
Chloe + Isabel Policies & Procedures

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Policies & Procedures Overview

This document details the Policies & Procedures that all Independent Merchandisers are required to follow in order to operate their businesses.

The objective of this guide is to support Independent Merchandisers and the success of their businesses by establishing clear guidelines. Each Independent Merchandiser is expected to exhibit exemplary ethical standards, treat others fairly, and fully comply with the rules and requirements in this document. All activities conducted in connection with an Independent Merchandiser Business are bound by these Policies & Procedures.

This document must be reviewed prior to completing an Independent Merchandiser Agreement and registering as an Independent Merchandiser.

Throughout this document:

- An Independent Merchandiser may also be referred to as “the Independent Merchandiser.”
- Chloe + Isabel may be referred to as the “Company.”

It will be necessary to consult the Independent Merchandiser Agreement’s terms and conditions, the Career Plan, Terms of Use for the website, Privacy Policy, the terms and conditions of any supplemental or bonus program, as well as this document in order to familiarize yourself with the full set of the rules and regulations governing an Independent Merchandiser’s relationship with the Company. Together, this document, the Independent Merchandiser Agreement, and the Career Plan form a complete contract between Independent Merchandiser and the Company.

- Merchandiser Agreement: www.chloeandisabel.com/merchandiser_terms
- Career Plan: www.chloeandisabel.com/career-plan
- Terms of Use: www.chloeandisabel.com/terms
- Privacy Policy: www.chloeandisabel.com/privacy

Should you have questions or concerns regarding this document, please contact the Customer Care Team at the telephone number or email addresses shown on our website (<https://www.chloeandisabel.com/contact>).

General Disclaimers & Policies:

General Policies

The Independent Merchandiser will be held to the highest of ethical standards. The Code of Conduct is included in this document, and these General Policies, are intended to support the ethical, fair, and legal operation of each Independent Merchandiser Business.

- **Changes to published Policies:** These Policies & Procedures and other policies and procedures that may be implemented from time to time by the Company are subject to change at the Company's sole discretion. Any changes will be posted on online and/or provided via electronic mail.
- **Gaming is prohibited:** Attempts to manipulate any policy or program through unethical business practices to maximize monetary compensation or non-monetary incentives is prohibited. The determination of what constitutes "gaming" is at the Company's sole discretion. Prohibited activities include, but are not limited to:
 - "Bonus buying," or any purchase not driven by a bona fide end user demand.
 - Providing false information to the Company, including but not limited to names, addresses, contact details and payment information of Customers, Independent Merchandisers or other parties to an Independent Merchandiser Business or transaction.
 - Purchasing and holding inventory in order to maximize compensation, bonuses, achievement of title or incentive promotions (such as trips).
 - Providing false or misleading information to Customers and/or other Independent Merchandisers in order to induce them to purchase product or register as Independent Merchandisers.
 - Manipulating the timing of the submission of orders to accelerate or delay processing in order to maximize sales for a given period.
 - Any Independent Merchandisers found to have "gamed" any policy or program may be required to repay commissions gained via gaming.
- **Compliance with laws** – All Independent Merchandisers must comply with all laws, regulations and codes applicable to their local jurisdictions.
 - Independent Merchandisers may not engage in any deceptive or unlawful trade practice or participate in any illegal or unlawful business activity.
- **Positive representation of Chloe + Isabel** – The Independent Merchandiser must refrain from deceptive, discriminatory, misleading or immoral behavior that may damage the Company's reputation or goodwill.

- Any Independent Merchandiser's or Customer's concerns or complaints should be directed to the Company via the contact information provided on its official website. They should not be disseminated to anyone outside the Company.
- Independent Merchandisers must operate their businesses in a financially responsible, solvent and businesslike manner.
- Independent Merchandisers may not make or publish negative or disparaging comments regarding the Company, another Independent Merchandiser or any competitor of the Company. What constitutes a disparaging comment is determined at the Company's sole discretion.
- **Violation of Policies & Procedures:** Independent Merchandisers found to be in violation of these Policies & Procedures, the Independent Merchandiser Agreement, the Career Plan or the terms and conditions of any published program may be subject to suspension, reduction of commissions, changes in title or status, termination and/or other disciplinary action.
 - What constitutes a violation and the disciplinary action imposed, if any, are at the Company's sole discretion. Please see "Managing Disputes" in the "Conclusion or Sale/Transfer of an Independent Merchandiser Business" in this document for additional information.
 - An Independent Merchandiser Business may be suspended pending an investigation of any suspected or alleged violations. While a business is suspended, the Independent Merchandiser must cease representing themselves as an Independent Merchandiser, refrain from facilitating product sales, stop recruiting activities, and discontinue leadership of any team.

Initiating an Independent Merchandiser Business

In order to establish an Independent Merchandiser Business, it is necessary to fully and properly complete an Independent Merchandiser Agreement (referred to as "Application" hereinafter).

Prior to Applying

This section covers terms and restrictions concerning who is eligible to become an Independent Merchandiser and important considerations to review prior to applying:

- **Applications are made for Independent Merchandiser Businesses:** The term "Independent Merchandiser Business" refers specifically to the account created with the Company that conveys certain rights and privileges to identify oneself as an Independent Merchandiser, facilitate sales of Chloe + Isabel products, recruit new Independent Merchandisers, earn compensation as outlined in the Career Plan document (the current version of which can be found online), and conduct other specified business activities. Independent Merchandiser accounts may not be

associated with a business entity, corporation, trust, doing business as (DBA), or limited liability company (LLC).

- **Independent Merchandiser Businesses:** Each Independent Merchandiser account must list the individual that originally signed the contract.
 - All Independent Merchandisers must provide a valid Social Security Number (SSN) on their Application.
 - Applicants may be required to provide, in addition to the Application, other documentation supporting the validity of their Application at the Company's discretion.
- **Independent Merchandisers are Independent Contractors:** All Independent Merchandisers are independent contractors that are responsible for their activities without direct control by or direction from the Company.
 - Independent Merchandisers may not represent themselves as employees of the Company, nor may they state that they are agents, franchisees, joint venture partners, or any other type of affiliation other than independent contractors of the Company.
 - As independent contractors, Independent Merchandisers will not be considered agents, employees, franchisees, or joint venture partners for the purposes of any applicable law or regulation.
 - As independent contractors, Independent Merchandisers are not eligible for health insurance, life insurance, 401K saving plans, or any fringe benefits typically associated with employment. They are not eligible for unemployment benefits under any program.
- **Income taxes are not withheld:** As independent contractors, Independent Merchandisers are responsible for remitting all state, federal and local income taxes, as well as addressing any self-employment taxes, license fees, permits, or other government-imposed costs related to operation of an Independent Merchandiser Business.
 - Each Independent Merchandiser earning more than \$600 will receive IRS Form 1099 each year in accordance with U.S. tax laws.
 - Form 1099 will be issued in the name of the Independent Merchandiser.
- **Authorization to work in the United States is required:** Chloe + Isabel only operates in the United States of America and Puerto Rico at this time. Independent Merchandisers must be legally allowed to work in the United States.

