



Stylist Policies and Procedures

Updated February 2022

Welcome to Ruby Ribbon! We are excited to have you as one of our Independent Stylists and as part of the Ruby Ribbon community! Our culture is one of the things that sets Ruby Ribbon apart. The Policies and Procedures (P&P) are designed to protect our culture and be sure that each Independent Stylist plays by the same rules. This document will guide you through your Ruby Ribbon business and help you uphold the values and standards of our unique community.

Throughout these Policies and Procedures, whenever the terms “you”, “your”, or “yours” are used, those terms refer to you as a Ruby Ribbon Stylist. Whenever the terms “Ruby Ribbon”, “the Company”, “we”, “us”, “our”, or “ours” is used, they refer to Ruby Ribbon.

From time to time, it may be necessary to amend the Policies and Procedures. Notification of amendments shall be made by one or more of the following methods: (1) posting on the Company’s official website; (2) e-mail; or by (3) posting in RUBY (Stylist App). Amendments shall become effective 30 days after publication but amended policies shall not apply retroactively. As a Ruby Ribbon Stylist, it is your responsibility to familiarize yourself and comply with these updated terms. The continuation of your Ruby Ribbon business or your acceptance of bonuses or commission payments after the effective date of any amendment shall constitute your agreement to any and all amendments.

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1 BECOMING A STYLIST WITH RUBY RIBBON

1.1 Stylist Requirements

To become a Stylist, an applicant must:

- Be at least 18 years of age;
- Live in the United States;
- Provide Ruby Ribbon with a valid Social Security number (Ruby Ribbon does not accept a Federal EIN at the time of enrollment — See Section 3.13). The Social Security number provided during enrollment must be associated with the name of the Stylist account.;
- Purchase a Ruby Ribbon Starter Kit (optional for residents of North Dakota); and
- Submit a Stylist Application and Agreement to Ruby Ribbon at time of enrollment.

Ruby Ribbon reserves the right to accept or reject any Stylist Application and Agreement for any reason or no reason.

1.2 Starter Kits and Product Purchases

To become a Ruby Ribbon Stylist, you are required to purchase our Starter Kit. You are not required to buy any other Ruby Ribbon products or business supplies. If you cancel your Stylist Agreement for any reason, we will buy back your Starter Kit if you enrolled within one year of your Stylist account cancellation request and the Starter Kit is in resalable condition — See Section 6.1 for complete details.

1.3 Stylist Benefits

Every Stylist will receive a unique Stylist ID. You will be automatically assigned a non-changeable Stylist ID upon enrollment. Stylists are eligible to receive benefits through the Ruby Ribbon Career Plan and Stylist Agreement. Every Stylist is provided with technology tools including, but not limited to, RUBY, the Stylist App.

2 MARKETING YOUR INDEPENDENT RUBY RIBBON BUSINESS

2.1 Stylist Created Marketing Methods and Tools

When promoting the Ruby Ribbon opportunity, you agree that you will not use any other system, program, sales tools, or method of marketing. Nor will you require or encourage the Stylists that you sponsor to enter into any agreement or contract other than official Ruby Ribbon agreements and contracts; or encourage the purchase of anything or make any payments other than those purchases or payments identified as recommended or required in our official literature.

2.2 General Advertising

Our trademarked name cannot be used to drive traffic away from our Corporate site; infractions may result in the immediate termination of a Stylist account.

You may only have a personalized website through Ruby Ribbon. Independent Stylist marketing, in print, online, and mobile, must clearly appear as though it is coming from an Independent Stylist of the company and not lead the consumer to think they may be interacting with the Home Office.

You agree that when you are promoting our products or the Stylist opportunity to others, you will use only the current Home Office approved marketing tools made available. Such tools are made available on an “as is” basis. Ruby Ribbon is not liable for a Stylist’s use of materials that have expired. Altering our marketing assets is not allowed. You cannot advertise discounts or special offers, make income claims or other copy not approved by the Home Office.

STYLIST ADVERTISING

If you plan to make any ad buys (in print, online or other media outlets), you need to get approval from the Home Office. You must always list your Ruby Ribbon personal website address and use only official Ruby Ribbon Independent Stylist logos.

Stylists may not monetize their replicated websites through affiliate programs, AdSense, AdWords or similar programs.

Stylists cannot advertise on Google or any other search engine/sponsored linking sites.

MEDIA CONTACTS

The Home Office is the primary contact with all press and media. If you are approached by any media outlets in regard to Ruby Ribbon, please direct them to marketing@rubyribbon.com. The Home Office must approve all media interviews, promotions and press releases.

When advertising the business whether on social media or in print, you will adhere to the following guidelines and principles.

Privacy

You agree that you will always respect the privacy of others in your postings and submissions. No gossiping, no rumors, no posting of images of others without their permission, etc.

Accuracy

You must ensure that any postings that you make are truthful and accurate.

Prohibited Postings

There are some things that should never be included in any posting or submission. You agree that you will not make any postings or link to any postings or other material that:

- Offer services or sell products other than Ruby Ribbon on your personal social media pages in conjunction with Ruby Ribbon products or use the Corporate sponsored social media groups to sell products or services.
- Is sexually explicit, obscene, or pornographic;
- Includes images and/or videos of minors (under 18 years old). Subsequently, consent must be given for the use of customers in pictures and/or videos.
- Is 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 solicitous of any unlawful behavior;
- 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.

2.3 Ruby Ribbon Trademarks and Copyrights

Our name (“Ruby Ribbon”) and other names that we use for our products or services are our proprietary trade names, trademarks and service marks (collectively “marks”). These marks are our intellectual property and are of great value to us; you may use them only as we have expressly authorized in the Agreement.

