



INDEPENDENT BUSINESS OWNER POLICIES & PROCEDURES

These Policies & Procedures are incorporated into and form a material part of the fibi & clo Independent Business Owner Agreement (the “**Business Owner Agreement**”). If you sign up to fibi & clo by entering into a Business Owner Agreement, you agree to be bound by these Policies & Procedures.

Throughout these Policies & Procedures, when the term “Agreement” is used, it collectively refers to the Business Owner Agreement, which includes these Policies and Procedures, the Compensation Plan and any applicable Addendum such as the handbook and social media manual. These documents are incorporated by reference into the Business Owner Agreement (all in their current form and as amended from time to time by Z2Direct LLC d/b/a/fibi & clo).

Please refer to **fibi & clo Terms and Definitions** for definitions of the terminology used in these Policies & Procedures (in appendix of fibi & clo handbook). Any terms used in these Policies & Procedures but not defined herein shall have the meanings ascribed to them in the Business Owner Agreement or Compensation Plan, as applicable.

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INTRODUCTION

Our amazing culture is one that sets us apart. These Policies & Procedures are designed to protect our culture and ensure each Independent Business Owner plays by the same rules. To that end, it is your responsibility as an Independent Business Owner to read and familiarize yourself with this document. This document will guide you in the operation of your fibi & clo business and help you uphold the values and standards of our extraordinary community.

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

PRACTICING THE VALUES OF OUR fibi & clo FAMILY

We believe in transparency, integrity, honesty and equality! With this in mind, we expect that you will represent the fibi & clo brand at all times, by ensuring that you:

- Operate with integrity, ethics and professionalism. This includes maintaining a high standard of professionalism and courtesy with customers, other Business Owners, Business Owner Support and all other members of the fibi & clo Corporate Office (“**Head Quarters**”);
- Act in good faith at all times;
- Provide helpful customer service in the spirit of developing long-term customer relationships;
- Refrain from making negative or disparaging comments or gossiping about others, the Head Quarters, the Compensation Plan, or our products. While we appreciate you providing direct feedback to your Sponsor or the Head Quarters, public disparagement only serves to undermine the confidence our community thrives on; and;
- Abide by all Policies & Procedures, never looking for loopholes or to skirt the intent of the Business Owner Agreement.

Thank you in advance for always operating within the fibi & clo spirit!

CORPORATE WEBSITE URLS

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

fibi & clo: www.fibiandclo.com

FOR QUESTIONS AND SUPPORT

If you have any questions about any part of the fibi & clo Independent Business Owner Agreement, including the Policies & Procedures, you can discuss them with your Sponsor or Upline Director. If neither is available, you are always welcome to contact your applicable Head Quarter's Field Development team or your Field Relations team.

SECTION I. GETTING STARTED AS AN INDEPENDENT BUSINESS OWNER

1.1 Qualifications

You become a fibi & clo Independent Business Owner once your completed Business Owner Agreement has been received and accepted by the Head Quarters. To be a fibi & clo Independent Business Owner, you must:

- Be eighteen (18) years of age or older;
- Have a valid Social Security number, Green Card OR possess a valid work visa in the U.S. (including Puerto Rico);
- Have a valid default Credit or Debit Card on file at all times;
- Have a valid taxpayer identification number (we will use this number for tax reporting purposes);
- Be sponsored by a current Agent. If you do not have a specific Sponsor that you'd like to be sponsored by, not to worry! In such cases the Head Quarter's Field Relations team will assign you to a Sponsor with a track record of success and coaching ability;
- Visit the Corporate Website and sign up by submitting the online form, which includes the electronic acceptance of your Business Owner Agreement.

1.2 Online Independent Business Owner Agreement

During your online sign-up process, you will be required to read and accept the online Business Owner Agreement. The Business Owner Agreement defines the role and responsibilities of a Business Owner. It is imperative for Business Owners to read and comply fully with the Business Owner Agreement prior to signing-up. Violation of any of the policies outlined within these Policies & Procedures may result in termination of your Business Owner Agreement, the impact of which is outlined in the Home Termination and Effects of Termination policies of these Policies & Procedures.

1.3 Independent Business Owner ID

Every Business Owner has a unique Business Owner ID. You will be automatically assigned a non-changeable ID.

1.4 Calculation of Commissionable Earnings

All measures of qualifications are based on Retail Sales. This is to create a simple and consistent volume. Please always refer to your Retail Sales achieved. Similarly, commissions will be paid based on Retail Sales Volume.

In addition to the commissions earned from personal sales as described above, you will also earn commissions on your

team's sales, if you have a team and are in compliance with all agreements. For more information on this, please view the Compensation Plan, available in your Back Office.

1.5 Genealogy Tree Structure

We believe the best person to coach you in your business is someone who knows how to run the business first-hand. This is why the fibi & clo model is based on a Genealogy Tree team structure. You are assigned a Sponsor who is required to provide coaching and guidance to you to help you succeed and meet your business goals! The vast majority of your training and answers to your questions will be readily available in your Back Office, in training materials, or provided by your Sponsor and her/his Sponsor of Fashion Director Business Owner Career Title and above. Other resources you are able to tap into include those in your Up line on your Genealogy Tree.

1.6 eBoutique

We want to provide you with the best tools available to you at no upfront cost, as these tools are significant assets to your business. Your eBoutique is completely free if you are an Ambassador. For Fashion Agent and above, the monthly fee of \$10 will be deducted from your monthly commission when you are paid as Fashion Agent and above for the month. Please see your Back Office for more information.

1.7 Independent Business Owner Discounts

As an independent Business Owner, you will receive a personal discount on products you purchased through the Back Office.

Personal Business Owner discounts are as follows:

- 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.
- Your discounts are non-transferrable to either customers or other Independent Business Owners. Items purchased for someone else with your discount will not be covered under our Refund, Returns, Exchanges and Delight Guarantee Policies;
- All discounts may not apply to Business Supplies.

1.8 Independent Contractor Status

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

Per the terms of your Business Owner Agreement, you agree that as an Independent Business Owner you are an independent contractor and not an employee or agent of fibi & clo. 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 fibi & clo' behalf, and you will not represent, indicate or suggest in any manner that you have influence over fibi & clo' corporate decisions, or authority or representation of fibi & clo.

1.9 No Inventory Requirements

As an Independent Business Owner, you are not required to purchase, nor are you required to carry any specific amount of inventory of any fibi & clo product. Order transactions can be made directly with fibi & clo on behalf of Independent Business Owners through the fibi & clo website, and/or via an Independent Business Owner's eBoutique.