- Independent Merchandisers must reside at the home address associated with the Independent Merchandiser Business, and this address must be within the legal boundaries of the 50 United States, Puerto Rico, APO, or FPO.
- Chloe + Isabel does not yet accept Applications from residents of other nations, or those living in U.S. territories other than Puerto Rico.
- **A “Household Rule” applies:** A maximum of one (1) Independent Merchandiser Business, Passport Member or Customer account type is permitted per household. All members of an immediate family and anyone else residing in a single primary residence shall be treated as part of the single Independent Merchandiser Business associated with that address. Should siblings or family members residing at the same address wish to operate their own businesses, or hold Customer accounts, the specific facts and circumstances must be submitted to the Company for review and an exception to this rule may be granted.
- **A “One Account Rule” applies:** An individual may only hold (1) account. If an Independent Merchandiser is found to have more than one account, disciplinary action will be taken and the Independent Merchandiser account may be closed.
- **Restrictions on Direct Selling and Jewelry Affiliations Apply to Independent Merchandisers:**
 - An Independent Merchandiser may not be affiliated as a distributor, employee, agent, shareholder or other stakeholder of a jewelry company or other business that offers a similar product to any item in Chloe + Isabel’s assortment.
 - Competing products may not be presented during Chloe + Isabel Pop-Ups, sales interactions or recruiting interactions. Independent Merchandisers may not promote competing products.
 - Independent Merchandisers may not promote other direct selling, network marketing or person-to-person business opportunities on social media, or during Chloe + Isabel Pop-Ups, sales interactions or recruiting interactions.
 - An Independent Merchandiser may not sell product to, solicit or recruit current or prospective Chloe + Isabel Independent Merchandisers on behalf of any other direct sales company.
 - An Independent Merchandiser with a rank of Merchandising Manager (MM) or above may not be affiliated as a distributor, employee, agent, shareholder or other stakeholder with another Direct Selling, Network Marketing or person-to-person selling opportunity that operates its business in a similar way to Chloe + Isabel.
 - An Independent Merchandiser with a rank of Merchandising Manager (MM) or above may not be an employee of nor have a team or be a field Leader at another

Direct Selling, Network Marketing, or person-to-person selling opportunity that operates its business in a similar way to Chloe + Isabel.

- **Independent Merchandisers may not maintain other Affiliations with the Company:** In order to establish clear relationships between the Company and its stakeholders:
 - Any and all Independent Merchandisers may be affiliated with only that single Independent Merchandiser Business at any one time.
 - Employees, board members or other stakeholders in Chloe + Isabel may be Independent Merchandisers, but they are not allowed to have Personal Team Members or Downline Leaders.
 - Independent Merchandisers are strictly prohibited from holding a Customer or Passport Rewards Member account.

Application Process

An Application must be submitted to Chloe + Isabel online for review and approval. Approval must be obtained before any Independent Merchandiser Business is established.

- **Applications are approved at the Company's sole discretion:** Submission of a fully completed Application does not guarantee the establishment of an Independent Merchandiser Business for the applicant:
 - The Company may consider the content of the Application, as well as information from government agencies, credit reporting bureaus, social media and other publicly-available sources.
 - The Company may reject any Application at its sole discretion.
 - The Company will not reject an Application on the basis of race, ethnicity, national origin, sex, gender, sexual orientation or other protected status in the applicant's legal jurisdiction.
 - The Company is under no obligation to provide a rationale or supporting explanation for any rejection of an Application.
- **Applications must be properly completed:** The Application must include a valid Social Security or Federal Tax ID number(s) current address, telephone contact information and email contact information.
- **Applicants must acknowledge receipt and review of the Career Plan and this Policies & Procedures guide before the Application will be considered.**

- **Starter Kit is required:** In order to apply to become an Independent Merchandiser, a Starter Kit must be purchased at the time of the submission of the Application, unless this requirement is prohibited by state or local law.
 - The cost of any kit(s) will be specified during the online application process.

Operating an Independent Merchandiser Business

Once an Application is approved, the new Independent Merchandiser may begin to operate their business. This section contains important guidelines governing sales, recruiting, earning commissions and other activities related to operating an Independent Merchandiser Business.

Independent Merchandiser Code of Conduct

The Company holds Independent Merchandisers to the highest ethical standards in order to support fair and profitable businesses. Our simple Code of Conduct requires that Independent Merchandisers:

- **Be honest and courteous throughout any and all business dealings.** This includes general promotion of an Independent Merchandiser Business, facilitating sales to Customers, recruiting of new Independent Merchandisers, mentoring and leadership activities.
- **Only make supported claims about products, services or the business opportunity** that are contained within official Chloe + Isabel literature, websites, publications, audio or videos.
- **Refrain from making income guarantees or otherwise misrepresenting the earning opportunity of an Independent Merchandiser Business.** Only representations of income from official Chloe + Isabel literature, websites, publications, audio or video may be used. Independent Merchandisers must not make guarantees or projections of earnings or profits. Success with Chloe + Isabel results only from successful sales and team development efforts. These require hard work, diligence and leadership, and financial results will vary for each Independent Merchandiser.

Any Independent Merchandiser who believes they are aware of a violation of these Policies & Procedures, the Career Plan, the rules of a supplemental program or bonus, or the terms and conditions of the Independent Merchandiser Agreement should contact the Company to report suspected violation.

General Operating Policies

The following apply to the general operation of an Independent Merchandiser Business:

- **Territories are not granted:** Independent Merchandisers are not assigned or allowed exclusive geographic regions as sales or recruiting territories. Any Independent Merchandiser may operate within any portion of the 50 United States and Puerto Rico.