In addition, the content of all events that we sponsor is copyrighted material. Therefore, unless we have granted you permission (in writing) you may not record any of these events.

2.3.1 Third-Party Trademarks and Copyrights

You agree that you will not use the trademarks, trade names, service marks, copyrights, or intellectual property of any third party in any posting unless you have received the proper permission (usually a license) to use those materials. All third-party intellectual property must be properly referenced as the property of the third-party, and Stylists must adhere to any restrictions and conditions that the owner of the intellectual property places on the use of its property.

2.4 Online Compliance Domain Names and Online Aliases

Stylists cannot use or register “Ruby Ribbon” or any of our trademarks, product names, or any derivative thereof (i.e. Ruby Ribbon shapewear, Ruby Ribbons, the Ruby Ribbon), for any Internet domain name, email address, fan page, or online aliases.

However, you may create a site that is titled: **“Independent Stylist for Ruby Ribbon”** in the name – in that word order.

2.5 Corporate Social Networks

Stylists may not use Ruby Ribbon Corporate social media presences such as the Ruby Ribbon Corporate Facebook Page, Corporate Instagram, etc. to solicit business, drive people to your replicated website, or sign up team members.

2.6 Telephone & Directory Listings

If you wish to use our name in a telephone greeting or on an answering machine (or voice mail) greeting, you may use the phrase “Independent Stylist for Ruby Ribbon.” You agree that you will not answer the telephone by saying “Ruby Ribbon,” “Ruby Ribbon Incorporated,” or in any other manner that would lead the caller to believe that she/he has reached our Home Office.

You may list yourself as an “Independent Stylist for Ruby Ribbon” in the white or yellow pages of the telephone directory or with online directories under your own name. Otherwise, you may not use our name (“Ruby Ribbon”), any of our marks, or any of our logos in any such listing.

2.7 Telemarketing Techniques

The Federal Trade Commission and the Federal Communications Commission each have laws that restrict telemarketing practices. Both federal agencies (as well as a number of states) have “do not call” regulations as part of their telemarketing laws. Although Ruby Ribbon does not consider Stylists to be “telemarketers” in the traditional sense of the word, these government regulations broadly define the term “telemarketer” and “telemarketing” so that your inadvertent action of calling someone whose telephone number is listed on the federal “do not call” registry could cause you to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties.

Therefore, you must not engage in telemarketing to promote the sale of our products or our opportunity. You may not use automatic telephone dialing systems to place calls to prospects. Nor may you place or initiate any outbound telephone call to any person that

delivers a pre-recorded message (a “robocall”) regarding or relating to our products or opportunity.

2.7.1 Uninvited Reach Outs

Unless you are able to comply with State and Federal spam laws, do not send unsolicited emails, texts, social media DMs, or faxes. If you wish to send any communications that promote our products or opportunity, your emails must comply with the following requirements:

- A person must have given you prior consent or you must have an established business or personal relationship with this person.
- The email / fax must clearly identify you, as the sender of the email, and that you are an Independent Stylist for Ruby Ribbon.
- There must be a functioning return email address or fax number to you.
- There must be an “opt-out” notice in the email that advises the recipient that she/he may use the functioning return email address to request that future email solicitations or correspondence not be sent to her/him.
- Your email must include your physical mailing address.
- Your email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
- Deceptive subject lines and/or false header information is prohibited.
- You must honor all opt-out requests, regardless of how you receive them. Also, if you receive an opt-out request, please forward it to us.

On occasion, we may send commercial emails on your behalf and on behalf of Stylists. By entering into the Stylist Agreement, you agree that we may do this and further authorize us to include your mailing and email addresses in such emails. If we send this type of an email on your behalf, it will comply with the above requirements. If in response to such an email you receive an opt-out request, you agree to comply with that request and to forward the request to us.

2.7.2 Spam Linking

Spam linking is not permitted. Spam linking is defined as multiple consecutive submissions of the same or similar content into blogs, wikis, guest books, websites or other publicly accessible online discussion boards or forums. This includes blog spamming, blog comment spamming and/or spamdexing.

2.8 Digital Media Creation & Submission (YouTube, Pinterest, Facebook, etc.)

You may upload, submit or publish Ruby Ribbon-related video, audio or photo content that you have created as long as the content is in compliance with these Policies and Procedures. Any submissions that you make must clearly identify you as an Independent

Stylist for Ruby Ribbon, both in the content itself and in the content description tag, must comply with all copyright/legal requirements, and must state that you are solely responsible for the content.

3 OPERATING YOUR INDEPENDENT RUBY RIBBON BUSINESS

3.1 Stylist Website and other Technology Tools

Ruby Ribbon enables your business with technology, such as your Ruby Ribbon Replicated Website (PWS) and including any and all Ruby Ribbon Apps. With any of these tools, you may promote the sale of our unique products and the enrollment of other Stylists. The way you present yourself using these tools must comply with the terms of this Agreement. Ruby Ribbon has the right to deny any descriptions, pictures, etc. if we deem them offensive.

Ruby Ribbon has the right to deny any PWS URL change requests such as those that reference a geographic location, contain discourteous, misleading words, contain words or phrases that may damage Ruby Ribbon's image or contain any derivative of "Ruby" or "Ribbon" or any other trademarked names.

