



Policies and Procedures Effective May 2, 2025

SECTION 1 – The Paparazzi Mission Statement

To bring strength, independence, and empowerment to individuals and their families by building confidence through affordable fashion. While our accessories may not change the world, we believe those who wear them will.

SECTION 2 – Introduction

2.1 Independent Consultant Agreement

The Independent Consultant Agreement (Agreement) comprises the agreement between Paparazzi LLC (Paparazzi) and the Independent Paparazzi Consultant (Consultant) and any formal agreement to these terms or any action representing Paparazzi as an Independent Paparazzi Consultant (Consultant) through the purchase of product at wholesale price, participation in the Compensation Plan, or the retail of any Paparazzi product constitutes the Consultant's agreement to abide by the following articles:

- a. The Independent Consultant Application and Agreement;
- b. The Policies and Procedures (this document); and
- c. The Paparazzi Compensation Plan.

All Consultants carry the responsibility to read all components of the Agreement, and to be compliant with all aspects of the Agreement. It is every Consultant's responsibility to become familiar with all components of the Agreement before signing the Agreement or enrolling through an online form. It is the responsibility of all sponsoring Consultants to inform their new enrollments of the existence of these components, and that by enrolling as a Consultant they are bound by the Agreement.

The Consultant will determine the method, details and means of performing the services under the Agreement. The Consultant shall take general direction from Paparazzi and abide by the policies and procedures set forth herein.

The Consultant enters into this Agreement as, and shall continue to be, an independent contractor. Under no circumstances shall the Consultant look to Paparazzi as an employer, nor as a partner, agent, or principal. Consultant shall have no authority as an agent, or otherwise, to act in the name of or on behalf of Paparazzi or to bind Paparazzi to any contract, agreement or other arrangement whatsoever. The Consultant shall not be entitled to any benefits accorded to Paparazzi's employees including but not limited to pension plan contributions, workers' compensation, unemployment insurance, medical or disability insurance, vacation or sick pay.

2.2 Purpose of the Policies and Procedures

The purpose of this Agreement and specifically these Policies and Procedures is to define the relationship between the Consultant, other Consultants, and/or Paparazzi, and to clearly articulate the expected behavior and acceptable business conduct of all parties. By accepting the Agreement and its components, the Consultant is required to comply with the Agreement, as well as with all federal, state, and local laws governing the Consultant's business activities. If there are any questions in relation to the Agreement, all Consultants have their Sponsor and the Paparazzi staff available to them for assistance.

2.3 Changes to the Agreement

Paparazzi reserves the right to amend the Agreement and any or all of its components, as well as its prices and commissionable volume levels, at its sole and absolute discretion. By executing or agreeing to the Agreement or any of its components, the Consultant agrees to abide by all amendments or modifications that Paparazzi elects to make.

Amendments shall be effective upon notice (or a reasonable attempt to notify) to all Consultants that the Agreement or any of its components have been modified. Notification of amendments shall be published in any official capacity by Paparazzi. Paparazzi shall provide or make available to all Consultants a complete copy of the amended provisions by one or more of the following methods:

- a. Posting on Paparazzi's official website;
- b. Email;
- c. Inclusion in any of Paparazzi's publications;
- d. Posting in the Consultant's Back Office; or
- e. Any special mailings.

The continuation of the Consultant's Paparazzi business, activity, purchases, or sale of Paparazzi product, as well as any acceptance of bonuses or commissions constitutes acceptance and agreement of any and all amendments to the Agreement, any of its components, and the updated documents in their entirety.

If any amendments or modifications to this Agreement are not acceptable to the Consultant, they have thirty (30) days from the Agreement's original publication date to notify Paparazzi and request the termination of their Agreement.

2.4 Business Delays Beyond Paparazzi's Control

Paparazzi is not responsible for any or all delays or failures in the performance of its obligations when such performance is made commercially impractical due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, riot, war, fire, natural disasters, weather, pandemics, death, curtailment of a party's sources of supply, or government decrees or orders. This also applies to third party vendors of Paparazzi and limitations within their services, including but not limited to delivery of packages or product, or any other feature, function, or service that is not expressly within Paparazzi or the third-party company's control.

2.5 Invalid or Unenforceable Policies

If any part of the Agreement is held to be invalid or unenforceable, only that invalid or unenforceable portion may be removed, and the remainder of the Agreement shall remain intact and in force.

2.6 Compliance Enforcement

Paparazzi never gives up its right to insist on the Consultant's compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of Paparazzi to exercise any right or power under the Agreement or to insist upon strict compliance by the Consultant with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of Paparazzi's right to demand exact compliance with the Agreement or any components thereof. Waiver by Paparazzi can be effectuated only in writing by an authorized officer of Paparazzi. Paparazzi's waiver of any particular breach by a Consultant shall not affect or impair Paparazzi's rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Consultant. Nor shall any delay or omission by Paparazzi to exercise any right arising from a breach affect or impair

Paparazzi's rights as to that or any subsequent breach. The existence of any claim or cause of action of a Consultant against Paparazzi shall not constitute a defense to Paparazzi's enforcement of any term or provision of the Agreement.