1.10 Independent Business Owner Information

Each Independent Business Owner is responsible for ensuring the accuracy of her/his information on file with fibi & clo and also with keeping such information up-to-date either in your Back Office or by contacting your Field Relations team. It is of particular importance that you provide us with your current email address, since we primarily send you communications via email. To change a Social Security number, please fax an updated W-9 to ____[TBD]_____, Attn: Finance Department, with a fax cover sheet for confidentiality purposes. Business Owners must submit appropriate legal documentation to support a name change request.

SECTION II. DOING BUSINESS

fibi & clo is a direct-to-consumer business, which means your success is contingent on positive personal relationships provided in person and online. Therefore, fibi & clo' sales practices strive to steer customers away from one-time, impulse purchases and instead steer them towards long-term sales relationships with you. The fibi & clo' model emphasizes shoe parties, that, in addition to being online, can include a hosted in-person experience at a set time in a private home.

2.1 Commission Policy

Your pay depends on your monthly Paid as Title and is comprised of commissions from your personal retail sales and team sales commissions (where applicable). You can view your activity and track progress toward your pay in the reports area of your Back Office. For full Paid as Title and Career Title details, please refer to the Compensation Plan, also available in your Back Office and in your handbook.

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

Non-Commissionable	Orders placed using Shoe Credit, Gift Certificate, Reward Certificate, Business Supplies and Table Display Box
'Special Sale' Items	Commission is earned on the sale price of these items, not the regular retail price.
Overpayments	If overpayments are made to you, they will be deducted from an existing balance or from future payments if the existing balance is insufficient.

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

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

Please keep in mind that you are not required to purchase products for your own personal use, for personal gifting, or for business purposes to become, maintain or promote within your business. Please be sure to review our Inventory Loading policy, which limits the quantity of inventory you may maintain to ensure Business Owners adhere to this business practice.

2.2 Pay Portal and Independent Business Owner Debit Card

Questions around Pay Portal and your Debit Card are best addressed directly by Pay Portal. You'll find 'Pay Portal FAQs' in your Back Office. If you have questions beyond that, please contact Head Quarters.

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

Your payout will not be loaded onto your VISA Debit Card from your Pay Portal account until: 1) you activate it once you receive the card in the mail and 2) you set-up your account to transfer funds to/from your branded VISA Debit Card.

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

fibi & clo will not be held liable for theft resulting from theft of your personal debit card. Should you lose your personal debit card, you must notify fibi & clo as soon as possible.

2.3 Personal Information and Orders Handling Personal Information

As an Independent Business Owner, you will receive Personal Information from and about prospective Business Owners, customers, Hostesses, and other individuals. Keeping their Personal Information secure not only helps to ensure your compliance with the law, but it also helps you to maintain current customers' and potential customers' trust, which is an important factor in your success. Do not share an individual's Personal Information, unless you have his/her consent or a real business reason to do so, and you have disclosed this purpose and the potential for sharing to the individual and obtained his/her consent for the intended use or disclosure. You are responsible for protecting Personal Information from unauthorized access or disclosure.

Provide Customers Notice and Respect Their Choices

Customers may want to know why you are collecting their Personal Information and what you plan to do with it. You should be clear about telling them what you are collecting, how you will use it, and with whom you will share such information. You should notify customers before or at the time you collect their Personal Information and then be sure you use and share Personal Information only in the ways you promised. Provide customers choices how you communicate with them and respect the choices made. Your customers have the right to access the personal information you hold about them, ask that it be corrected, and to make complaints about how you have treated the information.

Limit your Collection of Personal Information

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

Keep Personal Information Accurate

Keep the customers' Personal Information up-to-date. Keeping your contacts current helps you to stay in touch with them.

Store and Dispose of Personal Information Responsibly

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

Order Forms

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

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

eBoutique Orders

When a customer orders through your eBoutique, the system will automatically add the customer to your contact list for purposes of follow-up and remarketing. Please note that a customer's contact information, excluding credit card information, is stored electronically in your Back Office under 'Contacts.' Hostesses will also automatically be added to 'Contacts' when a Shoe Party is booked. You may only contact email addresses in your contact list, including customers and Hostesses, via email where you are able to establish consent to do so in accordance with the Unsolicited Emails policy below.

2.3 Shoe Party Set-up in the Back Office & Hostess Rewards

The success of your business depends on sharing the Hostess opportunity with others so they can help you acquire new customers beyond your immediate reach. Thus, it is important to develop a rapport with other Hostesses and stay in touch with them.

- Once a Party Code has been set for a Shoe Party, the Party Code cannot be changed.
- All rewards are associated with Party Code

Hostess Rewards expire after Shoe Party Order has been placed. Rewards will not be reinstated or transferred for any reason.

2.4 Independent Business Owner as Hostess

In an effort to expand the fibi & clo experience to those outside of your social network, you may personally host no more than four (4) Shoe Parties per calendar year.

You may keep the hostess rewards from two (2) personally hosted Shoe Parties. For the other two (2) Shoe Party, you may collect the rewards and use them as gifts for loyal customers (VIPs) throughout the year as you see fit.

Please keep in mind that you cannot use your Business Owner Discounts combined with Hostess Rewards and you cannot use rewards on your Business Owner account – you must maintain a separate Hostess account.

2.5 Independent Business Owner Substitution

As a Business Owner, you are responsible for conducting your own Shoe Parties and coaching your Hostesses on how to successfully host a Shoe Party. Accordingly, you may not ask another Business Owner to conduct a Shoe Party on your behalf. If you cannot attend a booked Shoe Party, rather than cancel and disappoint your Hostess, you may ask another

Business Owner (from fibi & clo) to stand in your place. In these circumstances, the Shoe Party must be re-booked and recorded on the replacing Business Owner's account such that the associated commissions and sales are accurately reflected.

2.6 Co-Hostess at Shoe Parties

If requested, you may designate a co-Hostess for a Shoe Party. Please note that our systems only allow for one Hostess, so only the main Hostess will earn Hostess Rewards. Decide with the Hostesses how to split the Rewards. You are solely accountable for the logistics; Head Quarters cannot step in to resolve any disputes that may arise and can only assist with returns for the Hostess listed on the corresponding Shoe Party.

2.7 Mystery Hostesses, Games, Contests, and Giveaways Prohibited

Personally hosting a Shoe Party without disclosing the Host or Hostess prior to the event and promoting a giveaway of Hostess Rewards to those who attend is called a Mystery Hostess Shoe Party. This type of Shoe Party does not align with our core business values and is counter to the intent of fibi & clo business model and rewards program. Consequently, fibi & clo does not permit this type of activity to be held in connection with a fibi & clo Shoe Party.