3.2 Indemnification

You are responsible for all verbal and written statements that you make regarding our products and our Career Plan that are not consistent with the claims in our official materials. In the event you make any unauthorized claims or actions, you agree that you will indemnify Ruby Ribbon and our directors, officers, employees, and agents, and hold them and us harmless from all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business that we incur as a result of such unauthorized representations or actions. This provision shall survive the cancellation of the Stylist Agreement.

3.3 Income Claims Prohibited

Stylists shall not make claims or representations of potential or guaranteed income or profits in connection with Ruby Ribbon. The Federal Trade Commission and several states have laws and/or regulations that prohibit certain types of income claims or testimonials by persons engaged in direct selling/social selling marketing. While Stylists may believe it is beneficial to tell others and potential Stylists about their earnings or the earnings of others, such claims may have legal consequences and adversely impact Ruby Ribbon as well as the Stylists making the claims, unless appropriate disclosures required by law are also made with the income claim. Since Stylists generally do not have the information necessary to comply with such legal requirements, when discussing Ruby Ribbon with others, Stylists may not make any projections, claims, or estimates on

potential or guaranteed income, or disclose their own income (including showing commission statements, checks, copies of checks, bank statements, tax records or other such documents).

Lifestyle claims are considered to be equivalent to income claims and are prohibited. Stylists may only make claims or statements about the Ruby Ribbon business opportunity, the following conditions are met: (i) the information must be accurate and not misleading; (ii) the level of effort required to achieve the results described must be fully detailed; (iii) claims of potential or guaranteed income may not be made; (iv) actual earnings may not be disclosed; (v) hypothetical income examples must be clearly indicated as such; and (vi) the Income Disclosure Statement must be provided in all instances at the time the claim is made. The Income Disclosure Statement is available on the Ruby Ribbon website where earnings are described at.

3.4 Repackaging or Re-labeling our Products is Prohibited

Ruby Ribbon products may only be sold in their original packaging. You should be aware that tampering with labels/package could be a violation of federal and state laws, which could result in civil or criminal liability.

3.5 Ruby Ribbon in Commercial or Retail Spaces

At Ruby Ribbon, we are committed to the direct selling channel. For this reason, if an owner of a retail establishment, beauticians, estheticians, dieticians, or personal trainers is a Ruby Ribbon Stylist, she or he may hold Ruby Ribbon events, personal Styling appointments, place Ruby Ribbon product in fitting rooms for trial, display promotional materials and allow clients to order Ruby Ribbon product from the Stylist directly. Any products sold through a retail establishment must be sold in line with our published website prices and Stylists cannot offer blanket price discounts that are different from what is published. Refer to Section 3.12 for more details.

Ruby Ribbon does not allow bulk inventory buying to support “cash and carry” businesses. Ruby Ribbon will not accept any customer return or exchange without a valid Ruby Ribbon Order ID.

3.6 Selling Through Other Internet Sites

You may not sell Ruby Ribbon products that are currently offered on our website on any other website. This includes, but is not limited to; eBay, Etsy, Poshmark, Amazon, Craigslist, Blogs, or any other auction or internet sites. This also includes engaging others (I.E. friends, family members, customers, etc.) to sell on websites on behalf of you.

3.7 Trade Shows, Expositions and Other Sales Forums

You may promote your Ruby Ribbon business at trade shows, vendor events, or other exhibits, so long as you comply with the following:

- Register and refer to yourself as an Independent Stylist with Ruby Ribbon.
- Prior to registering for the event, check with the event coordinator there are no other Ruby Ribbon Stylists represented. There can be only one Ruby Ribbon Stylist per event.
- Booth must be staffed at all times and must not be shared by another competing business that the Ruby Ribbon Stylist may participate in. Reference Section 3.8.2 for definition of a competing business.
- We do not share our Sales Tax registration information directly to Stylists. If you are required to provide this information to the event organizer, contact Customer Support through *RUBY > Contact Us*.

As an Independent Stylist, you are responsible for the relationship with the event organizer.

3.8 Participation in Other Direct Sales Programs

3.8.1 Non-Solicitation

As an independent contractor, you are free to participate in other direct selling programs. However, during the term of your Stylist Agreement, you agree that you will not directly or indirectly recruit other Ruby Ribbon Stylists to enroll or contract with any other direct selling business.

Also, for a period of six (6) months following the cancellation of your Stylist Agreement, you agree that you will not recruit any other Ruby Ribbon Stylist to enroll or contact another direct selling business. You agree that this non-solicitation provision shall apply nationwide and to all international markets.

For purposes of this policy, the term “recruit” means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another Ruby Ribbon Stylist to enroll or participate in another direct selling opportunity. “Recruit” additionally includes sharing information about another direct sales business opportunity, even if in response to an inquiry initiated by another Stylist.

3.8.2 Other Direct Selling Programs

While Ruby Ribbon strongly believes that you will be most successful by solely focusing on Ruby Ribbon, we support our Independent Stylists at any Career Title in selling any non-competing products through other direct selling programs. Any Stylist with a Career Title up to and including Executive Director is allowed to build a team with Ruby Ribbon, while building a team with any other non-competing direct selling brand.

If you are, it is your responsibility to ensure that your Ruby Ribbon business is operated entirely separate and apart from any other direct selling program that you participate in. Therefore, you agree that:

- You will not sell, or attempt to sell, any competing non-Ruby Ribbon products to other Stylists or to your Ruby Ribbon customers. Competing is defined as any company that sells intimates or shapewear products, regardless of differences in cost, quality or other distinguishing factors.
- You will not offer any non-Ruby Ribbon opportunity, products or services at any Ruby Ribbon-related meeting, seminar, convention, webinar, teleconference, or other function.
- If you use social media pages to promote your Ruby Ribbon business, you must use a different social media page to promote any other direct sales business.