- **Independent Merchandisers Operate via Social Selling:** Independent Merchandisers may facilitate sales, recruit others and/or conduct business-related activities via home Pop-Ups, individual interactions, an official Chloe + Isabel Independent Merchandiser website, the Independent Merchandiser app and certain types of salons or events.
 - Selling via online channels other than an official Independent Merchandiser website or app is prohibited unless done in compliance with an official Company program. The Company will actively enforce the prohibition against selling via commerce platforms other than its own. Such platforms include but are not limited to Poshmark, eBay, Amazon, Etsy, Gilt or Craigslist. See the “Electronic Promotion of an Independent Merchandiser Business” section for additional information.
 - Ongoing Operation via a long-term physical presence location is prohibited. Any operation of an Independent Merchandiser Business taking place at the same location, other than the Independent Merchandiser’s home, on more than ten (10) days during any one (1) month period is considered ongoing operation from a physical location. Independent Merchandisers may not establish retail locations (e.g. kiosks, storefronts, etc.), nor may they operate on an ongoing basis in another type of retail setting (e.g. salons, boutiques, restaurants, etc.) without a specific exception to this policy granted by the Company. The Company may, in its sole discretion, grant such an exception for a short-term or seasonal physical presence in a specific retail setting.
 - Operating or conducting Pop-Ups at other locations, events or fairs is permitted. Independent Merchandisers may facilitate parties and/or set up booths, tables or points of sale at events, provided the activity does not violate the restrictions noted above.
 - Pop-Ups may take place at events, shared meeting spaces or locations of organizations or businesses, barring any other restrictions on that use of that location.
 - Independent Merchandisers are required to use sound judgment and high ethical standards in selecting venues and/or events that fit with Chloe + Isabel’s brand. Independent Merchandisers may be prohibited from operating at specific events at the Company’s sole discretion.
 - Any product sold via a prohibited means carries no warranty or guarantee from the Company.
- **Independent Merchandisers must keep their business-related data current:** In order to ensure proper processing of transactions, remittance of compensation and continuity of communication/service, the Independent Merchandiser must promptly update any and all information stored with the Company relevant to their business. This includes but is not limited to names, Tax or Social Security identification numbers,

billing and shipping addresses, telephone numbers, email addresses, credit card details, bank routing and account information, payment preferences and legal acknowledgements. In order to remain active, Merchandisers must remain opted into all email communication from the company.

- **Independent Merchandisers may not contact or deal directly with other Chloe + Isabel affiliates and partners.** The Company's advisors, suppliers, contractors and affiliates should not be contacted or solicited by any Independent Merchandiser.
- **Independent Merchandisers may not infringe upon or seek to infringe upon any trademark, patent or other intellectual property of Chloe + Isabel.**

Remaining Active as an Independent Merchandiser

In order to represent oneself as an Independent Merchandiser, facilitate the sale of Chloe + Isabel products, recruit other Independent Merchandisers, hold a title, and/or lead other Independent Merchandisers, an Independent Merchandiser Business must be in Active Status.

- Active Status is evaluated every month:
 - **A new Independent Merchandiser Business will automatically remain in Active Status for a period of one (1) year** from the date upon which its Application was approved. The date upon which the Application was accepted is referred to as the Registration Date.
 - **Active Status will be evaluated on the first of the month following the 1-year anniversary of the Registration Date.**
 - In order to remain in Active Status for another one (1) month period, the Independent Merchandiser must have accumulated 500 Personal Volume (PV) in the prior 6 months. Personal Volume is the price paid in USD for the value of products on orders to Customers or Passport Rewards Members, less any returns.
- **If an Independent Merchandiser fails to satisfy the activity requirement**, the Independent Merchandiser will automatically be reassigned to a status of Passport Reward Member.
 - The reassignment will take place on or about the 10th business day of each month upon which activity requirements were not met.
 - The reassigned Independent Merchandiser (now a Passport Reward Member) will no longer have access to the Independent Merchandiser website or app logins, but they will be able to access a Passport Reward account. The Passport Reward account will be tied to their former upline.

- Any reassigned Independent Merchandisers may no longer represent themselves as Independent Merchandisers, facilitate the sale of Chloe + Isabel products, recruit other Independent Merchandisers, lead teams or earn commissions.
- If the reassigned Independent Merchandiser had a team, that team will be forfeited and will not be returned.
- Should the reassigned Independent Merchandiser reapply and be reinstated as a Merchandiser, all Lifetime Sales achievements will reset and begin from zero.
- See the “Conclusion or Transfer of an Independent Merchandiser Business” section for details on how reassignment due to inactivity may impact the payment of commissions, the team structure, and the reassigned Independent Merchandiser’s ability to restart her business.
- This policy will go into effect beginning 10/1/18, and the first reassignment from Independent Merchandiser to Passport Member will occur on or around January 10, 2019.
- Independent Merchandisers that were reassigned due to inactivity may reapply:
 - An Independent Merchandiser Business that had been reassigned may be reinstated as an Independent Merchandiser by reapplying to be an Independent Merchandiser and purchasing a kit. The Company reserves the right to refuse this request at its sole discretion.

Facilitating Sales

The following policies apply to the sale of Chloe + Isabel products.

- Product Sales to Customers:
 - Independent Merchandisers are not required to stock inventory.
 - Any and all items purchased are shipped directly to shipping address specified by the buyer on each order.
 - Independent Merchandisers are prohibited from overwriting or otherwise altering the shipping address on a Customer order. The shipping address is determined by the buyer alone.
 - Independent Merchandisers may not pay for Customer purchases using their own funds or credit cards. The Customer listed on each order must provide payment via a means he or she is authorized to utilize.
 - If product is ordered at a Pop-Up, the product should be shipped to the buyer’s designated shipping address, not the location of the Pop-Up, the Independent Merchandiser’s address or the Hostess’s address.

- Independent Merchandisers may not facilitate the sale of any product to any person that the Independent Merchandiser believes intends to resell the item(s).
- Independent Merchandisers receive credit for sales for compensation purposes by associating their Customers with their Independent Merchandiser Business. The means of associating an Independent Merchandiser Business with an order is as follows:
 - New Customers on Chloe + Isabel.com will be given the option to select an Independent Merchandiser at checkout based on first and last name and city.
 - Returning Customers may change their Independent Merchandiser by selecting a different Independent Merchandiser during the checkout process. Only a Customer can change their Independent Merchandiser affiliation.
 - Only one (1) Independent Merchandiser may receive credit for an order.
 - Orders may be accepted that are not credited to an Independent Merchandiser.
 - Once an order is submitted, the Independent Merchandiser to which an order is credited may not be modified except at the sole discretion of the Company.

- **Facilitating Customer sales at Pop-Ups**

- During the process of creating an order, a Customer will be prompted to select an Independent Merchandiser. Once the Independent Merchandiser is selected, the Customer will be prompted to select the Pop-Up with which the order should be associated. They may choose not to associate their order with a Pop-Up.
- Once the order is closed, the Pop-Up affiliation may not be added or changed.

- **Sales taxes are remitted by the Company:** As Chloe + Isabel is the selling entity, any and all local and state sales taxes are collected and remitted to the proper authorities by Chloe + Isabel. Income taxes, fees and other regulatory compliance considerations are the responsibility of the Independent Merchandiser as an Independent contractor. The amount of tax due on an order is determined by the shipping address on the order.

- **Pricing is set by the Company:** Chloe + Isabel sets all prices.

- Any party purchasing an item offered for sale by the Company, including Independent Merchandisers, Passport Rewards Members and one-time Customers, must pay the published price net of any discounts, coupons, rebates or other incentives offered by the Company.

