

CINDER & SKY

Stylist Terms & Policies

1. The Agreement. The term “Agreement” collectively refers to these Terms and Policies, the Cinder & Sky Compensation Plan, and the Cinder & Sky Business Entity Addendum (the Business Entity Addendum is only applicable to Stylists who enroll as a business entity, in their current form and as may be amended in the future at the Company’s discretion. Independent Stylists shall be referred to herein as “Stylists.” Any promises, representations, offers, or other communications not expressly set forth in the Agreement are of no force or effect.

2. IRS Form W-9. Consultant’s status as a Cinder & Sky independent Stylist is temporary. You must submit a properly completed IRS Form W-9 to Cinder & Sky, Inc. within 30 days from the date of your application. Failure to submit a W-9 will result in the cancellation of your Cinder & Sky business. You will have 30 days from the date that notice is posted to submit your properly completed W-9 to Cinder & Sky. If you do not submit your W-9 within such time, your Cinder & Sky business will be placed on suspension and you will not be eligible to earn additional commissions or to operate your Cinder & Sky, Inc. business. If you fail to submit your W-9 within sixty days from the date on which the W-9 notice is posted in your Back Office, your Cinder & Sky business will be cancelled.

3. Adherence to the Agreement. Stylists must comply with the Agreement. If you have not yet reviewed the Terms and Policies at the time you execute this Agreement, they are posted in your Stylist workstation. You must review the Terms and Policies within five days from the date on which you execute this Agreement. If you do not agree to the Terms and Policies, your sole recourse is to notify the Company and cancel your Cinder & Sky Agreement. Failure to cancel constitutes your acceptance of the Terms and Policies. You must be in good standing, and not in violation of the Agreement, to be eligible for bonuses or commissions from Cinder & Sky.

4. Amendments to the Agreement. The Company reserves the right to amend the Agreement at its discretion. Amendments shall be effective 30 days after notice and publication of the amended provisions in each Stylist’s workstation, but amendments shall not apply retroactively to conduct that occurred prior to the effective date of the amendment. If you do not agree to any amendments, your sole recourse is to cancel your Cinder & Sky Agreement.

5. Stylists’ Rights. Stylists for Cinder & Sky, Inc., (hereinafter “Cinder & Sky, “):

- Have the right to sell, and solicit orders for, Cinder & Sky products in accordance with these Terms and Policies. It is within the exclusive right of Cinder & Sky to accept or reject orders submitted by Stylists;
- Have the right to enroll others as Cinder & Sky Stylists;
- If qualified, have the right to earn commissions pursuant to the Cinder & Sky Compensation Plan.

6. Independent Contractor Status. Stylists are independent contractors and not employees, partners, legal representatives, or franchisees of Cinder & Sky, Inc. Stylists are solely responsible for paying all expenses they incur, including but not limited to travel, food, lodging, secretarial, office, long distance telephone and other business expenses. **STYLISTS SHALL NOT BE TREATED AS A CINDER & SKY EMPLOYEE FOR FEDERAL OR STATE TAX**

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PURPOSES. Cinder & Sky is not responsible for withholding and shall not withhold or deduct from my bonuses and commissions, if any, FICA, or taxes of any kind. Stylists are not entitled to workers compensation or unemployment security benefits of any kind from Cinder & Sky.

7. Assignment of Rights and Delegation of Duties. Stylists may not assign any rights under the Agreement without the prior written consent of Cinder & Sky, Inc. Any attempt to transfer or assign the Agreement without the express written consent of Cinder & Sky renders the Agreement voidable at the option of Cinder & Sky and may result in termination of your Cinder & Sky business.

If the assets of Cinder & Sky, or a controlling ownership interest in Cinder & Sky, is transferred to a third party, Cinder & Sky may assign its rights and delegate its duties and obligations under the Agreement to such third party as part of the sale or transfer.

8. Waiver. Any waiver by either Party of any breach of the Agreement must be in writing and signed by an authorized agent of the Party against which the waiver is asserted. Any waiver of a breach by a Party shall be a one-time waiver only and shall not operate or be construed as a waiver of any subsequent breach.

9. Waiver of Right of Publicity. Stylists grant Cinder & Sky an irrevocable license to reproduce and use their name, photograph, video, personal story, testimonial, and/or likeness in its advertising or promotional materials, including but not limited to use in online forums. Stylists waive all claims for remuneration for such use and all rights to inspect or approve all draft, beta, preliminary, and finished material.

10. Minimum Age. Persons under age 18 may not be Stylists, and Stylists shall not knowingly sponsor individuals under age 18.

11. Severance. If any provision of the Agreement, in its current form or as amended, is held void or unenforceable, only the void or unenforceable portion(s) of the provision shall be severed from the Agreement and the remaining provisions shall remain in effect. The severed provision shall be reformed so that it is in compliance with the law and reflects the purpose of the original provision as closely as possible. The existence of any claim or cause of action of a Stylist against Cinder & Sky shall not constitute a defense to Cinder & Sky's enforcement of any term or provision of the Agreement.

12. Term and Renewal of a Cinder & Sky Business. The initial term of this agreement is six months, and thereafter it's a month-to-month term (subject to prior cancellation pursuant to the Terms and Policies). You renew your business by paying the monthly Stylist workstation and personal website subscription fee. The technology fee subscription is included in your first full six calendar months as a Stylist. Thereafter, the technology fee will automatically be charged to your credit card each month. If you do not pay the subscription fee your business will be placed on suspension for up to three calendar months. If you do not pay all past due technology fees by the end of three calendar months, your Cinder & Sky business will be terminated.

A participant in this multilevel marketing program has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the company at its principal business address or via the Stylist's workstation.

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Cinder & Sky reserves the right to terminate all Stylist Agreements upon 30 days' notice if the Company elects to: (1) cease business operations; (2) dissolve as a business entity; or (3) terminate distribution of its products and/or services via direct selling channels.

