

# **CONSULTANT POLICIES & CAREER PLAN**

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#### **GENERAL GUIDELINES**

### **COMMISSION PERIOD**

A commission period is defined by calendar months. The final cut-off date for monthly commissions is the last day of the month at 11:59 PM CST (refer to Time Zone). The commission period for the prior month closes no later than the 10<sup>th</sup> day of the following month at which time all promotions, titles and ranks are changed and commission and bonuses are paid accordingly.

### **DIRECT DEPOSIT**

Consultants are paid any commission and bonus via direct deposit once the commission period has closed for the prior month. Pink Zebra does not issue checks. Commission and bonus will be paid no later than the 10<sup>th</sup> day of the following month.

### **COMMISSION MINIMUM**

Commission checks or direct deposits under \$10 will not be issued. Unpaid balances will be carried over to the following month and paid when the total amount owed exceeds \$10.

### SHIPPING

Pink Zebra will choose the method of shipping depending on the overall cost, weight and zip code of the order's ship-to address. Most product orders will be shipped via a parcel carrier.

Consultants must always provide Pink Zebra with a street address for shipping purposes. *Pink Zebra will not ship to post office boxes.* 

All orders will ship from the Berea, KY, warehouse within five business days of order. Party orders ship within five business days of the date the Consultant closes the Party. Pink Zebra will attempt to process most orders within one to two business days, but during peak times, it may be necessary to extend shipping times up to three to five business days.

Due to the extreme heat in the summer months, there may be limitations to what days of the week orders ship. This is to prevent orders from sitting in the shipper's warehouse and docks over weekends. Any updates will be posted on ZebraNET.



### SHIPPING RATES

At this time the shipping rates for party, customer, Consultant and shopping cart are as follows:

	Consultant Order	Party Order	Host Order	Standard Order	Enrollment Order
Continental US	\$7.50 or 10% of <b>Retail</b> whichever is greater	\$7.50 or 10% of <b>Retail</b> whichever is greater	\$7.50 or 10% of <b>Price Paid</b> whichever is greater	\$7.50 or 10% of <b>Retail</b> whichever is greater	Large - \$30 Small - \$20
Continental US 2 Day UPS	\$15 or 25% of Retail whichever is greater	\$15 or 25% of <b>Retail</b> whichever is greater		\$15 or 25% of <b>Retail</b> whichever is greater	
AK, HI, PR, US Virgin Islands	\$20 or 20% of <b>Retail</b> whichever is greater	\$20 or 20% of <b>Retail</b> whichever is greater	\$20 or 20% of Price Paid whichever is greater	\$20 or 20% of <b>Retail</b> whichever is greater	Large - \$45 Small - \$35

Shipping rates for Fundraiser in Continental US are:

\$ 2,500	grea	ater	FREE	
\$ 2,250	\$	2,499	\$	125
\$ 2,000	\$	2,249	\$	120
\$ 1,750	\$	1,999	\$	115
\$ 1,250	\$	1,749	\$	100
\$ 1,000	\$	1,249	\$	90
\$ 750	\$	999	\$	75
\$ 500	\$	749	\$	60

### SPECIAL SHIPPING CHARGES FOR ALASKA, HAWAII, PUERTO RICO AND US VIRGIN ISLANDS

See shipping rates as noted above. These markets are open to ship.

### **GUARANTEE**

Pink Zebra guarantees all products. Defective products can be returned within 90 days of product shipment from Pink Zebra for exchange of other products of equal or greater value. If the item being exchanged is a limited edition or seasonal item, and the product is no longer available, it may be exchanged for another item of equal or greater value. At the discretion of Pink Zebra, any defective product may be required to be returned to the home office so that Pink Zebra can verify that the item does not meet product specifications. All returned items must be accompanied with a receipt and order number.



When a defective item is returned, Pink Zebra will pay the shipping fees. The Company will provide a Call Tag or Returns Material Authorization (RMA) to cover the shipping charges for a defective item return.

### **EXCHANGE POLICY**

If a customer is not completely satisfied with a Pink Zebra product for any reason, he or she may exchange it within 60 days of the original order's ship date. Order errors resulting from an incorrectly written or entered part number will be handled as exchanges. The exchanged product must be accompanied by the receipt and order number. The item must be exchanged for products of equal or greater value. The item being exchanged must be featured in the current catalog. The customer or Consultant must pay the cost to ship the product back to Pink Zebra and Pink will ship the replacement product for free. If the item being exchanged is a limited edition or seasonal item and the product is no longer available, it may be exchanged for another item of equal or greater value.

#### **REFUNDS**

Pink Zebra does not offer cash refunds for any returned items. Any items returned may be exchanged for an item of equal or greater value.

#### **INVENTORY RETURNS**

Upon cancellation or termination of a Consultant's Agreement, the Consultant may return for a refund inventory and sales aids that he/she personally purchased from the Company if he or she is unable to sell or use the merchandise. A Consultant may only return products and sales aids purchased by him or her that are in resalable condition. Upon receipt of the products and sales aids, the Consultant will be reimbursed 90% of the net cost of the original purchase price(s), less shipping charges. The Company shall deduct from the reimbursement paid to the Consultant any commissions, bonuses, rebates or other incentives received by the Consultant which were associated with the merchandise that is returned.

Products and sales aids shall be deemed "resalable" if each of the following elements is satisfied: 1) they are unopened and unused; 2) packaging and labeling has not been altered or damaged; 3) the product and packaging are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; 4) products are returned to Pink Zebra within one year from the date of purchase; 5) the product contains current Pink Zebra labeling. Any merchandise that is clearly identified at the time of sale as non-returnable discontinued, or as a seasonal item, shall not be resalable.

The Consultant returning the merchandise is responsible for all return shipping charges.

#### **SUBSTITUTIONS**

From time to time, Pink Zebra may need to make a substitution for a raw material or finished good. Pink Zebra reserves the right to substitute a component of similar value, purpose and quality for a product or component that has changed. These substitutions will not affect the fragrance or quality of any of our products. These substitutions may result in a difference between the specifications of the final product and those included in the catalog or other Pink Zebra publications.

### ALTERING PINK ZEBRA PRODUCTS



Any alteration of a Pink Zebra product by Consultants, such as remelting and repackaging, for reselling is prohibited.

Consultants may NOT repackage Pink Zebra's products other than adding a personalizing sticker that does not obstruct the Pink Zebra logo or labeling and must insure that the products are sold and delivered in their original packaging to the customers.

#### INTERNATIONAL SALES

Consultants are authorized neither to sell Pink Zebra products to nor to undertake sponsoring anyone residing outside of the United States and its Territories at this time.

### U.S. TERRITORIES

Consultants may hold Home Parties, sponsor new Teams and sell Pink Zebra products in U.S. Territories.

### APO / FPO LOCATIONS

Pink Zebra does not at this time support shipping to these locations.