Hostess Rewards are intended as a thank you to individuals who host a Shoe Party and help expand your customer base by introducing you to potential new customers. Additionally, state, federal, and local legal requirements for contests and giveaways can be onerous and Head Quarters wants to ensure that you run your independent fibi & clo business in compliance with applicable laws.

Contests, and giveaways are strictly regulated by applicable federal, state and local laws, regulations, or any third-party rights. This includes, for example, truth in advertising laws and gaming laws, which can vary from state to state. fibi & clo believes it is essential to lead with style and value and not discounts.

2.8 Independent Business Owner Sample Sales

As an Independent Business Owner, you may sell your samples at an in home Shoe Party. Online sample sales, publicly or in a private group, on Facebook or any other online platform, are not allowed unless the platform is authorized by Head Quarters for the use of all Business Owners.

- You may only hold up to two (2) samples sales per year, limited to a period of one (1) week.
- You may advertise the sample sale to a closed, private group.
- Product can only be sold at the price currently listed on fibiandclo.com
- Retired but in stock pieces must be sold for the price currently listed on line.
- If you are selling items that are retired and no longer available at fibiandclo.com, each item may be sold for up to 50% off.
- Please remember to inform your customers that our standard Return and Guaranteed policies do not apply to items sold as samples at any Shoe Party.
- Ensure your customer fills out a physical order form for all samples purchased at your Shoe Parties. Please retain completed order forms as proof of purchase for your business records.

Marketing fibi & clo items with pricing other than what is listed on the applicable fibi & clo company website is not allowed and is cause for termination.

2.9 Timeframes for Shoe Parties

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

All Shoe Parties will automatically close in a specified number of days after the Shoe Party is held (e.g., Three (3) days for fibi & clo Shoe Parties). Hostesses can to earn rewards for outside orders as long as the Shoe Party remains open. Party Hostess Orders applying Hostess Rewards may be placed once rewards have been earned and doing so will close the Shoe Party.

Shoe Parties are expected to be actual and genuine events; to ensure correct alignment of customer orders to a Shoe Party, orders will be accepted a maximum of sixty (60) days prior to any scheduled Shoe Party. Creation of fraudulent Shoe Party for the purpose of collecting Hostess Rewards on orders that are truly outside orders constitutes Bonus Buying and Head Quarters may take additional actions, including but not limited to: claiming back all Hostess Rewards earned from that Shoe Party, Paid as Title/Career Title adjustments if these were earned because of a false Shoe Party, account suspension, and possible termination of your Business Owner Agreement.

At times, it is necessary to move a sales order from one Shoe Party to another. Only genuine customer errors will be considered acceptable reasons for moving sales orders. A Head Quarter's Agent will reach out to the customer for confirmation of the error.

2.10 Orders and Site Downtime

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

- Process all orders within twenty-four (24) hours of customer payment, Orders should not be held for your benefit, such as for incentive programs or to count towards next month's commission. Out-of-stock items will be placed on backorder and will be shipped once inventory is received.
- Provide follow-up services as needed and assist your customers with any product and order specific questions.
- Customer orders do require a valid email address; you may not create a false email address or use your own email address for customer orders.
- In order to best service your customers, we offer self-service tools, such as the ability to process Customer Returns. Where available, Business Owners should provide this service to their customers themselves rather than requesting assistance from the Head Quarters. Regardless of how a return is processed, all products returned must be in resalable condition, unworn and in their original packaging.
- We take the quality of products very seriously and want you and your customers to be thrilled with each purchase. Please visit Corporate Office Website for more information on refunds, exchanges, returns, and the guaranteed policies.
- To help service your customers, help with product returns or exchanges should be provided by you rather than the

customer making a direct request to the Head Quarters.

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

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

2.11 Bulk Orders

We recognize that there may be special situations in which you or your customers may need to order large quantities of the same item. This could be for either charity or other events, and we are more than happy to help make this happen. For bulk orders, please reach out to your applicable fibi & clo Field Relations for approval. Any approved bulk orders may not be applied towards a Shoe Party.

A bulk order is considered to be an order of fifty (50) or more of the same item.

Your bulk purchase may not qualify for existing contests or promotions during that time.

We do not offer discounts, waive shipping costs or accept returns on ‘Bulk Orders’, subject to our Buy-Back Policy. Please make sure to communicate this with your customers prior to completing their order. You may offer a discount or promotion to your customer on a ‘Bulk Order’ from your personal sales commissions. This is an agreement between you and your customer, Head Quarters is not responsible for such agreements.

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

2.12 Third-Party Consumers

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

2.13 Gift Cards

While we hope to offer Gift Cards, they may not be available. Gift Card policies are applicable to Business Owners representing fibi & clo.

Gift Cards should be used in spirit of what a Gift Card is – a gift from one person to another. As a Business Owner, you may sell Gift Cards to your customers via Shoe Party and from your eBoutique to then be given away. You may also give Gift Cards to your own friends and family members. To ensure Gift Cards are not used to falsely earn incentives, rewards or

commissions:

- You may not request or require that your customer pay for an item by Gift Card or via any other specific form of payment;
- You may not recommend a Hostess purchase a Gift Card to use above and beyond Hostess Rewards for an order;
- You may not accept a Gift Card as a form of payment for an in home Shoe Party;
- You may not sell a Gift Card to a customer at or in connection with a Shoe Party for the customer to then use to purchase product at or in connection with that same Shoe Party; and
- In general, you should not be dealing with Gift Cards unless you are placing an order for a customer who already has a Gift Card.

2.14 Independent Business Owner-to-Business Owner Sales

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

The purchase of samples or display items from current or former Business Owners is prohibited online or offline. However, if a customer of yours is looking for a discontinued item and you do not have it, you may purchase the item from another Business Owner at retail purchase price to then sell to your customer. You must make clear to the customer the product being purchased is a used product and is not covered by fibi & clo's guarantee policy.

2.15 Blanket Discounts

In order to provide a level playing field for all Business Owners, blanket discount offers are not permitted at Shoe Parties, through your eBoutique, or other marketing channels, including but not limited to offers such as "25% off everything at my Shoe Party," "Place an online order today and receive 15% off," or "Free shipping on all orders." Any other offer permutations that serve to undercut the retail price of fibi & clo Products are restricted.

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

- Be offered to a closed, specific group of individuals (such as a club, not an open invite to anyone who can view your Facebook profile, for example). The size of the closed group should align with the size of an average Shoe Party invitation list;
- Run for no more than three (3) consecutive days; and
- 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 1-2 current line samples because they did not resonate with your customers or due to wear, you may not promote those items in any online

websites or forums and/or marketing vehicles.