13. Maryland Residents: A participant may cancel the contract for any reason within 3 months after the date of receipt of goods or services first ordered; upon cancellation, the Company shall repurchase the goods; and the repurchase price shall be at least 90% of the original price paid by the participant.

14. Independent Contractor Relationship. Stylists are independent contractors and not employees of Cinder & Sky. In all written, graphic, or digital material used for Cinder & Sky business purposes, Stylists must represent themselves as an "Cinder & Sky™ independent Stylist." In verbal conversations with prospective Stylists and customers, Stylists must introduce themselves as a "Cinder & Sky independent Stylist." Stylists shall not lead anyone to believe that they are employees of Cinder & Sky.

15. General Conduct. Stylists shall safeguard and promote the good reputation of Cinder & Sky and its products, and must avoid all illegal, deceptive, misleading, unethical or immoral conduct or practices, and must exhibit high moral character in their personal and professional conduct. Stylists shall not engage in any conduct that may damage the Company's goodwill or reputation. While it is impossible to specify all misconduct that would be contrary to this provision, and the following list is not a limitation on the standards of conduct to which Stylists must adhere pursuant to this policy, the following standards specifically apply to Stylists' activities:

- Deceptive conduct is always prohibited. Stylists must ensure that their statements are truthful, fair, accurate, and are not misleading;
- If a Stylist's Cinder & Sky business is cancelled for any reason, the Stylist must discontinue using the Cinder & Sky name, and all other Cinder & Sky intellectual property, and all derivatives of such intellectual property, in postings on all Social Media, websites, or other promotional material.
- Stylists may not represent or imply that any state or federal government official, agency, or body has approved or endorses Cinder & Sky, its program, or products.
- Stylists must not engage in any illegal, fraudulent, deceptive, or manipulative conduct in the course of their business or their personal lives that, in the Company's sole discretion, could damage the Company's reputation or the culture that exists within the field sales force.

16. Social Media. In addition to meeting all other requirements specified in these Terms & Policies, should a Stylist utilize any form of social media in connection with her Cinder & Sky business, including but not limited to blogs, Facebook, Twitter, LinkedIn, YouTube, or Pinterest, the Stylist agrees to each of the following:

- Stylists are responsible for the content of all material that they produce and all of their postings on any social media site, as well as *all* postings on any social media site that they own, operate, or control.
- Stylists shall not make any social media postings, or link to or from any postings or other

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material that is sexually explicit, obscene, pornographic, offensive, profane, hateful, threatening, harmful, defamatory, libelous, harassing, or discriminatory (whether based on race, ethnicity, creed, religion, gender, sexual orientation, physical disability, or otherwise), is graphically violent, is solicitous of any unlawful behavior, that engages in personal attacks on any individual, group, or entity, or is in violation of any intellectual property rights of the Company or any third party.

- No product sales or enrollments may occur on or through any social media site. To process sales or enrollments, a social media site must link only to the Stylist's Cinder & Sky replicated website, Cinder & Sky's corporate website or an official Cinder & Sky corporate social media page.
- It is each Stylist's responsibility to follow the social media site's terms of use.
- Any social media site that is directly or indirectly operated or controlled by a Stylist that is used to discuss or promote Cinder & Sky's products, or the Cinder & Sky opportunity may not link to any website, social media site, or site of any other nature that promotes the products, services, or business program of any direct selling company other than Cinder & Sky.
- During the term of this Agreement and for a period of 12 calendar months thereafter, a Stylist may not use any social media site on which they discuss or promote, or have discussed or promoted, the Cinder & Sky business or Cinder & Sky's products to directly or indirectly solicit anyone for another direct selling or network marketing program (collectively, "direct selling").
- A Stylist shall not take any action on any social media site on which they discuss or present, or have discussed or presented, Cinder & Sky's products or the Cinder & Sky business that may reasonably be foreseen to draw an inquiry from Cinder & Sky's Stylists relating to the Stylist's other direct selling business activities or products. Violation of this provision shall constitute a violation of the nonsolicitation provision in Policy 29.
- If a Stylist creates a business page on any social media site to promote or relates to Cinder & Sky, its products, or opportunity, the page may not promote or advertise the products or opportunity of any other network marketing business other than Cinder & Sky and its products. If the Stylist's Cinder & Sky business is cancelled for any reason or if the Stylist becomes inactive, the Stylist must deactivate the page.
- Stylists shall respect the privacy of other social media users. Stylists shall not engage in abusive social media practices including but not limited to harvesting or trolling for connections, shaming or bullying others.

17. Stylist Web Sites and Mobile Applications. Stylists may create one external website to promote their Cinder & Sky business and Cinder & Sky products, but such external website must comply with the following:

- External websites may not take and/or process product or service orders, sales or enrollments.
- The external site must be directed to the Stylist's replicated website to process sales and/or enrollments.
- All external websites must clearly and conspicuously identify the Stylist who is operating the external website and must clearly and conspicuously disclose that he/she is a Cinder & Sky

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Independent Stylist, and that the site is not Cinder & Sky's corporate website. Websites that do not identify the promoter of the site and/or that he/she is promoting Cinder & Sky's products or the Cinder & Sky opportunity (so called "blind" websites), are not permitted.

- Upon cancellation of an independent Stylist's Cinder & Sky Agreement for any reason, the former Stylist must immediately remove the external site from the internet;
- The external website must exclusively promote Cinder & Sky's products and Cinder & Sky's opportunity.
- Prior to going live with an external website, the Stylist must submit a beta site to the Company for review and receive the Company's written authorization to use the website. Following approval, any amendments to the Site must also be submitted to the Company and receive written approval before going live.

Cinder & Sky reserves the right to rescind approval for any approved external web site, and Stylists waive all claims against Cinder & Sky, its officers, directors, owners, employees, and agents for damages, expenses, costs, or remuneration of any other nature arising from or relating to such rescission.