#### TIME ZONE

Pink Zebra's corporate office is in Houston, TX, and in the Central Time Zone. References in corporate communications will be to Central Standard Time.

#### ACCEPTING CREDIT CARD PAYMENTS FROM CUSTOMERS

Gather ALL the information on the order form, including the name, credit card number, expiration date, and the security code on the back of the card. Pink Zebra accepts American Express, Discover, Visa, and MasterCard. When someone places the order online, Pink Zebra's system will process the credit card. A Consultant may or may not choose to use his or her merchant account to process credit cards.

### **CHECKS**

Pink Zebra does NOT accept checks from customers or Consultants. When a Consultant takes a personal check from a customer, he or she needs to be sure the check has a phone number and to deposit the check immediately. The Consultant should make sure the check clears the bank before delivering the products.

### TAX RATE

Tax rate for an order is based on the zip code of the shipping address. Collect taxes based on the rate of the location to which the order is being sent.

### HOME OFFICE SUPPORT

**Mailing Address** 



Pink Zebra 2901 W. Sam Houston Parkway N., Suite A-100 Houston, TX 77043

Customer Service Hours

Monday – Friday

8 am – 5 pm Central Standard Time

Toll Free Telephone Number

1-855-PINK ZEBRA (746-5932)

Fax Number

713-467-7334

Services E-mail

customerservice@pinkzebrahome.com

Pink Zebra Public Website www.pinkzebrahome.com

### **CUSTOMER SERVICE SUPPORT**

#### **Customer Service Telephone Expectations**

- All calls received before 2:00 pm will be returned before the end of that business day.
- All calls received after 2:00 pm will be returned no later than the end of the next business day.
- Voice mails will be checked every 2 hours and a log will be kept of voice mails received.

### **Customer Service Trouble Ticket Expectations**

- Trouble Tickets will be resolved within 7 business days, providing all pertinent information is included upon receipt. If Customer Service has to request additional information to resolve the issue, the 7-day window does not apply.
- If additional information is required by Customer Service to resolve the ticket, Customer Service will change the status to "More Information Needed" and indicate what information is required to resolve the issue. A notification will be automatically sent to the Consultant advising him or her that an update has been made to the Trouble Ticket. The Consultant then needs to send the requested information to a designated mailbox for Trouble Ticket Responses. Customer Service will make two attempts to contact the Consultant. If Customer Service has not received the needed information after two weeks, the Trouble Ticket will close with comments stating that if the issue has not been resolved, a new Trouble Ticket needs to be opened.
- If submitting a Trouble Ticket for a broken item, please e-mail a photo of the item, along with the ticket number in the subject line. The e-mail address for trouble tickets is pztroubletickets@pinkzebrahome.com.



- Before calling or e-mailing to check on the status of a Trouble Ticket, check the Trouble Ticket Manager
  for any updates. An automated notice will be sent any time Customer Service updates the Trouble Ticket
  status.
- Items requiring immediate attention such as change of address, any shipping related issues, order cancellations, help closing a party, etc., should be handled with a phone call to Customer Service.

### RETAILING AND MARKETING

Consultants may sell Pink Zebra on a cash and carry basis at fairs, shows, expos and temporary retailing events, but must never sell Pink Zebra in a retail store of any kind.

Consultants may NOT repackage Pink Zebra's products other than adding a personalizing sticker that does not obstruct Pink Zebra's logo or labeling and must insure that the products are sold and delivered in their original packaging to the customers.

Consultants may use the Pink Zebra logo in marketing efforts, but it must only be the logo provided on the Consultant back office website.

Consultants must always use the term "Independent Consultant" when promoting, marketing, or advertising the business.

#### **CONSULTANT STATUS**

### INDEPENDENT STATUS & COMPLIANCE WITH APPLICABLE LAW

As an independent Contractor, each Consultant is responsible for his or her own business activity. A Consultant is considered neither an employee of Pink Zebra nor of his or her upline. Consultants are required to follow the tax codes and business reporting requirements in the respective jurisdiction where their business activities take place, and it is recommended that they consult with a local professional advisor for more information related to their business. Pink Zebra Consultants are responsible for the following:

- Complying with all federal, state, county and local laws and regulations as they relate to the possession, distribution, sale, stocking, receipt and advertising of Pink Zebra products or the operation of a business;
- Acquiring any applicable licenses or business registration, filing all necessary reports and paying all
  appropriate taxes and/ or fees legally required in order to operate a Pink Zebra business;
- Collecting all sales tax, whether assessed at the local, state, territorial, county or city levels. These taxes
  must be remitted to Pink Zebra. Pink Zebra, in turn, remits these taxes to the government tax authorities
  on behalf of Consultants. Any taxes that Pink Zebra does not process must be sent directly to the
  appropriate tax authorities;
- Reporting all earnings to the Internal Revenue Service and State revenue departments when applicable
  and being responsible for maintaining records and receipts of all business activities;
- Paying any required Social Security tax for the self-employed.



#### RESPONSIBILITIES OF PINK ZEBRA CONSULTANTS

### Consultants are required to do the following:

- Familiarize themselves with the Pink Zebra Consultant Manual as well as all guidance provided through Home Office newsletters and other official announcements:
- Manage their Pink Zebra business in a way that is consistent with the Pink Zebra Consultant Manual,
   Statement of Policies, Terms and Conditions and any other amendments or publications made available by Pink Zebra;
- Avoid making any claims or representations regarding the Pink Zebra product line that are inconsistent with the current catalog or publications made available by the Company;
- Avoid making any claims or representations relating to potential compensation, except for those representations made in Pink Zebra publications;
- Understand and adhere to the exchange and guaranty provisions of product sales;
- Protect each customer's or Consultants payment and payment information, and submit and deliver each order in a timely manner;
- Coordinate and carry out parties and other sales avenues according to Pink Zebra policies and procedures.

#### CONSULTANT'S CODE OF ETHICS

### As a Pink Zebra Consultant:

- I will uphold the high standards of professionalism expected of a Pink Zebra Consultant and diligently
  market and sell Pink Zebra products. I further agree to require and monitor those same standards of
  professionalism with my Team.
- At all times, I will conduct myself with honesty, fairness and an ethical and professional manner. I will conduct my business in an ethically, morally, legally and financially sound manner (I will not engage in activities that would disparage Pink Zebra or myself, nor will I criticize Pink Zebra, its Management, other Pink Zebra Consultants, the products or the competition.
- I shall not, by my words or actions, bring Pink Zebra or the image of the direct sales industry into disrepute.
- I will continue to actively promote and encourage the growth, cooperation and support of all Consultants, including those outside of my own organization.
- I will provide support and encouragement to my customers to ensure that their experience with Pink Zebra is a successful and happy experience. I understand that it is important to consistently provide follow-up service and to continue to actively support my customers.
- I will not willfully manipulate the Pink Zebra Career Plan at any time, without exception.