- Independent Merchandisers may not offer or promise discounts or promotions at their discretion—only official programs offered by the Company or programs funded by the Independent Merchandiser may be made available to Customers.
- Prices are subject to change.
- **Orders may be shipped only to certain addresses:** Orders may be sold and shipped to the following locations: United States, Puerto Rico and U.S. Military Bases.
- **Only credit cards are accepted for payment:** The Company accepts a variety of credit cards. Checks or cash are not accepted. The Company has complete discretion to accept, or not accept, any particular brand or type of credit card.
- **Customer email addresses must be provided in order to furnish receipts:** Independent Merchandisers must ensure buyers are furnished with receipts for their orders by ensuring all Customers provide a true and correct email address with each order.
- **Returns are subject to the Return Policy:** Please see the current return policy at www.chloeandisabel.com/return_policy.
- **Excessive returns by a Customer or Independent Merchandiser** may result in limitations on purchasing or receipt of compensation at the Company's sole discretion. For additional information about returns of items purchased by Independent Merchandisers for use in operating their businesses, please refer to the terms and conditions of the Independent Merchandiser Agreement.
- **Independent Merchandisers may not place orders as Customers:**
 - Independent Merchandisers may only place orders for products using their Independent Merchandiser account.
 - An Independent Merchandiser who orders under a Customer or Passport Rewards account will be considered as manipulating the Career Plan and may result in penalties described in the **Violations of Policies & Procedures** section, including the closing of their Merchandiser account.
- **Facilitating sales to Customers results in Commissionable Volume being credited to Independent Merchandisers:** When a Customer places an order, the order will have an associated commissionable volume (CV). This commissionable volume is used to determine the way in which that order will impact the compensation and activity status of the Independent Merchandiser to whom the order is credited.
 - CV *does not include* shipping, handling, credit redemption, coupons, other discounts, fees or taxes.

- If some or all of an order is returned within the same month that it was ordered, the CV of the Independent Merchandiser to whom the order was originally credited will be reduced and compensation on the portion of the order returned will not be paid.
- If some or all of an order is returned in a future month, CV is not affected, however any commissions paid on the order will be subtracted from that month's commission check.
- Purchases by Independent Merchandisers do not result in Commissionable Volume being credited. Purchases that do not earn CV include but are not limited to: purchase of any product on an Independent Merchandiser account, purchases of Independent Merchandiser starter kits, purchase of business materials or payment of fees for event registration.

Purchasing as an Independent Merchandiser

In order to take advantage of special Independent Merchandiser pricing and comply fully with these Policies & Procedures, Independent Merchandisers should use their own Independent Merchandiser account to purchase product for themselves or their business.

- **Independent Merchandisers receive a discount off retail price:** The discount is equal to 30% on regularly priced items, and up to 50% on select spree items. Please refer to the terms and conditions of the Independent Merchandiser Career Plan for current discount rates.
- **Independent Merchandiser orders do not earn Commissionable Value:** Because a product was not sold to a Customer, purchases by Independent Merchandisers do not earn Commissionable Value. They will result in no commission payments to the Independent Merchandiser or her team.

Earning Commissions with Chloe + Isabel:

General Policies related to Independent Merchandiser compensation are described below.

Additional rules and restrictions can be found in the Career Plan.

In addition to the Career Plan, additional bonuses, contests, and promotions may be offered. Each additional program will have its own terms and conditions.

- **Only Active Independent Merchandisers meeting all eligibility requirements may earn commissions:** The Company will compensate any Independent Merchandiser in good standing for their business performance.
 - The Company reserves the right to withhold compensation as a disciplinary action for violations of any published Policy, Term, Condition or Rule, if it suspects gaming of programs is taking place, or if an Independent Merchandiser has violated the Code of Conduct.

- The Company reserves the right to delay payment of compensation during an investigation of any suspected or alleged misconduct.
- **Commissions are paid monthly:** All regular payments made to the Independent Merchandiser under the Career Plan are made via the monthly commission cycles.
 - Commission elements are outlined in the Career Plan.
 - Some bonuses or promotional compensation payment may be made as on-time payments as noted in the terms and conditions of the specific program.
 - Monthly commissions are disbursed by the 10th of every month.
 - Earnings Statements will be available on or before the 10th of every month.
 - If a commission date falls on a weekend or a holiday, payment will be disbursed by the following business day.
- **Should an Independent Merchandiser believe an error has occurred in the calculation of her Commissions:** The Independent Merchandiser should contact the Company's Customer Care Team using the contact information provided online with a full description of the suspected discrepancy and any documentation to support the claim.
 - Any such concerns must be reported to the Company within ten (10) days of the pay date in question.
 - Please allow up to ten (10) days to receive a reply regarding the concern.
- Commissions are paid via Direct Deposit:
 - All compensation is paid via Direct Deposit to a U.S. bank account.
 - If the Independent Merchandiser has not provided Direct Deposit Information or Direct Deposit fails due to incorrect information provided by the Merchandiser, an Independent Merchandiser may contact Customer Care and have a manual check processed. Please allow ten (10) days to process your request.
 - Manual checks will incur a \$25 check processing fee to cover the administration cost of issuing the check.

Promoting an Independent Merchandiser Business

Some specific guidelines apply when using the electronic tools provided, social media, person-to-person contact and Parties to build interest in an Independent Merchandiser Business.

Electronic promotion of an Independent Merchandiser Business

Social media and electronic tools will play an important role in an Independent Merchandiser Business. That said, the value of personal contact, discussions, and interactions should not be underestimated. The following policies pertain to use of Chloe + Isabel provided technology, social media platforms, and other computer-enabled tools.

- **An Independent Merchandiser must maintain an official Independent Merchandiser Boutique hosted by the Company:** Any portion of the Boutique editable by the Independent Merchandiser must comply with the policies herein, subject to the Company's approval, which may be withheld in its sole discretion.
 - Chloe + Isabel reserves the right, but does not have any obligation, to review and moderate the edited content.
 - the Company may delete, move or edit content that it, at its sole discretion, deems abusive, defamatory, profane, obscene, in violation of copyright or trademark laws or these Policies & Procedures, or are otherwise unacceptable.
 - Independent Merchandisers may not promote unrelated businesses or causes via official Websites.
 - Promotion of an Independent Merchandiser Business or conducting business via a website not hosted by the Company is forbidden, except for use of social media platforms approved by the Company.
 - Hyperlinks to the promotion of an Official website may not be located upon or made via any website or electronic presence that may be considered lewd, offensive, discriminatory, or inappropriate. The determination of what may be considered in violation of this policy is at the Company's sole discretion.
- **Independent Merchandisers may also utilize the Chloe + Isabel App to operate their businesses.** Each Independent Merchandiser is responsible for obtaining an iOS compatible device in order to use the App. App functionality may vary over time. Please refer to the End User Agreement of the App for full details. While it is highly recommended that you use the iOS App, all application functionality is mirrored in the web application and the iOS App is not required to operate your business.
- **Independent Merchandisers may utilize their email addresses for business purposes:** Independent Merchandisers will not be provided with an official Company email address for business use. The email address used for the Independent Merchandiser Business:
 - May not contain reference to "Chloe + Isabel," "Independent Merchandiser," any Career Plan term or title, any product name or any other trademark of Chloe + Isabel.
 - Must not be suggestive, offensive, discriminatory, or controversial.