Any action or enforcement taken by Paparazzi in relation to a compliance issue will be addressed solely between Paparazzi and the parties allegedly in violation of this Agreement. There is no requirement of notification to any other parties as to the outcome of such an investigation.

2.7 Entire Agreement

The Agreement constitutes the parties' entire agreement and supersedes any prior negotiations, representations, or agreements.

SECTION 3 – Becoming a Consultant

3.1 Requirements to Become a Consultant

To become a Paparazzi Consultant each applicant must:

- a. Be of the age of majority in your state of residence, or 18 years of age;
- b. Reside in the United States (other than the state of Washington) or the United States territories;
- c. Have a valid Tax Identification Number (TIN) which includes but is not limited to Social Security Number (SSN), Individual Taxpayer Identification Number (ITIN), or Federal Tax ID Number (EIN);
- d. Read and agree to abide by the Agreement and all components therein;
- e. Purchase one of the enrollment options; and
- f. Complete and submit an Independent Consultant Application and Agreement to Paparazzi.

New Consultants may enroll online through Paparazzi's official website or a Consultant's personal replicated website. An application with any secured or protected information, such as a TIN and credit card information, represents the personal application and agreement for such actions from the principle of such secured information. An existing Consultant must not fill out, sign, or accept the agreement on behalf of another Consultant.

Paparazzi reserves the right to reject or deny any new Agreement or Application, and/or to reject any Agreement after its execution for any violation of policy as documented by this Agreement.

3.2 One Consultant Business Per Household / Vested Interest

To uphold the nature of the Paparazzi Compensation Plan, only one Consultant business or account may be open per household, each Consultant having a unique address. "Household" includes having only one executed Agreement per family, married couple, or live-in resident of the domicile. A corporation or business is also considered a single unit, household, or domicile for the purpose of this Agreement. The household for business entities includes the shareholders, owners, directors, officers, members, trustees, responsible parties, etc., of such entities as well as persons married to or residing in the same residence with the named persons.

This restriction also includes the limitation that no Consultant can have a vested interest in more than one Consultant's business or Paparazzi account, including but not limited to: order placing, account management, or any interest or action in a position with the Paparazzi genealogy which may define, enhance, or create an increase in commissions as a result. A cancelled Consultant is not allowed to take a vested interest in a current Consultant's account.

3.3 Consultant Enrollment Fee

To enroll, the Consultant must purchase one of the enrollment options available on the official Paparazzi website. The enrollment price includes the costs associated with the data creation of the Consultant account within the Consultant management software package, supports the costs associated with account management and service, provides the licensing of the Paparazzi name as an Independent Consultant, and creates a financial vestment in association with the adherence to the Agreement. Once the enrollment process is complete, Consultants may use the Paparazzi brand (Section 5) to distribute their Paparazzi inventory and purchase Paparazzi Accessories at a discounted wholesale price (Section 3.4).

Any non-starter kit option grants access to the Back Office for purchase and resale of inventory and participation as a Consultant in the Compensation Plan, whether or not the Consultant chooses to utilize said access, and the enrollment fee is non-refundable after the Return of Enrollment deadline (Section 9.5).

3.4 Consultant Benefits

After an Agreement has been successfully completed and accepted by Paparazzi, all the benefits from the Paparazzi program, including the product offering, marketing materials, and Compensation Plan are available to the Consultant. These benefits include:

- a. The ability to purchase Paparazzi Accessories and products at wholesale prices;
- b. The ability to retail Paparazzi Accessories with the intention of earning a retail profit from the sale thereof;
- c. The ability to sell product as a Consultant;
- d. The ability to participate in the Paparazzi Compensation Plan (receive bonuses and commissions, if eligible);
- e. The ability to sponsor other Consultants;
- f. The ability to receive Paparazzi training and communication;
- g. The ability to participate in Paparazzi sponsored events, services, trainings, motivational functions, and recognition programs; and
- h. The ability to participate in any promotional or incentive contests and programs sponsored by Paparazzi for its Consultants.

3.5 Additional Parties to a Consultant Account

Besides individual owners of a Consultant account, co-owners, co-applicants and/or business entities can be added to the accounts after enrollment.

3.5.1 Business Entities

Certain types of corporations or businesses can apply to be a Paparazzi Consultant through the Agreement. Business entities are allowed to retail the product through any medium available to them (Internet, retail store, etc.) as long as the retail or sales price to the end consumer is never lower (advertised or otherwise) than the manufacturer's suggested retail price per unit (Manufacturer's Retail Price). This is in an effort to protect the business of all Consultants.

During the registration process, all policies still apply that are applicable from the Agreement. All persons, including Consultants, principles, and employees, of the corporation or business entity are held to the "Vested Interest" clause in Section 3.2. Business accounts cannot have co-applicants (Section 3.5.2) or co-owners (Section 3.5.3).

