FAQS

1. What does Active mean when qualifying for commissions?

A Consultant is considered Active when 50 PV is purchased within the month. To qualify for any Unilevel, Generation, or Legacy Bonuses, a Consultant must be Active. For the purpose of commissions, your customers' volume, or those customers who purchase jewelry from your replicated website, will be included in your PV.

2. How often do I earn commissions?

You can earn retail commissions as often as you would like through hosting a party or putting on a show. All other bonuses, online retail sales, and ranks are calculated once a month (before the 20th) for the previous calendar months sales and activity.

3. How are Commissions Calculated?

Each Consultant can earn immediate cash by retailing their inventory of Paparazzi Accessories. All other bonuses within the Paparazzi Compensation Plan are calculated and paid on a monthly basis. All ranks and bonuses are calculated, determined, and paid by the 20th of each month for the previous commission period (or calendar month). All activity within a calendar month from 12:00 AM (EST) on the first day of the calendar month through 11:59 PM (EST) on the last day of the month will be included in the commission calculations.

4. How does Compression work?

When commissions are run for the previous month, if there are any locations in the Genealogy where no one has placed an order but there are commissionable orders further down the same organization, the closest Consultants with orders will compress into that position for the purpose of that commission run maximizing the potential commissions of all active Independent Consultants in the Genealogy.

FASHIONABLY REWARDING!

Paparazzi is on a mission: A mission to change the lives of our Consultants and their customers by providing fashionable and affordable jewelry; and by providing an opportunity to financially affect their lives in a positive way. This is done by encouraging our Consultants to build lasting relationships through fashion and rewarding them significantly for their efforts.

These rewards range from the immediate profit from retail sales to the long-term benefits of the lucrative Paparazzi Compensation Plan. Whether the goal is to earn a little extra cash for a weekend getaway or the desire to build a dream home for your family, the dynamic, unique bonuses of the Paparazzi Compensation Plan make it possible:

- Retail Profit
- Show Rebate
- Business Building Bonus
- Unilevel Bonus
- Generation Bonus
- Legacy Bonus
- Infinity Bonus
- Cash Bonus

Talk about Fashionably Rewarding!

To see the average earnings for Paparazzi Consultants, please view the official Income Disclosure Statement available at paparazziaccessories.com.

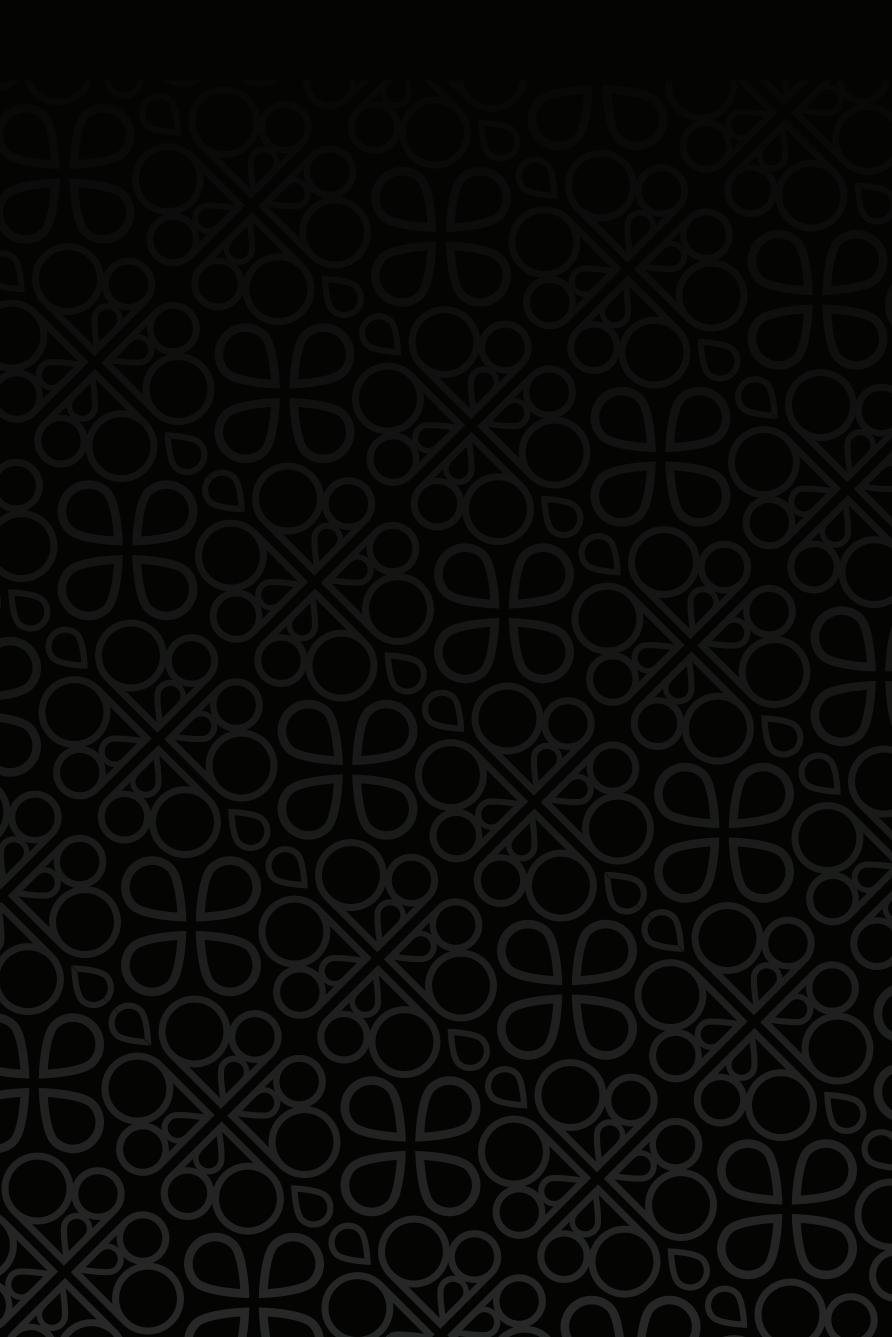
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| RANK | Consultant | Star Consultant | Director | Premier Director | Executive Director | Producer | Premier Producer | Executive Producer | Fashionista | A-Lister | Maven A-Lister | Jetsetter | Luxe Jetsetter | Impressionista | Iconic Impressionista |
|---|------------|--------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Personal Volume (PV) Requirement | | 50 PV | 50 PV | 50 PV | 100 PV | 100 PV | 100 PV | 100 PV | 100 PV | 100 PV | 100 PV | 100 PV | 250 PV | 250 PV | 250 PV |
| Organizational Volume (OV) Requirement | | | | 3,000 OV** | 6,000 OV** | 12,000 OV** | 25,000 OV** | 40,000 OV** | 75,000 OV** | 150,000 OV** | 250,000 OV** | 500,000 OV** | 1,000,000 OV † | 1,500,000 OV † | 3,000,000 OV † |
| Organizational Requirement | | | 3 Personally Sponsored Active Consultants* |
| Retail | • | | | • | | | | | • | | | | • | | |
| Show Rebate | | | | | | | | | | | | | | | |
| BBB | | | | | | | | | | | | | | | |
| Unilevel 1 | | 5% | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 10% |
| Unilevel 2 | | | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% |
| Unilevel 3 | | | | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% |
| Generation 1 | | | | | 1% | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% |
| Generation 2 | | | | | | | 1% | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% |
| Generation 3 | | | | | | | | | 3% | 3% | 3% | 3% | 3% | 3% | 3% |
| Legacy 1 | | | | | | | | | | 1% | 2% | 2% | 2% | 2% | 2% |
| Legacy 2 | | | | | | | | | | | 1% | 2% | 2% | 2% | 2% |
| Legacy 3 | | | | | | | | | | | | 1% | 2% | 2% | 2% |
| Infinity Bonus 1 | | | | | | | | | | | | | 0.5% | 1% | 1% |
| Infinity Bonus 2 | | | | | | | | | | | | | | | 0.5% |