Once you are paid at an Associate VP level and agree to the VP Addendum, you are no longer allowed to actively recruit or build a team with any other direct sales company, competing or non-competing with Ruby Ribbon.

3.8.3 Confidential Information

As a Stylist, you will receive access to some of our confidential information. “Confidential Information” includes, but is not limited to, downline genealogy reports, training material, the contact information of Ruby Ribbon customers and other Stylists, and your Personal and Team Qualifying Volumes. It also includes pictures and descriptions of not-yet-released items. This information is proprietary and constitutes business trade secrets that solely belong to Ruby Ribbon. You will also have access to confidential information through various Stylist business tools. You may not disclose any of the confidential information to any other person or entity, including, without limitation, any of your downline Stylists. If you are participating in another direct selling program, we may restrict your access to our confidential information.

With respect to any of our confidential information that you gain access to, you agree that you will not:

- Directly or indirectly disclose any confidential information to any other person or entity;
- Directly or indirectly use or share any of our training materials outside of your Ruby Ribbon business;
- Directly or indirectly disclose the password or other access code to your Ruby Ribbon accounts;
- Use any confidential information to compete with us or for any purpose other than promoting your Ruby Ribbon business; or
- Recruit or solicit any Stylist or customer listed on any report, or in any manner attempt to influence or induce any Stylist or customer to alter their business relationship with Ruby Ribbon.

You also agree that your agreement to not disclose any confidential information will continue even after you are no longer a Ruby Ribbon Stylist, and that you will continue to be bound by the above obligations.

3.9 Governmental Approval or Endorsement

Federal and state regulatory agencies and officials do not “approve” or “endorse” any direct selling companies or programs. Therefore, you agree that you will not claim or imply that Ruby Ribbon or our Career Plan have been "approved," "endorsed" or otherwise sanctioned by any government agency.

3.10 Income Taxes

Ruby Ribbon will not withhold or make payments for social security, unemployment insurance or disability insurance contributions, or obtain workers compensation insurance on a Stylist’s behalf. If your business is tax exempt, the Federal tax identification number must be provided to us. In any year that you: 1) Have earnings of over \$600; or 2) Made purchases of our products in excess of \$5,000, we will provide you with an IRS Form 1099 MISC (non-employee compensation).

3.11 International Marketing

You are authorized to sell our products and enroll Stylists only in the 50 United States (including APO, FPO and DPO addresses).

3.12 Excess Inventory, Bonus Buying and Blanket Discounts

You agree that you will not purchase more products than you can reasonably wear or sell to retail customers and must not influence or attempt to influence any other Stylist to buy more products than they can reasonably wear or sell to customers. In addition, bonus buying is strictly prohibited. **Bonus buying includes any mechanism or artifice that “buys” your way into a promotion, title advancement, incentives, prizes, commissions**

or bonuses that is not driven by bona fide product purchases by end user consumers.

Bonus buying includes, but is not limited to; enrolling someone who never intends to run a business, enrollment of a Stylist without their knowledge or consent of an unauthorized credit card, purchase of a downline's Starter Kit, purchase of product to qualify for contests, promotions, etc. and then returning that same product, having another Stylist in your genealogy purchase on your account, purchasing products on another Stylist's account, or purchasing products through a third party (a "straw man") or through the use of any other artifice. If any Stylist is detected for Bonus Buying, we have the right to revoke your achieved compensation level or prize level earned in addition to clawing back associated commissions, and/up to possible termination.

In addition, Stylists cannot offer "blanket discounts" to customers at Trunk Shows, through your personal website or other social media and marketing channels. This includes but is not limited to; "25% off everything" or "place an order today and get 10% off" or free shipping with all orders. You may, on occasion, offer specific and time-limited incentives which must be offered to a closed, specific group of individuals (for example: not an open invite to your Facebook profile or Instagram followers) and last no longer than (5) consecutive days. As long as these guidelines are followed, Stylists can incur the cost of a specific one-time promotion for your customers.

3.13 Business Entities

Once enrolled, Stylists may request that their account be changed from an individual to a corporation, limited liability company (LLC), partnership or trust (collectively referred to in this Section as a "Business Entity"). Before making such a request, we strongly recommend that you consult with a qualified legal and accounting advisor. Should you make such a request it must be submitted to us in writing through Customer Support in *RUBY > Contact Us*. If we approve the request, you will need to submit a properly completed Business Entity Addendum and a properly completed IRS Form W-9. In the event your request is approved, you, your Business Entity and any Affiliated Parties (See definition at Section 10) will be individually, jointly and severally liable for: (a) any indebtedness to us, (b) compliance with these Policies and Procedures, (c) compliance with the Agreement, and (d) for all other obligations to Ruby Ribbon. You will also agree that all sales and sponsorship activities shall be conducted only by the Beneficial Owners named in this Business Entity Registration Form, and these activities shall not be conducted by any other person (including employees or contractors).

We may require notarized documents before implementing any such requested change. Please allow thirty (30) days after our receipt of the request for processing. Each Stylist must immediately notify Ruby Ribbon of all changes to the type of business entity they utilize in operating their businesses and the addition or removal of business Affiliated Parties.

3.14 Actions of Household Members or Affiliated Parties

It is not uncommon for household members to assist a Stylist in operating their Ruby Ribbon business. If any member of your household engages in any activity that, if performed by you, would violate any provision of the Agreement, such activity will be deemed a violation by you and Ruby Ribbon may take disciplinary action pursuant to these Policies and Procedures against you. This same concept applies to Business Entities. If you operate your Ruby Ribbon business through a Business Entity and any individual associated in any way with your Business Entity (e.g., an employee, officer, director, shareholder, partner, member, etc.) violates the Agreement, such action(s) will be deemed a violation by the Business Entity, and Ruby Ribbon may take disciplinary action against the Business Entity.