- **Any Company-Provided tool is subject to outages:** Websites, apps, email services, order entry systems and other network or computer services may not be available at all times. The Company is not obligated to provide compensation for inconvenience or lost business due to system outages.
- **Content created by Independent Merchandisers related to their businesses may be used by the Company:**
 - **Ownership of Intellectual Property:** Between the Independent Merchandiser and Chloe + Isabel, the Company owns all intellectual property rights in and to our products and materials, and all designs, data, information or other content in our products and materials (collectively the "Chloe and Isabel IP"). The Independent Merchandiser acknowledges that by agreeing to become an Independent Merchandiser, you will not own or acquire any interest or right of any nature to or in any intellectual property rights in our products or materials and that you will not use any of our designs, except as specifically authorized by us. The Independent Merchandiser also agrees that you will not at any time incorporate or permit to be incorporated any Chloe + Isabel IP into any products or designs of yours or of any third-party or otherwise use the Chloe + Isabel IP for the purposes of developing a competing product. During the term of this Agreement, you will be granted a limited, revocable, non-exclusive, non-transferable license to use the Chloe + Isabel IP for the sole purpose of marketing and selling the Chloe + Isabel products as described in these Policies & Procedures (the "License"). We have the right to limit or restrict the License at our sole discretion or to otherwise provide you with guidelines regarding how you use the Chloe + Isabel IP, in each case, as a supplement to any limitations or restrictions contained in these Policies & Procedures. Upon the termination of this Agreement, the License will terminate immediately and you will return all Chloe + Isabel IP. We reserve all rights, title and interest in and to the Chloe + Isabel IP not otherwise expressly granted in connection with the License and you agree that we shall own all rights, title and interest in and to any improvements, modifications, refinements or enhancements to the Chloe + Isabel IP, even if such changes result from input, feedback, requests or ideas generated by you (it being understood that you hereby transfer and assign to Chloe + Isabel all rights, title and interest that you may have in and to such changes).
 - **Independent Merchandiser Content Grant:** Independent Merchandisers hereby grant Chloe + Isabel permission to use and reproduce any photographs, images, voice, name, personal information, website postings, social media content or data uploaded to the internet related to you, created by you or containing any form of likeness with you (collectively "Content") in all forms and media including composite or modified representations for all purposes, including marketing and commercial purposes throughout the world and in perpetuity. You acknowledge and understand that the term "Content" used herein includes Content that is in both physical and digital form and that such Content may be seen by members of the general public, in addition to those persons who regularly visit our website. You hereby grant to Chloe + Isabel a non-exclusive, worldwide, royalty-free license to

use any Content and derivative works of any Content in connection with our business, including the marketing and promotion thereof, and you waive the right to inspect or approve any versions of any Content used at any time by us, including any words, descriptions, data or images that may accompany such Content. You understand and accept that you will not be compensated for any use of any Content by us and you hereby waive any rights you may at any time have to any such compensation. You may revoke the permission to use your Content by providing us with written notice provided that you accept and agree that (a) any such revocation will only apply to the use of Content that occurs thirty days after the date that we receive your written notice so that we have adequate time to process such notice, and (b) any such revocation will not apply to, or in any way alter, the perpetual worldwide license granted in the “Ownership of Personal Property” section with respect to any Content that does not personally identify you. You agree that you will not, at any time, create, distribute or otherwise make available any Content that directly or indirectly violates any rights of any third-party.

- **Use of Social Media:** Facebook, Twitter, Instagram, Pinterest, Instagram, Tumblr, Snapchat, Vimeo, YouTube and LinkedIn are the approved social media outlets for use by Independent Merchandisers.
 - Social Media may be used for promotional activities only. Processing sales transactions via Social Media is prohibited. All such transactions must take place using official Chloe + Isabel provided technology or forms.
 - Any and all content posted on a social media account used in conjunction with an Independent Merchandiser Business must not be abusive, defamatory, profane, obscene, in violation of any laws or in violation of these Policies & Procedures.
 - Social media conduct is expected to be consistent with and representative of the values of Chloe + Isabel.
 - Any pages, groups, users, or postings created by a Merchandiser may not deceptively represent Chloe and Isabel as a whole. Any representation must state your affiliation. For example, creating a group called “Chloe + Isabel” implies a corporate sponsored group and would be unacceptable. Creating a group called “Chloe + Isabel by Mary” indicates a personal group that wouldn’t mislead customers when looking for corporate pages.
 - Independent Merchandisers may not promote unrelated businesses or causes that may be considered controversial, lewd, offensive or discriminatory on the same social media accounts as an Independent Merchandiser Business is promoted.
- **Use of other online commercial platforms is prohibited:** Offering items for sale, facilitating sales, or recruiting via any site other than an official Independent Merchandiser Website is strictly prohibited and will be actively enforced. This includes online auction sites and internet-enabled marketplaces, such as Amazon, Etsy and eBay.

- **General online communication guidelines:** Posting any of the following types of content on any Internet-enabled site, forum or channel is prohibited:
 - Offensive or discriminatory comments.
 - Content prohibited by Federal, State or Local law(s).
 - Disparaging or damaging statements about Chloe + Isabel, any of its affiliates or competitors.
- **Independent Merchandisers must take reasonable security precautions:** In using computerized or online resources, Independent Merchandisers should exercise due care to avoid exposure to viruses, malware or similar security threats.. Independent Merchandisers must protect the confidentiality of password(s) and should change password(s) periodically.
- **SPAM Is prohibited:** Independent Merchandisers must comply with the CAN-SPAM Act of 2003 and other laws and regulations applicable to bulk or commercial e-mail. Independent Merchandisers must ensure that email recipients have given their consent to receive e-mail via some affirmative means, such as an opt-in procedure or form, with reasonable means to ensure that the Party providing the address is authorized to do so.
- **All data, lists, reports, and information relating to Independent Merchandisers and Customers is the property of the Company and must be kept confidential:** Throughout the operation of an Independent Merchandiser's Business, they may have access to information that identifies Customers, Independent Merchandisers, team reports and other proprietary and confidential information. Independent Merchandisers may not reproduce, publish or otherwise provide this information to third parties. This information is provided for the sole purpose of supporting the operation of each Independent Merchandiser's Business; it may not be used for other purposes. It may not be sold or bartered under any circumstance.
- **Independent Merchandisers may identify themselves online as Independent Merchandisers or independent representatives of Chloe + Isabel only.** They may not include any other verbiage that would expressly state or imply another type of affiliation with the Company.
- **Other restrictions on use of Chloe + Isabel electronic tools:** Independent Merchandisers are prohibited from using websites, email, or other computer networks to engage in, foster, or promote illegal or abusive behavior, including:
 - Monitoring data or traffic on any network or system without the express authorization of the owner of the system or network.

