

**J.HILBURN  
INDEPENDENT PERSONAL STYLIST  
POLICIES AND PROCEDURES**

**SECTION 1 - INTRODUCTION**

**1.1 YOUR CONTRACT WITH J.HILBURN**

Your contract with J.Hilburn, Inc. (“J.Hilburn”) consists of the following:

The Independent Personal Stylist Application;

These J.Hilburn Independent Personal Stylist Policies and Procedures (the “Policies and Procedures”); and

The J.Hilburn Sales and Leadership Plan (the “Sales and Leadership Plan”);

These documents and materials and other policies and regulations provided by J.Hilburn collectively comprise the J.Hilburn Independent Personal Stylist Agreement (the “Agreement”). The Agreement authorizes you to sell J.Hilburn products and establishes your rights and responsibilities in connection with the sale of J.Hilburn products and the J.Hilburn direct sales compensation program.

**1.2 SEVERANCE OF INVALID PROVISIONS**

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid, or unenforceable for any reason, only the invalid portion (s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect and shall be construed as if such invalid or unenforceable provision never comprised a part of the Agreement.

**1.3 INDEPENDENT CONTRACTOR OBLIGATIONS**

**AS A J.HILBURN INDEPENDENT PERSONAL STYLIST, YOU ARE AN INDEPENDENT CONTRACTOR AND WILL NOT BE TREATED AS AN EMPLOYEE OF J.HILBURN FOR FEDERAL OR STATE TAX PURPOSES, OR FOR ANY OTHER REASON. J.Hilburn will not withhold any sums from your earnings for tax purposes. Should a Personal Stylist provide an incorrect social security or taxpayer-identification number, J.Hilburn reserves the right to terminate its relationship with that Stylist rather than to accept the administrative burden of complying with any order of the IRS imposing backup withholding. You are solely responsible for and must pay all federal, state, and local FICA, or taxes applicable to all fees, commissions, overrides, bonuses, trips and other items of value you receive from J.Hilburn.**

You are solely responsible for your own activities, your own commitments and contracts, and all liabilities, obligations and expenses which you incur in connection with your J.Hilburn business.

You are solely responsible for complying with all laws applicable to your business.

You are solely responsible for setting your own hours and supplying your own equipment and tools for operating your J.Hilburn business, such as telephones, transportation, professional services, office equipment and supplies.

You must maintain your own income, expense and other business records to satisfy applicable federal, state, provincial and local income and sales tax requirements. Following the close of each year, J.Hilburn will provide you with IRS Form 1099 for tax reporting when your earnings meet or exceed \$600 for any particular year.

Earnings include bonus and commission payouts, as well as the retail value of rewards such as, but not limited to trips, business materials, professional fees, registration fees, etc...

You must provide your own workers' compensation insurance, if required or applicable.

You must provide all insurance coverage required or desired by you with respect to your business, including, without limitation, medical and hospitalization insurance, automobile insurance and general comprehensive liability insurance.

#### 1.4 WARRANTIES, LIMITED LIABILITY AND INDEMNITY

##### 1.4.1 NO EXPRESS OR IMPLIED WARRANTIES

EXCEPT AS OTHERWISE EXPRESSLY STATED IN THE AGREEMENT, J.HILBURN DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, COMPATIBILITY, SECURITY, ACCURACY, OR USEFULNESS WITH RESPECT TO J.HILBURN'S PRODUCTS AND SERVICES, ITS WEB SITE, INFORMATION CONTAINED ON ITS WEB SITE, OR THE J.HILBURN OPPORTUNITY (COLLECTIVELY HEREAFTER, THE "SERVICE").

THIS SERVICE IS PROVIDED "AS IS." YOU MAY RELY ON THE SERVICE SOLELY AT YOUR OWN RISK. ADVICE, OPINIONS AND STATEMENTS ACCOMPANYING THE SERVICE SHOULD NOT BE RELIED UPON WHEN MAKING IMPORTANT PERSONAL, MEDICAL, LEGAL OR FINANCIAL DECISIONS. YOU SHOULD CONSULT A PROFESSIONAL TO OBTAIN SPECIFIC ADVICE APPROPRIATE TO YOUR CIRCUMSTANCES. J.HILBURN DOES NOT WARRANT THAT THE SERVICE WILL BE UNINTERRUPTED OR ERROR-FREE, AND THERE MAY BE DELAYS, OMISSIONS, INTERRUPTIONS AND INACCURACIES IN THE INFORMATION OR OTHER MATERIALS THAT ARE AVAILABLE ON OR THROUGH THE SERVICE. YOU ASSUME FULL RESPONSIBILITY AND RISK OF LOSS, INCLUDING LOSS OF DATA, RESULTING FROM YOUR DOWNLOADING AND/OR USE OF J.HILBURN'S WEB SITE OR THE SERVICE. ALTHOUGH WE INTEND TO TAKE REASONABLE STEPS TO PREVENT THE INTRODUCTION OF VIRUSES AND OTHER DESTRUCTIVE MATERIALS TO THE SERVICE, WE DO NOT GUARANTEE OR WARRANT THAT THE SERVICE OR MATERIALS THAT MAY BE DOWNLOADED FROM THE SERVICE DO NOT CONTAIN SUCH DESTRUCTIVE FEATURES. WE ARE NOT LIABLE FOR ANY DAMAGES OR HARM ATTRIBUTABLE TO THE FOREGOING.

WE MAKE NO REPRESENTATIONS OR WARRANTIES REGARDING INDEPENDENT PERSONAL STYLIST WEB SITES, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS OF PURPOSE. YOU SHOULD NOT RELY ON ANY REPRESENTATIONS OR WARRANTIES CONTAINED ON ANY INDEPENDENT PERSONAL STYLIST'S WEB SITE.

YOUR FINAL SUCCESS OR FAILURE AS A J.HILBURN INDEPENDENT PERSONAL STYLIST DEPENDS UPON YOUR INDIVIDUAL EFFORT. THERE ARE NO GUARANTEES OR PROJECTIONS OF ACTUAL EARNINGS.

J.HILBURN SHALL NOT BE RESPONSIBLE FOR DELAYS OR FAILURES IN PERFORMANCE OF ITS OBLIGATIONS WHEN PERFORMANCE IS MADE COMMERCIALY IMPRACTICABLE DUE TO CIRCUMSTANCES BEYOND ITS REASONABLE CONTROL. THIS INCLUDES, WITHOUT LIMITATION, STRIKES, LABOR DIFFICULTIES, RIOT, WAR, FIRE, DEATH, AND CURTAILMENT OF A PARTY'S SOURCE OF SUPPLY, OR GOVERNMENT DECREES OR ORDERS.

#### 1.4.2 LIMITED LIABILITY

EXCEPT AS OTHERWISE STATED HEREIN, YOU AGREE THAT J.HILBURN, ITS AFFILIATES, AGENTS, INDEPENDENT PERSONAL STYLISTS, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES AND AGENTS WILL NOT BE LIABLE FOR ANY CLAIM, LOSS, DAMAGES, EXPENSES OR COSTS, WHETHER DIRECT OR INDIRECT, INCLUDING CONSEQUENTIAL OR SPECIAL DAMAGES, LOST PROFITS OR OTHERWISE, ARISING OUT OF OR RELATING IN ANY WAY TO THE AGREEMENT, YOUR USE OR INABILITY TO USE THE SERVICE, YOUR PURCHASE OR USE OF J.HILBURN GOODS, SERVICES OR INFORMATION, YOUR PARTICIPATION AS A J.HILBURN INDEPENDENT PERSONAL STYLIST, OR FROM UNAUTHORIZED ACCESS TO OR ALTERATION OF YOUR TRANSMISSIONS OR DATA. YOU HEREBY WAIVE ANY CLAIMS WITH RESPECT THERETO, WHETHER BASED ON CONTRACTUAL, TORT, OR OTHER GROUNDS, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. SOME JURISDICTIONS DO NOT ALLOW FOR LIMITED LIABILITY OR EXCLUSION OF IMPLIED WARRANTIES, SO NOT ALL OF THE ABOVE LIMITATIONS MAY APPLY TO YOU.

#### 1.4.3 INDEMNITY AND HOLD HARMLESS AGREEMENT

IN THE CONDUCT OF YOUR INDEPENDENT PERSONAL STYLIST BUSINESS, YOU AGREE TO REFRAIN FROM ALL CONDUCT THAT MIGHT BE HARMFUL TO THE REPUTATION OF J.HILBURN OR ITS PRODUCTS, INCLUDING BUT NOT LIMITED TO, CONDUCT INCONSISTENT WITH THE PUBLIC INTEREST OR CONDUCT THAT IS DECEPTIVE, MISLEADING, UNETHICAL OR IMMORAL. YOU AGREE TO HOLD HARMLESS AND INDEMNIFY J.HILBURN, ITS AFFILIATES, AGENTS, INDEPENDENT PERSONAL STYLISTS, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES AND AGENTS FOR ANY CLAIMS, DAMAGES OR LIABILITIES (INCLUDING REASONABLE ATTORNEYS' FEES AND COSTS) ARISING OUT OF YOUR INDEPENDENT PERSONAL STYLIST BUSINESS PRACTICES, INCLUDING BREACH OF

ANY OF J.HILBURN'S POLICIES AND PROCEDURES OR OTHER AGREEMENTS. YOU ALSO SPECIFICALLY AUTHORIZE J.HILBURN TO OFFSET ANY SUCH CLAIMS, COSTS, EXPENSES, DAMAGES OR LIABILITIES AGAINST ANY AND ALL COMMISSIONS PAYABLE TO YOU. YOU ALSO AGREE TO INDEMNIFY AND HOLD HARMLESS J.HILBURN, ITS AFFILIATES, AGENTS, INDEPENDENT PERSONAL STYLISTS, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, AND AGENTS FROM ANY AND ALL LIABILITIES, CLAIMS, EXPENSES AND DAMAGES, INCLUDING REASONABLE ATTORNEYS' FEES AND COSTS, ARISING OUT OF OR IN ANY WAY RELATED TO YOUR USE OF THE SERVICE, PURCHASE, SALE OR INFORMATION REGARDING J.HILBURN PRODUCTS, THE J.HILBURN OPPORTUNITY, OR IN CONNECTION WITH YOUR ACCOUNT OR ANY OTHER PERSON'S USE OF OR ACCESS TO THE SERVICE BY OR THROUGH YOUR ACCOUNT, WITH OR WITHOUT YOUR PERMISSION, INCLUDING WITHOUT LIMITATION ANY CLAIMS OF LIBEL, DEFAMATION, VIOLATION OF RIGHTS OF PRIVACY OR PUBLICITY, TRESPASS, AND INFRINGEMENT OF INTELLECTUAL OR OTHER PROPRIETARY RIGHTS.