To help offer incentives to customers to encourage them to host Shoe Parties, you may offer a free retired fbi & clo item to those who book a future Shoe Party with you. You may not advertise this on a public social media forum or third-party sites, as this incentive is meant to be a personal 'thank you' between you and a potential hostess.

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.

2.16 Bonus Buying

Your success as a Business Owner depends upon your personal sales to customers. It is unacceptable to personally purchase products to qualify for compensation levels or incentive programs. This unethical, prohibited practice is referred to as 'Bonus Buying.' Bonus Buying is taken very seriously and may result in immediate termination of your Business Owner Agreement. You should think of Bonus Buying as buying your way into a promotion or compensation level, rather than selling and earning a promotion or compensation level.

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

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

- Reassigning non-Shoe Party orders to Shoe Parties, or Shoe Party orders from one Shoe Party to a different Shoe Party, for the purpose of increasing sales or Hostess Rewards, or Referral Rewards, or qualifying a Shoe Party or any other incentive-driven purpose.
- Hosting a Shoe Party for another Business Owner

2.17 Inventory Loading

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

2.18 Permanent Retail Displays/Pop-Up Shops

Similar to inventory purchasing, the cost of maintaining retail space can be prohibitive to many potential Independent Business Owners. Independent Business Owners are required to submit agent and receive prior approval from Head Quarters to set-up a permanent retail display and/or sell products in a retail establishment. Products are intended to be sold at in-home Shoe Parties or through a fibi & clo eBoutique. A retail location includes, but is not limited to, mall booths, boutiques, hair salons, grocery stores, flea markets, restaurants and other permanent establishments. Please email HQ for your unique situation if you intend of setting up a display outside of the examples described above.

You may conduct a Shoe Party at the same retail location once every three (3) months in a calendar year.

Hostesses may rent space for Shoe Parties if need be; however, in order to prevent the appearance of such a space as being a retail establishment, the Business Owner and/or Hostess may not store product at the location. The product must be stored in either the Business Owner’s or Hostess’ home.

2.19 Product Claims

As an Independent Business Owner, you must not make any claims regarding your fibi & clo business or any fibi & clo Products other than claims that are provided in your Marketing Materials. Any photos or product testimonials relating to the fibi & clo Products may not be used.

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

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

2.20 Income Projections or Claims

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

2.21 No Representations Regarding Governmental Approvals

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

2.22 Repackaging or Relabeling Prohibited

Repackaging fibi & clo product possibly could violate laws or result in civil liability, for this reason, all products must be sold in their original packaging only.

2.23 Intended Use of fibi & clo Products

You must adhere to the guidelines provided by fibi & clo related to the intended use of our products. There are numerous state and federal laws and rules and regulations that govern testing requirements for children of certain ages. fibi & clo 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 fibi & clo. You will be responsible for any use of our products in violation of our guidelines.

2.24 United States Military

Bases/Posts Domestic

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

Overseas

We currently support shipping products to overseas Army Post Office (APO) and Fleet Post Office (FPO) addresses; however, we do not currently support shipping business supplies to overseas APO/FPO addresses. Prior to joining a fibi & clo, 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 shipping address. You may sell fibi & clo Product only while physically on a base and only to those individuals who are also posted to the base (i.e. on American soil).

SECTION III. ADVANCING AS AN INDEPENDENT BUSINESS OWNER

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

3.1 Paid as title

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

The Compensation Plan does not reward Independent Business Owners for purchasing products or for merely recruiting others. The rewards and commissions earned under the Compensation Plan are based on sales to customers. All references to "recruitment" and "sponsoring" in the Agreement are simply descriptive of the proposed method of building a Downline organization under the Compensation Plan. Personally recruiting Independent Business Owners to a fibi & clo is the method of building a personal Downline organization.

3.2 Career Title

Your Career Title is the highest Paid as Title you have earned in lifetime with fibi & clo. Your Career Title will change to reflect the highest Career Title you achieved. Your Career Title establishes the title you can use when publically announcing yourself as a fibi & clo Independent Business Owner and determines which events and meetings you are eligible to attend and when you are eligible to shoe credit, phone allowance, among other things. Please remember that if your Career Title changes, you must change your title in print, online and all communication materials within fifteen (15) days.

3.3 Corporate Leads

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

- Receiving a copy of our Marketing Materials;
- Hosting a Shoe Party; and
- Learning more about how to launch a fibi & clo business.

We want to ensure each Lead has the best *local* experience possible. As such, if the Lead has requested to either *only* receive a copy of our Marketing Materials or host a Shoe Party, we will connect the Lead to the nearest Business Owner who Qualified the month prior, based on their Career Title.

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

3.4 Corporate Referral Orders

Corporate Referral Orders refer to customer orders placed on one of our Corporate Websites when the customer has not indicated a particular Business Owner. These orders are passed along to the nearest Business Owner who has qualified the month prior as a gift from us. 'Nearest' will be based on the BILL TO address for orders. For example, if someone in California purchased a gift and sent it to someone in Florida, the referral would be based on the California address. To receive Corporate Referrals, you must be Paid as Title of Fashion Agent in the month prior.

These referrals should not be expected; successful businesses are not built upon referral orders. Retail Sales Volume and commission amounts earned on these types of orders are SAME from those earned by orders directly placed on your eBoutique or at Shoe Parties. For these orders, an 'Order Confirmation' will be emailed to you, including all the necessary customer contact information needed to follow-up, ensure a delightful experience and hopefully make this customer *your* loyal customer, Hostess or even future Downline Business Owner.

Please note, during the first few months of a new ecommerce launch, as we develop and refine our system functionality, it may not be possible to assign orders to Business Owners. Please know that we endeavor to assign all orders as quickly as possible.

3.5 Training Events

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

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

SECTION IV. BUILDING A TEAM

One of the key elements of a successful Business Owner's business is the ability to build a team. Building a team empowers you to lead by example and coach other Business Owners on skill sets you have acquired in the business. fibi & clo encourages team building; we believe life is better together. One of the many benefits of building a team is earning team commissions for the time and effort you spend in coaching each of them to success in their business.

4.1 Leadership Support

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

Lead by Example

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

Coaching and Guidance

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

Training

- Complete training requirement by your Career Title
- Regularly attend all meetings and trainings. If you cannot attend a meeting or training session, ensure you provide twenty- four (24) hour advance cancellation notice and reschedule as soon as possible.
- Communicate proactively, on a monthly basis by email, phone or in-person meetings, to your Downline to discuss business goals and progress as well as offer encouragement and support.
- Disseminate Head Quarters information to your Downline in a timely manner.