3.15 Sale or Transfer of A Ruby Ribbon Business

A Stylist can request in writing to sell or transfer a Ruby Ribbon business with written approval by Ruby Ribbon. Ruby Ribbon reserves the right to approve or not approve a request to sell or transfer in its sole discretion. Any attempt to sell, transfer, or assign an independent Ruby Ribbon business without Ruby Ribbon's written approval may result, at our discretion, in the cancellation of the Stylist Agreement.

3.16 What Happens to the Ruby Ribbon Business in a Divorce or Entity Dissolution

Ruby Ribbon Stylists sometimes operate their Ruby Ribbon businesses as husband-wife partnerships. Subject to approval by the Home Office, Stylists may operate their Ruby Ribbon businesses as regular partnerships, LLCs, corporations, trusts, or other Business Entities. At such time as a marriage may end in divorce or a corporation, LLC, partnership, trust or other Business Entity may dissolve, 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 Stylists up or down the line of sponsorship.

During the divorce or entity dissolution process, the parties must adopt one of the following methods of operation:

- One of the parties may, with consent of the other(s), operate the Ruby Ribbon business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize Ruby Ribbon to deal directly and solely with the other spouse or non-relinquishing shareholder, partner or trustee.
- The parties may continue to operate the Ruby Ribbon business jointly on a "business-as-usual" basis, whereupon all compensation paid by Ruby Ribbon will be paid according to the status quo as it existed prior to the divorce filing or

dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above.

Under no circumstances will the Downline organization of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will we split commission and bonus payments between divorcing spouses or members of dissolving entities. We will recognize only one Downline organization and will issue only one commission payment per Ruby Ribbon business per commission cycle. Commission payments shall always be issued to the same individual or entity.

If a former spouse has completely relinquished all rights in the original Ruby Ribbon business pursuant to a divorce, she/he is thereafter free to enroll under any Sponsor of choosing but must wait six calendar months from the date of the final dissolution before re-enrolling as a Stylist. In either case, the former spouse or business affiliate shall have no rights to any Stylists in their former Downline organization or to any former retail customer. They must develop new business in the same manner, as would any other new Stylist.

3.17 Death or Incapacity

Upon the death of a Ruby Ribbon Independent Stylist, such Stylist's rights under their Stylist Agreement may, under certain circumstances, request to be transferred to an heir, trustee or beneficiary (a "Transferee"), subject to the conditions and requirements of this Section and applicable law.

- If the Stylist dies without a will or other testamentary instrument providing for the transfer of the Stylist Agreement, the Stylist Agreement shall automatically terminate upon the date of the Stylist's death.
- A written request to transfer a Stylist Agreement pursuant to this Section must be submitted to Ruby Ribbon within six (6) months following the death of the Stylist. Requests submitted more than six months after the death of the Stylist will not be considered.
- The following must be provided to Ruby Ribbon with the request to transfer: (i) certified copy of the court order appointing the executor or trustee of the estate or letters testamentary letters or other instruments appointing the executor or trustee of the estate; (ii) a copy of the Will, Trust or other Testamentary Instrument that evidences the Stylist's intent to transfer the Stylist Agreement upon Stylist's death; (iii) such other documentation that Ruby Ribbon may require in its sole discretion.
- A request to transfer to multiple individual Transferees or joint Transferees will not be approved unless the proposed Transferees form a business entity and submit a Business Entity Registration Form and otherwise meet or satisfy all other

conditions and requirements of this Section. Ruby Ribbon will issue a single commission check for each Commission Period and one IRS Form 1099 to the Business Entity.

- Ruby Ribbon reserves the right to deny a transfer request if Ruby Ribbon, in its sole discretion, determines that the requested transfer will adversely affect other Stylists or Ruby Ribbon.

If a transfer request pursuant to this Section is approved by Ruby Ribbon, the Transferee must within ten (10) days from the date of Ruby Ribbon's approval submit a new Stylist Agreement and otherwise meet all the eligibility requirements to become a Stylist. Upon Ruby Ribbon's acceptance of the new Stylist Agreement (and Business Entity Registration form, as applicable), Transferee will initially be placed at the deceased Stylist's level and title, but failure by a Transferee to meet the qualifications for the level and title as set forth in the Ruby Ribbon Policies and Procedures and Compensation Plan may result in a demotion or loss of title pursuant to the Policies and Procedures or Compensation Plan.

If a Transferee is a Trust, these requirements may be satisfied by the Trustee. If a Transferee Trustee is acting on behalf of minor beneficiaries, the Trustee may continue to perform under the Stylist Agreement only until the oldest minor child becomes 18 and is otherwise eligible to act as a Stylist pursuant to the terms of the Stylist Agreement.

If a potential Transferee is an active Ruby Ribbon Stylist prior to the transfer, he or she must choose whether to continue under his or her original Stylist Agreement or the Stylist Agreement that may be transferred. A Transferee may not directly or indirectly conduct a Ruby Ribbon business under more than one Stylist Agreement.

3.18 Change of Sponsor, Cancellation of your Account and Waiver of Claims

Ruby Ribbon prohibits changes in sponsorship. You may only change your Sponsor by first voluntarily canceling your Stylist Agreement and waiting six (6) full calendar months before re-enrolling as a Stylist. Following the six-month period of a closed account, you may then reapply under a new Sponsor. You will be required to fill out a new Stylist Agreement and at minimum purchase the most basic Starter Kit. Your former downline organization and customer base will not be moved back with you.

