-date. Keeping your contacts current helps you to stay in touch with them.

(e) Store and Dispose of Personal Information Responsibly

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

(f) Order Forms

(i) You are required to keep order forms for six (6) months from the order placement date in case a customer or Hostess has an order question, or should they be requested for review by Home Office. After the six (6) month period, shred the form.

(g) Personal Website (PWS) Orders

(i) You may only contact email addresses in your contact list where you are able to establish consent to do so in accordance with the Unsolicited Communications policy.

(h) Customer Cancellation

(i) Every customer who generates an order or makes a purchase from you must receive a copy of the Cancellation Policy. The Cancellation Policy is found on the website and on the back of order forms.

2.3 Unsolicited Communications

You may not engage in unsolicited electronic communications in connection with advertising, promotion or sale of S&D products or in an effort to recruit an individual to your S&D business. Ambassadors are not permitted to advertise through mass mailings or through channels otherwise deemed inappropriate S&D. You may send electronic communications to (i) any person from whom you have prior consent to contact via the specific mode of communication or (ii) family members, personal friends or any other person with whom you have established a business or personal relationship.

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

(a) The communication must clearly identify the Ambassador as the sender of the email and as an Ambassador of a S&D business opportunity.

(b) The communication must include an accurate return email address of the sender.

(c) The communication must include a notice that advises the recipient that they may reply to the email via the return email address provided or other means to change email preferences or opt-out of future emails.

(d) The communication must include the Ambassador's physical mailing address.

(e) The communication must clearly and conspicuously disclose that the message is an advertisement or solicitation.

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

In Canada, electronic communications are regulated under Canada's Anti-Spam Law, or CASL. If you send electronic messages, such as e-mails, to Canadian recipients, whether you are located in Canada or not, as of July 1, 2014, you may be subject to CASL. Please see Addendum Canada Anti-Spam Law Policy for full details.

2.4 Sales Events

Sales Events are expected to be actual and genuine events. To ensure correct alignment of customer orders to a Sales Event, orders will be accepted a maximum of sixty (60) days prior to any scheduled Sales Event. Creation of fraudulent Sales Events for the purpose of collecting Hostess Rewards on orders that are truly outside orders constitutes Bonus Buying and Home Office may take additional actions, including but not limited to: claiming back all Hostess Rewards earned from that Sales Event, commission adjustments if these were earned because of a false Sales Event, account suspension, and possible termination of your Ambassador Agreement.

We do not limit how far in advance a Sales Event may be booked because we understand plans change and dates may need to be pushed out from the original Sales Event date. As such, Sales Event dates may be changed up until the date and time the Sales Event occurs, or once a sales order has been placed against it, whichever comes first.

All Sales Events will automatically close fourteen (14) days after the Sales Event is held. Hostess Rewards orders may be placed at any time once rewards have been earned, and the Hostess will continue to earn rewards for Sales Event orders as long as the Sales Event remains open.

Only genuine customer errors will be considered acceptable reasons for moving sales orders. For any customer needing to move an order please use the online Order Reassignment Request form available in the Lounge. A Delight Center Agent will reach out to the customer for confirmation of the error.

2.5 Ambassador as a Host

You may personally host no more than four (4) Sales Events per calendar year.

2.6 Ambassador Substitution

You may not ask another Ambassador to conduct a Sales Event on your behalf. If you cannot attend a booked Sales Event, rather than cancel and disappoint your Hostess, you may ask another Ambassador to stand in your place. In these circumstances, the Sales Event must be re-booked and recorded on the replacing Ambassador's account.

2.7 Mystery Hostesses

When an Ambassador hosts a Sales Event without having or disclosing the Hostess prior to Hostess Rewards being earned, this is called a "Mystery Hostess." If you decide to offer a Sales Event with a Mystery Hostess, you need to be aware that any such giveaway is yours and not from S&D.

2.8 Sales Event Set-up in the Lounge and Hostess Rewards

Once an email address has been set for a Sales Event, the email address cannot be changed. We only recognize one Hostess and email for a Sales Event. When creating Sales Events please note that:

(a) Hostess email addresses must be valid and personally unique to that hostess; e.g. do not use a generic email address such as "mysteryhostess2018@gmail.com".

(i) Mystery Hostess Sales Events also need to have a unique email address.

Example format for unique Mystery Hostess Emails: [date of sales event]+[your Ambassador ID]@mailinator.com. For example if your Mystery Sales Event is January 1, 2019 and your Ambassador Id is 100001, your stand in unique email address would be jan1st2019.100001@mailinator.com

(b) All rewards are associated with that original email address.

(c) Hostess Rewards are awarded after an order is placed, not from the date a Sales Event closes.

(d) Expired rewards will not be reinstated or transferred for any reason.

(e) Only the Hostess who earned the rewards may use the rewards earned.

2.9 Ambassador Sample Sales

Sample sales are defined as the sale of product formerly used in your display or as sales generating marketing or content. S&D does not support the practice of Ambassadors purchasing additional product beyond genuine business needs or personal consumption to sell at a discounted price to customers.

As an Ambassador, you may hold up to one (1) private sample sale event per calendar quarter, limited to a period of one (1) week. Please make sure to follow the below requirements:

(a) Advertising and sales of samples:

(i) You may only advertise and sell your samples within your personal, private or closed group. For example, your VIP Customer Facebook group is OK, but a public or private "buy, sell, trade" group is not.

(ii) You may sell any current line samples (products launched in the current season) that are not resonating with customers at the full retail price shown on the corporate website.

(iii) You may sell any previous season's samples four (4) months after product launch for up to 50% off retail (current price listed on corporate website).

The above guidelines exclude best sellers or legacy collections (ex: Rebel and Renegade collections) which may not be sold unless the item is showing visible wear, or otherwise not in suitable display condition. Please remember to inform your customers that our standard Return and Delight Guarantee policies do not apply to items sold as samples. Ensure your customer fills out a physical order form for all samples purchased. Please retain completed order forms as proof of purchase for your business records.

2.10 Sales of Sample Skincare or Makeup Products

You may not sell open product to customers. You may create samples from open product for customers to use as testers.

2.11 Games, Contests and Giveaways

You are welcome to host a game, contest, or giveaway. Any such giveaway is yours and not from S&D, and you alone are solely responsible for the legal operation of your giveaway. If you want to consider offering a giveaway, please be aware of the following:

- (a)** You cannot require participants to make any form of purchase and/or to provide any other form of valuable consideration in order to participate. If a purchase is one way to get an entry, make sure that guests can also enter for free. You must ensure that everyone has an equal chance to win regardless of how they enter.
- (b)** You must objectively and fairly choose the winner (e.g., by a random drawing.).
- (c)** You must clearly indicate the prize and its value and the odds of winning, eligibility for entry and contest end date.
- (d)** You must make clear how someone is eligible to enter and when the contest ends.
- (e)** You must make clear to the winner that they are responsible for any taxes associated with the prize, and you may need to take care of reporting obligations.
- (f)** If you are promoting your Mystery Hostess Sales Event promotion on a social media or third-party website, make sure you are compliant with any and all third-party terms, including guidelines specific to sweepstakes or contests. For example, Facebook and Instagram have specific promotion guidelines.
- (g)** If you will be publicizing the participants or winner (e.g., in photos online), make sure you have the permission to do so.
- (h)** Giveaways are governed by many different laws in the US and Canada. We strongly recommend that you contact appropriate legal counsel in your area of residence prior to offering a giveaway of any kind.