Personal Volume (PV)

The Paparazzi Compensation Plan uses points instead of dollars when determining commissions earned. Personal Volume (PV) is assigned to all commissionable products as follows: 2 PV for each standard accessory, 10 PV for each Zi Collection necklace, and 6 PV for each Zi Collection bracelet.

Retail Profit

As a Paparazzi Independent Consultant, you are able to purchase inventory for your shows or parties at wholesale pricing, and sell that same inventory at the suggested full retail price. This gives you an immediate 35% - 45% commission.



You will also receive Retail Profit on all inventory purchased by your personally sponsored customers through your replicated website. All Retail Profit earned will be calculated and processed once a month and paid through the regularly scheduled commission runs.

Show Rebate

For those Independent Consultants who do larger shows, Paparazzi rewards you! When a Consultant purchases 1000 PV or more on a single order, a Show Rebate of 10% is processed and included in that month's commission check. The Show Rebate is paid in lieu of Hostess Rewards being added to the order.

Business Building Bonus (BBB)

Every time you personally sponsor or enroll a new Independent Consultant into Paparazzi you will earn 15% of their initial Starter Kit purchase (PV) as long as you are active.

Unilevel Bonus

Earn up to three levels of commissions on your team of Consultants as you progress through the Paparazzi Ranks and Compensation Plan. Earn between 5% and 10% of your organization's activities, just for supporting and training them in finding their own success.

Your first level includes all of your personally-sponsored Consultants. When your personally-sponsored Consultants sponsor new Consultants of their own, it creates your second level. You can have an unlimited number of levels within your organization by continuing this pattern. (See Rank and Bonus Chart)

Generation Bonus

As you begin to develop stronger leadership within your team and qualify as an Executive Director or higher, you can earn an additional bonus on up to three Generations of your organization.

A generation begins at every Executive Director or higher and includes all Consultants down to and including the next Executive Director or higher below. (See Rank and Bonus Chart)

Legacy Bonus

As an A-Lister or higher, you can earn an additional 1% to 2% on the volume generated in up to three Legacies within your organization. A Legacy is created when you become an A-Lister and it includes all Consultants down to and including the next A-Lister or higher below you. (See Rank and Bonus Chart)

Infinity Bonus

As a Luxe Jetsetter, you can earn an additional .5% on the volume generated from your ENTIRE team down to and including the next Luxe Jetsetter or higher. When you reach the rank of Impressionista, this payout increases to 1%. Access a second Infinity Bonus of .5% on the volume generated between the first Luxe Jetsetter (or higher) and the next when you become an Iconic Impressionista.

Cash Bonus

When a Consultant arrives at the top ranks for the first time by maintaining the required qualifications for two consecutive months, a Cash Bonus is paid:

> • Luxe Jetsetter - \$25,000 Impressionista - \$50,000 • Iconic Impressionista - \$100,000

Eligible

¥=To be Active, a Consultant must purchase a minimum of 50 PV within the commission period.

+ = Indicates that no more than 1/3 of the required OV can be generated by one leg of the Consultant's organization as it pertains to rank qualification.

Indicates that no more than 1/4 of the required OV can be generated by one leg of the Consultant's organization as it pertains to rank qualification.

★ =Rank qualifications must be met for two consecutive commission periods (calendar months) before rank is issued and available bonuses are paid. 1 ITEM = 2 PV