#### 1.4.4 AMENDMENTS

J.Hilburn reserves the right to amend the Agreement, (including the Policies and Procedures, Sales and Leadership Plan, Stylist Studio Branding and Process Guide and other agreements between J.Hilburn and Personal Stylists), any other document, its retail prices, and product and service availability and type at any time as it deems appropriate in its sole discretion. Amendments will be communicated to Personal Stylists through Official J.Hilburn Materials, including posting in the Green Room or by e-mail. Amendments are effective and binding on all Personal Stylists five days after publication. A Personal Stylist's continued purchasing of products or services, acceptance of commissions or remaining a Personal Stylist after the amendment, shall be deemed acceptance of any amendment. In the event of any conflict between the original documents and any such amendment, the amendment will control. From and after the date hereof, all references to the Agreement in any and all agreements, documents or writings of any kind shall be deemed to include all amendments.

#### 1.4.5 SURVIVAL

Any provision of the Agreement, which, by its terms, is intended to survive termination or expiration of the Agreement shall so survive, including, without limitation, the arbitration, non-solicitation, trade secrets and confidential information covenants contained in these Policies and Procedures.

## SECTION 2 - ENROLLMENT, BUSINESS STRUCTURES AND TRANSFERS

### 2.1 BECOMING A PERSONAL STYLIST

To become a Personal Stylist, you must submit a properly completed Independent Personal Stylist Application which must be accepted by J.Hilburn and purchase a J.Hilburn Digital Kit or the optional J.Hilburn New Stylist Kit. The J.Hilburn Digital Kit is the only required purchase. No J.Hilburn product or inventory purchase is required. The J.Hilburn Digital Kit provides the very

basic essentials to start a J.Hilburn business. The J.Hilburn New Stylist Kit provides the tools, training and marketing materials as well as fabric swatches to launch a successful J.Hilburn career. There are no other required fees or costs, except for an annual renewal fee for a Personal Stylist who purchased either the Digital Kit or the New Stylist Kit. The renewal fee is charged to offset costs incurred by J.Hilburn for technology, seasonal swatches, development, business materials and administrative costs. Only after the Independent Personal Stylist Application is accepted and processed will J.Hilburn register you as a Personal Stylist and provide you with a non-transferable Independent Personal Stylist ID number. A Digital Kit or New Stylist Kit will be sent after registration. Any incomplete Independent Personal Stylist Application will not be processed. J.Hilburn reserves the right, at its sole and absolute discretion, to reject any new or renewal application, in which case the applicable application fee or renewal fee will be returned to the applicant.

#### 2.1.1 NEW STYLIST KIT

The J.Hilburn New Stylist Kit includes print materials discussing the J.Hilburn opportunity and core business materials a new Stylist needs to launch his or her business, the basic Digital Kit, plus fabric swatches at J.Hilburn's discretion. The purchase of this kit provides additional eligibility to all J.Hilburn promotions applicable to both the new Stylist and the Sponsor. Materials are subject to change.

#### 2.1.2 J.HILBURN DIGITAL KIT

The J.Hilburn Digital Kit includes print materials discussing the J.Hilburn opportunity. This is the only purchase required to become a Personal Stylist.

### 2.2 FILLING OUT AND SUBMITTING ENROLLMENT APPLICATIONS

Sponsors are encouraged to assist prospects in completing the Independent Personal Stylist Application. However, Sponsors may not sign an application on behalf of an applicant. The Independent Personal Stylist Application submitted to J.Hilburn must contain the actual electronic signature of the applicant. If this process is not followed, the Sponsor risks having the enrollment deemed a fraudulent enrollment and may lose the enrollee and be subject to additional disciplinary sanctions.

### 2.3 SOCIAL SECURITY OR TAX ID NUMBER REQUIRED

In order for J.Hilburn to comply with IRS regulations, Personal Stylists must provide an accurate social security number or federal tax identification number to provide the required IRS Form 1099 reporting. This information is held in the strictest confidence and used only to comply with governing laws and for the protection of your J.Hilburn business. Should a Personal Stylist provide incorrect taxpayer identification information, J.Hilburn reserves the right to terminate its relationship with that Stylist.

### 2.4 BUSINESS ENTITIES

A Personal Stylist may elect to operate his or her J.Hilburn business through a corporation, limited liability company, partnership or trust (a "Business Entity"). To be eligible to operate as a Business

Entity, the Personal Stylist (and any Co-Applicant, if applicable) must be the one-hundred percent (100%) beneficial owner(s) of the Business Entity and submit a properly completed Business Entity Registration Form and supporting documentation. J.Hilburn reserves the right to approve or reject a Business Entity Registration Form in its sole discretion.

## 2.5 CHANGES TO J.HILBURN BUSINESS

### 2.5.1 GENERAL CHANGES TO INFORMATION IN THE APPLICATION

Each Personal Stylist must immediately notify J.Hilburn of any change to the information contained on his or her J.Hilburn Independent Personal Stylist Application. Personal Stylists may modify his or her existing Independent Personal Stylist Application (e.g., change social security number to federal tax identification number, or change the form of ownership from an individual proprietorship to a business entity owned by the Independent Personal Stylist) by submitting a properly completed J.Hilburn Business Entity Registration Form and appropriate supporting documentation. Any such changes to the information J.Hilburn has on file with respect to an Independent Personal Stylist may be accepted or rejected by J.Hilburn in its sole and absolute discretion.

### 2.5.2 SPOUSES MAY BE CO-APPLICANTS

If a legally married spouse of a Personal Stylist desires to become a Personal Stylist, he or she must enroll as a Co-Applicant under his or her spouse's Independent Stylist Application. Spouses may not operate under separate Independent Stylist Applications and Personal Stylists ID number, sponsor each other, directly or indirectly, or have different sponsors. If two Personal Stylists later marry, they must choose one Independent Stylist Application and Personal Stylist ID number to jointly operate their J.Hilburn business under and terminate the other Independent Stylist Application and Personal Stylist ID number. Except as expressly permitted by this section, Co-Applicants are not permitted and each Personal Stylist may have an interest in only one J.Hilburn business.

### 2.5.3 LINE SWITCHING PROHIBITED

To protect the integrity of all organizational structures and safeguard the hard work of all, J.Hilburn does not allow changes in sponsorship. Maintaining the integrity of sponsorship is critical for the success of every Personal Stylist and his or her organization. Accordingly, the transfer of a J.Hilburn business from one Sponsor to another is not permitted.

A Personal Stylist desiring to change Sponsors may do so only if (i) the Personal Stylist: voluntarily terminates his or her J.Hilburn Agreement and Personal Stylist ID number by providing written notice to J.Hilburn and submits a new J.Hilburn Independent Stylist Application not less than six (6) months from the date of the Personal Stylist's termination of his or prior Independent Stylist Application; and (ii) J.Hilburn accepts the new Independent Stylist Application. In such cases, the Personal Stylist's prior J.Hilburn sales organization will not transfer over to the new Stylist account.

## 2.6 CROSSLINE SOLICITATION

Actual or attempted Crossline Solicitation is strictly prohibited. “Crossline Solicitation” includes:

The solicitation of another Personal Stylist’s [current](#) Client, whether intentional or unintentional. Once a Personal Stylist is made aware that a Client has ordered through another Active Personal Stylist, the other Stylist must permanently refrain from soliciting orders from that Client.

The enrollment of an individual or entity who is a registered Independent Personal Stylist in another line of sponsorship.

## 2.7 SEPARATION OF A J.HILBURN BUSINESS

If a Personal Stylist is a party to a divorce proceeding, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship.

Under no circumstances will a J.Hilburn business be divided between divorcing spouses. Similarly, under no circumstances will J.Hilburn split commission and bonus checks between divorcing spouses. J.Hilburn will recognize only one Personal Stylist and will issue only one commission check per J.Hilburn business cycle. In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of commissions and ownership of the business, J.Hilburn shall be entitled to terminate its relationship with the Personal Stylist pursuant to the terms of Section 11.

## 2.8 TRANSFER

A Personal Stylist may not sell, assign, merge or transfer (each a “transfer” for purposes of the Agreement) his or her Agreement and/or related Personal Stylist position (or any rights thereto). In the event of nonrenewal, cancellation or termination of the Agreement, the Downline and Clients shall be reassigned to another Personal Stylist(s) (as determined in J.Hilburn’s sole and absolute discretion) pursuant to J.Hilburn’s then current Client Continuity Process-Guidelines for Reassigning Clients (the “Client Continuity Process”).

## 2.9 STACKING

Stacking is strictly prohibited. The term “stacking” includes: (a) providing financial assistance to a new Personal Stylist; (b) sponsoring any person who is a member of the same household as the sponsoring Stylist; (c) violating the one-business-per-Independent Personal Stylist rule; (d) transferring Clients and/or orders to new Personal Stylists for the purposes of qualifying for bonuses and incentives; (e) maintaining more than one Stylist account; and/or (f) fraudulently sponsoring actual or fictitious individuals or Business Entities. “Members of the same household” shall include but not be limited to children above the age of eighteen (18) years and relatives residing in the same dwelling. Also included in the definition are students above the age of eighteen (18) years attending boarding school or college who reside at school or college during the school year, but within the dwelling of their parents or other relatives during non-school periods. Persons such as roommates and tenants who are unrelated by marriage, blood, or adoption shall not be considered a member of the same household.

## 2.10 DEATH OR INCAPACITY

Unless the prior written approval of J.Hilburn is obtained as set forth below, upon the death or incapacitation (as determined in J.Hilburn's sole discretion) of a Personal Stylist, the Agreement shall terminate and his or her Downline and Clients shall be handled and assigned according to the then Client Continuity Process. However, upon the death or incapacitation of a Personal Stylist, his or her J.Hilburn business may be passed to his or her heirs, with the express prior written approval by J.Hilburn, as determined in its sole discretion and subject to certain conditions. Appropriate legal documentation must be submitted to J.Hilburn to ensure the transfer is proper. Accordingly, a Personal Stylist should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Businesses cannot be willed to other Personal Stylists or owners of a Business Entity. Whenever a J.Hilburn business is requested to be transferred by a will or other testamentary process, successor or his or her agent must provide to J.Hilburn an original death certificate and a notarized copy of the will or other instrument establishing the successor's right to the J.Hilburn business. Furthermore, the successor(s) or his or her agent must:

- Execute a new Independent Personal Stylist Application completed by the successor;
- Comply with terms and provisions of the new Application;
- Meet all of the qualifications for the deceased Personal Stylist's Rank (as defined in the Sales and Leadership Plan) in the J.Hilburn Compensation Plan;
- Engage in the roles and responsibilities commensurate with his or her respective Rank to support the Client and stylists in his or her organization, and
- Receive expressed written approval from J.Hilburn to finalize the business transfer.