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

2.12 Orders

To ensure the highest level of customer satisfaction, please:

- (a)** Process all orders within twenty-four (24) hours of customer payment.
 - (i)** Orders should not be held for your benefit, such as for incentive programs or to count towards next month's commission.
 - (ii)** You may not request or require that your customer pay for an item by Gift Card or via any other specific form of payment.
- (b)** Submit each order individually, with the customer's information to ensure proper order tracking.

(c) Use Order forms whenever a customer chooses to order directly from you versus making a purchase through your Personal Website (PWS). In such an event, the order should be placed in the Lounge under the customer contact.

(d) Use a valid email address for customer orders. You may not create a false email address or use your own email address for customer orders.

(i) If your customer does not have a valid email address, please use this format: [name of your customer]+[your Ambassador ID]@mailinator.com.

(e) Visit the website to view the Guaranteed to Delight section for more information on refunds, exchanges, returns, and the Guaranteed to Delight policies.

In the event a submitted order has not been processed on your S&D website, deeming it a “failed order,” please be sure to report it to the Delight Center within three (3) days of original submission. All requests to correct failed orders must be submitted within the same month the order was placed, otherwise it will not be eligible to count toward that month’s commissions, promotions, or incentives. The order will instead be credited to the month in which it was reported for correction.

A sale is not final until entered into the S&D online order system and the appropriate sales/use tax amount charged and collected.

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

2.13 Bulk Orders

A bulk order is considered to be eleven (11) or more of one (1) SKU. If a customer is requesting eleven (11) or more of an individual item, please send a request to compliance@stelladot.com with the below information:

- (a)** Customer Name
- (b)** Item name and SKU
- (c)** Quantity
- (d)** Anticipated order placement date

(i) Include at least three (3) different one-hour time frames in which your customer or you will be available to place the order. (Ex. between 10:00-11:00 am PST, 1:00-2:00 pm PST and 4:00-5:00 pm PST)

Please allow up to three (3) business days for Compliance to review and approve a bulk order. To ensure all Ambassadors have equal opportunity to sample new products and customers to purchase them, ‘Bulk Orders’ for newly released products within thirty (30) days of product release may not be approved.

If an Ambassador is requesting a personal bulk order (using the Ambassador discount), please include the reason for the order in your request to Compliance.

We do not offer discounts, waive shipping costs, or accept returns on ‘Bulk Orders.’ Please make sure to communicate this with your customers when applicable prior to completing their order.

Bulk orders are intended for individual customers who wish to purchase a large quantity of an item. It is not permissible to group multiple customer orders into one purchase and to request a bulk order. Such orders should be entered individually under each customer's information.

2.14 Purchase Limitations

All Ambassadors who have a single personal purchase or multiple personal purchases of S&D products, that combined, total \$1000 or more in any calendar month or who purchase S&D products in bulk (see Bulk Buying Policy) are subject to review by S&D Compliance. Orders of this type require that the Ambassador submit and retain receipts showing that at least 70% of the purchased S&D products were resold to one or more different Retail Customers or were otherwise used in support of business activities (e.g., incentives or demonstrations) within thirty (30) days of the last applicable order delivery date. Any such purchases by an Ambassador may not be for the purpose of qualification for promotions or bonuses, and must not be excessive in relation to the earnings of any Ambassador who makes such purchases. Furthermore, falsely representing the sale or use of S&D products is grounds for terminating the Ambassador. S&D Retail Customer Receipts and Business Activity Receipts are located in your Lounge. Receipts must be completed in their entirety and submitted to S&D Compliance via compliance.orders@stelladot.com.

S&D reserves the right to rescind qualification for promotion titles or bonuses, including incentive trips, or to claw back Commissions, in instances in which an Ambassador is found to have placed excessive orders, whether those orders are placed in her or his own Ambassador account or in a customer account.

S&D's obligation to repurchase products as set forth in the Buy Back Policy will not apply with respect to Ambassador purchases that fail to comply with this policy.

2.15 Permanent Retail Displays and Pop-Up Shops

Subject to the terms of this policy, as a S&D Ambassador, you may set up a permanent display using tester or sample product in retail locations, med-spas, dermatological offices, etc. Only one (1) Ambassador may have a display per location. Please note, you are responsible for ensuring all sample or tester product displayed at a retail location is stored and marketed in compliance with the S&D Proper Storage policy. Before setting up a permanent display in a retail location, you must forward a request for approval of the retail location and display to compliance@stelladot.com. Please include the following information:

- (a)** Your name
- (b)** Ambassador identification number
- (c)** Name of the retail location
- (d)** Physical street address of the retail location
- (e)** Photo of the retail location
- (f)** Photo of the display

Compliance will reply with confirmation of approval within five (5) business days after reviewing a completed submission request. Compliance will not review requests that do not include all of the required information.

2.16 Enterprise Sales

Ambassadors who cultivate business contacts must remember that a third party or a company can purchase S&D products as gifts for its employees or clients, but there may not be a resale value attached to the products. Ambassadors cannot become a “vendor” to another business. Ambassadors who sell product to a business for gifts must include information about how the end-user can receive personal service from the Ambassador, and these orders are subject to Home Office approval. Large-scale sales of S&D products to regional or national companies are prohibited.

2.17 Gift Cards

Gift Cards should be used solely for customers and are not to be used to falsely earn incentives, rewards or commissions.

2.18 Ambassador-to-Ambassador Sales

We do not permit sales of S&D Products from one Ambassador to another Ambassador.

2.19 Blanket Discounts

All offers that serve to undercut the retail price of S&D products are considered blanket discounts.

Blanket discount offers are not permitted at Sales Events, through your PWS, or other marketing channels. These include, but are not limited to, offers such as “25% off everything at my Sales Event,” “Place an online order today and receive 15% off,” or “Free shipping on all orders.”

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

- (a)** Be offered only within your personal, private or closed group. For example, your VIP Customer Facebook group is OK, but a public or private “buy, sell, trade” group is not.
- (b)** Run for no more than three (3) consecutive days, which must be detailed in the offer
- (c)** Occur no more than one (1) time per calendar quarter

Additionally, you may not offer discounts on any new or current line products. If you do need to sell current line samples because they did not resonate with your customers or due to wear, please see Ambassador Sample Sales policy.

As long as these guidelines are followed, you may personally incur the cost of the specific promotion for your customers, the way you see best fit. Home Office is not responsible for any discounts or giveaways you choose to offer.