- Interference with service to any user of systems or other network including, without limitation, mail bombing, flooding, deliberate attempts to overload a system and broadcast attacks.
- Use of an Internet account or computer without the owner's authorization.
- Collecting or using email addresses, screen names or other identifiers without the consent of the person identified.
- Unlawfully collecting or using information without the consent of the owner of the information.
- Use of any false, misleading, or deceptive TCP-IP packet header information in an e-mail or a newsgroup posting.
- Use of the service(s) to distribute software that covertly gathers information about a user or covertly transmits information about the user.
- Use of the service(s) for distribution of advertisement delivery software.
- Any conduct that is likely to result in retaliation against the network or website, or Chloe + Isabel's employees, officers or other agents, including engaging in behavior that results in any server being the target of a denial of service attack (DoS).

Other promotion of an Independent Merchandiser Business

This section contains guidelines for advertising and building an Independent Merchandiser Business:

- **Press releases must be approved:** The Company must approve any and all press releases created by Independent Merchandisers prior to distribution.
- **Media inquiries must be forwarded to the Company:** Independent Merchandisers are prohibited from replying to any media inquiries directly. Any media inquiries directed to Independent Merchandisers should be forwarded to the Company.
- **Promotional Communication:**
 - No unsolicited email, telephone calls, mailings, or other contact should be used to promote an Independent Merchandiser Business.
 - Independent Merchandisers may contact parties to whom they have been referred by known or established associates.
 - When explicitly instructed, Promotion Codes may be shared with known parties and established associates. Under no circumstances may Promotion Codes be posted on public websites. Examples include, but are not limited to: Facebook, RetailMeNot, and Coupons.com.

- the Company reserves the right to periodically send emails to Customers on behalf of Independent Merchandisers.
- **Promotional materials must be approved for use:** Any products or business aids created by an Independent Merchandiser must be approved by the Company prior to being made available to other current or prospective Independent Merchandisers, Customers, or other third parties for distribution or resale.
- **Business supplies may only be purchased from the Company or from approved vendors:** Independent Merchandisers may not sell or barter the business, motivation, and promotional materials they have created. Independent Merchandisers may purchase such items directly from the Company or from the Company's approved vendors via the official website.
- **Customer and Independent Merchandiser complaints should be directed to the Company:** Negative comments from any party should be directed to the Company's Customer Care department. As noted in the "General Policies" section in greater detail, Independent Merchandisers must not make disparaging or negative comments about Chloe + Isabel or its affiliates.
- **Customer continuity of service will be maintained:** Should an Independent Merchandiser Business fail to meet Activity requirements, become suspended or terminated, or be closed voluntarily, the Company will retain the contact information of Customers associated with that business. The Company will continue taking Customers' orders in the event the Independent Merchandiser is no longer active. The Company reserves the right to contact and market to any Customer.

Recruiting and Building a Team

Independent Merchandisers may recruit other Independent Merchandisers in order to build a team. How compensation is earned on this team is dependent upon its size, structure, and performance. The details of how teams are defined and how compensation is earned are outlined in the Independent Merchandiser Career Plan.

- **Active Independent Merchandisers may participate in recruiting new Independent Merchandisers:** Only individuals who are affiliated with the Company as an Independent Merchandiser may recruit new Independent Merchandisers.
 - In order to recruit, a current Independent Merchandiser must assist a prospective Independent Merchandiser in submitting or cause a prospective Independent Merchandiser to submit an Application.
 - That Application must come through www.chloeandisabel.com.
 - The inviting Independent Merchandiser becomes the new Independent Merchandiser's Sponsor.

- **Independent Merchandisers must provide adequate guidance to Applicants:** In order to recruit, an Independent Merchandiser should provide each Applicant with information about Chloe + Isabel's mission, values, product offering, Policies & Procedures, Career Plan, ethical standards, and operating methods. Doing this will support informed decision making and the success of Independent Merchandiser Businesses.
- **Recruiting does not directly result in Compensation:** Independent Merchandisers are compensated only when bona fide product sales are generated. The act of recruiting cannot and will not directly result in the payment of compensation to any party.
- **Non-solicitation restrictions apply to Current and Former Independent Merchandisers:** In order to support fair competition and ethical business practices, some limitations apply with respect to whom may be recruited:
 - An Independent Merchandiser may not directly solicit an individual that is currently involved in another Direct Selling or Network Marketing business opportunity.
 - Any current or former Independent Merchandiser may not recruit or solicit any current Independent Merchandiser for another Direct Selling or Network Marketing opportunity during the term of or within one year of the conclusion of her Independent Merchandiser Business.
- **Changes to teams are permitted only in limited circumstances:** The relationships among Independent Merchandiser Businesses are established at the time of recruiting. There are only a few circumstances that would result in a change to team structure:
 - If an Independent Merchandiser resigns, the Company at its discretion may choose to reassign any of their sponsored Independent Merchandisers to other Independent Merchandisers.
 - In rare cases of misconduct, the Company may choose to reassign Independent Merchandisers.
 - The Company reserves the right to make changes to any team structure at its discretion.

Conclusion of an Independent Merchandiser Business:

The Company encourages long-term, successful relationships with Independent Merchandisers. Life circumstances may result in instances in which an Independent Merchandiser Business must be concluded. This section outlines the rules governing the closure of an Independent Merchandiser Business.

- **Independent Merchandiser Businesses are non-transferable:** The Company will not transfer Independent Merchandiser accounts to new individuals or different tax IDs.
- **Chloe + Isabel will not divide businesses in event of divorce or dissolution:** the Company will not divide an Independent Merchandiser Business among multiple parties.
 - The individual designated as the Independent Merchandiser in the Independent Merchandiser Agreement is the holder of the Independent Merchandiser Business.
 - Divorcing parties or parties to a dissolving Independent Merchandiser Business must conduct themselves so as not to endanger or destroy the Independent Merchandiser Business or adversely affect the income any other Independent Merchandisers.
- **An Independent Merchandiser Business may be voluntarily closed:** Should an Independent Merchandiser wish to resign their business, the Primary Independent Merchandiser must inform the Company in writing (either in email or physical mail) their desire to cancel and allow five (5) business days for processing. Unless the request states that the Independent Merchandiser wishes to end all affiliations with Chloe + Isabel, the Company will reassign the Independent Merchandiser to Passport Member.
- **Independent Merchandiser Businesses may be cancelled by the Company:** Chloe + Isabel reserves the right to close or cancel any Independent Merchandiser Business at its discretion, and for violation of any law, policy, procedure, term, condition, or rule.
 - The following process will be followed prior to cancellation:
 - Notice of cancellation will be provided in writing to the Independent Merchandiser.
 - If the Independent Merchandiser wishes to contest the cancellation, s/he must reply to the notice, in writing, within ten (10) days of her receipt of the notice.
 - An officer of the Company will consider the Independent Merchandiser's position and either reaffirm or overturn the Company's original position.
 - If the Independent Merchandiser still disagrees with the Company's position, both parties agree to the dispute resolution process outlined in the "Managing Disputes" section of this document.
- **Application to become a Merchandiser following reassignment:** A former Independent Merchandiser that was reassigned due to inactivity may reapply to be a Merchandiser at any time. Former Independent Merchandisers that voluntarily closed their business

must wait six months before reapplying to once again become an Independent Merchandiser. Former Independent Merchandisers that had their account cancelled by the Company for reasons other than inactivity may not reapply, unless explicitly given permission. The Company reserves the right to refuse this request at its sole discretion.