18. Stylist Created Marketing Methods, Advertising, and Promotional Material (Sales Tools). All Stylist created Sales Tools must be submitted to the Company and receive written approval before they can be used or made public. Stylists who receive written authorization from Cinder & Sky to produce and publish Sales Tools may make approved Sales Tools available to other Stylists free of charge if they wish but may not sell the Sales Tools to other Cinder & Sky Stylists (any sale or attempt to sell Sales Tools to another Stylist will result in the termination of the offending Stylist's Cinder & Sky business). Cinder & Sky reserves the right to rescind approval for any approved Sales Tools, **and Stylists waive all claims against Cinder & Sky, its officers, directors, owners, employees, and agents for damages, expenses, costs, or remuneration of any other nature arising from or relating to such rescission.** Approved Sales Tools will be posted in the Marketing Library section of Stylists' workstations and will be available for all Stylists' use free of charge. **The Stylist(s) who created the Sales Tools grants Cinder & Sky and other Independent Stylists an irrevocable license to use the Sales Tools for Cinder & Sky business purposes at its discretion, and waives all claims, including but not limited to intellectual property right claims, and/or claims for remuneration against Cinder & Sky, its officers, directors, owners, agents, and other Independent Stylists for such posting and/or use of the Sales Tools.**

19. Trademarks and Copyrights. The name "Cinder & Sky" and other names as may be adopted by the Company are proprietary trade names, trademarks and service marks of Cinder & Sky. The Company grants Stylists a limited license to use its trademarks and trade names in promotional media for so long as the Stylist's Agreement is in effect. Upon cancellation of a Stylist's Agreement for any reason, the license shall expire and the Stylist shall immediately discontinue all use of the Company's trademarks and trade names. Under no circumstances may a Stylist use any of Cinder & Sky's trademarks or trade names in any email address, website domain name, social media handle, social media name or address.

Cinder & Sky commonly puts on live and recorded events as well as webinars and telephone conference calls. During these events Company executives, Stylists, and guests appear and speak.

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The content of such events is copyrighted material that is owned exclusively by the Company. Stylists may not record company functions for any reason, whether such event is live, a webinar, via conference call, or delivered through any other medium.

In addition, Company produced Sales Tools, videos, audios, podcasts, and printed material is also copyrighted. Stylists shall not copy any such materials for their personal or business use without the Company's prior written approval.

20. Business Entities. Stylists who attain the rank of Executive Leader or higher may operate their business as a business entity (corporation, LLC, etc.). The Company does not provide legal or business advice on the formation or operation of a business entity. If a Stylist elects to operate as a business entity, she must submit a Business Entity Addendum to the Agreement and must submit an updated Business Entity Addendum whenever there is any change in the ownership in the business entity.

21. Sales Outlets. To support the Company's direct selling distribution channel and to protect the independent contractor relationship, Stylists agree that they will not sell Cinder & Sky products in any wholesale, warehouse, or discount establishment unless the Stylist owns and personally operates the retail outlet. Under no circumstances may Stylists list or sell Cinder & Sky products on any online auction or buy-sell site (including but not limited to ebay or Amazon). Notwithstanding the foregoing, Stylists may display and sell Cinder & Sky products at trade shows.

22. Service Related Establishments. Stylists may promote and sell Cinder & Sky products in service-related establishments. A service-related establishment is one whose primary revenue is earned by providing personal service rather than by selling products. Such establishments include offices of doctors, dentists and other health professionals; health clubs or fitness centers; beauty salons; and any other business where customer use of the establishment is controlled by membership or appointment. Cinder & Sky reserves the right to make the final determination as to whether an establishment is service-related or is a proper place for the sale of its products.

23. Change of Sponsor. If a Stylist is responsible for securing the enrollment of a new Stylist she is the "Enroller." The enroller may place the new Stylist on the front line of another Stylist or may elect to place the new Stylist on her own front line. The immediate upline (which may be the Enroller) to a Stylist is her "Sponsor." The only means by which a Stylist may legitimately change his/her Enroller and/or Sponsor are by:

(a) When an Enroller enrolls a new Stylist, the new Stylist is placed in a temporary position in the genealogy (a "holding tank"). The Enroller of the new Stylist has 90 days from the date of the new Stylist's enrollment within which she may move the new Stylist to a permanent Sponsor.

(b) Voluntarily canceling his/her Cinder & Sky business in writing and remaining inactive for six (6) full calendar months. Following the six-calendar month period of inactivity, the former Stylist may reapply under a new sponsor. The Stylist will lose all rights to his/her former downline organization upon his/her cancellation; or

(c) Submitting a written request with a detailed explanation why the Stylist believes the Company should authorize a sponsor change. Submissions must be sent to the Company at support@cinderandsky.com. No sponsor change may occur under this provision without the

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Company's express written authorization.

It is within the Company's discretion whether a sponsor change will be authorized. The Company strongly discourages Stylists from seeking to change sponsors, and the Company will rarely authorize a change. If a sponsor change is authorized, the Stylist who changes lines of sponsorship will NOT be permitted to take her downline to her new line of sponsorship.

24. Waiver of Claims. If a Stylist improperly changes his/her Enroller or Sponsor, Cinder & Sky reserves the sole and exclusive right to determine the final disposition of the downline organization that was developed by the Stylist in his/her second business. **STYLISTS WAIVE ANY AND ALL CLAIMS AGAINST CINDER & SKY, ITS OFFICERS, DIRECTORS, OWNERS, EMPLOYEES, AND AGENTS THAT RELATE TO OR ARISE FROM CINDER AND SKY'S DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT DEVELOPS BELOW A STYLIST WHO HAS IMPROPERLY CHANGED HIS/HER SPONSOR OR ENROLLER.**

25. Income Claims. When presenting or discussing the Cinder & Sky opportunity or Compensation Plan to a prospective Stylist, Stylists may not make income projections, income claims, income testimonials, or disclose their Cinder & Sky income (including, but not limited to, the showing of checks, copies of checks, bank statements, or tax records), or the income of any other Cinder & Sky Stylist. Nor may Stylists make "lifestyle" income claims. A "lifestyle" income claim is a statement or depiction that infers or states that the Stylist is able to enjoy a luxurious or successful lifestyle due to the income they earn from their Cinder & Sky business. Examples of prohibited lifestyle claims include, but are not limited to, representations (either through audio or visual medium) that a Stylist was able to quit his/her job, acquire expensive or luxury material possessions, or travel to exotic or expensive destinations.