The beneficiary acquires the right to collect all bonuses and commissions of the deceased Personal Stylist's organization provided the qualifications are met and approval is obtained.

If J.Hilburn, at its sole discretion, determines not to approve the transfer, there are no rights bestowed beyond the final commission check due to family members.

Bonus and commission checks of a J.Hilburn business transferred pursuant to this Section 2.10 will be paid in a single check. The devisees must provide J.Hilburn with an "address of record" to which all bonus and commission payments will be sent.

If the J.Hilburn business is bequeathed to joint devisees, they must form a Business Entity and acquire a federal taxpayer identification number. J.Hilburn will issue all bonus and commission checks and one IRS Form 1099 to the Business Entity.

### 2.10.1 TRANSFER UPON INCAPACITATION OF A PERSONAL STYLIST

Only J.Hilburn businesses that have achieved the Rank of Associate Partner or above may be transferred pursuant to this policy. To effectuate a transfer of a J.Hilburn business because of incapacity, the successor must provide the following to J.Hilburn: (1) a notarized copy of an appointment as trustee; (2) a notarized copy of the trust document or other documentation establishing the trustee's right to administer the J.Hilburn business; and (3) a completed Independent Personal Stylist Application executed by the trustee.



## 2.11 DISSOLUTION

In the event that a Business Entity which a Personal Stylist desires to dissolve, J.Hilburn shall continue to pay commissions according to the status quo as existed prior to the dissolution proceeding unless J.Hilburn receives written notice signed by all equity owners of the Business Entity which authorizes J.Hilburn to transfer and assign the Agreement and pay commissions in a different manner as a result of the dissolution. No Personal Stylist position of a Business Entity will be divided upon dissolution.

## 2.12 CIRCUMVENTION OF AGREEMENT AND/OR POLICIES

If it is determined, in J.Hilburn's sole discretion, that a Personal Stylist position was transferred in an effort to circumvent compliance with the Agreement, the transfer will be declared null and void. The Personal Stylist position will revert to the transferring Personal Stylist, who will be treated as if the transfer had never occurred from the reversion day forward. If necessary, and in J.Hilburn's sole discretion, appropriate action, including, without limitation, termination, may be taken against the transferring Personal Stylist to ensure compliance with the Agreement.

## 2.13 ONE BUSINESS PER PERSONAL STYLIST

A Personal Stylist (and Co-Applicant, if applicable) may not be a party to more than one J.Hilburn Independent Stylist Agreement or have an interest in more than one J.Hilburn business.

Each J.Hilburn business must be operated by the Applicant (and Co-Applicant, if applicable) listed on the J.Hilburn Independent Personal Stylist Application and not operated by any other person or entity.

Children over the age of 18 who meet all the eligibility requirements may be a Personal Stylist under a separate Independent Stylist Agreement.

No one under the age of 18 may be a J.Hilburn Independent Personal Stylist or have a J.Hilburn business;

## SECTION 3 - OPERATING YOUR J.HILBURN BUSINESS

### 3.1 OPERATING YOUR J.HILBURN BUSINESS WITH INTEGRITY AND IN COMPLIANCE WITH LAW

Each J.Hilburn Independent Personal Stylist agrees to represent and sell J.Hilburn products and presents the J.Hilburn opportunity with the highest degree of professionalism and integrity. Personal Stylists shall not participate in any activity that violates the terms of the Agreement, including these Policies and Procedures, or state or federal laws, regulations or statutes, or in any way that may be deemed detrimental to the J.Hilburn name, product, opportunity, business, corporate entity or the organization of any Personal Stylist.

## 3.2 STYLIST CODE OF ETHICS

- Personal Stylists will conduct themselves with integrity, professionalism, and responsibility while representing J.Hilburn.
- Personal Stylists will support and advocate the J.Hilburn Policies and Procedures and will respect the spirit and intent in which they were written, and frequently review the Policies and Procedures as they may be amended from time to time.
- Personal Stylists will uphold the values of J.Hilburn and will not engage in any deceptive, unlawful or unethical consumer or recruiting practice that may be detrimental to, or reflect poorly on, themselves and/or J.Hilburn.
- Personal Stylists will respect the spirit of J.Hilburn bonuses and promotions and not engage in actions or behaviors that cause fabricated achievement.
- Personal Stylists will not solicit or encourage existing J.Hilburn Clients to change their Personal Stylist.
- In the event that a Personal Stylist has a corporate sale for a Client that already has a J.Hilburn Stylist, the Stylist with the corporate sale will contact the original Stylist and notify them of the impending sale. J.Hilburn will split the commission for this transaction between these two Stylists.
- Personal Stylists will not coerce existing, prospective, or enrolled, Stylists to join their sales organization over another.
- Personal Stylists will/should not misrepresent the actual or potential sales or earnings of Stylists. Earning statements shall be based on documented facts.
- Personal Stylists will, to the best of their ability, accept and fulfill their responsibilities to mentor, train, motivate, support and encourage all Stylists who join their organization.
- Personal Stylists will familiarize themselves with the J.Hilburn Sales and Leadership Plan and products, and will represent those to their Clients and prospective Stylists realistically and without misleading or providing false expectations.
- Personal Stylists will offer accurate product information including, but not limited to: price, return policies, guarantees and delivery.
- Personal Stylists will treat their business like any other prestigious enterprise and will fulfill commitments they make to their Clients, their fellow Stylists and to J.Hilburn employees.
- Personal Stylists will uphold this Code of Ethics and recognize that its success will require diligence to create awareness among all of J.Hilburn's Stylists.
- Personal Stylists will not, in any way, attempt to persuade, induce or coerce another party to breach this Code. Any such action is considered a violation of this Code and thereby a violation of the Agreement
- Personal Stylists will abide by local, state and federal laws that govern their independent business. Stylists understand that it is their responsibility to comply with these laws.
- Personal Stylists will commit to leading by example in all scenarios of their business.

## 3.3 SPONSORS' OBLIGATIONS

### 3.3.1 SUPPORT

Each Personal Stylist is expected to have ongoing contact and communication with the Personal Stylists in his or her organization. Examples of such contact and communication may include, but

are not limited to: newsletters, written correspondence, personal meetings, team meetings, telephone contact, text messages, meetings, voice mail, electronic mail and social media.

### 3.3.2 TRAINING

Personal Stylists are encouraged to motivate and train members of their organization with regard to J.Hilburn product knowledge, effective sales techniques, the Compensation Plan, and compliance with Policies and Procedures.

### 3.3.3 TRAINING ON POLICIES

It is the responsibility of each Personal Stylist to read, understand, adhere to and ensure that he or she is aware of and operating under the most current version of the Policies and Procedures. When sponsoring or enrolling a new Personal Stylist, it is the responsibility of the Sponsor to ensure that the applicant is provided with the most current version of these Policies and Procedures and the J.Hilburn Sales and Leadership Plan prior to submitting to become a Personal Stylist. Once enrolled, the Personal Stylist has access to the latest version of these Policies and Procedures in the Green Room.

## 3.4 INCOME CLAIMS

Stylists must truthfully and fairly describe the Sales and Leadership Plan. Federal and state laws strictly prohibit and/or regulate income and earnings claims. Therefore, no past, potential or actual income claims may be made to prospective Stylists, nor may Stylists use their own incomes as indications of potential success. Income claims include statements of average or non-average earnings, statements of earning ranges, income testimonials, lifestyle claims, and hypothetical claims. Commission checks may not be used as marketing materials. Stylists may not guarantee commissions or estimate expenses to prospects. Any earnings information or statements regarding income in the Sales and Leadership Plan must be provided by J.Hilburn, are solely to explain the Sales and Leadership Plan and are not representations or guarantees of any earnings or income. J.Hilburn does not guarantee or imply any specific earnings or income. Individual income results may vary significantly and are based on many factors, including a Stylist's individual efforts, business experience and skills. J.Hilburn makes no warranty or representation as to the level of success, if any, Stylists may achieve by selling any product or in soliciting Stylists or Clients.

## 3.5 ADVERTISING

### 3.5.1 GENERAL ADVERTISING POLICIES

All materials a Personal Stylist uses to help promote or sell J.Hilburn products or sponsor the J.Hilburn opportunity must adhere to the J.Hilburn standard of conduct set forth in Section 3.1 and must protect the integrity of the J.Hilburn brand and the intellectual property of J.Hilburn. This policy applies to all audio, video, or printed materials, stationery, Internet and other electronic media, advertisements and other promotional material that describes in any way J.Hilburn products or the J.Hilburn opportunity.

No Personal Stylist is authorized to revise, edit, duplicate or reproduce, or otherwise alter any such materials prepared or approved by J.Hilburn. Stylists may not produce or reproduce for personal

use, posting or sale products sold by J.Hilburn or any company-produced literature, audio or video, audio material, presentations, events, or speeches, including conference calls, including without limitation, materials which feature owners, employees, stylists or consultants of J.Hilburn. Video or audio taping of J.Hilburn's meetings, training, events or conference calls strictly is prohibited without J.Hilburn's consent.

Stylists may not advertise that the Stylist is seeking to employ or hire an individual or that the Stylist is an agent or recruiter for J.Hilburn. Stylists may not advertise under any "help wanted" section or that a Stylist position is a "job", in any media, including, without limitation, social media sites.

### 3.5.2 USE OF J.HILBURN TRADEMARKS

Personal Stylist acknowledges, understands and agrees that J.Hilburn has sole and exclusive ownership of all right, title, and interest in and to J.Hilburn trademarks, trade names, service marks, copyrights, including all related intellectual property and proprietary rights. Subject to Personal Stylist's full compliance with the terms and conditions of the Agreement, J.Hilburn grants each Personal Stylist a non-transferable, nonexclusive right during the term of the Agreement to use the J.Hilburn name and trademarks and other intellectual property solely to advertise and promote J.Hilburn products as set forth in the Agreement and to indicate that the Personal Stylist is an authorized reseller of J.Hilburn products solely as required by as set forth in the Agreement.