3.5.2 Co-applicant

The Consultant can add a co-applicant but remains responsible for all actions of a co-applicant. The Consultant and the co-applicant must give consent to add the co-applicant to the account and either party can remove the co-applicant at any time, as the co-applicant has no ownership

interest in the account. A co-applicant does not receive recognition. The co-applicant must be eligible to enroll with Paparazzi and can be part of only one account at a time. A co-applicant can sell Accessories without the Consultant being present; contact Paparazzi on behalf of the account; and assist the Consultant with the account.

3.5.3 Co-owner

A married couple can jointly own an account. A co-owner must be eligible to enroll with Paparazzi and can be part of only one account at a time. A co-owner shares in the recognition, awards, and commissions from the account.

3.6 Identification

During the application process, the Consultant must provide a TIN to Paparazzi. Once the application is submitted, Paparazzi will assign a unique Consultant identification number. This will be used as the primary identifier within Paparazzi for the Consultant account.

3.7 Maintaining Consultant Status

After the initial application process, maintaining Consultant status and placement within the Paparazzi commission tree structure is contingent upon the following:

- a. Adhering to this Agreement and maintaining all published policies, agreements, and components thereof (be in good standing);
- b. Order or accumulate at least 200 PV of inventory within the previous twelve (12) consecutive calendar months; and
- c. Be up to date on any invoices, owing balances, or retractions.

If at any point any of the items documented above are not maintained, the account will be terminated. At this point, the Consultant will lose all claims, rights, and privileges associated with the former position or account.

3.8 Qualifications for Inclusion in Consultant Search

In order for a Consultant to be included in the Consultant Search function on Paparazzi's website, that Consultant must have been active the prior month. To be considered active is to have accumulated or purchased at least 50 PV of inventory within that month. Eligible Consultants are chosen at random in the search results and will not be listed in any particular order even if they meet the qualifications.

SECTION 4 – Consultant Relationship with Paparazzi

4.1 Independent Contractor Status

When a Consultant joins Paparazzi, they are an independent Consultant, or independent contractor. They do not purchase a franchise or business opportunity, and the agreement between the Consultant and Paparazzi does not create an employer/employee relationship, partnership, or joint venture. As a result, the Consultant is solely responsible for paying all local, state, and federal taxes owed from any compensation earned, in the form of retail profits retained at the sale of all product or the bonus/commission plan offered by Paparazzi. Paparazzi will not withhold any FICA or taxes of any kind from any commission or bonuses paid out. Consultants are in control of the means by which they operate their Paparazzi business and implement this Agreement. They will establish their own goals, hours, parties, shows, and methods of sale within compliance with this Agreement and applicable laws. They are solely responsible for paying all expenses incurred in the development of their business and are not authorized to incur any debt or obligation on behalf of or in the name of Paparazzi or other Consultants or to open any financial account on behalf of, for, or in the name of Paparazzi. The success of their Paparazzi business is the sole responsibility of the Consultant.

4.2 Income Taxes

As an independent contractor, Consultants will receive an IRS Form 1099 (Non-Employee Compensation) earnings statement if they are a U.S. resident who has earnings of over \$600 paid from Paparazzi in the previous calendar year. The Consultant is solely responsible for paying local, state, and federal taxes on any income generated as an Independent Consultant. A copy of all IRS Form 1099s that are generated as a result of the criteria above will be remitted and sent to the United States Internal Revenue Service for the applicable tax year. If at any point the Federal Tax Information (name, TIN, etc.) provided by the Consultant is wrong or contains an error, Paparazzi may hold all future earnings until the error is rectified within Paparazzi's records and the correction is remitted to the IRS; in these circumstances, pending the severity of error, the Consultant may be liable for any fines incurred by excessive errors submitted to the IRS.

4.3 Reporting Errors

If at any time the Consultant feels that there is an error made by Paparazzi in regards to data display, volume accumulation, commission calculation, order delivery, tree placement of Consultants, or any other error, the Consultant has thirty (30) days to notify Paparazzi, in writing, from when the purported error or incident occurred. Failure to do so will waive Paparazzi's liability to correct, rectify, or make any adjustments for the issue in question.

4.4 Limitations of Liability

By signing or agreeing to the Agreement or any component thereof, the Consultant agrees to release, discharge, and hold harmless Paparazzi, and anyone directly affiliated with Paparazzi (employees, officers, etc.) from any loss or damages, including costs and fees, incurred or suffered by the Consultant as a result of:

- a. The Consultant's breach of the Agreement (including these policies);
- b. The improper promotion or operation of the Opportunity, business, or related activities;
- c. Any incorrect data or information provided by the Consultant to Paparazzi;
- d. Any incorrect data or display information displayed by the Back Office;
- e. The Consultant's failure to provide any information to Paparazzi that may be necessary for Paparazzi to operate its business; or
- f. The Consultant's failure to execute their personal business strategy.

4.5 Request for Records

A Consultant's request for physical copies of invoices, applications, downline reports, or other records will require a review and approval by the Compliance Department and will be subject to a \$1.00 charge per page, as well as any applicable shipping charges.

4.6 Roll-Up of Downline Organization (Compression)

When a Consultant is cancelled, the Consultant's former position in the organization remains the same. For purposes of Commission calculation only, the downline of the cancelled Consultant moves up to the next current Consultant. However, the cancelled Consultant's downline will not be considered personally sponsored Consultants of the upline.