- I will ensure that I operate and market my business in an ethical manner that does not compromise the opportunity for other Consultants or misrepresent the income opportunity.
- I will abide by the Pink Zebra Policy and Career Plan.
- I will continue to honor the confidentiality of Pink Zebra and other Consultants for all information I receive as a result of my relationship with Pink Zebra. This includes all information including but not limited to names, phone numbers, e-mail addresses, mailing addresses, and any other contact information of individuals associated with Pink Zebra; compensation plan information; and all intellectual property the Consultants are permitted to use as a result of their business relationship with Pink Zebra.

### COMPETITIVE RECRUITING & COMPETITIVE SELLING

Consultants may not use the association and drawing power of their Pink Zebra Home business to recruit/sponsor or develop any other direct sales organization during the term of the Consultant's Agreement. Consultants may not recruit/sponsor other Pink Zebra Home Consultants or customers for any network marketing, party plan or direct sales business.

The term "recruit/sponsor" means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly or indirectly, another Pink Zebra Home Consultant or customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity. This conduct constitutes recruiting even if the Consultant's actions are in response to an inquiry made by another Consultant or customer.

Furthermore, Consultants may not use the association and drawing power of Pink Zebra Home as a platform to personally gain from sales, marketing, advertising, promotion or other such activity that may be viewed as a conflict of interest.

#### BECOMING AN INDEPENDENT CONSULTANT

As a Pink Zebra Consultant, you have the opportunity to participate in the Career Plan and be an Independent Consultant. The basic requirements of becoming a Pink Zebra Consultant are that a Consultant must:

- Be at least 18 years of age;
- Be a citizen or a permanent resident of the U.S. or a citizen of a U.S. Territory;
- Possess a legitimate Social Security number;
- Sign and submit a Consultant Agreement.

### **ACTIVE**

"Active" is defined as any Consultant who reaches \$150 in personal sales (PSV) in a six-month calendar period.

### **INACTIVE**

Any Consultant who does not accumulate at least \$150 in a rolling six-month period will see his or her status change to "Not Qualified."



#### MONTHLY REQUIREMENTS

In order to earn monthly bonuses or commission based on personal or Team volume, there are minimum requirements that must be achieved each calendar month. At any time the monthly minimum is not met, no bonuses or commission will be earned or paid for the commission period. No overage is allowed, and there is no carryover on bonus or commission amounts which are not earned for a particular month due to monthly requirements not being met. Refer to specific personal sales and leadership for monthly requirements.

#### **TEAM ROLL-UPS**

At any time a Consultant resigns or is terminated, all of his or her Team(s) will be automatically rolled up to the next direct upline. Team roll-ups occur after the close of a commission period. In the event of a roll-up, the former Consultant will completely and permanently lose all rights to his or her former downline. The former Consultant will not receive any commissions or financial benefits derived from his or her former downline.

### **SWITCHING UPLINES**

Because of the nature of the business model, Consultants may not switch uplines. To change uplines, a Consultant must resign or be terminated and wait for a period of no less than six calendar months to sign a new Consultant Agreement and purchase a new Enrollment Kit to begin selling under a new upline. There are no transfers of Team, sales, or career titles.

### **TERMINATION**

Termination of the Consultant Agreement may occur either voluntarily by the Consultant as resignation or as a result of a Consultant falling short of his or her minimum requirements to be active, or involuntarily through disciplinary action by Pink Zebra or cancellation by Pink Zebra upon 30 days' written notice without cause;. Each of these methods is considered "termination." Any proceeds earned from commissions will be paid on the next commission process. Any product credits such as Pink Dollars do not have a cash value, nor may they be transferred. Any re-enrollment eligibility must wait a minimum of six months and prior records of discipline will be reviewed to determine if a Consultant is eligible to enroll.

### RESIGNATION

Should a Consultant wish to resign, he or she must provide the written notification to Pink Zebra. Once a Consultant resigns, he or she will not be permitted to sign a new Consultant Agreement and purchase a new Consultant Kit until he or she has waited six calendar months from the actual resignation date.

- Consultants who cancel their Consultant Agreement through resignation must sign and submit a letter of intent to resign to Pink Zebra. This letter must include the Consultant's name, ID number and signature, and it may be sent via e-mail, fax or regular mail to the attention of the Pink Zebra Customer Services Department. E-mail may be submitted to customerservice@pinkzebrahome.com
- The resignation will take effect immediately.



#### **PROMOTIONS**

Promotions to new leadership levels will occur on the first of the month following the month in which a Consultant meets all requirements for advancement. To be promoted to the next leadership level, all sales or sponsoring requirements must be complete by 12:00 a.m. CST of the last day of the month in which all qualifications are met.

#### **TITLES**

Consultants are promoted to new titles, and there are two types of titles that will be reflected.

- Paid As Title Title bywhich the Consultant is paid any commission, bonus or recognition. This can vary depending on the commission period.
- Career Held Title The highest title earned. Titles are never taken away. This is the title that the home office uses and the Consultant may use on a business card or any other marketing piece.

#### SELLING OR TRANSFERRING A BUSINESS

Selling or transferring a Consultant's Business is not permissible. The Agreement with each Consultant is a personal contract with Pink Zebra and may not be transferred by the Consultant to a third party.

#### **DEATH**

In the event of a Consultant's death, any bonuses or commissions accumulated through the date of death will be paid to the Consultant's estate. See the Dana Napier Survivor Benefit for a succession plan.

### THE DANA NAPIER SURVIVOR BENEFIT

Upon the death or incapacitation of an Independent Consultant, all rights to the Consultant's position and downline, including rights to commissions and bonuses, may be transferred to a successor as provided in the Consultant's will or as otherwise ordered by a court of competent jurisdiction or other testamentary process. Successor(s) must present Pink Zebra with proof of death or incapacitation, along with proof of succession, such as a Grant of Probate or an Enduring Power of Attorney. Any successor will be bound by all current and future terms and conditions set forth in the Company's Policies and Career Plan. If the successor is already an existing Consultant, Pink Zebra will replace the original account with the successor and will roll any downline into one account.

### **REFERRALS**

Pink Zebra offers a referral program to provide leads generated from the home website (interest in holding a party or joining) to Consultants who have achieved the level of Executive Consultant or above. Referral leads are distributed based on the Consultant's proximity to the referral and the number of referrals the Consultant has already received within the last 30 days. Although the program is offered free of charge, Pink Zebra requires a Consultant who accepts a referral to agree to contact the lead within 48 hours of receiving the referral. If a Consultant fails to contact leads within 72 hours, they may be removed from the referral program and not receive subsequent leads. Pink Zebra reserves the right to alter, suspend or cancel the referral program. Pink Zebra also reserves the right to determine the geographical area from which referrals are drawn for each Consultant.