### 3.5.3 STYLISTS PRODUCTION OF MATERIALS

Production of any literature or physical goods under J.Hilburn's name or other intellectual property, or the distribution of any information, electronic or otherwise, is not allowed without the prior written permission of J.Hilburn. Permission approval requests require submission of sample material(s) to Stylist Care **at least six (6) weeks in advance of proposed use, and may be denied as determined in J.Hilburn's sole discretion.** Personal Stylist may not contract a third party for any services involving use of the J.Hilburn's name or other intellectual property. Stylist Care will provide contact information for any company-approved vendors. This includes any use of the J.Hilburn Stylist Studio or J.Hilburn Stylist Showroom brands. J.Hilburn reserves the right to rescind approval for any sales tools, promotional materials, advertisements or other literature, and Stylists waive all claims for damages or remuneration arising from or relating to such rescission.

### 3.5.4 STATIONERY AND BUSINESS CARDS

J.Hilburn Stylists must purchase J.Hilburn business cards and other marketing materials through the Partner Store and/or Print Center. Independent Personal Stylists may not use any stationery, marketing materials or business cards unless such materials are made available to the Independent Personal Stylist by J.Hilburn.

### 3.5.5 PROMOTIONAL TOOLS AND SALES AIDS

J.Hilburn Independent Personal Stylists are not required to purchase any promotional tools to advance, become or remain a J.Hilburn Independent Personal Stylist.

J.Hilburn Independent Personal Stylists may develop, use, and provide to their Downline Stylists, at no charge, their own marketing techniques and promotional tools, so long as such promotional tools adhere to the J.Hilburn standard of conduct set forth in Section 3.1. J.Hilburn Personal Stylists may not sell any promotional tools or digital or physical promotional goods to other Personal Stylists.

#### 3.5.6 REQUIRED DISCLAIMER ON INDEPENDENT PERSONAL STYLIST-PRODUCED PROMOTIONAL MATERIALS

The following disclaimer must CONSPICUOUSLY appear on all approved Personal Stylist-produced promotional materials or Tools:

J.HILBURN IS A REGISTERED TRADEMARK OF J.HILBURN, Inc. THESE MATERIALS ARE NOT PRODUCED OR DISTRIBUTED BY J.HILBURN. THESE MATERIALS ARE NOT SPONSORED BY, ENDORSED BY OR AFFILIATED WITH J.HILBURN.

#### 3.5.7 AUDIO AND VIDEO RECORDINGS

All Official J.Hilburn Material, whether printed, electronically produced, computer generated, or produced by sound recording or photograph may not be reproduced, in whole or in part, by Independent Personal Stylists or any other person, except as authorized in writing by J.Hilburn. Similarly, Personal Stylists are prohibited from making audio or video recordings of speeches, discussions or presentations made by any J.Hilburn company officer, authorized agent, representative or employee, unless specifically authorized in writing by J.Hilburn.

#### 3.5.8 INCOME REPRESENTATIONS

As noted above in Section 3.4, income earnings representations are strictly prohibited, including, without limitation, in any promotional or advertising materials, audio or video tapes, or the Internet, including on any social media platform, or in any other media.

#### 3.5.9 RECORDED MESSAGES

Personal Stylists may not have voice mail or answer their telephone in a manner that would lead the caller to believe that he or she has reached any official corporate office of J.Hilburn. When describing your J.Hilburn business, you must always identify yourself as a “J.Hilburn Independent Personal Stylist.”

#### 3.5.10 WEBSITES / INTERNET MARKETING AND ADVERTISING

No page or component of J.Hilburn’s website may be replicated in any form or fashion without written permission of J.Hilburn. Personal Stylists may not attempt to establish any website that markets, advertises or displays J.Hilburn products; markets, advertises or displays the J.Hilburn brand or communicates their position as an Independent Personal Stylist unless through a company-approved vendor. Online sales of any J.Hilburn products are prohibited as stated in Section 4.

### 3.5.11 SOCIAL NETWORKS / ONLINE SOCIAL MEDIA

J.Hilburn invests considerable time and resources in establishing and maintaining a presence via several social networking media (to include but not limited to X, Instagram, LinkedIn, TikTok and Facebook). While Personal Stylists may use these and other social media websites, the Personal Stylist must:

- (1) Identify themselves only as an “Independent Personal Stylist” and not communicate nor infer in any way that they are an employee or agent of J.Hilburn.
- (2) Not imply either directly or indirectly any status in the organization (e.g., Minneapolis Sales Leader, Top 10 Salesperson, National sales Stylist).
- (3) Comply with the Policies and Procedures, in any online discussions or forums.
- (4) Not use a protected title such as J.Hilburn Stylist Studio or J.Hilburn Stylist Showroom without appropriate approvals as required in the Branding and Process Guide for Stylist Showroom and Stylist Studio locations.

### 3.6 AUTHORIZATION TO USE NAME AND LIKENESS

Each Personal Stylist grants to J.Hilburn and its affiliates and agents the absolute, perpetual and worldwide right and license to use, to record, photograph, publish, reproduce, advertise, display, edit, and sell in any manner for all purposes, his or her name, photograph, likeness, voice testimony, biographical information, image and other information related to Personal Stylist’s business with J.Hilburn (collectively the “Likeness”) in marketing, promotional, advertising and training materials, whether in print, radio or television broadcasts (including cable and satellite transmissions), audio and videotapes, on the Internet or in other media (“Publicity Materials”) for an unlimited number of times, without compensation, in perpetuity. Each Personal Stylist waives any right to inspect or approve any Publicity Materials including or accompanying his or her Likeness. Each Personal Stylist further releases J.Hilburn from any liability or obligation that may arise as a result of the use of his or her Likeness, including without limitation, claims for invasion of privacy, infringement of right of publicity and defamation (including libel and slander). A Personal Stylist may withdraw his or her authorization of any use of his or her Likeness that has not already been publicized or used by providing written notice to J.Hilburn. Personal Stylists agree that any information given by Personal Stylists, including his or her testimonial, is true and accurate.

### 3.7 MEDIA INQUIRIES

Personal Stylists are not authorized and agree not to act in any way as spokespersons for J.Hilburn without prior written permission from J.Hilburn. Stylists are not authorized to represent J.Hilburn in any online or print interviews. Any inquiries by the media must be referred immediately to Stylist Care.

### 3.8 IDEA SUBMISSIONS

While we encourage Personal Stylists to submit their ideas and suggestions, if you submit any ideas, suggestions, photos, videos or testimonials to J.Hilburn, we have the right to use your submission without charge in any manner that we deem appropriate, including posting it on the Internet. You may only submit ideas and/or material to J.Hilburn if you have obtained appropriate copyright and other permission to submit such materials and permit J.Hilburn to use such material without restriction. You agree that you will not violate or infringe the rights of third parties, including privacy, publicity and intellectual and proprietary rights, such as copyright or trademark rights.

### 3.9 TARGETING REPRESENTATIVES OF OTHER DIRECT SALES COMPANIES PROHIBITED

Targeting members of the sales force of another direct sales or network marketing company to sell or work for J.Hilburn is strictly prohibited. J.Hilburn will not pay for the legal or defense costs of, or agree to indemnify, any Personal Stylist who violates this policy. Also, if you encourage a prospect to breach or violate any agreement to which he or she is a party, you bear the risk of involvement in litigation. J.Hilburn will not pay any of your defense costs or legal fees, nor will J.Hilburn indemnify you if you are held liable.

### 3.10 CONFLICTS OF INTEREST/NON-SOLICITATION

Personal Stylists are free to participate in other business ventures or marketing opportunities, except direct selling business ventures or marketing opportunities that offer products that are similar to or compete with those offered by J.Hilburn, including, without limitation, custom apparel products. Personal Stylists may engage in selling activities related to products or services that are not similar or competitive with those offered by J.Hilburn, but they may not take advantage of their knowledge of, or association with, other Personal Stylists or use any confidential information of J.Hilburn. Accordingly, Personal Stylists may not:

- (a) Directly or indirectly solicit or recruit any J.Hilburn Independent Personal Stylist or Client to join, sell or purchase products or services of another direct sales company or network marketing company;
- (b) Offer J.Hilburn products or promote the J.Hilburn Sales and Leadership Plan in conjunction with any non-J.Hilburn business plan, opportunity, product or incentive; and
- (c) Offer to sell any non-J.Hilburn products or promote non-J.Hilburn business opportunities in conjunction with offering of J.Hilburn products or promoting the J.Hilburn business plan at any J.Hilburn meeting, seminar, launch, convention or other J.Hilburn function.

During the term of the Agreement and any renewals thereof, and for a period of one (1) year after termination, cancellation, or expiration of the Agreement, a Personal Stylist shall not, directly or indirectly, solicit or recruit any Personal Stylist or Client to join or become involved with any other

direct sales or network marketing company, or purchase products or services offered by any other direct sales or network marketing company.

### 3.11 CONFIDENTIAL INFORMATION

As a result of your position as a Personal Stylist, you will have access to certain confidential information of J.Hilburn, including but not limited to, trade secrets, manufacturer and supplier information, business reports, commission or sales reports, the names and contact information of Personal Stylists and Clients and genealogical, Downline or Personal Stylist group lists or Personal Stylist reports or Client Reports, including "Organization Activity Reports" and such other financial and business information (existing now or hereafter developed) which J.Hilburn deems as confidential. You acknowledge that this information is owned by and proprietary, highly sensitive and valuable to J.Hilburn that this information constitutes a business trade secret solely owned by J.Hilburn. This confidential information is being made available to you solely and exclusively for purposes of furthering the sale of J.Hilburn products, training and sponsoring third parties who wish to become Personal Stylists and building and promoting your J.Hilburn business. Every Personal Stylist who is provided such information must treat it as confidential and take care to maintain its secrecy and refrain from use of the information for any purpose other than for the support and management of the Personal Stylist's Downline sales organization.

Personal Stylist and J.Hilburn agree that, but for this agreement of confidentiality and nondisclosure, J.Hilburn would not provide Organization Activity Reports or other confidential information to the Personal Stylist. Accordingly, each Personal Stylist agrees that he or she shall not, on his or her own behalf, or on behalf of any other person or Business Entity:

- (1) Disclose any information contained in any Organization Activity Report to any third party directly or indirectly;
- (2) Directly or indirectly disclose to any third party his or her password or other access code relating to his or her Organization Activity Report;
- (3) Use any such information to compete with J.Hilburn or for any purpose other than promoting the J.Hilburn opportunity or supporting Personal Stylists' Downline;
- (4) Solicit or recruit any Personal Stylist or Client of J.Hilburn listed on any report, or in any manner attempt to influence or induce any Personal Stylist or Client of J.Hilburn to alter his or her business relationship with J.Hilburn; or
- (5) Use or disclose to any person or entity any information contained in any Organization Activity Report.

Upon nonrenewal or termination of the Agreement, Personal Stylists must immediately discontinue all use of the confidential information and promptly return all materials in their possession to J.Hilburn at their own expense.