STYLISTS WAIVE ANY AND ALL CLAIMS AGAINST RUBY RIBBON, ITS OFFICERS, DIRECTORS, OWNERS, EMPLOYEES, AND AGENTS THAT RELATE TO OR ARISE FROM RUBY RIBBON'S DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT DEVELOPS BELOW AN ORGANIZATION THAT HAS IMPROPERLY CHANGED LINES OF SPONSORSHIP.

3.19 Change of Contact Information

To ensure timely delivery of products, support materials, commissions, and tax documents, it is important that Ruby Ribbon's files are current. If any of your contact information changes, you must update through the Stylist Back Office. If anything is shipped to an incorrect address due to the Stylist not updating it in their account, Ruby Ribbon is not responsible for replacing the shipment. To guarantee proper delivery, two weeks advance notice must be provided to Ruby Ribbon on all changes.

3.20 Non-Disparagement

You agree that you will not disparage, demean, or make negative remarks about Ruby Ribbon, other Stylists, our products, the Career Plan, or our directors, officers, or employees. While you have a Ruby Ribbon independent contractor status or anytime for up to 6 months after your account is cancelled voluntarily or involuntarily (through termination), should you make any statements, or take any actions whatsoever, to disparage, defame, or compromise the name, brand or reputation of Ruby Ribbon or any current Stylists. If, at any point, you have caused harm to the Company or other Stylists through defamation, Ruby Ribbon will seek additional actions, up to legal pursuit.

4 PRODUCT ORDERING AND PAYMENT

4.1 Product Sales

The Ruby Ribbon Career Plan is based on the sale of Ruby Ribbon products to end consumers. In order to be eligible for bonuses, commissions, and advancement to higher levels of achievement, you must fulfill the title advancements requirements as outlined in the Ruby Ribbon Career Plan (as well as meet other responsibilities set forth in the Agreement). All Ruby Ribbon product sales made by Stylists must be processed through the Stylist personal website or placed in the Back Office.

4.2 Non-Territory Restrictions

There are no exclusive territories granted to you or to any other Stylist.

4.3 "Backdating" Transactions

All transactions that count toward incentive programs, paid as titles or recognition must be submitted in the system on time. The company is not responsible for delays in submitting transactions due to internet transmission delays, processing time on our servers, or your inability to access our website or any other Stylist tools for any reason. Exceptions to this policy will only be made in the instance that the issue that prevented the Stylist from completing the transaction on time was outside of the Stylist's control.

(examples include but not limited to; server error message or technical error with Stylist enrollments). It is in the Company's sole discretion whether to approve or deny any exception requests that are submitted related to customer orders. We will not backdate any transaction for the sole purpose of enabling a Stylist to achieve a Paid-As-Title or earn an incentive. Stylists are urged to allow adequate leeway in order submission to assure their orders are posted in the desired period and to finalize all orders as early as possible.

4.4 Order Changes / Order Errors

Our Distribution Center works hard to fulfill orders quickly. Orders submitted online are considered to be complete when submitted. Due to the quick processing time of order routing to our Distribution Center for fulfillment, we are unable to modify an order after it has been submitted online. If you or the customer are dissatisfied with the purchase for any reason, or if you decide to rescind the purchase, return the purchase for a full refund within 30 days of the order's ship date. Once the order is received, initiate a return through our Returns Portal.

There may be a rare occasion when an order can be changed or cancelled. In the event we are able to honor an order modification request, there will incur a \$20 change fee.

In the event an error is made by the Stylist when submitting the order (address error, product selection error, etc.) and we are unable to change it prior to shipment, Ruby Ribbon is not responsible for replacement.

4.5 Credit Card Payments

All orders must be paid by credit card. If a customer's credit card is declined, the online ordering system will alert you. In the event that the credit card is declined, it is the Stylist's responsibility to contact the customer to determine the cause of decline and/or obtain a different credit card number or another payment method. The billing address must match exactly to the address on the credit card. Orders with declined charges cannot be processed until another form of payment is collected.

4.6 Sales Tax

Ruby Ribbon is required to charge sales taxes on all purchases made by Stylists, and remit the taxes charged to the respective states. Accordingly, Ruby Ribbon will collect and remit sales taxes on behalf of Stylists, based on the suggested retail price of the products, according to applicable tax rates in the state or province to which the shipment is destined.

5 BONUSES AND COMMISSIONS

5.1 Bonus and Commission Qualifications and Accrual

A Stylist must be in good standing and in compliance with the Agreement to qualify for bonuses, commissions and other forms of compensation. So long as you comply with the terms of the Agreement, we will pay bonuses and commissions to you in accordance with the Career Plan. Notwithstanding the foregoing, all commissions, bonuses or other compensation owed to you, regardless of the amount accrued, will be paid upon the cancellation of your Stylist Agreement.

5.2 Bonus and Commission Payments

Commissions and bonuses are paid via direct deposit into your bank account (ACH) and are paid three times per month. If the Stylist does not provide the bank account information to Ruby Ribbon, then Ruby Ribbon will provide commission payouts, at the request of the Stylist, through Corporate checks with a \$3 processing fee per each check processed. See the Stylist Commission Payout Schedule in RUBY for payout dates.