Any referral coming from a Consultant's replicated website is automatically sent to that respective Consultant.



#### WEBSITE "FIND A CONSULTANT" LOCATOR

The Pink Zebra Home website locator is based on the following hierarchy when pulling Consultants in a zip code:

1) Paid As Title, 2) Monthly Personal Sales and 3) Location. The locator does provide a customer who knows a last name the ability to locate that specific Consultant by entering last name and zip code. A Consultant must be paying the monthly subscription fee to be eligible for the locator.

### **CRITICAL STATUS**

Critical status is granted in emergency situations to defer the qualification requirements of leadership. Critical status must be requested by the Consultant and is subject to Pink Zebra's approval. Critical status is approved on a 90-day basis in accordance with the unique circumstances of the Consultant. Emergency situations for which critical status may be granted include but are not limited to the following:

- Death in the immediate family;
- Medical emergency in the immediate family;
- Birth or adoption of a child;
- A call to active duty in the military (the activation of the Consultant himself or herself and not a member of the Consultant's family);
- Military commitments;
- Non-military relocation outside of the United States.

Requests for critical status must be made in writing and must be received by the home office prior to the end of the calendar period during which the Consultant was incapable of meeting qualifications. All requests for critical status must be faxed or e-mailed to Pink Zebra Customer Service. Faxes must be received by 12:00 a.m. CST on the last day of the period during which the minimum was not met.

The request will be reviewed upon receipt. If Pink Zebra approves a Consultant's request for critical status, the term of critical status will begin on the first day of the month for a maximum of 90 days. During the period a Consultant has critical status, the Paid As Title will be maintained, and he or she may earn bonuses and commissions. Should extenuating circumstances continue, the Consultant may request an extension of critical status, which will be approved on an individual basis. An extension may be granted one time only after an initial approval, and it will not count as an additional status. Any further extension requests will count as a new request for critical status. Notwithstanding the above, a Consultant may not be granted or extended critical status more than three times in any five-year consecutive period.

Critical status is not in place to protect against loss of incentives.

#### **INCOME TAX FORM 1099**

Because Consultants are considered independent contractors, it is the responsibility of the Consultant to pay Social Security tax and any other applicable taxes. Pink Zebra does not deduct any taxes from Consultant commission checks. Each year, Pink Zebra will issue an IRS Form 1099-MISC to each Consultant for the prior year's earnings,



provided they have earned at least \$600 (the lowest amount in annual compensation that must be reported to the IRS) in override commissions, incentives, including trip incentives, and other reportable earnings. It is recommended that a Consultant with questions regarding self-employment tax, payment methods or other required filings contact a professional tax accountant. The \$600 for which an IRS Form 1099-MISC is issued is comprised of cash commission as well as any incentives.

Should a replacement copy of a Consultant's IRS Form 1099-MISC. become necessary for any reason, the Consultant may be charged a \$10 processing fee. Additional copies of commission records for preceding years may be charged a \$25 per hour researching fee as well as the cost of photocopies.

#### **DISCIPLINARY ACTIONS**

If a Consultant violates the Consultant Policies and Career Plan or engages in any illegal, fraudulent, deceptive, or unethical business conduct, Pink Zebra may, at our sole discretion, invoke any disciplinary actions that we deem appropriate. These actions are among the potential disciplinary actions:

- Issuance of a written warning or admonition with a time period to make changes or cease
- Reassignment of all or part of downline organization
- Adjustment of Consultant status
- Suspension, which may result in termination or reinstatement with conditions and/or restrictions
- Termination of Independent Consultant Agreement and status.

We will use our best efforts to first give notice of the alleged violation, by using the current e-mail address on file, and to allow the Consultant to present facts that show that there has been no violation. However, if we believe that the violation is of a serious nature, we reserve the right to make our determination and take action without prior notice.

### **ORDERS**

#### TYPES OF ORDERS

The Pink Zebra Career Plan offers the following order types to give the Consultant flexibility in managing his or her business. The orders types are either commissionable or non commissionable as noted below.

### 1. Party Order Type

- a. Defined as any order made by a host and a group of customers where the order is at least \$150 or more.
- b. Host benefits are awarded,
- c. The order is either shipped to the host, the individual guests who attended the party or a combination of both.



### 2. Shopping Cart (Standard) Order Type

- a. Defined as a single order that is processed through a Consultant's replicated personal website, with no minimum order amount.
- b. The order is shipped to the customer.

### 3. Fundraiser Order Type

- a. Defined as any order that is sold to an individual or organization that is raising funds for a need or to offset costs where the order is \$500 or more.
- b. A fundraiser order does not constitute host benefits. It pays a higher profit to the organization: The organization may earn 40% on the retails sales of the order, and the Consultant may earn 10%.
- c. A fundraiser order counts at 80% retail value towards Personal Sales Volume (PSV) and at 50% of retail value towards Team Wholesale Volume (TWV). Please refer to ZebraNET for details about the Pink Zebra Fundraiser Program.

### 4. Consultant Order Type

a. Defined as an order used to purchase product and business supplies where the Consultant buys at a discounted rate.

### 5. Auto Ship Order Type

- a. Defined as an order that is processed for product only that is a recurring order which takes place on a defined day each month. Once the order has been established, it automatically ships on the specific date each month.
- b. Auto Ship will have a defined discount attached based on a monthly commitment.

### **BACK ORDERS**

Pink Zebra does not accept back orders at this time. Items that show "Out of Stock" or "No Inventory" may not be ordered at that time. Pink Zebra creates an Out of Stock PDF and posts this on ZebraNET to communicate product availability.

### COMMISSIONABLE AND NON COMMISSIONABLE ORDERS

The following orders are considered commissionable, and a Consultant is able to earn volume-based commissions or bonuses accordingly:

- Sales submitted under a Party Order.
- Sales submitted as a Consultant Order.
- Sales submitted as a Shopping Cart (Standard) Order.



Sales submitted as a Fundraiser Order.

The following orders are considered non commissionable:

- Sales submitted as business supply orders.
- Enrollment Kit Orders.
- Pink Dollars or Point Redemption Awards.

#### MARKETING AND ADVERTISING

#### E-COMMERCE AND WEBSITE ADVERTISING

The Consultant may not use or register any name that uses the words Pink Zebra or any derivatives, for a URL/domain, an e-mail address, a nickname, or an online alias. The policy is not limited to these, but examples which may not be used include <a href="MAME@pinkzebra.com">NAME@pinkzebra.com</a>, <a href="Mame">NAME@pinkzebra.com</a>, <a href="Mame">

Pink Zebra supports the marketing of the Consultant's business through social media sites, such as but not limited to Facebook, Google+, You Tube, Pinterest, etc. If Pink Zebra Home, Pink Zebra or anything similar is used as a header / title for a Facebook Fan Page or similar social media sites, the words Independent Consultant must be included in the header / title. Headers / titles in Facebook Fan Pages or similar social media sites should be set using the following parameters:

- My name/Pink Zebra Home/Independent Consultant
- Pink Zebra Home/My Name/Independent Consultant
- My name/Independent Consultant
- Independent Consultant / My Name
- My Name

My Name is defined as the Consultant's personal name or nickname. The term Independent Consultant must be clearly and prominently stated within the page.