4.7 Sale, Transfer, or Assignment of a Paparazzi Business or Position

Although the Consultant's Paparazzi business is privately owned and independently operated, the sale, transfer, or assignment of it is subject to certain limitations and corporate approval. If the Consultant wishes to sell their Paparazzi business or position within the organization structure, the Consultant must receive written authorization from Paparazzi, and Paparazzi has first right to purchase the position. To sell, transfer, or assign a Paparazzi business, the following criteria must be met:

- a. The line of sponsorship must always be maintained, and the business must continue on;

- b. The organization must be protected, and an agreement must be signed from the departing Consultant that the account and Paparazzi will be protected for the next twenty-four (24) months after the transaction – resulting in no contact, recruiting, or cross recruiting;
- c. The departing Consultant agrees not to enroll as a Paparazzi Consultant for a period of no less than twelve (12) months, or as a Consultant or distributor for any network marketing or direct sales company for a period of no less than six (6) months;
- d. The purchasing agent must not currently be or have been a Consultant for the previous twelve (12) months.
- e. The purchasing agent must enroll through the transaction as a new Consultant, signing the Agreement, and new account ownership created;
- f. No history is transferable, only the position and location in the tree;
- g. Before the sale is finalized, it must be brought to Paparazzi's attention for approval;
- h. All participants must have been in good standing for the previous twelve (12) months and they and their households must not have ever had a Compliance hold or Compliance cancellation with Paparazzi;
- i. A \$250 transfer fee must be paid prior to the approved transfer being processed; and
- j. There can be only one change of ownership per twelve (12) month period of time.

Paparazzi reserves the right to deny the transfer or sale of any organization at its sole discretion, and request additional information, or documentation. Upon approval or denial, Paparazzi, at its discretion, may give further directions or timeline associated with the decision.

4.8 Separation of a Business

In circumstances where multiple owners of a single position or Paparazzi business no longer wish to continue the business relationship due to separation or divorce, there must be a way to equitably continue the business as a single entity, in its current location, while minimizing any impact to any other business owners which may be formally or informally associated with the business in question.

During any business separation or divorce proceedings, one party/parties, with consent of the other(s), continue(s) to operate the business pursuant to the Agreement and the other party/parties is/are removed from the account. The relinquishing party/parties must assign all rights to the remaining party/parties in a written and notarized statement submitted to Paparazzi. All claimants on the position will deal directly with the party selected, and Paparazzi will deal and respond only to the selected account operator.

However, if the parties agree, they may continue to operate the account as joint owners and partners.

In the event that the parties cannot come to a resolution for the dispute as to ownership and operation of the account, Paparazzi will terminate the Agreement and execute its right to either terminate the position or take control of the account.

4.9 Transfer Upon Death of a Consultant

To transfer an account upon the death of a Consultant, the claimant will need to provide the following:

- a. Copy of the death certificate;
- b. Notarized letter or legal instrument establishing the rightful successor;
- c. Completion of a new Agreement; and
- d. Meet the requirements of Section 4.7.

To comply with section 4.9 b, Paparazzi requires legal documentation to transfer the Consultant's account which may include an official order from a probate judge that identifies the Consultant's beneficiaries and specifies the distribution of estate assets, including the Consultant's account. Some states hold "small estate proceedings" or an "affidavit process," which can significantly simplify this process.

4.10 Indemnification

The Consultant is fully responsible for all of his/her verbal and written actions or statements made regarding Paparazzi products, Paparazzi marketing, and the Opportunity that are not expressly contained within official Paparazzi materials. Consultants agree to indemnify Paparazzi and Paparazzi's directors, officers, agents, and employees and hold them harmless from any liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by Paparazzi as a result of the Consultant's unauthorized representations or actions. This provision shall survive the termination of the Agreement.

4.11 Claims

Consultants may not make any claims in relation to the product or income generated by their Paparazzi businesses.

4.11.1 Prohibited Income and Lifestyle Claims

The Consultant shall not make any claims regarding potential or guaranteed income from the business Opportunity or make any representations regarding lifestyle or other benefits from the business Opportunity. This includes, but is not limited to, representations that Paparazzi helped a consultant purchase an expensive item, earn a certain level of income, quit a job, or take an expensive vacation.

4.11.2 Claims about Accessories

Consultant shall not market or advertise any product as free of lead, nickel or any other compound or chemical unless independent testing indicates that the product contains no detectable amount of the compound or chemical. The Consultant shall make no warranty, claim, or representation concerning any of Paparazzi's Accessories, products, or services, including composition of product, except for those expressly stated in the official Paparazzi marketing materials.

4.11.3 Marketing Restriction

The Consultant shall not market or advertise any products intended for use by adults with images depicting children wearing the products. Consultants may not market or promote products to be worn by children who are aged fifteen years old and under. Violations of this section are subject to disciplinary action up to and including termination of the Agreement.

4.12 Consultant Support and Responsibilities to Retail Customers

The Support team provides services for enrolled or enrolling Consultants. Support also offers services to retail customers of Consultants who make online purchases through the official Paparazzi website. Consultants are responsible for providing support and services for their customers who purchase directly from them.