### 3.12 REMEDIES FOR DISCLOSURE OF CONFIDENTIAL INFORMATION

You acknowledge that J.Hilburn would suffer irreparable harm as a result of any unauthorized disclosure or use of confidential information and that monetary damages would be insufficient to compensate J.Hilburn for such harm. Therefore, in the event of any breach of Section 3.9, J.Hilburn shall be entitled to an injunction or temporary restraining order, without notice to you, restraining any unauthorized disclosure or use of the confidential information in addition to any other available remedy, including, without limitation, suspension and/or termination of your Independent Personal Stylist Agreement and a lawsuit to recover for monetary damages. In any such action, if J.Hilburn prevails, you agree you shall be liable for all costs and reasonable attorney's fees incurred by J.Hilburn in with taking the legal action. Personal Stylist waives the bond requirement otherwise applicable to temporary restraining order and/or temporary injunction.

Personal Stylist and J.Hilburn agree that the above provisions regarding confidentiality shall survive the termination or expiration of this Agreement.

### 3.13 NON-DISPARAGEMENT

Personal Stylists shall not disparage J.Hilburn, other Personal Stylists, J.Hilburn's products or services, the Sales and Leadership Plan, J.Hilburn's employees or those of any competing company, supplier or partner. Any questions, suggestions or comments regarding this provision should be directed in writing to Stylist Care.

### 3.14 RE-PACKAGING J.HILBURN PRODUCT

J.Hilburn products may only be sold in their original packages. Personal Stylists shall not repackage, relabel, or tamper in any way with any product packaging.

### 3.15 ACTIONS OF HOUSEHOLD MEMBERS

If any member of a Personal Stylist's Immediate Household engages in any activity which, if performed by the Personal Stylist, would violate any provision, policy or procedure of the Agreement, such activity will be deemed a violation of the Agreement by the Personal Stylist and J.Hilburn will be entitled to take disciplinary action against the Personal Stylist.

### 3.16 COMMERCIAL OUTLETS

Personal Stylists are not permitted to sell or display J.Hilburn products in retail outlets, reseller ecommerce sites, discount websites (e.g., Groupon, Living Social, Mercari, Poshmark) or through home shopping network programs (i.e., HSN, QVC) without the prior written consent of J.Hilburn.

### 3.17 EXHIBITS AND TRADESHOWS

Personal Stylists may promote and sell J.Hilburn products and promote the J.Hilburn opportunity at appropriate exhibits and trade shows provided, however, that no more than one Personal Stylist may promote or sell J.Hilburn products at any particular event or trade show.

All literature and marketing materials displayed at the event must be approved by J.Hilburn in advance, in writing, and must clearly identify the Personal Stylist as a “J.Hilburn Independent Personal Stylist.” Personal Stylists must be present during show hours at any booth or display promoting J.Hilburn products. J.Hilburn products and literature may not be shown or displayed in the same booth as any other companies’ products or literature.

### 3.18 AUCTIONS, RAFFLES AND SIMILAR CONTESTS AND PROMOTIONS

Any Personal Stylist who decides to offer a J.Hilburn credit, product or promise of a future credit or product (the “award”) through a promotion (the “promotion”) is considered the “Participating Stylist”. No contests (where there is an element of chance), raffles or auctions may be offered. The Participating Stylist must purchase in advance of the contest/promotion the appropriate gift card to adequately cover the cost of the future award. In the event, the financial cost cannot be properly defined, the “Participating Stylist” will purchase a gift card to cover the highest likely cost of the award. The cost of the award must include the cost of the product and any and all additional related charges including but not limited to state and local taxes and any shipping fees. The “Participating Stylist” agrees to honor any and all financial commitment associated with the award regardless of who ultimately receives this award and whether or not that recipient selects the Participating Stylist, any other Stylist or chooses to interact with the company directly. If the Participating Stylist does not cover this financial commitment, J.Hilburn reserves the right to withhold from any and all future earnings an amount adequate to cover the award plus a \$25 service fee. The Participating Stylist has the sole responsibility to determine if participating in the promotion complies with any local, state or federal laws or has any local, state or federal tax consequences for the Participating Stylist.

### 3.19 TERRITORIES

There are no restrictions on the geographic location or territory in which a Personal Stylist may conduct his or her business except that Personal Stylists shall only conduct business activities in countries in which J.Hilburn is authorized to conduct business. The United States is currently the only country in which J.Hilburn is authorized to conduct business.

### 3.20 TELEPHONE AND WEBSITE CLIENT REFERRAL

Potential Clients often contact our corporate office to ask for a referral to place an order and individuals often contact our corporate office to inquire about becoming a J.Hilburn Independent Personal Stylist. J.Hilburn will make every effort to refer leads back to the Personal Stylist who was responsible for the initial contact. If J.Hilburn is unable to determine the originating Personal Stylist or if the caller states they have not had previous contact with a Personal Stylist, the caller will be directed to a Personal Stylist using the J.Hilburn Personal Stylist Locator. J.Hilburn reserves the right to re-assign any Client at Client’s request or if J.Hilburn determines, in its sole discretion, that re-assignment is necessary to ensure adherence to J.Hilburn brand standards of service.

### 3.21 SPONSORING

The Personal Stylist who makes initial contact with a potential new Independent Personal Stylist is usually the one who sponsors him or her; however, if several Independent Personal Stylists

contact the same individual, it is up to the discretion of that individual to enroll under his or her desired Sponsor.

### 3.22 HARASSMENT

Any Personal Stylist engaging in improper behavior or harassment directed to another Personal Stylist or a Client will be subject to disciplinary action, including the possibility of termination. Examples of harassing behavior may include but are not limited to, unwanted physical contact, foul language of an offensive nature, obscene gestures, or sexual propositions or remarks.

## SECTION 4 - INTERNET POLICY

### 4.1 SELLING PRODUCTS ONLINE PROHIBITED

Personal Stylists are prohibited from selling current or past J.Hilburn merchandise and any Promotional Tools through any website other than [www.jhilburn.com](http://www.jhilburn.com) or J.Hilburn Independent Personal Stylist replicated websites. Any other online sales media, including independent Web sites, social media sites, online malls or auction sites, such as but not limited to eBay, Amazon or Craigslist are prohibited.

### 4.2 NO WEB SITE WARRANTIES

J.Hilburn makes no guarantees or representations regarding the success or usefulness of our Web site, [www.jhilburn.com](http://www.jhilburn.com). INTERNET SERVICES PROVIDED BY J.HILBURN ARE PROVIDED "AS IS." J.HILBURN MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, CONDITIONS OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NONINFRINGEMENT. J.Hilburn may not be held liable for any downtime on our Web site, [www.jhilburn.com](http://www.jhilburn.com), due to server delays or problems, viruses, maintenance or any other reason whatsoever.

### 4.3 TELEPHONE AND FAX SOLICITATION

Personal Stylists shall not use any form of automatic calling devices or "boiler room" operations in connection with their J.Hilburn business. Personal Stylists must comply with the numerous federal and state laws and regulations applicable to unsolicited telephone and fax solicitations. These include, but are not limited to, compliance with the Federal Communications Commission's ("FCC") and the Federal Trade Commission's ("FTC") "Do Not Call" rules. In many cases, State laws are more restrictive than federal law.

J.Hilburn does not engage in telemarketing activities, and Personal Stylists are not authorized to engage in telemarketing activities on J.Hilburn's behalf. If you, as a Personal Stylist, decide to engage, on your own behalf, in any type of telephone solicitation (fax solicitation is prohibited), it is your responsibility to consult with an attorney who is knowledgeable about this area of law and familiarize yourself with applicable federal law and the laws of any state in which you conduct business. J.Hilburn cannot give you legal advice.

Beware that there is a fine of up to \$16,000.00 per violation of the FTC's and the FCC's respective Do Not Call rules, and other severe penalties for violating other laws applicable to unsolicited telephone and fax solicitations. Therefore, unless a Personal Stylist has carefully studied the requirements of the rules and designed a strict compliance program, the Personal Stylist should not engage in placing unsolicited telephone calls to prospects.

#### 4.4 SPAM

J.Hilburn does not permit Personal Stylists to send unsolicited commercial e-mails unless such emails strictly comply with applicable laws and regulations including, without limitation, the federal CAN-SPAM Act. Any e-mail sent by a Personal Stylist that promotes J.Hilburn, the J.Hilburn opportunity, or J.Hilburn products and services must comply with the following:

- (1) There must be a functioning return e-mail address to the sender.
- (2) There must be a notice in the e-mail that advises the recipient that he or she may reply to the email, via the functioning return e-mail address, to request that future e-mail solicitations or correspondence not be sent to him or her (a functioning "opt-out" notice).
- (3) The e-mail must state this is from a J.Hilburn Independent Personal Stylist.
- (4) The e-mail must clearly and conspicuously disclose that the message is an advertisement or solicitation.
- (5) The use of deceptive subject lines and/or false header information is prohibited.
- (6) All opt-out requests, whether received by e-mail or regular mail, must be honored. If a Personal Stylist receives an opt-out request from a recipient of an e-mail, the Personal Stylist must forward the opt-out request to Stylist Care.

J.Hilburn may periodically send commercial e-mails on behalf of Personal Stylists. By entering into the Agreement, the Personal Stylist agrees that J.Hilburn may send such e-mails and that Personal Stylist's physical and e-mail addresses will be included in such e-mails as outlined above. Personal Stylists shall honor opt-out requests generated as a result of such e-mails sent by J.Hilburn.

By enrolling as a Personal Stylist with J.Hilburn, individuals consent to receive periodic SMS messages including, but not limited to, marketing or promotions, product offerings, training, and corporate updates. Individuals are able to opt out of this messaging service at any time by responding to a message with the word "Stop".

#### 4.5 PRIVACY POLICY

Personal Stylists may not collect, distribute or gather personal or aggregate information, including Internet or e-mail addresses about other Personal Stylists or their own or other Independent Stylists' Clients or potential Clients. In addition to being "Confidential Information" which is proprietary to J.Hilburn and subject to the restrictions set forth elsewhere in these Policies and

Procedures, such personal identifying information is also subject to federal and state regulations. Personal Stylists agree to abide by the Privacy Policy set forth in the J.Hilburn website as well as the provisions relating to confidential and proprietary information in these Policies and Procedures.

#### 4.6 J.HILBURN ONLINE DASHBOARD

All Personal Stylists have the capability to access J.Hilburn's Green Room at <https://www.myjhilburn.com>, which provides real-time information about Personal Stylists' sales and sponsoring activities. Any Personal Stylist can access information regarding the sales and sponsoring activities of the Personal Stylist and his or her Downline organization by accessing the Green Room.