The Consultant is allowed one external social media website of each type (included but not limited to a Facebook page or Facebook group, Twitter, YouTube, Google+, Pinterest, etc.) to personalize his or her Pink Zebra business and promote the Pink Zebra opportunity.

The Consultant is only allowed to use the Pink Zebra replicated website as his or her shopping cart, and he or she may redirect a personal URL to the Pink Zebra replicated website.

The Consultant may not list or sell Pink Zebra products online on any website, including but not limited to eBay, nor can he or she enlist or knowingly allow a third party to do so.



### DISCOUNT SITES / LOTTERY / GAMBLING

Pink Zebra does not support online sites that are bidding or discount related and does not support products being issued through lottery, gambling, auction, or chance types of offers. These online sites may include but are not limited to eBay or similar, penny-type auction sites and other similar types of sites.

#### PINK ZEBRA HOME FACEBOOK

The purpose of our home Facebook page is to promote the Pink Zebra brand by creating excitement and awareness for the products and our many opportunities (business, party, customer, host, fundraiser, etc.). This page is not intended as a platform for Consultants to promote their business but is designed to provide him or her a roadmap or template on how to promote a personal Facebook page for his or her Pink Zebra business. Please note that any promotion of the Consultant's personal business on the Pink Zebra Home Facebook page will be removed.

### **CONFLICTS OF INTEREST**

#### **COMPETITIVE SELLING**

As long as a Consultant's Pink Zebra Consultant Agreement remains in force, a Consultant may not become a salesperson for any other direct sales, party plan or network marketing program that sells candle and/or related home décor products. A Consultant must not be an agent, independent salesperson, employee or owner of any entity whose primary purpose is the manufacture, marketing or sale of candles and/or related home décor products. For the purposes of this policy, a company is competing with Pink Zebra when the candle offering is a significant portion of the company's product and marketing presence.

#### **COMPETITIVE SPONSORING**

Consultants may not use the association and drawing power of their Pink Zebra business to sponsor or develop any other direct sales organization. During the term of a Consultant's Agreement, Consultants may not sponsor other Pink Zebra Consultants for any network marketing, party plan or direct sales business. The term "sponsor" means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly or indirectly, another Pink Zebra Consultant or customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity. This conduct constitutes sponsoring even if the Consultant's actions are in response to an inquiry made by another Consultant.

#### **TEAM SPONSORING**

Pink Zebra undertakes all efforts to support the ethical business efforts of all Consultants. Any activity that attempts to sponsor another Consultant's Team, slander another Consultant, enroll a Consultant as a new Team member prior to his or her termination and completing the required six calendar month inactivity period (for prior Consultants), or undertake other activities that could be interpreted as unethical may subject a Consultant to disciplinary action.



#### TRADEMARK & INTELLECTUAL PROPERTIES

### TRADEMARK

The Pink Zebra business name and trademarks belong exclusively to the Company. An active Consultant may use the trademarks provided he or she uses them correctly. Consultants must use the registered trademark symbols  $^{\circ}$  or  $^{\circ}$  where applicable and may not alter the trademarks in any way.

Consultants who are terminated or resign lose all rights and privileges of a Consultant and may no longer use the Pink Zebra business name or trademark.

#### LOGO USE

Consultants must use the standard Pink Zebra logo as it appears on the pre-approved logos section available on ZebraNET. The logo cannot be altered in any way. Additionally, Consultants may duplicate the Pink Zebra logo on any type of clothing, supply item or other promotional items to market their Pink Zebra businesses but not for the purpose of resale. If a Consultant wishes to use the logo in a way outside of the provided guidelines, he or she must get approval from Pink Zebra.

#### **PATENTS**

Any patents owned by Pink Zebra that cover certain Pink Zebra products are protected under U.S. federal law.

### PINK ZEBRA LITERATURE

Producing photocopies of any Pink Zebra publication is permitted provided it is intended for business use but not for dissemination. Copyrighted material includes any publication or form provided by Pink Zebra via the Internet or otherwise. Reproducing or scanning copyrighted publications, including a Pink Zebra catalog, is a violation of the U.S. copyright laws protecting these items. Consultants are permitted to use text from Pink Zebra publications, provided they include a citation of the publication from which the information was taken, giving all credit to Pink Zebra. Pink Zebra owns the copyrights to any advertisements approved by the home office and reserves the right to use these approved advertisements in any way seen fit.

#### COPYRIGHT / INTELLECTUAL PROPERTY OTHER THAN PINK ZEBRA

Consultants are not allowed to use images of other brands, personalities, athletes or other that have not been approved by the owner and properly compensated.

### **CAREER PLAN**

#### INTRODUCTION



The Pink Zebra Compensation Plan introduces an exciting, trendsetting method of compensating our Independent Consultants. It is surprisingly simple, financially rewarding and equitable, in terms of giving everyone involved an equal opportunity for success. The Plan combines the best of retail sales methods and traditional wholesale distribution with an aggressive and duplicable method for geometrically growing your business. The Pink Zebra sponsoring formula will make building your business fun and profitable!

### Our Goals are Simple, but the Rewards are Great.

- 1. Create a way for a beginning Independent Consultant to make **IMMEDIATE** income.
- Build LONG-TERM benefits for the Pink Zebra Professional.
- 3. Sustain customer retention with top-quality products, fair prices and excellent service.
- 4. Sustain Independent Consultant retention, activity and enthusiasm with continued training and education opportunities; marketing support; and attainable commissions, bonuses, and incentive awards.

### MARKETING PHASES

There are six (6) different ways to generate revenue as a Consultant for Pink Zebra. It is possible to participate in one or all of these profit centers. The following is a general list of the ways to earn revenue based on our Plan.

#### **SELLLING PHASE**

- 1. Minimum Base Commission 25% base commission (retained from Party Sales)
- 2. Enhanced Personal Commissions additional 5% to 10% commission (paid monthly)

#### **MANAGEMENT PHASE**

- 3. 7% Sponsoring Bonus (paid monthly)
- 4. 3% Team Level Bonuses, four levels deep (paid monthly)
- 5. 2% Mentoring Bonus (paid monthly)

#### **EXECUTIVE PHASE**

6. Three levels of Generation Bonuses totaling 7% (paid monthly)

### **OVERVIEW**

The Pink Zebra compensation plan was designed to offer Consultants the opportunity to develop a significant income through retailing our products and enhancing that income through sponsoring others who retail our products.