2.20 Commitments and Responsibilities

Ambassadors must at all times conduct their S&D business in a manner that reflects favorably on S&D and our products. If you agree to obligations or commit to promises with customers, hostesses, or members of the public and fail to fulfill your personal obligations, such failure may result in tarnishing S&D’s reputation and/or subject S&D to potential liability. Any failure to fulfill commitments made to third-parties in connection with your S&D business will constitute a breach of your Ambassador Agreement, and could result in immediate termination of your agreement.

2.21 Bonus Buying

Bonus Buying is the unethical, unacceptable, prohibited practice of personally purchasing products to qualify for compensation levels or incentive programs, or to avoid other policies and procedures. Bonus

Buying is taken very seriously as it opens you and S&D up to scrutiny under applicable laws and regulations which apply to direct selling companies. Bonus Buying undermines the Pay Plan, the purpose and intent of which is to incentivize and pay commissions to Ambassadors based on sales to customers versus personal purchases. Bonus Buying is buying your way into a promotion, compensation level, or incentive, rather than selling and earning a promotion or compensation level.

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

- (a) The enrollment of:
 - (i) Individuals into an Ambassador Agreement without their knowledge
 - (ii) Non-existent persons as Ambassadors
 - (iii) An Ambassador under a different account or with an alias name
- (b) The use of a customer account when you are enrolled as an Ambassador
- (c) The unauthorized use of a credit card or use of a fraudulent credit card
- (d) The use of your personal credit card on another Ambassador's account or another Ambassador's customer account
- (e) Subsidizing the entire or partial cost of a customer purchase or new Ambassador Starter Kit purchase 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
- (f) The purchase of product through your own account, PWS or Sales Event or the purchase of product from a Sales Event, PWS or account of another Ambassador which may result in:
 - (i) Qualification for contests, promotions, or personal sales requirements for commissions
 - (ii) Qualification of a Sales Event or an increase Hostess Rewards or any other incentives
 - (iii) 'Inventory Loading,' or encouraging others to 'Inventory Load.'
- (g) Requiring a customer to purchase a product at a specific time in order to meet certain requirements
- (h) Reassigning any orders for the purpose of increasing sales, increasing Hostess Rewards, to qualify a Sales Event, or for any other incentive-driven purpose
 - (i) This includes, but is not limited to, reassigning a non-sales event order to a Sales Event
 - (i) Hosting a Sales Event for another Ambassador
 - (j) Abuse of Gift Card purchases
 - (i) You may not recommend a Hostess purchase a Gift Card to use above and beyond Hostess Rewards for an order.

(ii) You may not accept a Gift Card as a form of payment for purchase of a sample item.

(iii) You may not sell a Gift Card to a customer at or in connection with a Sales Event for the customer to then use to purchase product at or in connection with that same Sales Event.

Personal purchases should not be the tipping point to qualify for commission rates or an incentive. If you would not have qualified for a commission rate or incentive without that order, it will be deducted from your total sales.

S&D maintains a zero tolerance for Bonus Buying. Failure to comply with this policy may result in immediate termination of your Ambassador Agreement.

2.22 Inventory Loading

You may not maintain excessive inventory or encourage other Ambassadors to do so. Excessive inventory is defined by your personal sales. Please see Purchase Limitations policy.

2.23 Sales Through Other Internet Sites

You may not sell any S&D products on any website other than your PWS. The offer of sale of S&D products on other websites, including but not limited to, eBay, Amazon, Craigslist, Facebook, Poshmark, blogs or internet auction sites is strictly prohibited. This includes engaging others, even those outside your direct household (e.g., Hostesses, customers, friends, family, acquaintances, or other businesses) to sell on your behalf on such websites. Any means of circumventing this rule are not allowed. Violation of this policy may result in immediate termination of your Ambassador Agreement.

Even after your Ambassador Agreement is terminated, you must not sell large quantities of S&D products acquired as an Ambassador on any websites, including but not limited to, websites, such as eBay.

2.24 Product Claims

As an Ambassador, you must not make any claims regarding your S&D business or any S&D products other than claims that are provided in your Marketing Materials. Ambassadors may not state or imply that any S&D product is useful in the diagnosis, treatment, cure or prevention of any disease, illness, injury or medical condition.

As an Ambassador, you must ensure that you are not making independent claims about your business or any S&D products that could be false, misleading, or otherwise violate the law.

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

2.25 Before and After Photos and Product Testimonials:

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

(a) The information shared must represent your honest and truthful opinions, beliefs, experiences and results in connection with your use of S&D Products.

(b) The information shared must clearly and conspicuously disclose the details regarding the product claims made (e.g., duration and how often products were used; whether any other products or treatments may have contributed to any claimed results; etc.).

(c) Photos must show a clean face free of make-up with hair pushed back; minimal eye make-up is acceptable, but must be consistent across the before & after photos; you may use the Daylight Radiance Moisturizer SPF in your after photo.

(d) Before & after photos must be taken under the same conditions to allow for easy comparison.

(e) Photos must be in focus, in a well-lit, plain background and must not be altered (e.g., no touchups or Photoshop editing) and preferably of high resolution (300 dpi or higher).

(f) Photos must be of the face from a straight-on view or of your profile from each side.

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

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

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

2.26 Income Projections and Lifestyle Claims

When presenting or discussing the S&D opportunity or Pay Plan to a prospective Ambassador, you must provide the prospect with the following information: “We expect the typical Ambassador to earn between \$0 and \$249 in commissions and bonuses, excluding retail profits. This includes participants who may not be actively selling the product in any given month.”

You may not make claims or projections about potential or guaranteed income or profits. You must also make clear that Ambassadors make commission based only on the sale of S&D products and not through solely sponsoring other Ambassadors. Many federal and local laws strictly regulate claims regarding the amount of income that can be earned for business opportunities, such as those offered by S&D. These regulations require that appropriate disclosures also be provided when making income claims or earning representations. S&D Ambassadors do not have the data necessary to comply with the legal requirements for making income claims or earnings representations.

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

(a) The information must be accurate and not misleading.

(b) The level of effort required to achieve the results described must be fully detailed.

(c) Claims of potential or guaranteed income may not be made.

- (d) Actual earning may not be disclosed.
- (e) Hypothetical income examples must be clearly indicated as such.
- (f) It is explained that the typical Ambassador is expected to earn between \$0 and \$249 in commissions and bonuses, excluding retail profits. This includes participants who may not be actively selling the product in any given month.

Any writings, including but not limited to, on social media, email signature blocks, or written personal stories must include the following statement: "We expect the typical Ambassador to earn between \$0 and \$249 in commissions and bonuses, excluding retail profits. This includes participants who may not be actively selling the product in any given month." This statement should be stated when speaking about income projections or lifestyle claims during in person meetings. Failure to comply with this policy shall be grounds for immediate termination.

2.27 No Representations Regarding Governmental Approvals

Ambassadors may not make representations in any way that would indicate or imply that the S&D opportunity or products have been approved or endorsed by any governmental or regulatory agency. Unless otherwise noted in your marketing materials.

2.28 Repackaging or Relabeling Prohibited

Rewrapping or relabeling S&D product could violate laws or result in civil liability. All products must be sold in original packaging only.