4.13 Paparazzi Right to Data

Paparazzi reserves the right to store data acquired from the Consultant. Paparazzi also maintains the right to own, share, or display such data (excluding secure data) within reasonable means to increase the business of the Consultant, or the offering of Paparazzi. This right includes sharing contact information, general location information, success information, or any other reasonable data through appropriate mediums, such as the Paparazzi website, replicated sites, web based communication, letters, phone, or other accepted mediums of communication.

Paparazzi commits to protect the integrity of such data to the fullest extent it is reasonably capable of doing and avoid selling or distributing any sensitive information.

4.14 Disparaging Remarks

Consultants may not use disparaging remarks in relation to Paparazzi corporate staff, employees, directors, officers, or any other representative of Paparazzi, including but not limited to other Consultants. Consultants are not to disparage their customers or Paparazzi products and services. Consultants are to conduct their business with positivity and in a manner that uplifts everyone. Comments made by Consultants that may be negative in nature and relate to others potentially damage their own business, the businesses of others, and the Paparazzi brand. Consultants should be courteous, polite, and always seek an amicable resolution to any disagreement or dispute. Owners or administrators of social media sites, forums, blogs, or community pages are responsible to ensure that all messaging and content by contributors to those pages remain positive, uplifting, and supportive of the Paparazzi business, operators, Consultants, customers, and programs. All comments made on any such sites are the sole responsibility of the owner or administrator to monitor, and any violation or disparaging comments made on such forums, will also be the responsibility of the site owner or administrator as if they were made by them directly.

4.15 Paparazzi Code of Conduct

Paparazzi Consultants are expected to present themselves in a manner that is representative of the clean and uplifting culture of Paparazzi. This includes, but is not limited to, language, dress, appearance, and conduct.

4.16 Exclusion from Events

Paparazzi reserves the right to exclude any Consultant from any event for violation of this Agreement.

SECTION 5 – Operating a Paparazzi Business

5.1 Adherence to the Paparazzi Marketing and Compensation Plan

Consultants must adhere to all published Paparazzi marketing and Compensation Plan literature. Consultants may not offer Paparazzi products or Opportunity in conjunction with any other system, program, or method of marketing other than that which is set forth in the published Paparazzi marketing literature. Consultants may not enforce, require, or encourage customers or Consultants to execute any agreement other than the official Agreement.

5.2 General Advertising

Any mention of a Consultant's independent business, Opportunity or Paparazzi Compensation Plan through any channel of communication (public or private) is considered advertising.

Consultants shall safeguard and promote the good reputation of Paparazzi and its Accessories. The marketing of Paparazzi Accessories, the Opportunity, and the Compensation Plan shall be consistent with the public interest and must avoid all discourteous, deceptive, misleading, slanderous, unethical, or immoral conduct or practices.

Any personalized promotional material or advertising attempt must be approved by Paparazzi and its legal department to ensure that there are no claims or violations of Paparazzi trademark, namesake, or other legal issues. This does not include use of the Independent Consultant Logo as outlined in this Agreement.

5.2.1 Media Inquiries

Any media inquiries in relation to corporate Paparazzi must be responded to by corporate Paparazzi headquarters, and Consultants should not attempt to respond to any inquiries without express written permission to do so. All media inquiries should be immediately referred to Compliance.

5.2.2 Intellectual Property

Intellectual property (IP) is defined as inventions, art, and other works of intellect that may be protectable by patent, copyright, trademark, and trade secrets law. These can be symbols, names, images, designs, graphics, etc. All IP is, as between the Consultant and Paparazzi, owned by Paparazzi, and all of the Consultant's use of the IP inures to the benefit of Paparazzi. The entirety of Section 5 survives the termination of this Agreement.

The Consultant may use Paparazzi IP subject to terms of this Agreement. Except as provided herein, during the term of this Agreement, and only during that term, and exclusively for the development of content for use in building and managing the Consultant's Paparazzi business, Paparazzi authorizes the Consultant to use the following as provided by Paparazzi on Paparazzi's websites, Back Office, Premiere, online applications, and social media:

- a. Stock photographs of the Accessories, created by Paparazzi and provided to the Consultant at purchase of the Accessories, whether or not the images are copyrighted;
- b. Text of product descriptions and marketing materials;
- c. Graphics;
- d. Videos;
- e. Trademarks;
- f. Resources provided at any Paparazzi application or website; and
- g. Independent Consultant Logos.

The IP is for digital use only and is not to be printed, except the Independent Consultant Logos, which can be used in printed material such as printed advertisements, business cards, etc., to help build the Consultant's business and to easily identify that the Consultant represents their own business and not corporate Paparazzi.

At all times, Paparazzi will have the right to review all uses of the IP. If Paparazzi believes that any of the Consultant's uses of the IP are not of sufficient quality, Paparazzi will notify the Consultant, and the Consultant will remove or fix such uses immediately, at least within five (5) days of such request.