Support and Recognition

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

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

Building a Team

You can build a Team by referring prospects to join fibi & clo business as an Independent Business Owner. All Business Owners can enjoy Level 1 Team commission; Fashion Agent and above, when qualified, can earn up to 6 levels of team commission.

4.2 Sponsoring/Mentorship Relationships

Personally sponsoring new Independent Business Owners is the foundation of leadership because it reinforces the activity that leads to a consistent, sustainable and strong business – introducing new people to the fibi & clo Independent Business Owner opportunity. Please note, it is our expectation that when you introduce someone to the opportunity, you bring her/him into your direct line for mentorship.

4.3 Fashion Leader Responsibilities

By achieving the Fashion Leader Business Owner Career Title, you will be required to fulfill all the qualifications listed below. Should you choose not to accept these responsibilities, you must inform your applicable Field Relations team via email so they may partner with you to transition your team, as further described in the Non-Acceptance of Leadership policy, which also provides information on exceptions to this rule.

- The minimum Personal Team Sales requirement as set forth in the Compensation Plan
- The minimum Group Sales requirement as set forth in the Compensation Plan
- Complete Training Requirement set forth in the Compensation Plan
- Make every reasonable effort to hold monthly open team meetings, or support existing local meetings that are open to all Independent Business Owners, regardless of whether they are on your team.
- Make every reasonable effort to participate in all weekly Leadership calls conducted by Head Quarters or by your immediate Upline Leader and to disseminate relevant information obtained from such participation to your team.
- Offer all Downline Independent Business Owners for whom you are the closest Fashion Leader or above the opportunity for coaching to build their business.
- Be available to respond to questions or inquiries from team members, and strive to respond to all such questions or inquiries.
- Make every reasonable effort to plan, hold and conduct one (1) Meet fibi & clo Opportunity Session (as described in the fibi & clo Leadership Guide) per calendar quarters in accordance with the Policies & Procedures. Such events should be held in locations open to the public (e.g. restaurants, hotel conference centers).
- Attend applicable fibi & clo company events, such as fibi fest. In the event you are not able to attend, you should inform your Field Relations team and ensure other arrangements have been made for your team.

4.4 Fashion Director Responsibilities

In addition to the aforementioned duties, Director or above responsibilities include but are not limited to:

- Attending any applicable Leadership Retreat. In the event you are not able to attend, you should inform your Field Relations team and ensure other arrangement have been made for your team.

- Holding monthly All-Business Owner meet-ups, or support existing local meetings. Planning, holding and conducting at least three (3) Opportunity Events per calendar quarters.

4.5 Fashion Executive Responsibilities

If you advance to the Fashion Director or above, in addition to the aforementioned duties, you agree to the following additional duties during the term:

Make every reasonable effort to work with other Fashion Directors or above in your region and the fibi & clo Head Quarters to arrange coordinate and conduct regional team meetings. The frequency and location of such meetings shall be determined by you, your regional Fashion Executive and Head Quarters.

4.6 Leadership Focus Policy

Business Owner holding the career rank of Fashion Director or above may not simultaneously lead a team in another direct selling business outside, either directly or via their spouse living at the same address.

Once you achieve the career rank of Fashion Director, you will forfeit your position as a leader with any another direct selling business. If you are involved in another direct selling company and do not wish to terminate your relationship with that company, you must inform Field Relations, who will transition your fibi & clo team to the Next Qualified Leader. This Leadership Focus Policy applies to the extent permitted by applicable law. We understand that taking on the additional leadership responsibilities may not align with your personal career goals. As such, if you feel being a leader is not for you at the time of a promotion, you may work with your Field Relations team to reduce your team size through Compression to maintain a lower Career Title.

4.7 Corporate Manual Assignments

When a new Business Owner signs up, without indicating a Referral-of-Choice, Field Relations will either automatically or manually assign the new Business Owner to a Sponsor. This is referred to as a Corporate Manual Assignment.

Assignments are made to the Business Owner based on the following criteria:

fibi & clo:

- Is geographically closest;
- Assignments are based on Career Title. Fashion Agent and above are qualified to receive corporate lead.
- In the early stages of a new business, we want to ensure all new Business Owners are assigned to the best possible sponsor, but we may not have a large network of established Agents. As such, we will make assignments using a more generous set of requirements based on the structure of fibi & clo's requirements, and taking into account proven success with selling, sponsoring and coaching team members to success demonstrating values consistent with a fibi & clo leader in addition to proximity of geographic location.

Please keep in mind that in order to build a great social-selling business, there is no substitute for leveraging YOUR social network. Head Quarters assignments are somewhat rare and should not be expected, as they are not the best way to build a personal business.

In order to ensure new Business Owners every opportunity to succeed with a Sponsor they connect with, Business Owners who were assigned a Sponsor via Corporate Assignment may request reassignment within the first thirty (30) days of the effective date of their Business Owner Agreement. Your Field Relations team will review each case on an individual basis and may approve or deny the request in order to maintain a no-poaching community.

4.8 Inadequate Support

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

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

4.9 Compression

Team of terminated agent will transition from current sponsor to the nearest eligible agent. Compression occurs two times a year on March 15th and September 15th.

Compression occurs when you, as a Business Owner with a team:

- Terminate the Business Owner Agreement as a result of Voluntary Cancellation, Deactivation or Head Quarters Termination;
- Lose your team due to the Compression Policy
- It is determined by us, in our sole discretion, that a Compression is appropriate due to chronic failure of a Sponsor to provide training and support to Downline team members.

At the time of a team's Compression, every Business Owner on the first line will immediately Compression to the Next Qualified Agent. Next Qualified Agent is defined as the next Upline Agent within the Genealogy Tree who:

- Is an Active Agent
- Has the willingness and capacity to actively coach the team as per the 'Minimum Leadership Support' requirements. Compression will remain at the discretion of the Head Quarters in the event of any documented cases of leadership complains and/or compliance issues against the Up line Business Owner.

If you advance in Career Title because of a Compression, please ensure you are familiar with the additional requirements of your new Career Title and provide appropriate mentoring and coaching for your Downline team(s) per the Sponsor Guidelines and Obligations policy and the Minimum Leadership Support policy.

The Field Relations team has up to thirty (30) days to process Compression. Compression are effective in the month executed and will not be retroactive to the date of the original request.

Your Field Relations team may transfer your team if this policy or any of the requirements of sponsoring or leading a team are violated.