- Application to become a Merchandiser following reassignment due to inactivity, voluntary closure, or cancellation: The former Independent Merchandiser must wait six months before reapplying to once again become an Independent Merchandiser. The Company reserves the right to refuse this request at its sole discretion.
- Non-solicitation restrictions apply: Any party to the former Independent Merchandiser Business may not pursue any active and registered Independent Merchandiser for other direct selling, multilevel marketing, direct-to-consumer, or career opportunities for one year following the date of reassignment to Passport Rewards Member, closure, or cancellation.
- The former Independent Merchandiser's team will be reassigned: Upon reassignment, closure, or cancellation, the Independent Merchandiser's team will be reassigned to new teams.
 - The former Independent Merchandiser's team is dissolved as soon as the Independent Merchandiser is reassigned. At that time, any Independent Merchandiser on the former Independent Merchandiser's team will be reassigned to the former Independent Merchandiser's next upline Independent Merchandiser as their default Independent Merchandiser. Any Customers will be maintained and serviced by the Company.
 - There may be circumstances in which the Company believes downline Independent Merchandisers are best served through a different reassignment method. In such circumstances, the Company retains the right to reassign team members in any manner that it deems appropriate.
- **Unpaid commissions at the time of reassignment, closure, or cancellation:**
 - The Company will pay any earned but undisbursed monetary compensation to the Independent Merchandiser Business by the 10th of the month following reassignment, cancellation, or closure.
 - The Company may elect to disburse unpaid compensation via manual check.
 - The Company may elect to withhold any earned but undisbursed compensation in the event of an involuntary cancellation.
 - Any unpaid commissions for which an Independent Merchandiser has not requested payment within a year will be forfeited.

Managing Disputes & Legal Formalities

- Indemnity Agreement. By accepting the Agreement, each Independent Merchandiser agrees to indemnify and hold harmless the Company, its partners, members, managers, shareholders, officers, directors, employees, agents and successors in interest from and against any claim, demand, liability, loss, cost or expense including, but not limited to, court costs and attorneys' fees, asserted against or suffered or incurred by any of them, directly or indirectly, arising out of or in any way related to or connected with allegedly or otherwise, the Independent Merchandiser's (i) activities as an Independent Merchandiser; (ii) breach of the terms of the Agreement or these Policies & Procedures; and/or (iii) violation of or failure to comply with any applicable federal, state or local law or regulation.
- No Liability. To the extent permitted by law, the Company shall not be liable for, and each Independent Merchandiser releases the Company from, and waives all claims for any loss of profits, indirect, direct, special, consequential or punitive damages or any other loss incurred or suffered by an Independent Merchandiser as a result of (i) the breach by an Independent Merchandiser of its Independent Merchandiser Agreement, these Policies & Procedures, or any other policies, procedures, rules or requirements implemented by the Company from time to time; (ii) the operation of the Independent Merchandiser's Business; or (iii) the failure to provide any information or data necessary for the Company to operate its business, including, without limitation, the enrollment and acceptance of an Independent Merchandiser into the Career Plan or the payment of commissions and bonuses. The Company is not responsible for interrupted, inaccessible or unavailable networks, servers, satellites, Internet service providers, websites, or other connections; or for miscommunications, failed, jumbled, scrambled, delayed, or misdirected computer, telephone or cable transmissions; or for any technician malfunctions, failures or difficulties. The Company is not responsible and shall not be liable for maintaining or failing to maintain any Independent Merchandiser or Customer data or for the deletion, corruption, destruction, damage or loss of any data, whether held by the Company, an Independent Merchandiser or third party.
- Recordkeeping. Independent Merchandisers shall keep records in compliance with the laws of their particular jurisdiction, and shall otherwise keep complete and accurate records of all their business dealings.
- Force Majeure. The Company shall not be responsible for delays or failure in performance caused by circumstances beyond a party's control, such as acts of terrorism, natural disasters, strikes, labor difficulties, fire, war, acts or omissions of third parties, disruptions in communication systems, government decrees or orders or curtailment of a party's usual source of supply.
- Violations. It is the obligation of every Independent Merchandiser to abide by and maintain the integrity of the Policies & Procedures. If an Independent Merchandiser observes another Independent Merchandiser committing a violation, he or she should discuss the violation directly with the violating Independent Merchandiser. If the

Independent Merchandiser wishes to report such violation to the Company, he or she must follow the Company's reporting procedures.

- Amendments. The Company reserves the right to amend the Independent Merchandiser Agreement, its Policies & Procedures, its retail prices, product and service availability and type and the Career Plan at any time as it deems appropriate. Amendments will be communicated to Independent Merchandisers through official Company publications, including posting on the website or by electronic e-mail. Amendments are effective and binding on all Independent Merchandisers five days after publication. An Independent Merchandiser's continued purchasing of products or accepting of commissions shall be deemed acceptance of the amendments. In the event of any conflict between the original documents or policies and any such amendment, the amendment will control.
- Non-Waiver Provision. No failure of the Company to exercise any right or remedy under these Policies & Procedures or to insist upon strict compliance by an Independent Merchandiser with any obligation or provision herein or in any other agreement between the Company and an Independent Merchandiser, and no custom or practice of the parties at variance with these Policies & Procedures or any such other agreement, shall constitute a waiver of the Company's right to demand exact compliance with these Policies & Procedures and such other agreements. The Company's waiver of any particular default by an Independent Merchandiser shall not affect or impair the Company's rights with respect to any subsequent default, nor shall it affect in any way the rights or obligations of any other Independent Merchandiser. No delay or omissions by the Company to exercise any right arising from a default affect or impair the Company's rights as to that or any subsequent default. Waiver by the Company can occur only in writing by an authorized officer of the Company.
- Governing Law. The Agreement and these Policies & Procedures shall be governed by the laws of the state of New York.
- Arbitration. Except as provided below, all disputes, claims, or controversies arising out of or relating to the conduct of an Independent Merchandiser Business must be resolved by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (AAA), and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Unless otherwise agreed by the parties, arbitration will be held in Grand Rapids, MI before a single arbitrator mutually agreed upon by the parties, or if the parties cannot mutually agree, an arbitrator appointed by the AAA. The arbitration must commence within forty-five (45) days of the date on which a written demand for arbitration is filed by either party. The arbitrator's decision and award shall be made and delivered within sixty (60) days of the conclusion of the arbitration. The arbitrator award of damages, if any, is subject to the limitations on damages found in this document and the Independent Merchandiser Agreement, and the parties waive any right to increased or multiplied damages including punitive damages. Any party refusing to comply with an order of the arbitrator will be liable for costs and expenses, including attorneys'

fees, incurred by the other party in enforcing the order. The provisions of this arbitration section will be enforceable in any court of competent jurisdiction.