2.29 Intended Use of S&D Products

You must adhere to the guidelines provided by S&D related to the intended use of our products. There are numerous laws and rules and regulations that govern testing requirements for children of certain ages.

S&D makes every effort to adhere to testing requirements applicable to our products. In some instances, we are not able to undergo the very rigorous and cost-prohibitive testing required for children's products with respect to each and every one of our products. Please assume our products are not intended for use by children, unless the product is specifically labeled for use by children. You must adhere to these warnings and inform your customers of the usage guidelines provided by S&D. You will be responsible for any use of our products in violation of our guidelines.

2.30 Proper Storage of Products

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

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

2.31 Non Exclusive Territories

S&D does not recognize servicing exclusive territories. Additionally, you are not permitted to conduct sales or sponsoring for exclusive territories.

2.32 Military Bases/Posts

Domestic

We currently support shipping both product and business supplies to U.S. and Canadian military bases. If you are posted to, or reside on, a U.S. or Canadian military base and want to become an Ambassador, prior to signing the Ambassador Agreement, please inquire with the applicable base regarding whether a business license is required.

Overseas

Prior to joining S&D, if you are posted to overseas bases, please check with your base commander to make sure that you are permitted to operate a home-based business and/or use the APO/FPO (US) or CFPS/ FMO (Canada) shipping address.

You may sell S&D product only while physically on a base and only to those individuals who are also posted to the base (i.e. on American or Canadian soil).

2.33 Solicitation of Overseas Business and International Sales

Ambassadors may only operate in the country in which they have a valid Ambassador Agreement, except between the US and Canada via PWS sales. Due to complex legal and tax considerations involving international sales, no sales, solicitation of business, shipment of product or business supplies may be made outside the United States (including Puerto Rico) and Canada.

Section 3 Your Team

3.1 Coach Reassignments

Each Ambassador may have only one assigned Coach and no Ambassador shall sponsor or attempt to sponsor any person within S&D who has already signed up as an Ambassador or anyone that has terminated their Ambassador agreement within the preceding (6) months.

Any attempt to switch Coaches through the use of pseudonyms or assumed names, a spouse's or relative's name, or any fictitious name is strictly prohibited. An Ambassador is not permitted to encourage, offer or assist any other Ambassador to change Coaches. Under no circumstances shall any Ambassador offer or provide any financial or other consideration or incentive to another Ambassador in exchange for such other Ambassador's agreement to terminate their existing Ambassador Agreement and re-enroll under another Coach.

Once an Ambassador chooses a Coach, S&D requires that the relationship between the Ambassador and their Coach be maintained and protected for a period of six (6) months. Any Ambassador who wishes to change their Coach may only do so if they:

Terminate their Ambassador Agreement for any reason, does not participate in the business in any capacity for six (6) months after the effective date of such termination, and re-applies to become a new Ambassador after such six (6) months.

Where an Ambassador has voluntarily terminated their Ambassador Agreement and wishes to re-enroll or reactivate within six (6) months, such Ambassador's Coach will be their last recorded Coach. In the event the last recorded Coach no longer has an active Ambassador Agreement, the re-enrolling or reactivated Ambassador will be assigned to the Next Qualified Leader (NQL) within the Coaching Structure. In the event the last recorded Coach no longer has an active Ambassador Agreement and there is no Next Qualified Leader in the Coaching structure, the re-enrolling or reactivated Ambassador will be able to

select their Coach. Home Office reserves the sole and exclusive right to review a roll up and determine the NQL. The NQL is defined as the next Coach in the coaching structure who has qualified in one (1) of the preceding three (3) months at the Community Coach level.

In cases where a new Ambassador erroneously selects a coach during the enrollment process due to mistake, inadvertence or error, the new Ambassador must notify compliance@stelladot.com within two (2) business days of the enrollment to request a correction of the original enrollment Coach. If two Ambassadors both claim to be the Coach of the newly enrolled Ambassador, it is at the discretion of the newly enrolled Ambassador to indicate the correct Coach to whom they will enroll under.

If an Ambassador selects Community Support (Home Office) as their Coach, that Ambassador is not eligible to later roll to or be assigned a Coach.

Resolving disputes between Ambassadors regarding claims of Coaching sponsorship or Coach reassignment of another Ambassador is extremely difficult, particularly when a Brand Ambassador or "Downline" team is implicated. S&D reserves the sole and exclusive right to determine the final disposition of such disputes. Therefore, AMBASSADORS WAIVE ANY AND ALL CLAIMS AGAINST S&D, ITS OFFICERS, DIRECTORS, MEMBERS, OWNERS, EMPLOYEES AND AGENTS THAT RELATE TO OR ARISE FROM S&D'S DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE TEAM THAT IS IMPLICATED IN A DISPUTE BETWEEN AMBASSADORS REGARDING CLAIMS OF SPONSORSHIP OR UPLINE "COACH" REASSIGNMENT.

3.2 Roll Up

A roll-up is defined as a team transitioning from their current Coach to a new Coach. A roll-up can occur in the following instances:

- a.) Termination of the Ambassador Agreement (voluntary or involuntary)
- b.) Loss of a team due to the Activity Policy
- c.) Loss of a team due to the Compression Policy
- d.) Voluntary release of a downline Ambassador

Upon a roll up, every Ambassador on the first line will roll up to the Next Qualified Leader (NQL). Home Office reserves the right to review any Roll-ups and change the NQL. In the event the Ambassador who is rolling their team or leaving the business is direct to Home Office, meaning there is no Next Qualified Leader, Home Office reserves the sole and exclusive right to review a roll up and determine the NQL.

Ambassadors assigned a new Coach outside of their original coaching structure will be considered Shifted Volume. Please see Pay Plan for details on Shifted Volume.

The NQL will receive all team sales commissions for the entire calendar month in which the roll is processed. You must have an active Ambassador agreement at the time of payout in order to earn team sales commissions. Home Office has up to thirty (30) days to process a roll-up.

Section 4 Marketing Your Business

4.1 Clearly Representing Your Ambassador Status

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

4.2 Marketing Materials and Restricted Use of S&D Trademarks

S&D trademarks and S&D content are valuable business assets that support a unique and equitable business opportunity for Ambassadors. Per the terms of your Ambassador Agreement, S&D is the sole and exclusive owner of S&D trademarks and S&D content. As an Ambassador, during the term of your Ambassador Agreement, you have a limited right to use the S&D trademarks solely to promote your S&D business. In summary, you may not create, market, promote or sell any marketing materials that incorporate Stella & Dot trademarks or Stella & Dot content to any other Ambassadors, S&D customers, or any other third parties.

When representing yourself as an Ambassador, you may use only those logos available in the Marketing Materials section of your Lounge. All logos made available to you indicate your Ambassador status: S&D, Independent Brand Ambassador.

Included with these logos is a disclaimer that S&D has not approved of the independent marketing materials of Ambassadors. Your marketing materials must always maintain the integrity of S&D, and must comply with all Policies and Procedures, as well as all applicable laws.