5.3 Adjustments to Bonuses and Commissions

When a product or Starter kit is returned to us for a refund, the bonuses and commissions attributable to the returned or repurchased product will be deducted from future commission and bonus payments to the Stylist and upline Stylists who received bonuses or commissions on the sale of the refunded product in the month in which the refund is given and continuing every pay period thereafter until the bonuses and commissions are recovered. Where applicable, the bonuses and commissions attributable to the refunded product may be deducted from any refunds or credits to the Stylist who received the bonuses or commissions on the sales of the refunded product. Ruby Ribbon reserves the right to review and terminate any account for consistently excessive or improper return activity associated with non-defective merchandise.

5.4 Incentive Programs

Stylists who are active and in good standing with the Stylist Agreement and Policies & Procedures may be eligible to receive incentive trips that are offered by Ruby Ribbon, at the sole discretion of the Company. Incentive trips may not be deferred for future and no payment or credit will be given to those who cannot or choose not to attend.

In exchange for Ruby Ribbon paying some or all of the costs of the Incentive trips, the Stylist agrees to indemnify and hold harmless Ruby Ribbon and its affiliates for any injuries sustained by the Stylist or their guest in connection with the Incentive trip in this regard, Stylist agrees that she or he will not make a claim upon any insurance policy of

Ruby Ribbon to cover the costs and expenses of any injuries to the Stylist and/or guests. Ruby Ribbon may be required by law to include fair market value of any incentive trips and performance bonuses on the Internal Revenue Service (IRS) form 1099 Misc (non-employee compensation) earning statement that is provided by Ruby Ribbon to each Stylist who had earnings of more than \$600 in the previous calendar year.

5.5 Reports

All information provided by Ruby Ribbon in downline activity or downline genealogy reports, is believed to be accurate and reliable. Nevertheless, due to various factors including but not limited to the inherent possibility of human, digital, and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit card and electronic check payments; returned products; credit card and electronic check charge-backs; the information is not guaranteed by Ruby Ribbon or any persons creating or transmitting the information.

Access to and use of Ruby Ribbon's online reporting services and your reliance upon such information is at your own risk. All such information is provided to you "as is". If you are dissatisfied with the accuracy or quality of the information, your sole and exclusive remedy is to discontinue use of and access to Ruby Ribbon's online reporting services and your reliance upon the information.

5.6 Errors or Questions

If you believe that an error has been made regarding your commissions, bonuses, genealogy lists, or charges, you must notify Ruby Ribbon in writing within 60 days of the date of the purported error or incident in question. We will not be responsible for any errors, omissions or problems not reported to us within 60 days.

6 RETURNING YOUR STYLIST STARTER KIT & OTHER BUSINESS SUPPLIES

6.1 Return of Starter Kit or other Purchased Items by Terminating Stylist

Upon any termination of this Agreement, a Stylist may return any unsold products, business supplies or Starter Kit that the Stylist purchased within the 12-month period preceding the date of termination for a refund.

In order to receive a refund from Ruby Ribbon pursuant to this policy, the following requirements must be met:

- The items being returned must have been personally purchased by the Stylist who submits the items for refund.
- The items must be in "Current and Resalable Condition." Products and Sales aids shall be deemed "resalable" if each of the following elements are satisfied: 1) they

are unwashed, unworn and free of odors and stains (e.g. makeup or deodorant); 2) packaging and labeling has not been altered or damaged; and 3) the product must be currently offered by Ruby Ribbon on the date it's returned from the terminating Stylist. Any merchandise that is clearly identified at the time of sale as non-returnable, discontinued, or as a seasonal item, shall not be resalable.

- Any merchandise that is clearly identified at the time of sale as non-returnable, discontinued, or as a seasonal item, will be considered to be not "Current and Saleable."
- Starter Kits must meet all of the above requirements and must also have all components of the original Kit (including business supplies and collateral) in the return.

Start Kiter, samples and business supply returns must be returned to Ruby Ribbon Distribution Center:

RUBY RIBBON KIT RETURNS
1226 Aviation Blvd
Hebron, KY 41048

Upon receipt of a resalable Starter Kit, samples and/or business supplies Ruby Ribbon will issue a refund of 90% to your original form of payment, less the original shipping charges. If the Starter Kit, samples and/or business supplies are not in resalable condition or do not meet the requirements above, Ruby Ribbon will not issue a refund and instead, the items will be mailed back to the terminating Stylist at the Company's expense.

6.2 Rescission

Federal and state law requires that the Company issue a refund for products or services within 3 business days (5 business days for Alaska residents and in North Dakota, the rescission period is 15 days if the buyer is 65 or older) within which your customer wishes to cancel their purchase. Saturday is a business day, Sundays and legal holidays are not business days. This also applies to all Stylist enrollments and Starter Kit purchases.

It is the Stylists' responsibility to notify customers or new Stylists joining their downline team of this right. You MUST a) verbally inform your customers of this right.

7 DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

7.1 Disciplinary Sanctions

Violation of the Agreement, violation of any common law duty (including but not limited to any applicable duty of loyalty), any illegal, fraudulent, deceptive or unethical business

conduct by a Stylist, or any act or omission by a Stylist that in the sole discretion of the Company may damage its reputation or goodwill (such damaging act or omission need not be related to the Stylist's Ruby Ribbon business), may result, at our discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition;
- Requiring the Stylist to take immediate corrective measures;
- Imposition of a fine, which may be withheld from bonus and commission payments;
- Loss of rights to one or more bonus and commission payments;
- Withholding of bonuses and commissions during the period that Ruby Ribbon is investigating any conduct that allegedly violates the Agreement. If a Stylist's business is canceled for disciplinary reasons, the Stylist will not be entitled to recover any commissions withheld during the investigation period;
- Permanent or temporary loss of, or reduction in, the current Career Title of a Stylist (which may subsequently be re-earned by the Stylist);
- Transfer or removal of some or all of a Stylist's downline from the offending Stylist's downline organization;
- Suspension of a Stylist Agreement;
- Involuntary cancellation of the offender's Stylist Agreement;
- Any other measure expressly allowed within any provision of the Agreement or which Ruby Ribbon deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Stylist's policy violation or contractual breach.