SECTION V. MARKETING YOUR BUSINESS

5.1 Promoting Your Business

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

To further assist you with your fibi & clo business, we are providing the following general guidelines when advertising your business in any medium, in addition please reference the *Social Media Manual* Marketing Guidelines, available within your fibi & clo Back Office

5.2 Clearly Representing Your Independent Business Owner Status

You may not misrepresent yourself in a way that creates confusion that you represent the Head Quarters. If you list contact information, you must identify yourself as an 'Independent Business Owner' (i.e. Agent) and always use the word "I" instead of "We." In addition, you must clearly state in all marketing materials and on public forums (including your social media pages) that you are an "Independent Agent," to make it clear that you are not an employee of Z2Direct /d/b/a/fibi & clo (i.e. you do not work at or for Head Quarters).

5.3 Advertising

Your advertising activities must ensure fairness to all Independent Business Owners. Business Owners are not permitted to advertise through mass mailings or through channels otherwise deemed inappropriate by fibi & clo. Any advertisements related to your fibi & clo business (whether in print, online, via social media, radio or television) must be limited to a fifty (50) mile radius of the city in which you live and must be accurate, professional and not misleading in any way. This does not apply to your eBoutique or social media, for example your Facebook page, which reaches an audience broader than a fifty (50) mile radius, but does include any paid platform (such as Facebook Ads or Google Ads).

5.4 Social Media

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

- To ensure your business activities are kept separate from your personal social activities, we recommend you establish a new social media profile for your fibi & clo business.
- You may not use any derivative of the fibi & clo names in any social networking account names, website URLs, email addresses or your eBoutique URL extension, which include but are not limited to “fibi” and/or “clo,” “fibi & clo,” “f&c” and the like. This includes the social media sites of Instagram, Pinterest and Twitter.
- For Facebook, you may use the fibi & clo name in this format only: “Independent [your title] [your name] for fibi & clo. So if my name was Sally Shoes and I was a Fashion Agent, my Facebook page could be called, “Independent Fashion Agent Sally Shoes for fibi & clo.”
- You may promote fibi & clo Products and your Independent Business URL on social media, but you may not use social media sites to sell fibi & clo Products. This means that all purchases of fibi & clo sandals take place within your eBoutique, and not facilitated via social media. Selling is not the same as promoting.
- You must comply with the rules associated with any particular social media website or network.
- You must refrain from making postings that are false, misleading or deceptive. This includes but is not limited to, false or deceptive postings about fibi & clo, fibi & clo Products, the business opportunity presented by fibi & clo, and/or Independent Business Owner personal information or credentials.
- You must refrain from making postings or linking to any posting or other material that is or may be considered: (a) sexually explicit, obscene or pornographic; (b) offensive, profane, threatening, harmful, defamatory, libelous, harassing or discriminatory; (c) solicitous of any unlawful behavior; (d) a personal attack on any individual, group or entity; (e) in violation of any intellectual property rights of fibi & clo or any other third party; or (f) not consistent with the terms and conditions of these Policies & Procedures.
- You may not use social media outlets to comment on other company’s products that are competitive to a fibi & clo Products in order to drive sales and direct customers to your eBoutique.

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

5.5 Sales through Commenting on Competitor Products Similar to fibi & clo

You may not use social media outlets to comment on other company or brand products that are competitive to a fibi & clo Products in order to drive sales and direct customers to your eBoutique.

5.6 Unsolicited Communications

You may not engage in unsolicited electronic communications in connection with the advertising, promotion or sale of fibi & clo Products or in an effort to recruit an individual to your fibi & clo business. You may send electronic communications to (i) any person from whom you have prior consent to contact via the specific mode of communication or (ii) family members, personal friends or any other person with whom you have established a business or personal relationship. Without limiting the above, any electronic communications, including but not limited to, messages sent via e-mail, social networking sites or other means sent by an Independent Business Owner in connection with her/his business must meet the following requirements:

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

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

5.7 Marketing Materials and Restricted Use of fibi & clo Trademarks

fibi & clo Trademarks and fibi & clo Content are valuable business assets that support a unique and equitable business opportunity for Independent Business Owners. Per the terms of your Business Owner Agreement, fibi & clo is the sole and exclusive owner of fibi & clo Trademarks and fibi & clo Content. As an Independent Business Owner, during the term of your Business Owner Agreement, you have a limited right to use the fibi & clo Trademarks solely to promote your fibi & clo business. In summary, you may not create, market, promote or sell any marketing materials that incorporate fibi & clo Trademarks or fibi & clo Content to any other Independent Business Owners, fibi & clo customers, or any other third parties.

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

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

- Edit, alter or customize any fibi & clo Trademark, including logos approved for use, in any manner.
- Use any trademark or service mark that is similar to or may be confused with any fibi & clo Trademark or fibi & clo Content.
- Combine any fibi & clo Trademark or fibi & clo Content with any other trademarks or service marks.
- Use fibi & clo Trademarks or fibi & clo Content in connection with any other business or opportunity outside of the fibi & clo.
- Use fibi & clo Trademarks or fibi & clo Content in connection with any products that are not genuine fibi & clo Product.
- Profit from the use of fibi & clo trademarked names outside of commissions earned on the sale of fibi & clo Product that may have been obtained through the use of fibi & clo trademarked names to directly market their business.
- Use fibi & clo Trademarks in connection with Google AdWords or other paid search engine optimization strategies. This includes the use of your eBoutique since this contains branded domain names, such as ‘fibiandclo.com.’ This reduces any confusion between your eBoutique and fibi & clo corporate websites.
- Register or attempt to register any fibi & clo Trademarks or similar marks in any class of products or services anywhere in the world.

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

5.8 Restricted Use of Third Party Trademarks

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

5.9 Co-Mingling Marketing of Brands

You may not co-mingle marketing for your other business(es) within the same media channels as your fibi & clo marketing campaigns or in-person Shoe Parties.

5.10 Marketing and Naming: eBoutique

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

- Do not use any level of search engine optimization for your eBoutique such as Google AdWords. Paid advertising that extends beyond a fifty (50) mile radius of where you live is strictly prohibited. Please see policy Marketing Materials and Restricted Use of fibi & clo Trademarks.
- Your eBoutique extension should relate directly to your name – this gives your customers the personalized shopping experience they love! You are not permitted to use any derivative or permutation of any fibi & clo name or any generic extension such as ‘shop,’ or geographic locations (cities, major regions).