In addition, Ambassadors must not do any of the following:

- (a)** Edit, alter, or customize any S&D trademark, including logos approved for use, in any manner.
- (b)** Use any trademark or service mark that is similar to or may be confused with any S&D trademark or S&D content.
- (c)** Combine any S&D trademark or S&D content with any other trademarks or service marks.
- (d)** Use S&D trademarks or S&D content in connection with any other business or opportunity outside of the S&D.
- (e)** Use S&D trademarks or S&D content in connection with any products that are not genuine S&D product.
- (f)** Profit from the use of S&D trademarked names outside of commissions earned on the sale of S&D product that may have been obtained through the use of S&D trademarked names to directly market their business.
- (g)** Use S&D trademarks in connection with a URL. This includes, but is not limited to, social media handles, domain names, email addresses, or paid advertising campaigns. This includes the use of your PWS since this contains branded domain names, such as ‘stelladot.com.’ This reduces any confusion between your PWS and S&D corporate website.
- (h)** Register or attempt to register any S&D trademarks or similar marks in any class of products or services anywhere in the world.
- (i)** Must not circumvent or alter appropriately packaged S&D products.

4.3 Personal Website (PWS) Naming

When creating a PWS extension, Ambassadors must comply with the below guidelines:

- (a)** You are not permitted to use any derivative or permutation of any S&D name or any generic extension such as 'shop,' or geographic locations (cities, major regions).
- (b)** There are some regulatory limitations on statements about our products, and you will be required to abide by these limitations on your PWS or in your PWS URL. Please see Product Claims, Income Projections and Lifestyle Claims, and Intended Use policies for more information.

We reserve the right to suspend or change your PWS extension if it is non-compliant with the above policies.

4.4 Restricted Use of Third Party Trademarks

If you do choose to create your own marketing imagery, you may not use trademark-protected names, phrases, or logos of third parties or other brands, and it must be in compliance with all S&D policies on trademark usage.

4.5 Advertising

Any advertisement related to your S&D business (whether in print, online via social media, etc.) must be accurate, professional and not misleading in any way. Such advertisement must be focused only on the individual Ambassador and may not include any iteration of S&D trademarks or copyrights including, but not limited to, any materials from the website, S&D app, or Home Office created and sponsored social media pages. You must comply with all laws or rules as they may pertain to your ability to advertise.

4.6 Catalogs and Flyers

You may not advertise, promote, sell or sponsor through other company catalogs.

We encourage you to advertise your business via our Marketing Materials, such as Look Books and Opportunity Brochures, which can be accessed for view and/or purchase in your Lounge. You may leave a flyer or business card in non-retail establishments, such as a doctor's office or salon.

4.7 Social Media and Online Presence

Please note the following requirements regarding your use of social media in connection with your S&D business:

- (a)** You may not use any derivative of the S&D names in any social networking account names, website URLs, email addresses or your PWS URL extension, search engine optimization (SEO) or search engine marketing (SEM) which include but are not limited to "Stella" and/or "Dot," "Stella & Dot," "SD," "KEEP Collective," "Keep," "KC," "EVER," "EVER Skincare," and the like. Please see Restricted Use of Trademarks policy. For a full listing of S&D trademarks, please see appendix.
- (b)** You must comply with the rules associated with any particular social media website or network.
- (c)** You must refrain from posting or linking to any post or other material that is or may be considered sexually explicit, obscene or pornographic, offensive, profane, threatening, harmful, defamatory, libelous, harassing or discriminatory, solicitous of any unlawful behavior, a personal attack on

any individual, group or entity, in violation of any intellectual property rights of S&D or any other third party, not consistent with the terms and conditions of these Policies and Procedures.

(d) You must refrain from posting false, misleading, or deceptive content. This includes, but is not limited to, false or deceptive content about S&D, S&D products, the business opportunity, or other Ambassadors.

(e) You may not use social media outlets to comment on other brands' products that are competitive to S&D products in order to drive sales and direct customers to your PWS.

(f) Ambassadors are solely responsible for any posts and online activity related to your S&D business.

(g) If you create, operate or own a website, blog or other internet site, you may not sell, offer for sale, book a Sales Event or sponsor an Ambassador via the site itself.

(h) You may not redirect customers to your Personal Website (PWS) via an independent URL or hyperlink to which it is not explicitly clear to the customer what site they are being taken to.

(i) You may not market, promote, solicit for sales or recruitment purposes your S&D business, or other business, on any social media accounts, managed by Home Office or other Ambassadors, public or private, dedicated to the S&D in any capacity, including but not limited to, community, information and/or training. Should you notice a potential lead or order on a Home Office social media site, please provide assistance by posting the corporate website URL. The lead or order will be assigned appropriately per the Corporate Leads or Corporate Referral Orders policies. Home Office social media pages are actively monitored.

4.8 Trade Shows, Expos and Booth Events

You may promote your business at trade shows, expos and booth events so long as you are in compliance with each of the following:

(a) You must register for the event and always refer to yourself as a S&D Ambassador.

(b) Only one (1) Ambassador per event - the first Ambassador to register for the space with the event sponsor has the right to conduct that event. A second Ambassador may need to withdraw if the first registered Ambassador does not want double participation.

(c) The booth must be staffed at all times and must not be shared by another business.

(d) Participation in any specific event must have a duration of no more than two (2) weeks in a calendar year. The only exception is annual state fairs, which are typically held for three to four (3-4) consecutive weekends.

(e) Such events cannot be treated as Sales Events, are not eligible for Hostess Rewards and orders from these events must be entered as individual orders.

(f) We do not provide our sales/use tax registration information directly to you. If you are required to provide this information to the event organizer, please contact taxpayer@stelladot.com with the event organizer's name and contact information and they will provide them with these details.

4.9 Media Engagement and Public Relations

All third-party media communications are handled by our Home Office Public Relations team. As an Ambassador, please do not reach out directly through social media platforms, chat groups, or comment sections to celebrities, influencers, bloggers, or any media outlets. Please do not participate in interviews, features or paid advertisements on behalf of S&D without Home Office approval.

If you are presented with an opportunity to promote your business in the media, or if you have a personal connection or relationship with a celebrity or public figure, you should contact the Home Office Public Relations team at PR@stelladot.com.

4.10 Charity Requests

Occasionally, we are asked to participate in charitable events coordinated through our Marketing and Public Relations Departments. Ambassadors who wish to submit an event for consideration can submit all relevant details to foundation@stelladot.com. Please note that generally speaking, S&D will defer local-area charitable events to be sponsored by Ambassadors in such areas at the sole discretion of Home Office.

Section 5 Taxes and Financial Records

5.1 Income Tax

Commission and other earnings must be claimed as income with your tax filings each year. For US Ambassadors, by approximately January 31st each year, S&D will issue Tax Form 1099 for the previous year. This form will be issued to you if you have earned commission checks, incentives, and/or prizes totaling \$600 or more. For Canadian Ambassadors, by approximately February 28th each year, S&D will issue tax form T4A for the previous year. This form will be issued to you if you have earned commission checks, incentives and/or prizes totaling \$500 or more.