Nothing contained herein shall be deemed to give the arbitrator any authority, power or right to alter, change, amend, modify, add to, or to subtract from any of the provisions of the Policies & Procedures, Career Plan or the Agreement. The arbitrator shall not have the power to rule upon or grant any extension, renewal or continuance of the Agreement. The arbitrator shall not have the power to award special, incidental, indirect, punitive or exemplary or consequential damages of any kind or nature against the Company, however caused and even if foreseeable.

Any modification of this arbitration provision shall not apply retroactively to any dispute which arose or which the Company had notice of before the date of modification.

All communications, whether oral, written or electronic, in any negotiation, mediation or arbitration pursuant to this section shall be treated as confidential and those made in the course of negotiation or mediation, including any offer, promise or other statement, whether made by any of the parties, their agents, employees, experts, or attorneys, or by the mediator shall also be treated as compromise and settlement negotiations for purposes of applicable rules of evidence and shall be inadmissible for any purpose, including impeachment, in any arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in negotiation or mediation.

- Exceptions to Arbitration. Notwithstanding the foregoing, the arbitrator shall have no jurisdiction over disputes relating to the ownership, validity, use or registration of trademark, copyright, patent, trade secret or other intellectual property of the Company or compliance by the Independent Merchandiser with the restrictive covenants applicable to it, in either case, without the Company's written consent. Absent such written consent, all such disputes shall be exclusively resolved in the state or federal courts of Kent County, Michigan (the "Chosen Courts") and the Independent Merchandiser irrevocably submits to the exclusive jurisdiction of the Chosen Courts with respect to such matters. The Independent Merchandiser irrevocably waives any objection or claim to the lack of personal jurisdiction or the improper venue of any such Chosen Court. Independent Merchandiser acknowledges that in addition to obtaining injunctive relief associated with any infringement of the Company's intellectual property or the Independent Contractor's violation of any restrictive covenants applicable to it, the Company shall be entitled to seek all other remedies available at law or otherwise, including monetary damages. In connection with any suit by the Company for an injunction or other equitable relief, the Company shall not be required to post a bond and the Independent Merchandiser shall not assert as a defense in any such proceeding the adequacy of damages as a remedy.
- No Class Action. In consideration of the right to become an Independent Merchandiser, each Independent Merchandiser expressly waives and disclaims any right to bring any claim or action in any and all forums as a class action. No

Independent Merchandiser may serve as the class representative or as a member of a class in litigation or in any other proceeding adverse to the Company or any of its affiliates or any other Independent Merchandiser.

- Entire Agreement. This document, the Independent Merchandiser Agreement, the Career Plan and the Privacy Plan, as amended from time to time, constitute the entire agreement of the parties regarding their business relationship.
- Severability. If under any applicable law or rule of any applicable jurisdiction, any provision of the Agreement is held to be invalid or unenforceable, the remainder of the Agreement will be interpreted as best to effect the intent of the parties hereto. The remaining provisions of the Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from the Agreement.
- Limitation of Damages. CHLOE + ISABEL DISCLAIMS ANY AND ALL PROMISES, REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NON-INFRINGEMENT, QUIET ENJOYMENT, OF ANY PRODUCTS OR INFORMATION PROVIDED UNDER THIS AGREEMENT. IN NO EVENT SHALL CHLOE + ISABEL BE LIABLE FOR PERSONAL INJURY, OR ANY INCIDENTAL, SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES WHATSOEVER, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF PROFIT, OR ANY OTHER COMMERCIAL DAMAGES OR LOSSES, ARISING OUT OF OR RELATED THE OBLIGATIONS DESCRIBED IN THIS AGREEMENT, HOWEVER, CAUSED, REGARDLESS OF THE THEORY OF LIABILITY (CONTRACT, TORT OR OTHERWISE) AND EVEN IF CHLOE AND ISABEL HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. SOME JURISDICTIONS DO NOT ALLOW THE LIMITATION OF LIABILITY FOR PERSONAL INJURY, OR OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THIS LIMITATION MAY NOT APPLY TO YOU. IN NO EVENT SHALL CHLOE AND ISABEL'S TOTAL LIABILITY TO YOU FOR ALL DAMAGES (OTHER THAN AS MAY BE REQUIRED BY APPLICABLE LAW IN CASES INVOLVING PERSONAL INJURY), EXCEED THE LESSER OF TWO HUNDRED FIFTY DOLLARS (U.S. \$250.00) OR THE VALUE OF THE PRODUCTS WHICH ARE THE SUBJECT OF THE DISPUTE. THE FOREGOING LIMITATIONS WILL APPLY EVEN IF THE ABOVE STATED REMEDY FAILS ITS ESSENTIAL PURPOSE.
- Notice. Any communication, notice or demand of any kind whatsoever, which either the Independent Merchandiser or the Company may be required or may desire to give or to serve upon the other shall be in writing and delivered either (i) by electronic communication (whether by email or telecopy (if confirmed in writing sent by registered or certified mail, postage pre-paid, return receipt requested or by personal service), (ii) personally or by same day local courier services or overnight express delivery services; or (iii) by registered or certified mail, postage pre-paid, return receipt requested, or by personal service or overnight courier service. Notices delivered

personally, by overnight express delivery service or by local courier service shall be deemed given as of actual receipt. Mailed notices shall be deemed given three Business Days after mailing. "Business Day" means any Monday through Friday other than any such day which, in the state of Michigan, is a legal holiday or a day on which banking institutions are authorized or required by law or regulation to close. Any such communication, notice or demand shall be deemed to have been given or served on the date personally received by personal service or overnight courier service, on the date of confirmed dispatch if by electronic communication, or on the date shown on the return receipt or the other evidence if delivery is by mail. Any Party may change its address for notice by giving written notice to the other in the manner provided in this section.

- Survival. Any provision of this document, which, by its terms, is intended to survive termination or expiration of the Agreement shall so survive, including, without limitation, the arbitration, non-competition, non-solicitation, trade secrets and confidential information covenants contained in the Policies.
- Offset. The Company shall have the right to offset any amounts owed by Independent Merchandiser to the Company (including, without limitation, fees charged in connection with the payment of commissions and amounts owed as a result of product refunds) against the amount of any commissions or bonuses owed to Independent Merchandiser.