26. Compensation Plan and Program Claims. When presenting or discussing the Cinder & Sky compensation plan, you must make it clear to prospects that financial success in Cinder & Sky requires commitment, effort, and sales skill. Conversely, you must never represent that one can be successful without diligently applying themselves. Examples of misrepresentations in this area include, but are not limited to:

- It's a turnkey system.
- The system will do the work for you.
- Just get in and your downline will build through spillover.
- Just join and I'll build your downline for you.
- The Company does all the work for you.
- You don't have to sell anything.
- All you have to do is buy your products every month.

The above are just examples of improper representations about the compensation plan and the Company's program. It is important that you do not make these, or any other representations, that

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could lead a prospect to believe that they can be successful as a Stylist without commitment, effort, and sales skill.

27. Media Inquiries. Stylists must not interact with the media regarding the Cinder & Sky business or products. All inquiries from the media, including radio, television, print, online, or any other medium, shall be directed to Cinder & Sky's marketing department.

28. Exclusivity. Stylists who reach the rank of Executive Leader or higher may not enroll as an independent contractor or employee of, own any interest in, or serve in any capacity with, any other network marketing program.

29. Nonsolicitation. Cinder & Sky Stylists are free to participate in other network marketing programs. However, during the term of this Agreement and for one year thereafter, with the exception of a Stylist's personally sponsored downline Stylists, a Stylist may not directly or indirectly Recruit other Cinder & Sky Stylists for any other network marketing business. The term "Recruit" means the direct or indirect, actual or attempted, sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, another Cinder & Sky Stylist to enroll or participate in another network marketing opportunity. This conduct constitutes Recruiting even if the Stylist's actions are in response to an inquiry made by another Stylist or customer.

If a Stylist is engaged in other non-Cinder & Sky business or Network Marketing program, it is the responsibility of the Stylist to ensure that his or her Cinder & Sky business is operated entirely separate and apart from all other businesses and/or Network Marketing programs. To this end, the Stylist must not:

- Display Cinder & Sky promotional material, sales aids, or products with or in the same location as, any non-Cinder & Sky promotional material or sales aids, products or services (Pinterest and similar social media sites are exempt from this policy).
- Offer the Cinder & Sky opportunity, products or services to prospective or existing customers or Stylists in conjunction with any non-Cinder & Sky program, opportunity or products.
- Offer, discuss, or display any non-Cinder & Sky opportunity, products, services or opportunity at any Cinder & Sky-related trunk-show, meeting, seminar, convention, webinar, teleconference, or other function.

30. Confidential Information. "Confidential Information" includes, but is not limited to, the identities, contact information, and/or sales information relating to Cinder & Sky's Stylists and/or customers: (a) that is contained in or derived from any Stylists' respective Stylist workstation; (b) that is derived from any reports issued by Cinder & Sky to Stylists to assist them in operating and managing their Cinder & Sky business; and/or (c) to which a Stylist would not have access or would not have acquired but for his/her affiliation with Cinder & Sky. Confidential Information constitutes proprietary business trade secrets belonging exclusively to Cinder & Sky and is provided to Stylists in strict confidence. Confidential Information shall not be directly or indirectly disclosed to any third party nor used for any purpose other than Stylist's use in building and managing his/her Independent Cinder & Sky business.

31. Handling Personal Information. If you receive Personal Information from or about prospective Stylists or customers, it is your responsibility to maintain its security. You should shred

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or irreversibly delete the Personal Information of others once you no longer need it. Personal Information is information that identifies, or permits you to contact, an individual. It includes a customer's, potential customers, Stylists and prospective Stylists' name, address, email address, phone number, credit card information, social security or tax identification number and other information associated with these details.

32. Product Inventory & Bonus Buying. Stylists may not carry an inventory of Cinder & Sky products for resale, but it is seldom necessary to carry an inventory because customer orders are direct shipped from the Company to the customer.

If a Stylist requires an inventory of merchandise for a trade show or other retail function, she must notify the Company of the show she is attending, and the dates on which she is attending it. No Personal Sales Volume or Commissionable Volume will be assigned to the inventory the Stylist purchases until she verifies to the Company the inventory that was sold and returns the unsold inventory to the Company.

33. Bonus Buying. Bonus buying is strictly prohibited. Bonus buying is the purchase of merchandise for any reason other than bona fide resale or use, or any mechanism or artifice to qualify for rank advancement or maintenance, incentives, prizes, commissions or bonuses that are not driven by bona fide product purchases by end user consumers for actual use.

34. Limitations on Stylist and Household Businesses. Stylists may own, operate, control, or have an interest in, only one Cinder & Sky business, and there may be only one Cinder & Sky business in a household. A "household" is defined as spouses or couples, and dependent children of one or both spouses or couples, living in the same home of the spouses or member of the couple, as well as dependent children of either spouse or member of the couple, while attending school away from home.

35. Lead Assignment. When a prospective Stylist or customer contacts the Company seeking a sponsor or Stylist to service her account, the Company shall assign the lead to the Stylist who best satisfies the following criterion:

- Is Active, in good standing, is not under investigation for any policy infractions, and has no policy infractions in the immediately preceding 24 calendar months;
- Over the immediately preceding 6 calendar months has the greatest PSV derived from sales to retail customers;
- Over the immediately preceding six calendar months has greatest GSV derived from sales to retail customers;
- Over the immediately preceding six calendar months has personally sponsored the greatest number of Active Stylists;
- Over the immediately preceding six-calendar months has the most Stylist enrollments within the first three levels of her downline.