5.2.2.1 Third-Party Trademarks

In the event any third-party trademarks (from other companies) are licensed to Paparazzi, the trademark owners' terms and conditions take precedence over this Agreement, and the Consultant understands and agrees that the trademark owners' terms and conditions may be more restrictive than this Agreement.

Consultants may not use any audio, video, trademarks, company name, product names, or graphics belonging to other persons or entities without first obtaining approval from the IP owner for that use.

5.2.2.2 Not Transferable

Consultants will not share access to Paparazzi's IP with any third party without Paparazzi's prior written approval.

5.2.2.3 Restriction and Cessation of Use

Paparazzi may, at its sole discretion, restrict or terminate the Consultant's access to the IP, including but not limited to photographs, graphics, logos, and trademarks at any time. Upon termination of the Agreement, this license to use this IP will automatically terminate, and the Consultant must immediately cease all use of Paparazzi's IP.

5.2.2.4 Use of Similar Trademarks

During and after the Agreement, the Consultant agrees not to use any trademarks or trade dress that are confusingly similar to any of the IP, and the Consultant is prohibited from applying for, owning, or registering any Paparazzi trademark in whole or in part or any confusingly similar mark as a trademark in any jurisdiction. In the event the Consultant does so or has done so, the Consultant agrees to assign, at no cost, the trademark registration or application to Paparazzi within ten (10) days of Paparazzi's written request.

5.3 Use of Paparazzi Name

Consultants may not use Paparazzi's name or any of its registered trademarks, names, services, or products in any personalized or personally owned businesses, web page addresses, email address domains, or internet domain registration. Consultants may not use the word "official" or anything similar when referencing Paparazzi. Consultants cannot create an alias for any sites that use any permutation of the Paparazzi name. Consultants, or anyone, may not use Paparazzi trademarks, designs, or symbols without its express prior written permission. Consultants may only use the Paparazzi name in casual communication (i.e., social media communication, online forums, blogs, email addresses, etc.) under the following considerations:

- a. It is with the intention of building their Paparazzi business;
- b. When there are no plural terms used in the title or use of the Paparazzi name, so as not to represent a group of individuals; and
- c. There is a specific individual identifier clearly indicating not only the use of it by a Consultant but also which Consultant is using the term (such as Consultant Identification Number or name).

5.3.1 Email

During and after the term of this Agreement, the Consultant will not use any IP in connection with an email account without Paparazzi's prior written approval. If the Consultant sets up an email account incorporating the IP, the Consultant will do so only on behalf of Paparazzi, and the Consultant will assign and transfer the email account and any passwords to Paparazzi at Paparazzi's request. If the Consultant fails to assign and transfer the email account and any passwords to Paparazzi within a reasonable time from Paparazzi's request, the Consultant will hereby grant Paparazzi a limited power of attorney to transfer the email account and execute any documents reasonably necessary to effect the transfer.

5.3.2 Websites, Domain Names, and Keywords

During and after the term of this Agreement, the Consultant will not use any IP in connection with any websites, domain names, or keywords without Paparazzi's prior written approval. If the Consultant registers or uses any websites, domain names, or keywords incorporating the IP, the Consultant agrees to assign and will assign and transfer the websites, domain names and keywords, and any passwords to Paparazzi at Paparazzi's request. If the Consultant fails to assign and transfer a website, domain name or keyword, and any passwords to Paparazzi within a reasonable time from Paparazzi's request, the Consultant hereby grants Paparazzi a limited power of attorney to transfer the website, domain name, or keyword and the Consultant will execute any documents reasonably necessary to effect the transfer.

5.3.2.1 Social Media Accounts

If the Consultant registers any social media accounts incorporating the IP, the Consultant may only use the account during the term of this Agreement. After the term of this Agreement, the Consultant must transfer the account and any passwords to Paparazzi. The Consultant assigns and will assign and transfer the social media account to Paparazzi at Paparazzi's request at any time after the term. If the Consultant fails to transfer and assign any social media accounts and any passwords to Paparazzi within a reasonable time from Paparazzi's request, the Consultant hereby grants Paparazzi a limited power of attorney to transfer the social media account, and the Consultant will execute any documents necessary to effect the transfer.

5.3.3 Recordings

Consultants may not record Paparazzi-sponsored events, speeches, conference calls, or any other event, communication, or function through any medium without prior written consent from Paparazzi.

5.4 Paparazzi Brand Quality Control

At no time may the Consultant re-label, obscure the label, or remove the label of any Paparazzi product for retail sale. Such relabeling or repackaging violates this Agreement and governing laws. Civil liabilities may also result when the persons using the Accessories suffer any type of injury or their property is damaged as a consequence of the repackaging or relabeling of Accessories or products.

To preserve the expectation of safety and quality of Paparazzi Accessories, this Agreement prohibits:

- a. Selling previously worn Accessories;
- b. Selling damaged Accessories;
- c. Selling incomplete sets of Accessories;
- d. Placing non-Paparazzi labels on Paparazzi Accessories;
- e. Placing Paparazzi labels on non-Paparazzi accessories;
- f. Modifying Accessories; and
- g. Suggesting the modification of Accessories (this does not include ring sizing, necklace extenders, alternative uses of the Accessory, etc.).