5.2 W-9 Changes

For name or address changes, please contact Pay Portal directly.

5.3 Sales Tax

As an Ambassador, you authorize us to collect and remit to the proper governmental agencies, the applicable sales tax generated as a result of your sales of product as outlined below. You agree to be bound by all sales tax collection agreements between us and all appropriate taxing jurisdictions, and all related rules and procedures. When an Ambassador's orders are placed with S&D, sales tax is charged on the actual retail price, taking into account any discounts applied. Product purchased with Hostess Rewards are subject to Sales Tax on the full retail amount of the rewards.

5.4 Notice to Washington State Ambassadors

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

5.5 Exempt Sales

Organizations that are exempt from federal income tax are not necessarily exempt from sales tax. For example, the Girl Scouts of America, while exempt from income tax, are not exempt from sales tax.

Each state has its own laws regarding sales tax exemptions. If you are making a sale to an organization requesting a sales tax exemption, please contact taxpayer@stelladot.com.

5.6 Requests for Financial Records

Ambassador financial information for the prior year will be available to you in your Lounge

Section 6. Termination and Reactivation

6.1 Termination

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

- (a) Failure to pay the annual renewal fee
- (b) Failure to meet the minimum activity requirement
- (c) Upon the death of the Ambassador
- (d) Upon relocation and change of your permanent residence to a residence outside of a country in which S&D operates.
- (e) Buyer's Remorse

(i) If you sign-up as an Ambassador and decide that it is not the right thing for you, we honor buyer's remorse for our Ambassadors within three (3) business days of sign-up. Please contact the Delight Center for a refund and, if your Starter Kit, including any add-on bundles, has already shipped, please send it back unopened and in as-is condition. You are responsible for the cost of return shipping.

- (f) Voluntary Termination of Ambassador Agreement

(i) You may terminate the Ambassador Agreement at any time and for any reason by submitting a 'Voluntary Cancellation' form, which can be downloaded from the Lounge or requested from the Delight Center.

- (g) Home Office Termination

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

6.2 Effect of Termination

Termination of the Ambassador Agreement is effective immediately.

Upon the closing of your account for any reason you will receive commissions on any sales you personally generated prior to the account closing, and you are not eligible to receive commissions or incentive bonuses on any sales generated thereafter or fraudulently earned. If you have a team, your team will roll up as outlined in the Roll-Up Policy. You are no longer eligible to receive any active

Ambassador benefits, such as Ambassador discounts, to attend events, incentive prizes, etc. Please note that any associated fees, except in eligible Buy-Back cases, will not be refunded to you.

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

6.3 Terminated Ambassadors' Buy-Back Policy

Should you voluntarily terminate your Ambassador Agreement, you may be eligible for the Buy-Back Policy listed below:

6.3.1 Starter Kit and Sample Products

Starter Kits purchased with bundles and any sample products that an Ambassador has personally purchased from S&D that are in resalable condition may be returned. Items purchased from other Ambassadors and third parties are not eligible for return. Starter Kits must meet the "resalable" requirements and have all components of the original kit included in the return. Upon receipt of a resalable Starter Kit or any sample products, you will be refunded 90% of the net cost of the original purchase price less applicable setoffs. The original shipping and handling fees are not eligible for refund.

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

S&D Fulfillment Center
5820 Opus Drive
Groveport, Ohio 43125 USA
ATTN: Ambassador Buy-Back

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

- (a)** The items are unopened and unused.
- (b)** The packaging and labeling are current and have not been altered or damaged.
- (c)** The items and packaging are in such condition and with ample shelf life that they are commercially reasonable to resell the items at full price.
- (d)** The items are not identified at the time of sale as a "closeout," "discontinued," seasonal or ineligible for return.
- (e)** The items are returned to us within twelve (12) months of the date of purchase (unless you are a resident of Maryland, Massachusetts, Wyoming or Puerto Rico).

We will not refund any sample credit products that are not in resalable condition, damaged or in otherwise poor condition. Damaged or used items (including jewelry that was used for display purposes) may not be returned.

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

6.3.2 Business Supplies (purchased separately from the Starter Kit)

General business supplies purchased in connection with your S&D business are eligible for return under the Buy-Back Policy.

Personalized business supplies, such as business cards, are not eligible for return and will not be refunded. PWS fees are non-refundable, except as required by applicable state law.

6.4 Account Holds

Home Office may suspend your account if, for example, money is owed, or for violation of the Policies and Procedures. If an account is suspended, you are prohibited from placing orders, receiving all or a portion of commissions, registering for corporate events, or obtaining other Ambassador rewards. Access to the above will be restored once the account is current and/or all violations are corrected.

6.5 Reactivation Policy

You are welcome to sign up as an Ambassador again if your Ambassador Agreement ended as a result of your voluntary termination of your Ambassador Agreement or as a result of deactivation. If your Agreement is terminated by Home Office, you may not reactivate at any time. Home Office reserves the right to deny a request for reactivation. All reactivation requests are subject to review, and if approved, the newly reactivated Ambassador agrees to accept the current Ambassador Agreement terms and Policy and Procedures. An Ambassador who reactivates has no right or interest in the Downline team that existed at the time of the cancellation or termination of the Ambassador's prior Ambassador Agreement.

6.5.1 Deactivated Within the Past Six (6) Months

If you decide to rejoin as an Ambassador within six (6) months of when you voluntarily terminated or deactivated, please contact the Delight Center and they will assist you with reactivating your account.

When you reactivate, you will retain your previous Ambassador ID and Coach changes cannot be made, and downline team(s) you may have previously coached will not be reassigned to you. You will not be eligible for any incentives, except for those specified by Home Office.

6.5.2 Deactivated More Than Six (6) Months Ago

If you decide to rejoin the business after more than six (6) months since your voluntary cancellation or deactivation date, please contact the Delight Center so they can have your previous account cleared. Once this is complete, you will need to sign-up online, purchase a new Starter Kit and submit a new Ambassador Agreement. You will be provided a new Ambassador ID and be able to select a new Coach.

Section 7 Other Business Ventures and the Operation of Your Ambassador Business

7.1 Participation and Operation in Other Business Ventures

Please ensure that any non-S&D business that you participate in or operate are operated entirely separate and apart from your S&D business. Ambassadors participating in other business ventures may not be eligible for certain bonuses, incentives, trips, or rewards outside of the Pay Plan and recognition, product previews, access to confidential information, private social media groups and leader calls will be restricted at the discretion of Home Office.

Same Categories Direct Sales: In cases where an Ambassador has a downline team at S&D and has an agreement with another direct sales company operating in the same product categories (jewelry, apparel or skincare) the exclusions and restrictions outlined above will apply.

Alternative Categories Direct Sales: Ambassadors with downline teams at S&D and has an agreement with another direct sales company operating outside of S&D product categories (jewelry, apparel or skincare) will be subject to Home Office review and the above exclusions and restrictions may apply.