36. Actions of Affiliated and Third-Parties. If a third party acting on behalf of, or with the active or passive assistance of a Stylist engages in conduct that would be a violation of the Agreement,

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the conduct of the third-party may be imputed to the Stylist.

37. Tampering With Product Packaging. Cinder & Sky products must be sold in their original packaging. Stylists shall not alter the original packaging or labeling.

38. Negative Comments. Complaints and concerns about Cinder & Sky should be directed to the customer Service Department. Stylists must not disparage, demean, or make negative remarks to third parties or other Stylists about Cinder & Sky, its owners, officers, directors, management, other Cinder & Sky Stylists, the Marketing and Compensation plan, or Cinder & Sky's directors, officers, or employees. Disputes or disagreements between any Stylist and Cinder & Sky shall be resolved through the dispute resolution process, and the Company and Stylists agree specifically not to demean, discredit, or criticize one another on the Internet or any other public forum.

39. Sales Receipts. Stylists must provide their retail customers that purchase merchandise directly from the Stylist with **two copies** of an official Cinder & Sky sales receipt at the time of the sale and advise them of the three-day right to rescind the transaction, which is set forth on the receipt. Stylists must maintain all retail sales receipts for a period of two years and furnish them to Cinder & Sky at the Company's request. Retail customers who purchase from a Stylist's personal website need not be provided with a sales receipt as the receipt will automatically be sent by the Company via email at the time the order is placed.

40. Adjustment to Bonuses and Commissions. Compensation stemming from product sales is fully earned when the applicable return, repurchase, and chargeback periods applicable to product sales have all expired. If a product is returned to Cinder & Sky for a refund or is repurchased by the Company, or a chargeback occurs, the compensation attributable to the returned or repurchased product(s) will be recovered by the Company. Unearned compensation will be deducted, in the month in which the refund is issued or the chargeback occurs and continuing every pay period thereafter until the commission is recovered, from the upline Stylists who received bonuses and commissions on the sales of the refunded products.

Cinder & Sky reserves the right to withhold or reduce any Stylist's compensation as it deems necessary to comply with any garnishment or court order directing Cinder & Sky to retain, hold, or redirect such compensation to a third party.

41. Return of Merchandise and Sales Aids by Stylists Upon Cancellation or Termination. Upon cancellation or termination of a Stylist's Agreement, the Stylist may return products and Sales Tools that he or she personally purchased from Cinder & Sky within 12 months prior to the date of cancellation (the one-year limitation shall not apply to residents of Maryland, Massachusetts and Wyoming) so long as the goods are in currently marketable condition. The goods must be returned within 30 days from the date of the Stylist's cancellation or termination. Upon the Company's receipt of returned goods and confirmation that they are in currently marketable condition, the Stylist will be reimbursed 90% of the net cost of the original purchase price(s). Shipping and handling charges will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. Goods are in "currently marketable condition" if they are unopened and unused and packaging and labeling has not been altered or damaged. Merchandise that is clearly identified at the time of sale as nonreturnable, closeout, discontinued, or as a seasonal item, or which has passed its commercially reasonable usable or shelf-life, is not in currently marketable condition. Back Office and Replicated website fees are not refundable except as may be required under applicable state law.

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42. Montana Residents: A Montana resident may cancel his or her Stylist Agreement within 15 days from the date on which this application is submitted and may return his or her sales kit within such time and is entitled to a full refund for the sales kit and for any other consideration he/she paid within such time period to participate in the program.

43. Louisiana, Massachusetts and Wyoming Residents: If you cancel your Stylist Agreement, upon receipt of your written request, Cinder & Sky will refund 90% of the costs you have incurred to participate in the program during the current year.

44. Satisfaction Promise. if you're not completely happy with your Cinder and Sky purchase, you may return your item(s) for a refund within 14 days and store credit within 30 days. Returns or exchanges are accepted on unused items in resalable condition (excludes sale items, display items and business supplies; which are Final Sale). When returning or exchanging an item:

- Items must be returned in their original packaging and accompanied by an original proof of purchase. This could include your packing slip, a copy of your order receipt email or a copy of your return confirmation email.
- Was your order missing an item or did your order contain the wrong item or damaged or defective items? If so you must notify us within 14 days from your order date.
- Refunds: We are happy to provide you a cash refund within 14 days and store credit refund within 30 days from the order date, excluding any shipping costs incurred. Shipping costs are refundable if the buyer receives the merchandise in damaged or defective condition.
- Replacements within 30 days may be returned at no additional charge.
- Timing of Refunds: Your refund will be processed to the original form of payment upon receipt and inspection of your returned item at our distribution center. Once we process your return, the refund will be available in approximately 8-10 business days depending on your issuing bank and/or billing cycle.
- If you paid your Stylist with cash or a check contact your Stylist as she will issue the refund to you directly.

45. Disciplinary Sanctions. Violation of the Agreement, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by a Stylist that the Company reasonably believes may damage its reputation or goodwill, may result in the suspension or termination of the Stylist's Cinder & Sky business, and/or any other disciplinary measure that Cinder & Sky deems appropriate to address the misconduct. In situations deemed appropriate by Cinder & Sky, the Company may institute legal proceedings for monetary and/or equitable relief.

46. Indemnification. Stylists agree to indemnify Cinder & Sky for any and all costs, expenses, consumer reimbursements, fines, sanctions, damages, settlements or payments of any other nature that Cinder & Sky incurs resulting from or relating to any act or omission by Stylist that is illegal, fraudulent, deceptive, negligent, unethical, or in violation of the Agreement. Cinder & Sky may elect to exercise its indemnification rights through withholding any compensation due the Stylist. This right of setoff shall not constitute Cinder & Sky's exclusive means of recovering or collecting

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funds due Cinder & Sky pursuant to its right to indemnification.