In situations deemed appropriate by us, we may institute legal proceedings for monetary and/or equitable relief.

7.2 Mediation

Prior to instituting arbitration as provided in Section 7.3 below, the parties should meet in good faith to attempt to resolve the dispute through non-binding mediation. Either the upline or the Company will appoint a person who is mutually acceptable to be mediator. The mediation will occur within 60 days from the date on which the mediator is appointed. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least 10 days in advance of the mediation. Each party shall pay its own attorney fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in the City of Los Angeles, California and shall last no more than two business days.

7.3 Arbitration

If mediation is unsuccessful, any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration as set forth more fully in the Stylist Agreement Terms and Conditions.

8 STYLIST ACCOUNT CANCELLATION AND INACTIVITY

8.1 Stylist Account Status

To keep a Stylist account open, Stylists must achieve \$300 in a rolling 3-month period. If a Stylist fails to meet this requirement, the account will become Inactive, beginning with the first month following the rolling three-month period. A Stylist may hold an “inactive” status for 3 months. After 3 months of inactivity, the Stylist account will be closed.

8.2 Voluntary Cancellation

A Ruby Ribbon Stylist has the right to cancel her Stylist Agreement at any time, regardless of reason. Cancellation or self termination must be submitted in writing through the Self Termination Form located in the Stylist App, RUBY, and forwarded to Customer Support. We also ask that you notify your Sponsor and downline organization of your intent to resign with Ruby Ribbon. Once Ruby Ribbon accepts the written cancellation, we will close your account effective the first of the following month.

8.3 Involuntary Cancellation

A Stylist’s violation of any of the terms of the Agreement, as amended, may result in any of the sanctions listed in Section 7.1, including the involuntary cancellation of her Stylist Agreement. Cancellation shall be effective on the date on which written notice is mailed, emailed, faxed, or delivered to an express courier, to the Stylist’s last known address, email address, or fax number, or to her attorney, or when the Stylist receives actual notice of cancellation, whichever occurs first.

8.4 Effect of Cancellation

A Stylist whose business is cancelled will lose all rights as a Stylist. This includes the right to sell Ruby Ribbon products and services and the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the Stylist’s former downline organization.

8.5 Downline Organization Rollup

When a vacancy occurs in an organization due to the termination of a Ruby Ribbon business, each Stylist in the first level immediately below the terminated Stylist on the date of the cancellation will be moved to the first level of the terminated Stylist's sponsor.

8.6 Leadership Title Leave of Absence & Grace for Monthly Requirements

A Stylist who is active and in good standing with a Leadership title (Associate Director or above) may request a leave of absence for medical, military relocation or maternity reasons; or a one-month grace exemption by submitting a request form that can be found in the Stylist App or Back Office. No leave request shall be effective without written approval from Ruby Ribbon. Ruby Ribbon reserves the right to grant or deny a leave request in its sole discretion.

8.7 Re-Enrolling as a Stylist

At the discretion of the Home Office, a former Stylist may re-enroll as a Stylist. If you were terminated due to a violation of breach of the Stylist Agreement, you are not eligible to sign up with Ruby Ribbon again.

8.7.1 Re-Enrollment Less than Six (6) Months after Cancellation

If your account was closed within the last six (6) months, Stylists can request a one-time reinstatement by contacting the Home Office. After the first courtesy reinstatement, you will be required to purchase, at minimum, the most basic Starter Kit.

When you are reinstated within your first six months, we will open your former account to "Inactive Month 1" status, and you will resume under your original Sponsor. You will not retain your former downline organization.

When you are reinstated within the last six months, you will always be enrolled under your original Sponsor. If you desire a new sponsor, you must wait six months before re-enrolling with Ruby Ribbon.

8.7.2 Re-Enrollment More than Six (6) Months after Cancellation

If you decide to reactivate after more than six (6) months after cancellation you will be required to re-enroll as a Stylist and, at minimum, purchase the most basic Starter Kit that will grant you a new Stylist ID, a new sponsor, if desired, and you must agree to a new Stylist Agreement.

9 DEFINITIONS

Affiliated Party — A shareholder, member, partner, manager, trustee, or other parties with any ownership interest in, or management responsibilities for a Business Entity.

Agreement — The contract between the Company and each Stylist includes the Stylist Application and Agreement, the Ruby Ribbon Policies and Procedures, and the Ruby Ribbon Career Plan, all in their current form and as amended by Ruby Ribbon in its sole discretion. These documents are collectively referred to as the “Agreement.”

Business Entity — A corporation, partnership, trust, limited liability company, or other type of entity. Subject to approval by the Home Office, a Stylist who has achieved the Career Title of Associate Vice President or above may change her enrollment status from an individual to a business entity.

Career Title — The highest Paid As rank that a Stylist achieved in the last six (6) months, pursuant to the Ruby Ribbon Career Plan.

Personally Sponsored Stylist — A Stylist that you personally recruited into the business.

Upline — This term refers to the Stylist’ Sponsor (who enrolled the Stylist) or Stylists’ above a particular Stylist in a sponsorship line up to the Company.