5.4.1 IP Applied to Goods

The Consultant will not alter or modify the IP as applied directly to Paparazzi Accessories or on any Paparazzi products. The Consultant will not modify, change, or alter the IP or any uses of the IP.

The Consultant will not use the IP in any way in connection with any products that are not from Paparazzi. The Consultant may not use these materials or trademarks in conjunction with any activity outside the scope of this Agreement, and the Consultant may not sell materials containing this content, including but not limited to or merch, graphics, software or mobile apps, branded merchandise, clothing, books, brochures, or videos, to others directly or indirectly.

In the event Consultant has any right, title, or interest to any IP or any modifications or derivatives thereof, or any materials or content that include or incorporate any IP, the Consultant assigns and agrees to assign such materials and content and IP to Paparazzi.

If the Consultant offers to sell or sells goods that are not Paparazzi Accessories under or in connection with the IP, or goods that were not sold to the Consultant with Paparazzi's express authorization under or in connection with the IP, this Agreement will immediately terminate.

5.5 Use of Paparazzi Logo

At no time can any Consultant create or distribute any item or literature that contains Paparazzi Corporate Logo and brand unless it was created by Paparazzi directly and distributed for that intended purpose.

To easily identify that Consultants represent their own business and not Paparazzi as a corporation, Consultants should use Paparazzi Independent Consultant Logo, which is available to all Consultants online, as long as they do not alter or distort the Logo in any way. Consultants may make any tools or items necessary for them to build their business using Paparazzi Independent Consultant Logo for personal use or consumption.

No Consultant may create, sell, distribute, or promote any items with any corporate logos, trademarks, trade names, copyrighted material, corporate crown, or the Independent Consultant Logo to other Consultants, members of their teams, or anyone else.

In the event that there is a personal or team brand or any other brand related to the business of a Consultant, at no time may that brand be seen to circumvent, replace, overshadow, or supersede Paparazzi brand in any forum, which may include but not be limited to online activity, shows or expositions, or any other related activity which is reasonably intended to build the Paparazzi brand.

5.6 Charging or Collecting Money

Except for the sale of Accessories, Consultants may not charge other Consultants, customers, or team members for any type of products, services, or training (material or immaterial) or solicit or collect money for any purpose unless they have proven their ability to succeed with Paparazzi and having reached the rank of A-Lister for a minimum of two (2) consecutive months and have the express written approval of Paparazzi to do so.

Other solicitation of funds for any reason is considered a non-Paparazzi business and must not be done alongside Paparazzi in person or through any Paparazzi sales platform.

5.7 International Sales

Consultants are allowed to sell Paparazzi products only within the United States, and its territories. Consultants are allowed to promote the Opportunity within the United States and its territories (excluding the state of Washington).

5.8 Consultant Release

By agreeing to the Agreement or any of its components, the Consultant authorizes Paparazzi to use their name, testimonials, likeness, or experiences in Paparazzi advertising or promotional material with no remuneration. Further, any reproduction of any photos, images, testimonials, stories, conversations, or documentation that is created by Paparazzi or provided to Paparazzi is also authorized for reproduction in any form without remuneration.

5.9 Unsolicited Communication

All of Consultants' communications must comply with the CAN-SPAM Act. Consultants are not allowed to initiate any unsolicited communication such as electronic transmissions, telemarketing, mass email, or otherwise generate "SPAM" for their Paparazzi business. Spam includes, but is not limited to, directly contacting someone through unsolicited communication (faxes, e-mails, phone, etc.) to anyone whom they are not personally aware of (or to people they do not know).

5.10 Online Activity

Consultants may not use online sites similar to eBay, classifieds, or Craigslist to sell Paparazzi products.

Social media or networking is permitted for the intention of developing a warm market, or networking with current associates, and for the direct sale or distribution of Paparazzi product. Consultants are not allowed to recruit through any corporate Paparazzi social media page, or through any social media page that does not directly belong to that Consultant. This also includes directly contacting someone through instant messages or e-mails that were found through a social media site not directly owned by that Consultant.

Violation of this policy can result in termination, as potential Consultants who are interested in doing Paparazzi can quickly become disinterested through heavy online recruiting activities.

Any and all online activity of Consultants with the intention of promoting Paparazzi must be appropriately designated as an “Independent Consultant.” In accordance to Section 5.13, Paparazzi products must not be displayed or sold alongside any other product(s). This policy extends to all online forums including but not limited to websites, shopping carts, and social media platforms.

5.10.1 Paparazzi Premiere

Premiere is an application that helps Consultants engage with customers, make sales, and manage orders. The app integrates processes for inventory management, invoicing, and shipping to help Consultants streamline the process of getting accessories to customers. At Paparazzi’s sole discretion, any or all Consultants may be required to use Paparazzi Premiere or a platform which provides all of the Consultants’ retail sales information, including but not limited to the requirements outlined in Section 6.7. Consultants shall use Premiere for all retail sales for Accessories sold into the state of Washington.