- We reserve the right to change your eBoutique URL if it does not relate to your name or is non-compliant with our policies.
- There are some regulatory limitations on statements about our products, and you will be required to abide by these limitations on your eBoutique.
- You may not use any permutation of any fibi & clo name for use in an independent website URL, your email address or account names for social networking sites.
- Do not redirect traffic to your site via an alias URL or hyperlink that takes a user to your eBoutique.
- Do not use URL shortening tools to market your eBoutique. URL derivatives including, but not limited to bit.ly, goog.gl and owl.ly are prohibited and considered a direct violation of these Policies and Procedures.

5.11 Business Owner to Business Owner Marketing and Services Restrictions

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

5.12 Catalogs and Flyers

You may not advertise, promote, sell or sponsor through other company catalogs. We do however encourage you to advertise your business via our Marketing Materials, such as Look Books and Opportunity Brochures, which can be accessed for view and/or purchase in your Back Office.

You may leave a flyer in non-retail establishments, such as a doctor's office or salon, provided the intent is to attract participants to an in-home Shoe Party, not to sell.

5.13 Phone Listing Policy

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

- Name, Career Title
- Independent Agent with fibi & clo
- Address, Phone Number.

5.14 Sales Through Other Internet Sites

You may not sell any fibi & clo Products on any website other than your eBoutique. The offer of sale of fibi & clo products on other websites, including but not limited eBay, Amazon, Craigslist, Groupon, Poshmark, blogs or internet auction sites is strictly prohibited. This includes engaging others, even those outside your direct household (e.g., Hostesses, customers,

friends, family, acquaintances, or other businesses) to sell on your behalf on such websites. Any means of circumventing this rule is not allowed. Please pay close attention to this rule, as violation may result in immediate termination of your Business Owner Agreement.

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

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

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

5.15 Media Engagement and Public Relations

All third-party media communications are handled by our Head Quarter's Public Relations team. As an Independent Business Owner, please do not reach out directly through social media platform, chat groups, comment sections, or any other communication modes to celebrities, bloggers, national magazines or other media outlets on behalf of fibi & clo. Specifically to direct customers to your eBoutique in order to generate personal sales.

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

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

5.16 Trade Shows/Expos/Booth Events

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

- You must register for the event and always refer to yourself as a fibi & clo Independent Business Owner.
- Only one (1) Business Owner per event - the first Business Owner to register for the space with the event sponsor has the right to conduct that event. A second Business Owner may need to withdraw if the first registered Business Owner does not want double participation. It is a good business practice to check with the event sponsor in regard to this.
- The booth must be staffed at all times and must not be shared by another business.

- Participation in any specific event must have a duration of no more than two (2) weeks in a calendar year. The only exception is annual state fairs, which are typically held for three to four (3-4) consecutive weekends.
- Such events cannot be treated as Shoe Parties, are not eligible for Hostess Rewards and orders from these events must be entered as individual orders.
- 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@fibiandclo.com with the event organizer's name and contact information and they will provide them with these details.

5.17 Charity Requests

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

Most events that fibi & clo sponsors are at the national level. In the event that we agree to a Social presence at a charitable event, all Business Owners within twenty-five (25) miles of the event location who are Career Title of Director and above will be approached with the opportunity to team-up or pass on the event. Directors will be encouraged to donate their commissions to the charity while maintaining the benefit of prospective Business Owner or future Social Leads.

5.18 Charitable Commitments Responsibilities

Independent Business Owners must at all times conduct her/his fibi & clo business in a manner that reflects favorably on fibi & clo and the good name, goodwill and reputation of fibi & clo 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 garnishment of fibi & clo' reputation and goodwill and/or subject fibi & clo to potential liability. Any failure to fulfill commitments made to third-parties in connection with your fibi & clo business will constitute a breach of your Business Owner Agreement, and will result in immediate termination of your agreement with us.

SECTION VI. TAXES AND FINANCIAL RECORDS

6.1 Income Tax

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

6.2 W-9 Changes

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

6.3 Sales Tax

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

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

6.4 Notice to Washington State Business Owners

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

6.5 Other Exempt Sales

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

they may be exempt from sales tax, please contact hello@fibiandclo.com

6.6 Requests for Financial Records

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

fibi & clo
c/o Business Owner
Compensation 911 Paradise Ln
Montgomery, TX 77356

SECTION VII. TERMINATION AND REACTIVATION

Business Owners may choose their business at any time per the below policies, except in the event of Head Quarter termination. Voluntary cancellation of one business does not automatically mean your withdrawal from all businesses; you must submit a written resignation form for each individual business that you no longer want to run.

7.1 Voluntary Termination of Business Owner Agreement

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

7.2 Inactivity Policy

To remain an active Business Owner in fibi & clo, Business Owners must make a retail purchase every 3 months (rolling three months). A customer purchases from Business Owner's eBoutique will count towards Business Owner's Active status. The status will be set every year at March 15th and September 15th. If the registration date or reinstatement date is less than 6 month of the date we calculate, give status of active.

Upon Inactivity, an Independent Agent will become a customer.

If a Business Owner does not meet this requirement, she/he will be deactivated and her/his team will be rolled to the next qualified agent.

If a Business Owner would like to reactivate her/his Independent Business, please review the Reactivation policy

7.3 Termination

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

- Failure to meet the minimum activity requirements;

- Upon the death of the Business Owner or voluntary cancellation;
- Immediately upon relocation and change of your permanent residence to a residence outside of the country in which the Independent Business Owner entered into the Business Owner Agreement; or
- A Head Quarters Termination (see below).

7.4 Head Quarters Termination

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

In the event you operate a business in more than one fibi & clo business, your Head Quarters termination may apply to some or all of your fibi & clo businesses, at the sole discretion of Head Quarters.

7.5 Effect of Termination

In the event of termination, whether voluntary or otherwise, you will lose your Independent Business Owner status and all Independent Business Owner benefits including the right to earn commissions pursuant to the Compensation Plan, product discounts, company mailings, eligibility for Business Owner contests and access to events and incentives. Your team and related team sales commissions will Commission to the next qualified Agent, in accordance with our policy on Commission during the following calendar month. Upon termination, a Business Owner has no right, contractual or otherwise, to receive commissions or other benefits from their Downline Business Owners.

Terminations of the Business Owner Agreement by an Independent Business Owner are effective the first day of the month following the date of notice of termination.

Additionally, if you self-terminate, are deactivated or terminated by Head Quarter, you will lose any Product Credits and Business Supply Credits that you have earned. You will receive legitimately earned commissions only for the last full payment period you were active prior to termination.