All information contained in the Green Room is confidential information and subject to the confidentiality provisions in these Policies and Procedures.

### SECTION 5 - ORDERS AND SHIPPING

#### 5.1 PLACING ORDERS

Orders placed directly through our corporate office may be made directly through the J.Hilburn website. Personal Stylists submitting orders on behalf of Clients may request that the products be shipped to themselves or directly to their Clients.

#### 5.2 COMBINED ORDERS

Personal Stylists may not place orders under another Personal Stylist's ID number or combine orders with another Personal Stylist. The purpose of this policy is to preserve the maintenance of product quality control, the accuracy of point accumulations for awards and recognition, Sales and Leadership Plan benefits, sales tax and income reporting.

#### 5.3 MANIPULATING ENROLLMENTS AND SALES VOLUME

Personal Stylists must not manipulate enrollments of new applicants or product purchases for the purpose of earning any bonus, reward or promotion.

#### 5.4 ORDER DEADLINES

In order to be processed in any particular month, orders/applications must be received by 11:59 pm Eastern Standard Time on the last calendar day of such month.

#### 5.5 INTERNET ORDERING

Orders should be placed via the Internet at <https://www.myjhilburn.com> or <https://jhilburn.com/> or through the Stylist App. To be processed in any particular month, Internet orders must be received by 11:59 pm EST on the last calendar day of such month.

## 5.6 PAYMENT METHODS

All orders placed through the Green Room may be paid by Visa, MasterCard, Discover/Novus and American Express. Orders for which the payment is declined do not apply toward deadlines, campaigns, retail volume, commissions, bonuses, contests, or other rewards or remuneration.

## 5.7 ORDER VARIANCES AND ADJUSTMENTS

If an order submitted by a Personal Stylist on his or her own behalf or on behalf of a Client does not match the payment remitted due to a pricing or addition error, the order will not be processed. J.Hilburn will notify the Personal Stylist of the error, and the Personal Stylist will be required to correct and resubmit the order.

## 5.8 BACKORDERS

J.Hilburn makes every effort to avoid backordered items. When backorders do occur, J.Hilburn makes every attempt to advise the Personal Stylist or Client of backorders within five (5) business days of the time the order is placed. This provides the opportunity to cancel the item on backorder or continue to process it with the order. If an order is placed for an item that is currently not in stock, the credit card will be charged when the order is submitted. When the back ordered item arrives in our warehouse, it will be shipped separately.

## 5.9 SHIPPING

J.Hilburn makes every effort to ship products promptly. Custom, made-to-measure, and personalized products will be shipped to the Client within four to six weeks of the order being processed by J.Hilburn. Ready-to-wear products will typically be shipped within forty-eight (48) hours of the order being processed.

## SECTION 6 - SALES

### 6.1 ACTIVE STATUS

To participate in the management qualification programs and in the bonus and override programs, a Personal Stylist must accumulate the Minimum Personal Qualification Volume required by the Sales and Leadership Plan and these Policies and Procedures as set forth in Section 13. In order to be eligible for any bonuses or earnings in a given time period, a Personal Stylist must be Active in the required time period. If a Personal Stylist is Inactive and does not meet the Active requirements in such time period, he or she forfeits Downline bonus eligibility for the period of inactivity. However, for any Personal Stylist with at least one (1) Stylist in his or her Downline (a "Mentor Stylist"), he or she must meet the Minimum Personal Qualification Volume required by the Sales and Leadership Plan and must have logged into the Stylist App or Green Room in the last six (6) months in order to be Active. If a Mentor Stylist does not meet the Active requirements for a Mentor Stylist, he or she forfeits his or her Sales and Leadership Plan title and Downline team. The forfeited Downline team members will roll-up as level one (1) to the first upline Stylist. The Inactive Mentor Stylist will not get the forfeited Downline back.

## 6.2 FRAUDULENT ENROLLMENT AND ORDERS BONUS BUYING PROHIBITED

Bonus buying is strictly and absolutely prohibited. “Bonus buying” includes: (a) the enrollment of individuals or Business Entities as Personal Stylists or Clients without the knowledge of and/or execution of a Personal Stylist Application by such individuals or Business Entities; (b) the fraudulent enrollment of an individual or entity as a Personal Stylist or the placing of fraudulent orders on behalf of a Client; (c) the enrollment or attempted enrollment of nonexistent individuals or entities as Personal Stylists or Clients; (d) the use of a credit card by or on behalf of a Personal Stylist or Client when the Personal Stylist or Client is not the account holder of such credit card; (e) purchasing J.Hilburn products or services on behalf of another Personal Stylist or Client, or under another Personal Stylist’s or Client’s I.D. number, to qualify for commissions or bonuses; (f) any other mechanism by which strategic purchases are made to maximize commissions or bonuses when an Independent Personal Stylist has no bona fide use for the products purchased. These activities will lead to disciplinary action up to and including termination of an Independent Personal Stylist Agreement.

## 6.3 RETAIL SALES RECEIPTS

The J.Hilburn sales receipt sets forth certain consumer protection rights afforded by federal law. A Personal Stylist is required to inform the Client that they are entitled to cancel any purchase of \$25 or more within three (3) business days from the date of sale five (5) business days for Alaska residents; fifteen (15) business days for Montana residents). J.Hilburn will maintain records documenting the purchases made by Clients directly through the J.Hilburn website.

## SECTION 7 - BONUSES AND COMMISSIONS

### 7.1 OVERRIDE, BONUS AND COMMISSION QUALIFICATIONS

A Personal Stylist must be “Active” (as defined herein and in the Sales and Leadership Plan) and in compliance with the Agreement to qualify for overrides and bonuses, which are only paid on the sale of products. As long as at Personal Stylist complies with the terms of the Agreement, J.Hilburn shall pay overrides and bonuses to such Personal Stylist in accordance with the Sales and Leadership Plan. The minimum amount for which J.Hilburn will process commissions is \$25. If a Personal Stylist’s overrides, bonuses and commissions do not equal or exceed \$25, J.Hilburn will accrue the overrides, bonuses and commissions until they total at least \$25. The commission will be issued once at least \$25 has been accrued. All commissions are paid via direct deposit to your bank account. J.Hilburn assumes no responsibility for incorrect bank routing and account information.

### 7.2 COMMISSION PAYMENTS, STATEMENTS, AND IRS FORMS 1099

All Personal Stylist compensation, fees, overrides, bonuses, commissions, incentives, trips, deadlines, campaigns, contests and other rewards or remuneration (except, in some cases, compensation relating to special promotions) will be processed and generated after the end of each month and will be scheduled to direct deposit within fifteen (15) business days after month-end. An itemized statement of your monthly earnings is available on the J.Hilburn Green Room. Please retain all your itemized earnings statements for your tax records.

It is solely the responsibility of the Personal Stylist to provide correct banking and direct deposit information in order to ensure successful payment. Any changes to a Personal Stylist's banking information must be made by the Personal Stylist by the final business day of a given month to be in effect for that month's payment.

Personal Stylist IRS Form 1099s: Independent Personal Stylists, who receive earnings totaling \$600 or more during a fiscal year, will receive an IRS Form 1099 tax form per IRS regulations. Personal Stylist discounts taken at the time of the order are NOT IRS Form 1099 reportable. Please consult your tax advisor.

### 7.3 ADJUSTMENT TO BONUSES AND COMMISSIONS

Personal Stylists receive compensation based on the actual sales of products and services to end consumers. When a product is returned to J.Hilburn for a refund or is repurchased by J.Hilburn, the discounts, overrides, commissions, bonuses, incentives, campaigns, promotional benefits, and other compensation attributable to the returned or repurchased product will be deducted, in the month in which the refund is given, and continuing every pay period thereafter until the commission is recovered, from the Personal Stylists who received bonuses and commissions on the sales of the refunded products.

### 7.4 ERRORS OR QUESTIONS

In the event a Personal Stylist has questions about or believes any errors have been made regarding commissions, bonuses, compensation, orders, or charges, the Personal Stylist must notify Stylist Care within sixty (60) days of the date of the purported error or incident in question.

### 7.5 SALES TAX

To ensure compliance with the sales and use tax requirement of each state, unless required otherwise by state law, J.Hilburn will collect and remit all applicable sales and use taxes on products, promotional materials, sales aids and services sold to Personal Stylists. The applicable rate of tax due shall be based on the address to which the product and/or material is shipped.

## SECTION 8 - PRODUCT SATISFACTION GUARANTEES, RETURNS AND INVENTORY REPURCHASE

### 8.1 CLIENT PRODUCT SATISFACTION GUARANTEE

A ninety (90)-day unconditional money-back guarantee (from the date the J.Hilburn product is delivered) is offered on all unaltered Client purchases of J.Hilburn products to the original purchaser of these products. Clients not completely satisfied may return any unaltered purchased products to J.Hilburn for a replacement or full refund within ninety (90) days of the delivery date. The receipt for any returned product must accompany a product return. Shipping fees are non-refundable. Please allow four (4) to six (6) weeks for processing. Promotional products and gift items may not be available for replacement, and may, at J.Hilburn's sole and absolute discretion, be exchanged for items of equal value.



Third-party brands that J.Hilburn resells may have different return and refund policies. By the nature of its relationship with these brands, J.Hilburn will adhere to the stated return policies for any third-party brands. This can include a shorter return period, restocking fees or other variations from the J.Hilburn Client Product Satisfaction Guarantee. Stylists should acquaint themselves with these policies prior to selling these products.

In the event a Client order is shipped to the Personal Stylist, every reasonable effort should be made to deliver that order to the Client within five (5) business days. If the Personal Stylist cannot deliver the Client's order within five (5) business days, the Personal Stylist should contact J.Hilburn corporate office and request a new shipping label, so the Personal Stylist may ship the box to the Client's shipping address. A Personal Stylist who requests and receives a new shipping label will be charged an administrative and shipping fee of \$25. J.Hilburn reserves the right to take disciplinary measures, including termination, against Personal Stylists that do not deliver orders to Clients in accordance with this policy.

If a Personal Stylist is returning merchandise to J.Hilburn that was returned to him or her by a Client, the product must be received by J.Hilburn within ten (10) days from the date on which the Client returned the merchandise to the Personal Stylist

The Client Satisfaction Guarantee is applicable to purchases by Personal Stylists who certify that they are not purchasing product for personal consumption purposes under a Client profile.

## 8.2 PERSONAL STYLIST RETURN POLICY

The following procedures apply to all product returns for refund, repurchase or exchange:

Products must be returned with the provided J.Hilburn shipping label to, Attn: Product Return Department, 883 Trinity Drive, Lewisville, Texas 75056. Please allow four (4) to six (6) weeks for processing.