7.2 Ambassador to Ambassador Solicitation

No Ambassador can promote any non-S&D services or goods of any kind to another Ambassador. This includes, but is not limited to, the sales of graphic design services, business coaching, sales tools, marketing materials, business supplies, display items, another direct selling opportunity, etc. Ambassadors may make approved sales tools available free of charge if they wish, but may not charge other Ambassadors for such materials.

7.3 Conflicts and Conflicted Obligations

S&D does not permit any person who is a principal, either directly or indirectly, of another direct selling company, to serve as an Ambassador. Principal shall mean any director, officer, executive, sole proprietor, general partner, or owner of 10% or more of any outstanding stock in any business entity that conducts sales through a direct sales channel, or controls or is under common control with any business entity that conducts sales through a direct sales channel. S&D reserves the right to limit participation in S&D events if an Ambassador is directly or indirectly an employee of or otherwise involved in another direct selling company.

Additionally, you should not enter into, have or hold agreements, relationships, or commitments to any person or entity that conflicts with these Policies and Procedures, your obligations to S&D under the Ambassador Agreement, and/or your ability to perform services as defined within these Policies and Procedures and your Ambassador Agreement.

7.4 Targeting Sales of Other Direct Sales Companies

S&D does not condone Ambassadors specifically or consciously targeting the sales force of another direct sales company to solicit or entice members to become S&D Ambassadors, possibly violating the terms of their contract with such other company. Should an Ambassador engage in such activity, the Ambassador bears all risk associated with such activity, including in the event that a third party claims or threatens any action against S&D.

Section 8 Grievances, Reporting, Dispute Proceedings and Resolution

8.1 Grievances, Complaints, and Reporting Policy Violations

If you observe a violation of these Policies and Procedures, or have a grievance or complaint about another Ambassador regarding any practice or conduct that you are unable to resolve, please submit an email describing the situation and any supporting documentation to Field Relations and Compliance at compliance@stelladot.com.

8.2 Sanctions for Breaching the Ambassador Agreement

If you are found in breach of your Ambassador Agreement, including these Policies and Procedures, or if S&D determines that you have engaged in or are engaging in any illegal, fraudulent, deceptive, or unethical business conduct, you may be subject, at S&D's discretion, to corrective measures, including but not limited to one or more of the following:

- (a)** A written warning
- (b)** A requirement that you take immediate corrective measure

- (c) Imposition of a fine
- (d) Suspension of your Ambassador Agreement
- (e) The removal of some or all of your Downline team members and their Downline teams
- (f) Involuntary Home Office termination of your Ambassador Agreement

To the extent permitted by applicable law, S&D may withhold bonuses and commissions during its investigation into potential or alleged misconduct related thereto, and in the event your Ambassador Agreement is terminated, S&D may withhold any amounts due and owing to S&D. If your Ambassador Agreement is terminated, you will not be entitled to any commission or bonus not earned as of the date of your termination.

8.3 Alternative Dispute Resolution

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

Appendix A

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

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

Appendix B

Requirements for Direct Selling Licenses and ID Cards for Ambassadors in Canada

In Canada, each province and territory regulates its direct sales companies and their sales representatives. Stella & Dot Jewelry Corp. (collectively referred to as “S&D” or “Stella & Dot”) is licensed as a direct sales vendor in each province and territory where a company vendor license is required, sometimes called a vendor or business license. S&D Ambassadors selling in certain provinces and territories are also required to have individual licenses or identification cards.

S&D requires Ambassadors to comply with these license requirements. In any province or territory where Ambassadors are required to be licensed or carry an ID card, their local consumer protection office may bar a non-compliant Ambassador from further sales until they obtain a license or ID card. Other penalties are also possible.

In your Lounge you will find a document which summarizes these requirements by province and/or territory. S&D is responsible for imparting this information to each Ambassador selling S&D products in Canada. If you have any questions on the requirements or would like to check the status of your license, please contact Compliance.

If your province requires you to send in your application materials to the S&D Compliance team, please address it to:

Stella & Dot Jewelry Corp. (collectively referred to as “S&D” or “Stella & Dot”)

8000 Marina Boulevard, Suite 400

Brisbane, CA 94005

Attn: S&D Compliance

Addendum

Canada Anti-Spam Law Policy

PURPOSE OF THIS ADDENDUM

The purpose of this Addendum to the Policies and Procedures (“Addendum”) is to highlight Canada’s Anti-Spam Legislation (CASL) to our Ambassadors and to inform our Ambassadors that they must comply with CASL when selling and promoting S&D products. If you send electronic messages, such as emails, to Canadian recipients, whether you are located in Canada or not, as of July 1, 2014, you may be subject to CASL. CASL is a comprehensive, sweeping legislation that captures CEMs sent from business to business, business to consumer, and also CEMs to individuals. This Addendum focuses on CEMs.

Please note that this Addendum is not providing you with legal advice on your individual CASL compliance. We advise that you consult with your own personal legal counsel if you have any questions or concerns related to your activities as an Ambassador outside of the parameters set forth in this Addendum as well as with respect to any of your electronic communications made outside of your activities as an Ambassador.

Section 1: International Application of CASL

CASL has international reach and applies to anyone sending a “commercial electronic message” (CEM) (as explained below) received on a computer, mobile device, smartphone or other device (“computer device”) located in Canada and sending CEMs from a computer device located in Canada.

Section 2: Background to CASL

Among other things, CASL covers a broad range of activities, including prohibiting:

- Sending a “commercial electronic message” (CEM) via any electronic medium (email, social media, instant messenger, etc.) without the recipient’s prior express or implied consent, unless a statutory implied consent or an exclusion applies (as explained in this Addendum).
- Hacking, malware and spyware.
- Phishing, fraudulent or misleading practices. Note this includes making misleading statements in the subject line of any electronic message.
- Altering someone else’s data transmission.
- Data mining for personal information or using personal information collected from data mining.
- Certain forms of privacy invasion, including using a computer program to harvest electronic addresses, or surreptitiously installing a computer program that may collect personal information stored on someone’s device.
- Installing a computer program on someone else’s computer system, or altering someone else’s computer device unless you have their prior consent (such as downloading a conference app to your smart device), excepting only certain programs listed in CASL, such as cookies, HTML and Java.

Section 3: Terminology Explained

3.1 Commercial Electronic Message (“CEM”) and Valid Consent

Commercial Electronic Message (CEM):

A Commercial Electronic Message (CEM) is a message that deals with a sale of goods, services or land, or that encourages participation in such commercial activity. This includes, but is not limited to, advertisements and information about promotions, offers, business opportunities, events. For an Ambassador, this could mean, but is not limited to, an electronic communication to a customer or Hostess, or potential customer or Hostess, about products, promotions, Trunk Shows, Hostess or Ambassador opportunities and events, such as Meet S&D events.

CASL prohibits the sending of CEMs unless:

- You have the prior express or implied consent of the recipient.
- The message contains certain information to identify you.
- You include a mechanism to allow the recipient to unsubscribe from getting CEMs from you.