47. Effect of Cancellation. A Stylist whose business is cancelled for any reason will lose all Stylist rights, benefits and privileges. This includes the right to represent yourself as a Cinder & Sky Independent Stylist, to sell Cinder & Sky products and services and the right to receive commissions, bonuses, or other income resulting from his/her own sales and the sales and other activities of the Stylist and the Stylist's former downline sales organization. There is no whole or partial refund for tangible sales kits that are not currently marketable, Stylist workstation, personal website or renewal fees if a Stylist's business is cancelled.

48. Voluntary Cancellation. A participant in this network-marketing plan has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the Company at its principal business address or by cancelling his/her business through the Stylist workstation. The written notice must include the Stylist's signature, printed name, address, and Stylist I.D. Number. Stylist may also voluntarily cancel his/her Cinder & Sky business by failing to renew the Agreement on its monthly/annual anniversary date or by withdrawing consent to contract electronically.

49. Cancellation for Inactivity. If a Stylist fails to earn a commission for six consecutive months, his/her Stylist Agreement and Cinder & Sky business will be cancelled for inactivity. The buyer shall then be classified as a retail customer.

50. Business Transfers. Stylists in good standing who wish to sell or transfer their business must receive Cinder & Sky's prior written approval before the business may be transferred. Requests to transfer a business must be submitted in writing to the Compliance Department at support@cinderandsky.com. It is within Cinder & Sky's discretion whether to allow a business sale or transfer, but such authorization shall not be unreasonably withheld. However, no business that is on disciplinary probation, suspension, or under disciplinary investigation may be transferred unless and until the disciplinary matter is resolved. Prior to transferring a business to a third party, the Stylist must offer Cinder & Sky the right of first refusal to purchase the business on the same terms as negotiated with a third party. The Company shall have ten days to exercise its right of first refusal.

51. Transfer Upon a Stylist's Death. A Stylist may devise his/her business to his/her heirs. Because Cinder & Sky cannot divide commissions among multiple beneficiaries or transferees, the beneficiaries or transferees must form a business entity (corporation, LLC, partnership, etc.), and Cinder & Sky will transfer the business and issue commissions to the business entity. In the case of a business transfer via testamentary instrument, the beneficiary of the business must provide Cinder & Sky with certified letters testamentary and written instructions of the trustee of the estate, or an order of the court, that provides direction on the proper disposition of the business. The beneficiary must also execute and submit to the Company a Cinder & Sky Stylist Agreement within 30 days from the date on which the business is transferred by the estate to the beneficiary or the business will be cancelled.

52. Business Distribution Upon Divorce. Cinder & Sky is not able to divide commissions among multiple parties, nor is it able to divide a downline organization. Consequently, in divorce cases, any settlement or divorce decree must award the business in its entirety to one party. Cinder & Sky will recognize as the owner of the business the former spouse to who is awarded the business pursuant to a legally binding settlement agreement or decree of the court. The former spouse who

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receives the Cinder & Sky business must also execute and submit a Cinder & Sky Stylist Agreement within 30 days from the date on which the divorce becomes final or the business will be cancelled.

53. Dissolution of a Business Entity. Cinder & Sky is not able to divide commissions among multiple parties, nor is it able to divide a downline organization. Consequently, in the event that a business entity that operates a Cinder & Sky business dissolves, the owners of the business entity must instruct the Company on the identity of the proper party who is to receive the business. The Cinder & Sky business must be awarded to a single individual or entity that was previously recognized by the Company as an owner of the business entity; the Company cannot divide the business among multiple parties or issue separate commission payments. If the business entity wishes to sell or transfer its Cinder & Sky business, it must do so pursuant to policy 50. In addition, the recipient of the Cinder & Sky business must also execute and submit a Cinder & Sky Stylist Agreement to the Company within 30 days from the date of the dissolution of the business entity or the Cinder & Sky business will be cancelled.

54. Inducing Stylists to Violate the Agreement. Stylists shall not directly or indirectly induce, encourage, or assist another Stylist to violate the Agreement.

55. Reporting Errors. If a Stylist believes that Cinder & Sky has made an error in his/her compensation, the structure or organization of his/her genealogy, or any other error that impacts the Stylist's income, he/she must report it to the Company in writing within 60 days from the date on which the mistake occurred. While Cinder & Sky shall use its best efforts to correct errors reported more than 60 days after the date of the error, Cinder & Sky shall not be responsible to make changes or remunerate Stylists for losses for mistakes that are reported more than 60 days after the mistake occurs.

56. International Activities. Stylists may not sell Cinder & Sky products or conduct business activities of any nature in any foreign country that the Company has not announced is officially open for business.

57. Dispute Resolution. If a dispute arises between a Stylist and Cinder & Sky relating to the Agreement, the Cinder & Sky business, or the rights and obligations of either party, the parties shall resolve the dispute as set forth in this Dispute Resolution Provision.

a. Stages of Dispute Resolution & General Dispute Resolution Procedures. Disputes between the Company and a Stylist(s) that arise from or relate to the Agreement, the business operated by the Stylist, or the opportunity offered by the Company shall be resolved according to the three-step procedure of (a) informal negotiation; (b) non-binding mediation; and (c) trial before a court for claims under \$50,000.00 so long as equitable relief is not sought (except as set forth below), or binding arbitration if the claim is for \$50,000.00 or more or if equitable relief is claimed. **IF A CLAIM SEEKS DAMAGES FOR \$50,000.00 OR MORE, OR SEEKS EQUITABLE RELIEF (EXCEPT AS SET FORTH BELOW), THE PARTIES AGREE TO RESOLVE THE DISPUTE THROUGH BINDING ARBITRATION AND WAIVE CLAIMS TO A TRIAL BEFORE ANY COURT OR JURY.** The following shall apply to all proceedings under this dispute resolution policy:

- Any claim a party has against the other must be brought within one year from the date on which the act or omission giving rise to the claim occurred. In cases in which informal negotiation is required, once informal negotiation is requested in writing the one-year limitation of actions

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provisions in this policy shall be tolled until the completion of the mediation phase of this policy and for ten calendar days thereafter.