All merchandise must be returned by the Independent Personal Stylist or Client who purchased it directly from J.Hilburn within ninety (90) days of purchase. Return requests exceeding ninety (90) days from purchase are subject to rejection or store credit only.

Proper shipping cartons and packing materials are to be used in packaging the products being returned, and the best and most economical means of shipping are suggested. All returns must be shipped to J.Hilburn shipping pre-paid. J.Hilburn does not accept shipping-collect packages. The risk of loss in shipping for returned products shall be on the person returning the products. If a returned product is not received by J.Hilburn, it is the responsibility of the sender to trace the shipment.

If a Personal Stylist is returning merchandise to J.Hilburn that was returned to him or her by a personal retail Client, the product must be received by J.Hilburn within ten (10) days from the date on which the retail Client returned the merchandise to the Independent Personal Stylist.

No refund or replacement of the product will be made if the conditions of these rules are not met. No refund or replacement of the product will be allowed if the product has been altered or modified in any way. The Green Room provides the detailed process to complete any eligible return.

### 8.3 RETURN OF UNSOLD INVENTORY BY A TERMINATING PERSONAL STYLIST

A terminating Personal Stylist may return unsold, unworn, and unaltered J.Hilburn products after forty-five (45) days and up to twelve (12) months\* from the date of purchase for a refund if he or she is unable to sell or use the items and the items are resalable (see definition of “resalable” below). Upon J.Hilburn’s receipt of the returned products, J.Hilburn will refund ninety percent (90%) of the original purchase price of the resalable items less applicable setoffs. The refund will be credited to the same credit card used for the original order or by such other method as determined by J.Hilburn.

\*The twelve (12)-month requirement is not applicable to residents of Maryland, Wyoming or Massachusetts.

J.Hilburn products are “resalable” only if they meet all of the following requirements:

- the packaging and labeling are current and have not been altered or damaged; – the items are not seasonal items;
- the product has not been altered, worn or modified; and
- the items, at the time of purchase, were not identified as non-returnable or discontinued.

Stylist samples that are purchased at special pricing, less than standard retail pricing, are non-returnable and non-refundable. Items purchased through the “Stylist Partner Store” are also nonrefundable.

A terminating Personal Stylist may return a J.Hilburn Information Kit for a full refund less ten percent (10%) or a J.Hilburn New Stylist Kit for a partial refund if the contents are returned in a resalable condition within twelve (12) months from the date of purchase. The contents in the New Stylist Kit are “resalable” only if they meet the following requirements:

- the packaging and labeling are current and have not been altered or damaged;
- the items and packaging are in good condition such that it is commercially reasonable within the trade to resell the items at full price;
- the items are not discontinued or seasonal; and
- to be considered resalable, a returned Stylist kit must have all components of the kit included in the return.

Where any state may require a different refund policy than J.Hilburn’s, that state’s refund policy will apply.

### 8.4 COMMISSION AND BONUS RECAPTURE

All overrides, bonuses, commissions, incentives, campaigns, or other remuneration (collectively “remuneration”) that has been paid to a Personal Stylist and his/her Upline Personal Stylists based on the volume associated with products that are subsequently returned will be deducted from the Personal Stylist and those Upline Stylists that received remuneration based on such volume.

All remuneration that has been paid to a terminating Personal Stylist, based on the volume associated with products that are subsequently returned, and any amounts due J.Hilburn from the Personal Stylist for any other reason, are subject to deduction from the refund amount. Overrides, bonuses and all benefits previously paid or earned on the returned marketable products by the terminating Personal Stylist's Upline Stylists will be deducted from such Upline Stylist's subsequent commissions.

The sales volume associated with returned merchandise shall also be deducted from any organizational volume of the canceling Personal Stylist's Upline Stylists. This may result in a drop in the Upline Stylist's Rank should there be insufficient organizational volume necessary for the Upline Stylist to maintain qualification at such Rank.

## SECTION 9 - DISCIPLINARY PROCEEDINGS

### 9.1 GRIEVANCES AND COMPLAINTS

When a Personal Stylist has a grievance or complaint with another Personal Stylist regarding any practice or conduct in relationship to their respective J.Hilburn businesses, the complaining Personal Stylist should first report the problem to his or her Sponsor who should review the matter and try to resolve it with the other party's Upline Sponsor. If the matter cannot be resolved, it may be reported in writing to Stylist Care.

### 9.2 REPORTING POLICY VIOLATIONS

Personal Stylists observing a violation of the Agreement by another Personal Stylist should submit a written report of the violation directly to Stylist Care. Details of the incidents such as dates, number of occurrences, persons involved, and any supporting documentation should be included in the report.

### 9.3 DISCIPLINARY SANCTIONS

J.Hilburn reserves the right to take disciplinary action against a Personal Stylist when: (1) it is determined that the Personal Stylist has violated any provisions of the Agreement, including the Policies and Procedures; (2) the Personal Stylist has violated any laws, regulations, or standards of fair dealing; or (3) the Personal Stylist has conducted himself or herself in a manner that, in J.Hilburn's sole and absolute discretion, damages or tarnishes the reputation or goodwill of J.Hilburn.

#### 9.3.1 DISCIPLINARY ACTIONS

Disciplinary sanctions may include, but not be limited to, J.Hilburn taking one or more of the following corrective measures, at J.Hilburn's sole and absolute discretion:

- Issuing a written warning or admonition to the offending Personal Stylist;
- Requiring the offending Personal Stylist to take immediate corrective measures;
- Placing the offending Personal Stylist on probation;
- Offsetting bonus and commission checks on the offending Personal Stylist against any improper earnings;

- Suspending the offending Personal Stylist for one or more pay periods;
- Terminating the Personal Stylist's Agreement;
- Any other measure expressly allowed within any provision of the Agreement or which J.Hilburn in its sole and absolute discretion deems practicable to implement and appropriate to equitably resolve injuries caused in whole or in part by the offending Personal Stylist's policy violation or contractual breach; or
- In situations deemed appropriate by J.Hilburn in its sole and absolute discretion, J.Hilburn may institute arbitration or other legal proceedings for monetary and/or equitable relief.

All disciplinary sanctions are in addition to J.Hilburn's right to terminate or cancel any Personal Stylist's Agreement pursuant to Section 11.1 with or without cause or reason. Nothing in Section 10 shall prevent J.Hilburn from taking the disciplinary action set forth in this Section 9.3.1 at any time.

### 9.3.2 NOTICE OF DISCIPLINE

J.Hilburn shall notify a Personal Stylist of any disciplinary action by e-mail, U.S. mail, overnight courier, or other reasonable commercial means. Notice will be sent to the latest address or e-mail address listed with J.Hilburn for the Independent Personal Stylist. The disciplinary action shall become effective when sent or upon the Personal Stylist's actual receipt of notice, whichever occurs first.

## SECTION 10 - DISPUTE RESOLUTION

Except as otherwise set forth in the Agreement, any controversy, claim or dispute of whatever nature arising between a Personal Stylist, on the one hand, and J.Hilburn, Inc. and/or the Related Parties (as defined below), on the other, including but not limited to those arising out of or relating to the J.Hilburn Independent Personal Stylist Agreement (including these Policies and Procedures and the J.Hilburn Sales and Leadership Plan), whether such claim is based on rights, privileges or interests recognized by or based upon statute, contract, tort, common law, or otherwise (the "Dispute"), shall be sealed through negotiation, mediation or arbitration, as provided below.

### 10.1 NEGOTIATION

Except as otherwise set forth in this Agreement, if a Dispute arises, the parties shall first attempt in good faith to resolve it promptly by negotiation. Any of the parties involved in the Dispute may initiate negotiation by providing notice (the "Dispute Notice") to each involved party setting forth the subject of the Dispute and the relief sought by the party providing the Dispute Notice, and designating a representative who has full authority to negotiate and settle the Dispute. Within ten (10) business days after the Dispute Notice is provided, the recipient shall respond to the party providing the Dispute Notice and all other known recipients of the Dispute Notice with a description of the recipient's response to the Dispute Notice, and designating a representative who has full authority to negotiate and settle the Dispute. Within twenty (20) business days after the Dispute Notice is provided, the representatives designated by the parties shall confer either in person at a mutually acceptable time and place or by telephone, and thereafter as often as they reasonably deem necessary to attempt to resolve the Dispute.

## 10.2 MEDIATION

At any time twenty (20) business days or more after the Dispute Notice is provided, but prior to the initiation of arbitration, regardless of whether negotiations are continuing, any party may submit the Dispute to JAMS (Judicial Arbitration and Mediation Services - <http://www.jamsadr.com>) for mediation by providing notice of such request to all other concerned parties and providing such notice and a copy of all relevant Dispute Notices and responses to JAMS. In such case, the parties shall cooperate with JAMS and with one another in selecting a mediator from the JAMS panel of neutrals and in promptly scheduling the mediation proceedings, and shall participate in good faith in the mediation either in person or by telephone. The parties shall attempt to agree on a mutually convenient location for the mediation unless a party chooses to participate by telephone. Absent a signed agreement by the parties specifying a different mediation location, the mediation shall take place in Dallas, Texas. The cost for the mediation shall be shared equally by the parties.

## 10.3 ARBITRATION

Except as otherwise set forth in this Agreement, any Dispute not resolved in writing by negotiation or mediation shall be subject to and shall be settled exclusively by final binding arbitration before a single arbitrator in accordance with the then-prevailing Commercial Arbitration Rules of the American Arbitration Association (“AAA”). No party may commence Arbitration with respect to any Dispute unless that party has first pursued negotiation and if requested, mediation, provided, however, that no party shall be obligated to continue to participate in a negotiation or mediation if the parties have not fully resolved the Dispute in writing within sixty (60) business days after the Dispute Notice was provided to any party or such longer period as may be agreed by the parties in writing. Unless otherwise agreed by the parties, the mediator shall be disqualified from serving as arbitrator in the case. Notwithstanding any contrary rules promulgated by the AAA, the following shall apply to all Arbitration actions:

- The Federal Rules of Evidence shall apply in all cases;
- The parties shall be entitled to all discovery rights permitted by the Federal Rules of Civil Procedure;
- The parties shall be entitled to bring motions under Rules 12 and/or 56 of the Federal Rules of Civil Procedure;
- The arbitration shall occur within one-hundred eighty (180) days from the date on which the arbitrator is appointed, and shall last no more than five (5) business days;
- The parties shall be allowed equal time to present their respective cases, including cross examinations
- The parties shall attempt to agree on a mutually convenient location for the arbitration. Unless otherwise agreed upon by the parties in writing, the arbitration shall take place in Dallas, Texas.