People who join Pink Zebra as Consultants hold parties in people's homes or other meeting areas, retail product, distribute catalogs, build customers and build a business. Retailing product is the foundation of their ongoing business success.

A Consultant begins his or her *Pink Zebra* business by initiating an Independent Consultant agreement and requesting to become a New Consultant. In addition as an incentive, FREE product benefits are awarded during his or her first 90 days through the company sponsored Quick Start Incentive.



#### **BASE COMMISSIONS**

The base commission a Consultant earns is 25% on any standard order, including Consultant Order, Party Order and Customer Order. The Consultant may earn the 25% base commission in two ways. First, if he or she places a Consultant Order or uses the Consultant Pay when placing a party order, the Consultant receives or retains the 25% when he or she places the order. This means the Consultant receives a 25% commission at the time he or she places the order. For any other order that is part of a Party Order or Customer Order where there is a credit card used besides Consultant Pay, the Consultant would receive 25% base commission at the time commissions are processed (see Commission Period). The Fundraiser Program has a separate commission structure (see Fundraiser).

#### **ENHANCING YOUR COMMISSIONS**

Consultants may begin receiving retail commissions that range from a base of 25% up to 35% of the suggested retail value of the products they sell through one-to-one sales, parties, fundraisers or online sales from their personal website (See Table 1 Enhanced Personal Sales Commission). Of course, holding parties to retail product is at the core of business success. Here is how it works:

**Enhanced Personal Sales Commissions** 

PERSONAL SALES (PS)	ENHANCED COMMISSION
\$ 0 to \$ 899 PS	25%
\$900 to \$1999 PS	30%
\$2,000 +	35%

**Note:** 25% is the base commission available to Consultants for all retail sales. When a Consultant accepts cash or checks from a customer and processes the order through ZebraNET, an immediate commission is earned. Otherwise if the Consultant is using Pink Zebra to process credit cards, then the 25% would be paid during the normal commission process along with any other commission.

### LEADERSHIP BONUSES: WORKING WITH OTHERS TO BUILD A TEAM

When a Consultant helps the people he or she recruits as Consultants to build their Team, the Consultant helps them to become successful while building depth in his or her own organization. Pink Zebra compensates the Consultant for building Teams by paying him or her 3% of the assigned Team Wholesale Volume through up to four levels of Consultant sales volume in his or her organization. Team Wholesale Volume (TWV) is the assigned value on which a Consultant's Team Bonuses are calculated, usually 75% of suggested retail but adjusted on certain products.

The term "Level" is used to describe a Consultant's relationship to the other Consultants in his or her organization. For example, when the Consultant sponsor someone, that person is the Consultant's Level 1. When that person sponsors someone, the new Consultant becomes Level 2 to the original Consultant, and so on. A Consultant can earn the right to receive bonuses on up to four levels of Consultants.



To remain Active as a Consultant, the Consultant will be required to maintain minimum Personal Sales of \$150 during a six-month period.

#### SPONSORING BONUS

This is a very exciting aspect of the Pink Zebra Plan. Pink Zebra pays a 7% Sponsoring Bonus to the original Consultant who enrolls a new Consultant. The Sponsoring Bonus is paid on the sales of the enrolled Consultant for as long as he or she remains a Pink Zebra Consultant! As a Qualified Enroller, the original Consultant will receive this special Sponsoring Bonus on the Personal Wholesale Volume (PWV) of any Enrollee whom he or she personally enrolled as long as the original Consultant is personally active during the month by producing your \$400.

#### STRATEGIC PLACEMENT OPTION (ACTIVE QUALIFIED EXECUTIVE CONSULTANT OR HIGHER RANK)

When a Consultant achieves the rank and holds the Paid As Title of Executive Consultant, he or she will have the option to place an Enrollee beneath a downline Consultants for mentoring and training. The Consultant will continue to receive the 7% Sponsoring Bonus on the enrolled Consultants' PWV no matter where they are placed in his or her downline genealogy. Once the Consultant achieves the rank of Executive Consultant, he or she has the right to place as many personally enrolled Consultants under other Consultants in his or her downline organization as desired, or the Consultant can place the Enrollee directly under himself or herself at Level 1. A personal Enrollee may ONLY be moved ONE time. Either way, the Consultant will receive his or her Sponsoring Bonus for as long as he or she remains active and the Enrollee remains a Pink Zebra Consultant.

**Example:** You enroll Pam who lives in another part of the country. You assign Pam to Sue who lives in the same city as Pam because you feel Sue will be better able to train and support Pam. The Pink Zebra Plan rewards both you and Sue with bonuses on Pam's sales! And since Pam has someone nearby to help support her, she'll be more likely to succeed. You receive the 7% sponsoring bonus and Sue would benefit from the leadership commissions. When you re-assign a Team member they no longer count as one of your Legs or Teams for leadership.

### **Process for completing the Strategic Placement:**

- 1. Must hold the Paid As Title of Executive Consultant or higher and submit a request to customerservice@pinkzebrahome.com.
- 2. Placement must take place within 30 days after the personal Enrollee's enrollment date.
- 3. E-mail must include your ID, Personal Sponsor name, ID you are moving and the name and ID of the new position for placement.
- 4. The home office processes requests toward the end of the month, and to assure your request is processed, you must submit your request no later than 72 hours before the end of the month. Any request after this time period will not be processed until the following month.
- 5. Once the process is complete, you would see the changes at the time commissions are run by the 10<sup>th</sup> of the following month.

#### **MENTORING BONUS**



At the Executive Manager level and higher, the Consultant qualifies for a Mentoring Bonus of 2% beginning with all of his or her own PWV and the PWV of everyone in his or her group. This additional bonus will include all the customer sales volume created by all downline Team members to unlimited depth down to the first Executive Manager or higher ranked person in his or her Team. This is in addition to the 3% earned through four levels and the 7% Sponsoring Bonus.