- At no time prior to the negotiation and mediation procedures below are completed shall either party initiate arbitration or litigation related to this Agreement or the business except as may be specified otherwise in this dispute resolution policy.
- All offers, promises, conduct and statements, whether oral or written, made in the course of the negotiation and/or mediation by any of the parties, their agents, employees, experts and attorneys are confidential, privileged and inadmissible for any purpose, including impeachment, in 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 the negotiation and/or mediation.
- Informal negotiations and mediation shall occur in Pittsburgh, Pennsylvania unless the parties mutually agree on another forum. Informal negotiations and mediation shall take place telephonically if either party requests such.
- Each party shall be responsible for its own attorney's fees, expert, professional and witness fees incurred in pursuing any claim, regardless of the forum.
- If litigation is filed in court the action may be brought in the jurisdiction in which either party resides or has its principal place of business.
- If arbitration is filed all arbitration proceedings shall be filed and held in Pittsburgh, Pennsylvania.

Step 1 - Informal Negotiation. The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement or the Company's business promptly by negotiation between the aggrieved Stylist(s) and executives of the Company who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for administration of this Agreement. A party may, at its election, choose to be accompanied in such negotiation by an attorney. If one party elects to have its attorney present, the other party must also agree to have its attorney present if that party has retained counsel.

To institute the negotiation process, either party may give the other party written notice of any dispute not resolved in the normal course of business. Within 10 days after delivery of the notice, the receiving party shall submit to the other a written response. The notice and response shall include with reasonable particularity (a) a statement of each party's position and a summary of arguments supporting that position, and (b) the name and title of the executive and attorney who will accompany that party (if applicable), or the name of the Stylist and his/her attorney (if applicable) who will accompany him/her in the negotiation. Within 20 days after delivery of the notice, the parties and the attorneys (as applicable) of both parties shall meet at a mutually acceptable time and place. Such meeting may occur telephonically if one party requests that the meeting be held telephonically.

Unless otherwise agreed in writing by the negotiating parties, mediation may be commenced one business day following the close of the negotiation phase described above. The negotiation phase is "closed" when one party notifies the other in writing that it considers the negotiation "closed."

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Such closure shall not preclude continuing or later negotiations if desired by both parties.

Step 2 – Mediation. If the parties are unsuccessful in resolving their dispute through good faith negotiation, they shall seek to resolve the dispute through mediation. If a party elects to pursue mediation, the party shall submit a written request for mediation to the other party within 10 calendar days after the negotiation phase is completed. The parties shall have 10 calendar days following such request to select a mutually acceptable mediator. If the parties cannot agree on a mutually acceptable mediator, they shall apply to JAMS to have a neutral mediator appointed.

Mediation shall be conducted within 20 calendar days from the date on which the mediator is selected or appointed or as otherwise agreed upon by the parties and the mediator.

Unless otherwise agreed upon by the parties, the mediation shall be closed no later than 30 calendar days following the completion of the meeting between the mediator and the parties.

Step 3(a) – Claims for under \$50,000.00 with no claim for equitable relief. Claims for less than \$50,000.00 and in which equitable relief is NOT sought may be brought pursuant to the arbitration policy below if the parties agree. If the parties do not agree, a claim may be brought before the small claims or district courts in the county in which either party resides or has its principal place of business.

Step 3(b) – Claims for \$50,000.00 or more or claims seeking equitable relief - Confidential Arbitration. If a claim seeks \$50,000.00 or more, or seeks equitable relief, and the parties do not successfully resolve their dispute through the negotiation and mediation procedures above, the dispute shall be resolved through binding confidential arbitration as set forth below.

Step 3(c) - Public Equitable Relief. If public equitable relief is authorized by federal or state statute, the parties agree that an action may be brought before the district court in the county in which either party resides or has its principal place of business so long as: (a) the relief sought is limited to public equitable relief that is authorized by federal or state statute; and (b) the public equitable relief is unavailable through arbitration proceedings. The confidentiality provisions and corresponding liquidated damage provisions for breach of confidentiality provision contained in this dispute resolution policy shall remain in effect for claims and actions asserted under this Step 3(c) unless an action is brought before a court as specifically permitted pursuant to this subsection and the disclosure is related solely to material that is not filed with the court under seal.

b. JAMS to Administer Arbitration. The arbitration shall be filed with, and administered by JAMS in accordance with its Comprehensive Rules and Procedures, which are available on JAMS' website at <http://www.jamsadr.com/rulesclauses/xpqGC.aspx?xpST=RulesClauses>. Copies of JAMS Rules and Procedures will also be emailed to Stylists upon request to Cinder & Sky's customer Service Department. Notwithstanding the rules of JAMS, unless otherwise stipulated by the Parties, 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

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Civil Procedure;