7.6 Terminated Business Owners' Buy-Back Policy

We understand that if you are no longer an Independent Business Owner with fibi & clo, you may not have use for some of the items such like Table Display Product and Business Supplies. For these reasons, we offer a Buy Back Policy with the options listed below:

Table Display Products

Table Display Products that a Business Owner has personally purchased from fibi & clo that are in resalable condition may be returned. Items purchased from other Independent Business Owners and third parties are not eligible for return. Product must meet the "resalable" requirements and have all components of the original kit included in the return. Upon receipt of a resalable Table Display 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 Table Display Products must be returned to the Fulfillment Center via registered mail. A trackable and/or insured (insured for approximately \$600) shipping method should be used, as Head Quarters will not be responsible for lost shipments. Please send your package to:

fibi & clo Fulfillment Center
13810 Hollister
Suite 170
Houston, TX 77086 USA
ATTN: Independent Business Owner Buy-Back

Table Display Products will be deemed "resalable" if each of the following is satisfied:

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

We will not refund any Table Display Products that are not in resalable condition, are damaged or are in otherwise poor condition. Damaged or used items (including products 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.

Business Supplies and Discounted, Discontinued or Seasonal Products

General business supplies purchased in connection with your fibi & clo business are eligible for return under the policy above. Any products, if they are in resalable condition and meet the other requirements listed above.

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

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

7.7 Account Holds

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

7.8 Reactivation Policy

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

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

Deactivated Within the Past Six (6) Months

If you decide to sign up again as a Business Owner within six (6) months of when you self-terminated, please contact the Head Quarters and they will assist you with reactivating your account. If you have qualifying Shoe Parties, Head Quarters will open your account for one (1) week to allow for order entry. If after one week you do not have enough orders to Qualify, your account will once again be deactivated. If you place a personal order during this time, you will be charged the difference between the discount rate and retail rate for your fibi & clo products purchased.

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

Deactivated More Than Six (6) Months Ago

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

SECTION VIII. GENERAL TERMS

8.1 Continued Permanent Residence

In order to retain your original Business Owner Agreement with fibi & clo, you must be a resident and have the legal right to own a business and earn income in the U.S. The Business Owner Agreement does not transfer to another country in which fibi & clo operates. If fibi & clo operates in the country of your new residency, you must sign up to be an Independent Business Owner in your new place of residency to continue your fibi & clo business. Businesses are not transferable.

8.2 Solicitation of Overseas Business and International Sales

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

Due to complex legal and tax considerations involving international sales, no sales may be made outside the United States (including Puerto Rico). You may not solicit business from other countries and/or neighboring territories such as Guam.

8.3 Annual Automatic Renewal of Business Owner Agreement

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

8.4 eBoutique Automatic Renewal

Business Owners are offered additional business tools, such as an eBoutique. The eBoutique is free of charge for Ambassador, and a \$10 fee will be deducted from the monthly commission payment for the month that agent's Paid as Title is Fashion Agent and above. Your eBoutique will be automatically renewed each year.

8.5 Building Your Business and Participating in Direct Selling Companies

At any Career Title, Business Owners are allowed to sell products and hold multiple agreements both across fibi & clo and with other direct selling companies at the same time.

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

Should an Independent Business Owner choose to represent more than one direct sales business, the below policies apply to when the additional business is within fibi & clo and also when the business is outside of the fibi & clo business.

- Selling with Multiple Direct Sales Companies:
 - Per the Non-Solicitation and Confidentiality provision of your Business Owners Agreement, you may not request people you've met through your fibi & clo business to solicit sales for your other businesses, either within or outside of the Business.

- Building Teams with Multiple Direct Sales Companies:
 - Independent Business Owners who have a Downline team in a fibi & clo, may build a team with their other direct sales business up to but not including the Career Title of Director and above. Once you are paid at a Director level for the first time, you will need to forfeit your Direct Team with your other business or forfeit your fibi & clo Downline team. Please ensure you are familiar with the Leadership Focus Policy for additional details.
 - Per the Non-Solicitation provision of your Business Owners Agreement and the Confidentiality Obligations you may not request people you've met through your fibi & clo business to recruit for your other businesses, either within or outside of the fibi & clo business.
- Marketing your Direct Sales Businesses:
 - You may not co-mingle marketing for your other business(es) within the same social media channels as you market your fibi & clo business.
 - You may not market your other business(es) on any social media channels dedicated to a fibi & clo, either public or private. This includes, but is not limited to, Head Quarters managed public and private Facebook groups and team pages and groups managed by other Independent Business Owners.
 - You may not solicit your new business (either for sales or recruitment purposes) at any fibi & clo meet-ups, fibi fests or events.

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

8.6 Conflicts and Conflicted Obligations

fibi & clo does not permit any person who is a principal, either directly or indirectly, of another direct selling company, to serve as an Independent Business Owner. For the purposes of this policy, principal shall mean any director, officer, executive, sole proprietor, general partner, or owner of 10% or more of any 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. fibi & clo reserves the right to limit participation in fibi & clo events if an Independent Business Owner is directly or indirectly an employee of or otherwise involved in another direct selling company.

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

8.7 Acts of Third Parties

For the purpose of these Policies & Procedures and the Business Owner Agreement you must not through any third party, directly or indirectly, engage in any conduct or activity not permitted by the Independent Business Owner. You will ultimately be responsible for ensuring that the terms of the Business Owner Agreement (including these Policies 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.

8.8 Targeting Sales of Other Direct Selling Companies

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

8.9 One Business Owner for Each Business Owner Agreement

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

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

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

8.10 Licenses

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

8.11 Non Exclusive Territories

fibi & clo does not grant franchises. Additionally, you are not permitted to conduct sales or sponsoring for exclusive territories.

8.12 Charge/Checking Accounts

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

8.13 Sale of Third Party Product

As an Independent Business Owner, you may not market, sell, offer for sale or promote any third party products to any fibi & clo Independent Business Owners as well as fibi & clo' end customers other than those manufactured, distributed,

or approved in writing by fibi & clo.

8.14 Customer Cancellation

The U.S. federal government requires that every U.S. customer who generates an order or makes a purchase from you must receive a copy of the Cancellation Policy (found on the back of the order forms).

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

8.15 Grievances, Complaints, and Reporting Policy Violations

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

SECTION IX. DISPUTE PROCEEDINGS AND RESOLUTION

9.1 Sanctions for Breaching the Business Owner Agreement

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

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

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

9.2 Alternative Dispute Resolution

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

* * *

Appendix A

Glossary—

See fibi & clo Terms and Definition in back of fibi & clo handbook.

Appendix B

Contact Details

Head Quarters Field Relations

hello@fibiandclo.com

Compliance

hello@fibiandclo.com

Mailing Addresses

911 Paradise Lane
Montgomery, TX 77356
U.S.A