### HOW TO QUALIFY FOR AND MAINTAIN YOUR LEADERSHIP BENEFITS

#### **CONSULTANT**

### **Qualifications:**

- 1. Minimum personal sales of \$400 per month
- 2. Personally sponsor at least one (1) active Consultant in a separate Team in Level 1

#### **Monthly Maintenance:**

- 1. Minimum personal sales of \$400 per month
- 2. Personally sponsor at least one (1) active Consultant in a separate Team in Level 1

### **EXECUTIVE CONSULTANT**

#### Qualifications:

- 1. Minimum personal sales of \$400 per month
- 2. Personally enroll three (3) or more active Consultants in separate Teams in Level 1

### Monthly Maintenance:

- 1. Minimum personal sales of \$400 per month
- 2. Maintain three (3) or more active Consultant Teams in Level 1
- -Eligible to participate in strategic placement of personal Enrollees-

#### **MANAGER**

#### Qualifications:

- 1. Minimum personal sales of \$400 per month
- 2. Personally enroll four (4) or more active Consultants in separate Teams in Level 1, two (2) of which contain an Executive Consultant
- 3. The 60% rule applies

#### Monthly Maintenance:

- 1. Minimum personal sales of \$400 per month
- 2. Maintain four (4) or more active personally enrolled Consultants in separate Teams in Level 1, two (2) of which contain an Executive Consultant
- 3. Maintain \$5,000 in TWV
- 4. The 60% rule applies
- -Eligible to participate in strategic placement of personal Enrollees-

### **EXECUTIVE MANAGER**



### **Qualifications:**

- 1. Minimum personal sales of \$400 per month
- 2. Complete Executive Manager Training
- 3. Have four (4) or more active Manager Teams in Level 1
- 4. Generate \$30,000 in TWV per month for two (2) consecutive months at the point of the promotion
- 5. The 40% rule applies

### **Monthly Maintenance:**

- 1. Minimum personal sales of \$400 per month
- 2. Maintain four (4) or more active personally enrolled Consultants in separate Teams in Level 1, two (2) of which contain an Executive Consultant
- 3. Maintain \$15,000 in TWV
- 4. The 40% rules applies
- -Eligible to receive 2% Executive Manager Team Bonus-
- -Eligible to participate in strategic placement of personal Enrollees-

Rank				Monthly Require	ments	
	Per	sonal Sales	т	eam Wholesale Volume	Active Team Level 1	Level 1 Frontline Leadership
Consultant	\$	400			1	1
Executive Consultant	\$	400			3	3C
Manager	\$	400	\$	5,000	4	2EC
Executive Manager	\$	400	\$	15,000	4	4M
Director	\$	400	\$	25,000	5	4M, 1EM
Executive Director	\$	400	\$	50,000	6	4M, 1EM, 1D
Presidential Director	\$	400	\$	100,000	6	4EM, 1D, 1ED

Rank		Award Amounts								
				Team	Team	Team	Team			
	Personal Sales Commission	Sponsoring Bonus	Mentoring Bonus	Level 1	Level 2	Level 3	Level 4	Gen 1	Gen 2	Gen 3
Consultant	25% - 35%	7%		3%						
Executive										
Consultant	25% - 35%	7%		3%	3%					
Manager	25% - 35%	7%		3%	3%	3%				
Executive										
Manager	25% - 35%	7%	2%	3%	3%	3%	3%			
Director	25% - 35%	7%	2%	3%	3%	3%	3%	3%		
Executive										
Director	25% - 35%	7%	2%	3%	3%	3%	3%	3%	2%	
Presidential										
Director	25% - 35%	7%	2%	3%	3%	3%	3%	3%	2%	2%

Notes:

C - Consultant

EC - Exec.

Consultant

M - Manager

EM - Executive

Manager



D - Director

### **EXECUTIVE PHASE GENERATION BONUSES**

When a Consultant becomes a Director under the Plan, he or she is eligible to qualify for "generation bonuses." Generation bonuses are paid as a group's leadership grows and rewards the Consultant for helping them.

When an Executive Manager in your downline becomes a Director; that Director becomes your 1st Generation, and you will begin receiving a 3% generation bonus on that Director's personal Team Wholesale Volume (TWV).

When your 1st Generation Director has someone in her group who becomes a 1st Generation, that person's organization becomes your 2nd Generation, and if you have met the Qualification to be paid as an Executive Director, you will receive 2% on the TWV of her organization. And when your 2nd Generation Director has someone in her group who becomes her 1st Generation; that person's organization becomes your 3rd Generation, and if you have met the Qualification to be paid as Presidential Director, you will receive 2% on the TWV of her organization.

Generation bonuses are paid to unlimited depth in each generation until another Director or higher rank is found. This continues down to the maximum number of generations. (See tables below.)

**Special Note:** As it pertains to Directors, the term Personal Group Wholesale Volume consists of a Director at the top of an Organization and every Consultant downline of her in that Organization, through each and every Team, until reaching a Consultant with the rank of Director or higher within any Team. The sum of all Consultants within these Teams and the Director or higher rank person at the top makes up the Personal Group of that Director.

#### Qualification and Generation Bonuses

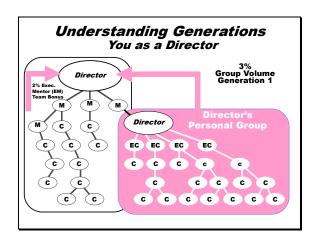
Rank	Director	Executive Director	Presidential Director						
Kank	Director	Executive Director	Presidential Director						
Qualifications									
	Active + 4 Active Manager	Active + 4 Active Manager	Active + 4 Active Executive						
	Teams and 1 Executive Manager Team and	Teams,	Manager Teams,						
	\$50,000 TWV* per	1 Active Executive Manager Team, 1	1 Director Team,						
	month for 2 Consecutive Months	Director Team and	1 Executive Director Team and						
		\$100,000 TWV* per month for 2 Consecutive Months	\$150,000 TWV* per month for 2 Consecutive Months						
	Maii	ntenance							
	\$400 personal sales and \$25,000 TWV in the pay period **40% Rule Applies*	\$400 personal sales and \$50,000 TWV* in the pay period **40% Rule Applies*	\$400 personal sales and \$100,000 TWV* in the pay period **40% Rule Applies*						



Generation Bonuses							
Generation 1	3% TWV	3% TWV	3% TWV				
Generation 2		2% TWV	2% TWV				
Generation 3			2% TWV				

<sup>\*</sup>Team Wholesale Volume (TWV): As it pertains to Director or higher ranks, all Bonus Volume created downline in the Director's Team is calculated to unlimited depth for meeting Director maintenance Qualification

### **Understanding Generations**



#### HOW TO QUALIFY AND MAINTAIN YOUR EXECUTIVE LEVEL BENEFITS

### DIRECTOR

### Qualifications:

- 1. Minimum personal sales of \$400 per month
- 2. Have four (4) or more Active Manager Teams in Level 1 and one (1) or more Active Executive Manager Teams in Level 1
- 3. Generate \$50,000 in TWV per month for two (2) consecutive months at the point of the promotion
- 4. The 40% rule applies

### Monthly Maintenance:

- 1. Minimum personal sales of \$400 per month
- 2. Maintain four (4) or more active personally enrolled Consultants in separate Teams in Level 1, two (2) of which contain an Executive Consultant
- 3. Maintain \$25,000 in TWV
- 4. The 40% Rule applies

<sup>-</sup>Eligible to participate in strategic placement of personal Enrollees-



#### **EXECUTIVE DIRECTOR**

#### **Qualifications:**

- 1. Minimum personal sales of \$400 per month
- 2. Have four (4) Active Manager Teams in Level 1, one (1) Active Executive Manager Team and one (1) Director Team
- 3. Generate \$100,000 in TWV per month for two (2) consecutive months at the point of the promotion
- 4. The 40% rule applies