- The arbitration hearing shall commence no later than 365 days from the date on which the arbitrator is appointed, and shall last no more than five business days;
 - The Parties shall be allotted equal time to present their respective cases;
 - An Arbitrator's Award will consist of a written statement stating the disposition of each claim. The award will also provide a concise written statement of the essential findings and conclusions on which the award is based;
 - Any dispute relating to whether the dispute is subject to arbitration shall be decided by through arbitration.
- c. **Confidentiality.** With the exception of discussing the claims with bona fide witnesses to the dispute, neither party shall verbally or in writing discuss, publish, or otherwise disseminate the claims, allegations, merits, evidence, positions, pleadings, testimony, rulings, awards, orders, issues, or any other aspect of the dispute to any third party, including but not limited to disclosure on the internet or on any social media or blog platform, prior to, during, or after any phase of the dispute resolution process unless a specific exemption contained in this dispute resolution policy applies.
- d. **Liquidated Damages for Breach of the Confidentiality Obligation.** If a Party violates its confidentiality obligations under this arbitration policy, the nonbreaching party shall incur significant damages to its reputation and goodwill that shall not be readily calculable. Therefore, if a Party, its attorneys, agents, or a proxy of a party breaches the confidentiality provision of this dispute resolution policy, the following shall apply:
- The non-breaching party shall be entitled to liquidated damages in the amount of \$10,000.00 per violation, or \$50,000 per violation if the disclosure is published on the internet, including but not limited to disclosure on any website or on any social media forum. Every disclosure of each claim, allegation, pleading, or other prohibited disclosure shall constitute a separate violation. Notwithstanding this confidentiality and liquidated damage provision, nothing herein shall limit the right or ability of a Party to disclose evidence, claims or allegations relating to the dispute to any individual who is, or who may be, a bona fide witness to the dispute. **The Parties agree that this liquidated damage amount is reasonable and waive all claims and defenses that it constitutes a penalty; AND**
 - **Breach of the confidentiality provision by disseminating or publishing information described in subparagraph c. above through any form of mass media (including but not limited to posting on the Internet or on any social media platform) by a party, a party's agent, or a party's proxy shall constitute an act of wanton and gross bad faith, and shall constitute a waiver of the breaching party's right to pursue the claim(s) and/or defense(s) against the non-breaching party, and shall entitled the non-breaching party to a default judgment against the breaching party.**
- e. **Emergency Relief.** Either party may bring an action before JAMS seeking emergency relief to protect its intellectual property rights, including but not limited to protecting its rights pursuant to the non-solicitation provisions of these policies. A claim or cause of action seeking emergency

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relief shall be brought pursuant to the Emergency Relief Procedures in JAMS Comprehensive Rules and Procedures, available at <https://www.jamsadr.com/rules-comprehensive-arbitration/#Rule%202>, or by contacting the company at customersupport@cinderandsky.com The parties agree that any violation of the Nonsolicitation (policy 29) or Confidential Information (policy 30) policies of these terms & policies shall entitle Cinder & Sky to emergency and permanent equitable relief because: (a) there shall be no adequate remedy at law; (b) Cinder & Sky shall suffer immediate and irreparable harm should such policies be breached; and (c) if emergency and permanent equitable relief is not granted, the injury to Cinder & Sky shall outweigh the potential harm to Stylist if emergency and/or permanent equitable relief is granted.

f. Disputes Not Subject the Three-Step Dispute Resolution Procedure. A party need not go through the informal negotiation or mediation steps in the following situations:

- **Action to Enforce Arbitration Award or Order.** Either party may bring an action in a court properly vested with jurisdiction to enforce an Arbitration award or order, including but not limited to an order for emergency relief.
- **Petitions for Emergency Relief.** If a party deems it necessary to seek emergency relief to protect its interests, it may seek emergency relief as set forth in this arbitration policy without engaging in the negotiation or mediation process set forth above. Notwithstanding the foregoing, the parties are encouraged, but not required, to engage in negotiation and or mediation concurrently with any pending request for emergency relief.
- **Disciplinary Sanctions.** The Company shall not be required to engage in the three-step dispute resolution process prior to imposing disciplinary sanctions for violation of the Agreement.

g. Remedies. Remedies available to you under U.S. federal laws, and the state and local laws of your state, shall remain available to you in any arbitration proceeding.

58. Class Action Waiver. All disputes, whether pursued through arbitration or before the courts, that arise from or relate to the Agreement, that arise from or relate to the Cinder & Sky business, or that arise from or relate to the relationship between the parties, shall be brought and proceed on an individual basis. The parties waive their rights to pursue any action against the other party and/or their respective owners, officers, directors and agents, on a class or consolidated basis. You may opt out of this class action waiver if you wish by submitting written notice to the Company of your desire to opt out within 30 days from the date on which you enroll as a Stylist. Submit your written opt-out notice to the Company at customersupport@cinderandsky.com.

59. Governing Law. The Federal Arbitration Act shall govern all matters relating to arbitration. Except as is otherwise specifically referenced in these policies, the law of the State of Pennsylvania without regard to principals of conflicts of laws, shall govern all other matters relating to or arising from the Agreement, the business, the relationship between the parties, or any other claim between the Parties. Notwithstanding the foregoing, if a dispute is brought in a small claims court properly vested with jurisdiction, the law of the state in which the small claims court resides shall apply.

60. Damages for Wrongful Termination. In any case which arises from or relates to the wrongful termination of a Stylist's Agreement and/or independent business, the parties agree that damages will be extremely difficult to ascertain. Therefore, the parties stipulate that if the involuntary

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termination of a Stylist's Agreement and/or loss of their independent business is proven and held to be wrongful under any theory of law, Stylist's sole remedy shall be liquidated damages calculated as follows:

- For Stylists earning up to \$10,000.00 in the 12 calendar months prior to termination, liquidated damages shall be in the amount of her gross compensation that he/she earned pursuant to Cinder & Sky's Compensation Plan in the twelve (12) months immediately preceding the termination.
- For Stylists earning between \$10,000.01 and \$20,000.00 during the 12 calendar months prior to termination, liquidated damages shall be in the amount of her gross compensation that he/she earned pursuant to Cinder & Sky's Compensation Plan in the twenty-four (24) months immediately preceding the termination.
- For Stylists earning more than \$20,000.00 in the 12 calendar months prior to termination, liquidated damages shall be in the amount of her gross compensation that he/she earned pursuant to Cinder & Sky's Compensation Plan in the thirty-six (36) months immediately preceding the termination.

61. Damage Waiver. In any action arising from or relating to the Agreement, the parties waive all claims for incidental and/or consequential damages, even if the other party has been apprised of the likelihood of such damage. The parties further waive all claims to exemplary and punitive damages. Nothing in this policy shall restrict or limit a Party's right to recover liquidated damages as set forth in these Policies.

62. Louisiana Residents. The dispute resolution provisions in these Policies shall apply to Louisiana residents with the exception that Louisiana residents may bring arbitration against Cinder & Sky in his/her home forum and pursuant to Louisiana law.