Express Consent:

Express consent exists where the recipient elects to receive electronic messages. Express consent must be sought through a positive opt-in consent, meaning the person has to take action to opt in (they are not automatically opted in). Easy to opt-out consent under Canadian or other privacy law (for example, a pre-ticked box that the individual must un-tick to remove consent) does not count. Express consent lasts until the person chooses to unsubscribe.

Implied Consent

Implied consent exists in certain business to business situations such as:

- The person is in an “existing business relationship” with you as a result of having purchased something from you such as a good or service. This implied consent is time limited. It expires two (2) years after the date of the last purchase.
- The recipient’s email address is voluntarily given to you or S&D, such as it is handed to you as an Ambassador in an exchange of business cards at a trade show.
- The recipient’s business contact details are conspicuously posted on such recipient’s website or elsewhere.

For both the second and third situations listed above, the message must be about the recipient’s business duties or interests rather than about the recipient’s personal life.

- Please note that all implied consent ends if the person unsubscribes from future electronic communications.

3.2 Exclusions from CASL for CEMs

Some CEMs are excluded from CASL. Examples of excluded CEMs include the following:

- Messages sent between employees, representatives, and contractors within one organization about the business of the organization, such as internal work within the company.

- Messages sent between employees, representatives, and/or contractors of organizations that “have a relationship” (which term is not defined), where the messages concern the activities of the organization to which the message is sent.
- Messages sent on platforms where the required identification and unsubscribe information is conspicuously published and readily available to the recipient on the user interface, where duplication in each message would be needlessly repetitious. For example, iMessages that include your identification automatically.
- Information that is merely posted on Twitter, LinkedIn, Facebook or the like, provided the information is not sent to an electronic address. Posting is not considered a CEM as it is not a message pushed out to a specific person; the readers choose to come to the posting. By contrast, using LinkedIn as if it were email to send a message to one person could be a CEM depending on the content.
- Messages sent between people in a “family relationship” or in a “personal relationship”. CASL defines these narrowly in the CASL regulations as follows:
 - “**family relationship**” means the relationship between an individual who sends a message and the individual to whom the message is sent if those individuals are related to one another through a marriage, common-law partnership or any legal parent-child relationship and those individuals have had direct, voluntary, two-way communication.
 - “**personal relationship**” means the relationship between an individual who sends a message and the individual to whom the message is sent, if those individuals have had direct, voluntary, two-way communications and it would be reasonable to conclude that they have a personal relationship, taking into consideration any relevant factors such as the sharing of interests, experiences, opinions and information evidenced in the communications, the frequency of communication, the length of time since the parties communicated or whether the parties have met in person.

For a “personal relationship” to exist the Canadian Regulator would expect that the two people have at least met face to face, as opposed to being one of our very many friends on a social media site, such as Facebook. How social media communications will be regulated is still unclear at this point in time, but it would be best to proceed with care in any commercial, electronic communications over social media.

Section 4: Ensuring Compliance with CASL

4.1 Confirming Express or Implied Consent

It is your responsibility to ensure that any emails you send in connection with your activities as an Ambassador are in compliance with CASL. Before sending a CEM that may be received on a computer device in Canada, Ambassadors must confirm that they have express or implied consent to send the message.

4.2 Valid Consent Under CASL

When collecting an email address (for example via a web or paper form) for mailing distribution lists, each of the following must be included for the consent to be valid under CASL:

- The name of the person or organization sending the CEM, and if consent is being sought on behalf of another person or organization, the name of the person or organization on whose behalf consent is being sought for and for whom.

- The specific purpose for which you are obtaining consent (e.g. “receive offers from S&D”).
- Contact information, which must include both:
 - A physical mailing address
 - An electronic communications method, whether email or phone or a web page contact form

A hyperlink to a webpage with all this contact information is acceptable only if it is not practicable/possible to include it in the message itself, for example, due to the space constraints that apply to text messages and SMS.

- A notice that is clear and prominent, explaining that the recipient may elect to unsubscribe from receiving further CEMs from the Ambassador or S&D, as applicable.

In all cases where an Ambassador asks a person (including customers, potential customers, Hostesses, or recruits) if they wish to receive commercial emails from S&D, they must contain CASL compliant express consent for S&D. You must seek CASL compliant consent and follow this procedure regardless of whether you ask for consent in writing, electronically, or verbally. CASL requires you to:

- State your name and that you are asking for consent for S&D to send commercial email.
- Provide S&D's address:
 - 8000 Marina Boulevard,
Suite 400
Brisbane, CA, 94005, USA
- Provide the Delight Center's email address and telephone number:
 - S&D: service@stelladot.com
 - US & Puerto Rico: 800-9205893
 - Canada: 866-444-7142
- State that consent may be withdrawn.

4.3 Content Requirements for a CEM under CASL

Ambassadors who send CEMs must ensure that each CEM they send includes each of the following:

- The name of the person or organization sending the CEM, or if the CEM is being sent on behalf of another person or organization, the name of the person or organization on whose behalf the CEM is sent.
- Contact information, which must include:
 - A physical mailing address; AND
 - An electronic communications method, whether email or phone or a web page contact form.
 - A hyperlink to a webpage with all this contact information is acceptable only if it is not practicable/possible to include it in the message itself, for example, due to the space constraints that apply to text messages and SMS.

practicable/possible to include it in the message itself, for example, due to the space constraints that apply to text messages and SMS.

- A notice that is clear and prominent, explaining that the recipient may elect to unsubscribe from receiving further CEMs from the Ambassador or S&D, as applicable.

4.4 Valid Unsubscribe Requirements

In order for the unsubscribe mechanism to conform to CASL requirements, it must:

- Be set out clearly and prominently.
- Function through the same electronic means as the CEM.
- Include an electronic address or link to a website to which the request may be sent.
- Enable the recipient (at no cost) to readily remove himself or herself from the mailing list.
- Stay valid for a minimum of sixty (60) days after the CEM has been sent.
- Process requests without delay.

The Ambassador must move to unsubscribe the recipient to honor his or her choice to unsubscribe within ten (10) days of the date the request is made.

4.5 Why You Should Comply

Failure to comply with the CEM requirements of CASL may result in monetary penalties of up to \$1 million for individuals, and up to \$10 million for corporations. Ambassadors who do not take care to ensure they are complying with CASL requirements as set forth in this Addendum are subject to termination by Home Office.

Without limiting the above, any electronic communications, including but not limited to, messages sent via email, social networking sites or other means sent by an Ambassador in connection with their business must meet the following requirements:

- The communication must clearly identify the Ambassador as the sender of the email and as an Ambassador with S&D.
- The communication must include an accurate return email address of the sender.
- The communication must include a notice that advises the recipient that they may reply to the email via the return email address provided or other means to change email preferences or opt-out of future emails.
- The communication must include the Ambassador's physical mailing address.
- The communication must clearly and conspicuously disclose that the message is an advertisement or solicitation.

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

Section 5: More Information

Each and every Ambassador must make an effort to be in compliance with CASL and the above-referenced requirements.

More information can also be found on the Canadian government's website at: <http://fightspam.gc.ca>.

This Addendum is considered a part of the Policies and Procedures and Ambassador Agreement you entered into with S&D.