### **Monthly Maintenance:**

- 1. Minimum personal sales of \$400 per month
- 2. Maintain four (4) or more active personally enrolled Consultants in separate Teams in Level 1, two (2) of which contain an Executive Consultant.
- 3. Maintain \$50,000 in TWV
- 4. The 40% Rule applies
- -Eligible to participate in strategic placement of personal Enrollees-

#### PRESIDENTIAL DIRECTOR

### **Qualifications:**

- 1. Minimum personal sales of \$400 per month
- 2. Have four (4) or more Active Executive Manager Teams in Level 1, one (1) or more Active Director Teams in Level 1 and one (1) or more Active Executive Director Teams in Level 1
- 3. Generate \$150,000 in TWV per month for 2 consecutive months at the point of the promotion
- 4. The 40% rule applies

#### Monthly Maintenance:

- 1. Minimum personal sales of \$400 per month
- 2. Maintain four (4) or more active personally enrolled Consultants in separate Teams in Level 1, two (2) of which contain an Executive Consultant
- 3. Maintain \$100,000 in TWV
- 4. The 40% Rule applies
- -Eligible to participate in strategic placement of personal Enrollees-

### **DEFINITIONS**

### **BONUS**

This is the remuneration that is based on the percentage of sales volume of others (downline, Teams) in accordance with the respective provisions of the Career Plan.

### BASE COMMISSION



This is the base commission or discount earned for being a Consultant when a commissionable order is placed. The base amount is 25% and is awarded in two ways: 1) If the order is paid by the Consultant, the amount is given as a discount and the 25% is retained at the time of the order. 2) If a customer places an order using a credit card, the commissionable amount will be determined at the time commissions are run (see Commission Period) and paid to the Consultant through direct deposit or check.

This base is not the same for the Fundraiser Program. Refer to ZebraNET for details on the Fundraiser Program.

### CAREER PLAN

The official set of definitions and performance requirements as published in the Pink Zebra Consultant Manual by which the company pays its Consultants.

#### CAREER HELD TITLE

The highest title earned. Titles are never taken away. This is the title that the home office uses and the Consultant may use on a business card or any other marketing piece.

#### **COMMISSION PERIOD**

The commission period is defined as a calendar month, and all activity to reach a requirement (sales, leadership, activation) must be met before 12:00 AM CST of the first day of the next month to impact that commission period. The commission period closes after the end of the month, and there may be up to 10 business days before activity reports, bonuses or commissions are updated or paid out.

### COMMISSIONABLE VOLUME

This value is the base value of a product that is eligible to have percentage-based commissions paid on it. The commissionable volume generally follows the 75% value for all commissionable products, except for the Fundraiser, which is calculated at 50%.

### **COMPRESSION**

Team Bonuses and Generation Bonuses are earned by and paid to Consultants that are qualified. When a Consultant fails to meet the minimum maintenance requirements for earning bonuses at his or her titled position, the Company's computer searches downline until it finds a Consultant who is qualified no matter how far downline it has to search. That qualified Consultant's personal volume for the bonuses or commission for then "Compresses" to include all the volume that may have been generated by all non-qualified Consultants in between to create the next Level until it has satisfied its payout requirements with qualified Consultant Levels. The term "compression" is used to describe the temporary condition that occurs when a Consultant fails to meet the maintenance requirements for being considered active for a particular pay period. Compression does not apply to sponsor bonuses.

### **DOWNLINE**



Those people directly sponsored by a Consultant, plus all of the people whose line of sponsorship resulted from and came through that Consultant. Your Downline consists of all Consultants on your Level 1, Level 2, Level 3, etc., through unlimited depth.

### **FRONTLINE**

Refers to all Consultants that are personally sponsored and/or enrolled (Level 1) by a particular Consultant or by the Company.

### LEADERSHIP COMMISSION

Leadership Commission is the earnings from the activity and sales of a Team. Leadership commission is based on the Team Wholesale Volume.

### LEVEL

The people you personally sponsor are your First Level. The ones they sponsor are your Second Level. The ones your Second Level sponsors are your Third Level, etc.

### **MAINTENANCE**

The standard of performance involving a Consultant that is required for that Consultant to continue being "Paid As" a particular rank after meeting the initial qualification requirements for that rank.

### PAID AS TITLE

Title in which the Consultant is paid any commission, bonus or recognition based on meeting specific requirements for a commission period.

#### PERSONAL SALES VOLUME (PSV)

Personal Sales Volume is sales that take place by the Consultant where there is a base commission paid based on the retail sale of the product and is used to calculate qualifications, incentives and Quick Start.

### PINK DOLLARS

Dollars awarded to a Consultant that may be used like money for the purchase of product or supplies. Pink Dollars are redeemed at the retail price, may not be redeemed for cash and expire one year from the date they are awarded. Pink Dollars are not commissionable or transferrable.

### **POLICIES & PROCEDURES**

The governing rules that define the relationship between Pink Zebra and the Consultant.



#### QUICK START INCENTIVE

Quick Start is an incentive that is available to any new Consultant for the first 90 days and awards Pink Dollars for achieving sales and sponsoring milestones. The incentive also rewards Consultants when they achieve the leadership level of Manager. Reports are run once per month and rewarded by the 15<sup>th</sup> of the month. Quick Start is an annual incentive and is may be changed at the beginning of each year.

#### **TEAM**

Each personally sponsored Consultant on your First Level is part of your total Downline and is a separate "Team." You and your entire Sales Organization (Downline) are one "Team" to your sponsor.

### TEAM WHOLESALE VOLUME (TWV)

TWV is the sum of all downline PSV for a given Leg or total Team and is used to determine title.

#### **ZEBRANET**

ZebraNET is your personal workstation where you will manage your business, view reports, place orders and view multiple types of communication from the Home Office. ZebraNET is password-protected, and your password should not be shared with any other person for your personal protection.

### 60% & 40% RULE:

No more than 60% or 40% of the Team Wholesale Volume (based on rank) required for qualification or maintenance can come from any one Team. If a Team makes up more than 60% or 40% of the volume, then they will default to 40% of the total Team volume, and commission would be paid accordingly. For example, if you have four Teams or Legs that are producing volume, no more than 60% or 40% of the volume can come from one Team.

Example using 40% rule:

Team 1: \$1000 = 13.3% Team 2: \$1000 = 13.3% Team 3: \$4000 = 53.4% Team 4: \$1500 = 20%

Total: \$7500

Based on Team 3 being more than 40% of your Team volume, Team 3 will now default to 40% of total Team volume (40% of \$7500) or \$3000. The total now is \$1000+\$1000+\$3000+\$1500 = \$6500. The \$6500 counts toward leadership commission.