The arbitrator shall not have the power to alter, modify, amend, add to or subtract from any provision of the Agreement, or to rule upon or grant any extension, renewal or continuance of the Agreement. Moreover, the arbitrator shall not have the power to award special, incidental, indirect, punitive, exemplary, or consequential damages of any kind or nature, however caused.

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

The costs of negotiation, mediation, and arbitration, including fees and expenses of any mediator, arbitrator, JAMS, the American Arbitration Association, or other persons of all parties acting with the consent of the parties to facilitate settlement, shall be shared in equal measure by the Personal Stylist, on the one hand, and J.Hilburn and any Related Parties involved, on the other. The parties shall bear their own legal fees and expenses of negotiation, mediation and arbitration. The arbitrator, however, shall have the power to award attorney's fees and costs to the prevailing party in the arbitration if requested to do so and if such an award is appropriate under the governing law.

Although the Agreement is made and entered into between an Independent Consultant and J.Hilburn, Inc., the companies' affiliates, owners, members, managers and employees ("Related Parties") are intended third-party beneficiaries of the Agreement, including this agreement to negotiate, mediate and arbitrate. The parties acknowledge that nothing in the Agreement is intended to create any involvement by, the responsibility of, or liability of the Related Parties with respect to any dealings between a Personal Stylist and J.Hilburn, Inc., and the parties further acknowledge that no provision of the Agreement shall constitute any waiver by the Related Parties of any defense which the Related Parties may otherwise have concerning whether they can properly be made a party to any dispute between a Personal Stylist and J.Hilburn, Inc.

Any party may seek specific performance of this Dispute Resolution Section and any party may seek to compel each other party to comply with the provisions of this Section by petition to any court of competent jurisdiction. The pendency of mediation shall not preclude a party from seeking provisional remedies in aid of the arbitration from a court of appropriate jurisdiction, and the parties agree not to defend against any application for provisional relief on the ground that mediation is pending. The prevailing party in any proceeding initiated to enforce the provisions of this Section shall be entitled to recover from the other party the reasonable attorneys' fees and costs incurred by the petitioning party in obtaining the requested relief. If any portion of this Section is held to be unenforceable for any reason, the remainder shall remain in full force and effect.

Notwithstanding the foregoing, the arbitrator shall have no jurisdiction over disputes relating to the ownership, validity, use or registration of any intellectual property or confidential information of J.Hilburn without J.Hilburn's prior written consent. J.Hilburn may seek any applicable remedy in any applicable forum with respect to these disputes. In addition to monetary damages, J.Hilburn may obtain injunctive relief against a Personal Stylist for any violation of the Agreement or misuse of J.Hilburn's intellectual property or confidential information.

Nothing in this Section shall preclude any party from seeking interim or provisional relief concerning the Dispute, including a temporary restraining order, a temporary or preliminary injunction, or an order of attachment, in any court of competent jurisdiction either prior to or during negotiation, mediation or arbitration.

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

In consideration of the right to become a Personal Stylist, each Personal Stylist expressly waives and disclaims any right to bring any claim or action in any and all forums as a class action. No Personal Stylist may serve as the class representative or as a member of a class in litigation or in any other proceeding adverse to J.Hilburn or any of its affiliates or any other Personal Stylist.

#### 10.4 GOVERNING LAW

The Agreement shall be governed by the laws of the State of Texas.

### SECTION 11 – INACTIVITY, CANCELLATION, TERM AND RENEWAL

#### 11.1 EFFECT OF CANCELLATION OR TERMINATION

Upon any termination, cancellation for inactivity or non-renewal of the Agreement with J.Hilburn, the former Personal Stylist shall have no right, title, claim or interest in the J.Hilburn business previously operated by the Personal Stylist pursuant to his or her Agreement, including but not limited to the right to sell J.Hilburn products or enroll other Personal Stylists. Upon any termination, cancellation or non-renewal, a former Personal Stylist shall have no right, title, claim or interest in the former Personal Stylist's Downline organization. Upon termination, cancellation or non-renewal, a Personal Stylist shall be ineligible to receive any commissions or bonuses from sales occurring after the termination or non-renewal date, including sales made by members of his or her former Downline organization.

In the case of cancellation, termination, or inactivity, all Clients of a former Personal Stylist shall be reassigned to another Personal Stylist(s) pursuant to the J.Hilburn's current Client Continuity Process. With canceled Stylists, Inactive Stylists and Active Stylists, J.Hilburn reserves the right to reassign any Clients in its sole discretion.

#### 11.2 AGREEMENT TERMINABLE AT WILL

You may terminate the Agreement with J.Hilburn at any time by providing a signed written notice of termination to J.Hilburn. J.Hilburn may also terminate the Agreement at any time by providing written notice to the Personal Stylist. Neither you nor J.Hilburn is required to have any reason, nor do you or J.Hilburn have to claim or prove any cause to terminate the Agreement.

No promises or assurances have been made to you that your relationship with J.Hilburn will continue for any particular or specified period or term, or that you will ultimately attain, achieve or realize any or all of the success or benefits of the opportunity made available by J.Hilburn.

Where state laws on termination are consistent with this termination policy, the applicable state law shall apply.

### 11.3 TERM

Unless earlier terminated pursuant to this Section 11, the Agreement shall have a term beginning on the date of acceptance by J.Hilburn and ending one (1) year from the date thereof (the "Anniversary Date").

### 11.4 RENEWAL

Each Personal Stylist must renew his or her Agreement annually, and J.Hilburn has the right to decline to accept any renewal, in its sole discretion. The annual renewal fee is due on the Anniversary Date. J.Hilburn Any Personal Stylist not renewing by the renewal date shall be deemed to have voluntarily terminated his or her Agreement with J.Hilburn. A Personal Stylist who fails to renew his or her Agreement may not reapply under a new Sponsor for six (6) months after nonrenewal.

## SECTION 12 MISCELLANEOUS

### 12.1 NOTICE

Any communication, notice or demand of any kind whatsoever, which either the Personal Stylist or J.Hilburn may be required or may desire to give or to serve upon the other shall be in writing and delivered either (i) by electronic communication (whether by email or facsimile, (ii) personally or by same day local courier or overnight express delivery services; or (iii) by registered or certified mail, postage pre-paid, return receipt requested. Any such communication, notice or demand shall deem to have been given or served on the date personally received by personal or overnight courier service, on the date of confirmed dispatch if by electronic communication, or on the date shown on the return receipt or the other evidence if delivery is by mail. Any party may change its address for notice by giving written notice to the other in the manner provided in this section.

### 12.2 FORCE MAJEURE

Notwithstanding any other provision herein to the contrary, neither party shall be liable for its failure to perform its obligations hereunder if such failure to perform is caused by events or circumstances beyond its reasonable control (whether or not existing, foreseeable, foreseen, unforeseeable, or unforeseen as of the date hereof, and including, but not limited to: acts of God, war, or terrorism; pandemic or epidemic (or any worsening thereof); government act or restriction (including quarantine, shelter in place, stay-at-home or similar orders or advisories or government mandated shut downs); defaults by carriers, interruption of transportation or embargos; or inability to obtain necessary labor, materials or facilities; changes in laws, issuances of executive orders, or other governmental action or inaction; fire, flood, severe weather, earthquake casualty or disaster; or civil disorder, riot, walk outs or strike, to the extent such circumstances cause either party to be prevented from, hindered, or delayed in performing its, his or her obligations or materially increasing the costs of such performance (each, a "Force Majeure Event"). If a party reasonably anticipates that it will not be able perform its obligation hereunder due to a Force Majeure Event, the party shall give prompt written notice to the other party (but no later than five (5) business days



following the commencement of the Force Majeure Event). The notice will describe the Force Majeure Event and the actions taken by such party to minimize the impact thereof. In the event of a Force Majeure Event and any reasonable aftereffects, the date of performance or delivery will be extended for a period equal to the time lost because of the delay.

### 12.3 NO LIABILITY

To the extent permitted by law, J.Hilburn shall not be liable for and each Personal Stylist releases J.Hilburn from, and waives all claims for any loss of profits, indirect, direct, special or consequential damages or any other loss incurred or suffered by a Personal Stylist as a result of (i) the breach by a Personal Stylist including these Policies and Procedures; (ii) the operation of the Personal Stylist's business; or (iii) the failure to provide any information or data necessary for J.Hilburn to operate its business, including, without limitation, the enrollment and acceptance of a Personal Stylist into the Sales and Leadership Plan or the payment of commissions and bonuses. J.Hilburn is not responsible or liable for maintaining any Personal Stylist or data or for the deletion, corruption, destruction, damage, loss or failure of any Personal Stylist or Client data or for any third-party access to any Personal Stylist or Client data.

### SECTION 13 DEFINITIONS

Active - A Personal Stylist who satisfies the Minimum Personal Sales Volume requirements, as set forth in the J.Hilburn Sales and Leadership Plan, to ensure that he or she is eligible to receive overrides and bonuses is "Active". A Personal Stylist who does not is "Inactive". Any Mentor Stylist must meet the Minimum Personal Qualification Volume required by the Sales and Leadership Plan **and** must have logged into the Stylist App or Green Room in the last six (6) months in order to be Active. If a Mentor Stylist does not meet the Active requirements for a Mentor Stylist, he or she forfeits his or her Sales and Leadership Plan title and Downline team. The forfeited Downline team members will roll-up as level one (1) to the first upline Stylist. The Inactive Mentor Stylist will not get the forfeited Downline back.

Client - An individual who purchases J.Hilburn products.

Downline - This term refers to the Personal Stylist(s) below a particular Personal Stylist.

Mentor Stylist is defined in Section 6.1.

Minimum Personal Qualification Volume means \$500+ in monthly Personal Sales Volume, or \$1,000 over a three (3) month (TTM) period (\$500+ Monthly PV-Q or \$1,000+ TTM).

Official J.Hilburn Material - Literature, audio or videotapes, and other materials developed, printed, published and distributed by J.Hilburn to Independent Personal Stylists or Clients.

Personal Qualification Volume (PV-Q). Qualifying volume from Client orders; matches retail price. A full definition and explanation of these terms is available in the Sales and Leadership Plan.

Sponsor - A Personal Stylist who enrolls another Personal Stylist into J.Hilburn, and is listed as the Sponsor on the Independent Personal Stylist Application. The act of enrolling other Personal

Stylists and offering training and support to them in building a J.Hilburn business is called “sponsoring.”

Upline - This term refers to the Personal Stylist or Personal Stylists above a particular Stylist.