5.11 Retailing or Reselling

After the initial product or inventory is purchased, no product can be resold or retailed for less than the Manufacturer’s Retail Price. This includes, but is not limited to, offering or advertising free items through buy X, get X promotions or giving free gifts with a purchase. This same policy applies whether the free promotional item being offered is a Paparazzi product or a product not carried in Paparazzi’s inventory.

Offering or advertising these types of promotions lowers the retail price of each piece sold below the required Manufacturer’s Retail Price minimum. Doing so compromises the entire Paparazzi program for all Consultants. Any promotion of a Consultant’s independent business or the Paparazzi Opportunity through any channel of communication (public or private) is considered advertising.

Additionally, giving away free items that are not sold by Paparazzi can lead customers to the assumption that those items are part of Paparazzi’s product offering. As outlined in Section 5.13, offering non-Paparazzi products alongside Paparazzi products compromises its good name and can lead to the Paparazzi name and brand being associated with inferior products.

Any exceptions to this policy must be authorized by an official Paparazzi officer in writing prior to the sale or event.

5.11.1 Exceptions to Selling Alongside

Consultants can use algorithm optimization tools on social media. Consultants can participate in online vendor events.

5.12 Recruiting or Enrolling Promotions

At no point may the Consultant advertise or promote an enrolling or recruiting promotion in which the price or value of the enrollment process is discounted. This includes, but is not limited to, offering discounted Starter Kits, reimbursements, cash offers for enrollment, extra personal

inventory, or anything else that is seen to increase the value or decrease the value of the enrollment process. This activity is often seen as an attempt to create an unfair advantage to other Consultants.

5.13 Parties, Fairs, Expositions, and Other Temporary Sales Forums

Parties, fairs, expositions, and other temporary sales forums represent good opportunities to both sell product and expose a population of people to the Paparazzi lifestyle, culture, product, and business Opportunity. Paparazzi does not have any control over the business practices or the behaviors of the event organizers, hostess home environments, or managers at the event; and Paparazzi has no intention of mediating within these environments. Therefore, Paparazzi requests that all Consultants who wish to participate in these activities adhere to the following, and acknowledge the same through this Agreement:

- a. All transactions are through an independently established merchant account provider. Paparazzi will not process credit card charges, or accept funds on behalf of an Consultant unless at a Paparazzi sponsored event and such is permitted. Paparazzi does not issue or accept any liability for the decline of charges, chargebacks, lost cash, or any other transaction difficulties that may take place at such events. All transactions for retail product are the sole responsibility of the Consultant.
- b. Paparazzi does not offer or accept any liability insurance for any home party, meeting, booth, bazaar, seminar, show, or any other event or sales location initiated by the Consultant. Such events are the Consultant's meetings, and therefore all liabilities and ownership are the Consultant's responsibility.
- c. Only one Paparazzi booth is allowed per show or event. It is the Consultant's responsibility to check with the show managers or promoters to ensure that there are no Paparazzi Consultants contracted before space is contracted.
- d. Paparazzi show booths must exclusively offer Paparazzi Accessories. Paparazzi Accessories may not be mixed with any other products or offerings within a show booth.
- e. The Consultant must make it known to the show managers and promoters that he or she is a Paparazzi Consultant and that he or she can be the only Paparazzi Consultant present at the event. This must be done in writing. Failure to obtain written acknowledgement from the show manager or promoter that they understand this policy minimizes the Consultant's ability to mediate any potential issues that may arise.
- f. If there are any disputes in relation to this policy, and there is more than one Consultant selling Paparazzi products at a show, the challenging Consultant must take it up with the show promoter or manager with whom they contracted the space in an effort to resolve the issue. Paparazzi will not mediate such disputes with the promoter or manager.
- g. The Consultant may never offer a sale, deal, or promotion at a show that lowers the retail or sale value below the Manufacturer's Retail Price.
- h. No competing jewelry or similar products may be offered alongside or in the same booth as Paparazzi products in order to maintain its good name, and to minimize comparison with inferior products.
- i. The Consultant, or an agent thereof, must attend all hostess parties, home parties, show booths, or events that they are sponsoring or supporting (gaining retailing product at). The booth or party may never be left unattended at any time, or with someone who is not a Paparazzi Consultant.

It should be noted that only the show director has the ability to resolve any issues on the premises. As any concerns or issues are directed towards Paparazzi, it can only be in relation to a claim of policy violation, and the Consultant who has followed the policy as outlined above, and has their documentation dated and in writing will overrule. No circumstance, in which neither disputing party in relation to a policy violation has followed the above policy, will be considered by Paparazzi.

A failure to comply with the policy as outlined above, equates to failure to dispute or challenge another's right within the policy.

5.14 Change of Sponsor or Placement

Maintaining the integrity of the sponsorship and placement trees is critical for the success of every Consultant and Paparazzi's marketing organization. Accordingly, the Consultant's request to transfer a Paparazzi account from one position to another must be made, and Paparazzi must receive it within seventy-two (72) business hours of the Consultant's initial enrollment and must include the reason for the request. Transfers outside the seventy-two (72) business-hour window will only be considered in cases involving fraudulent or unethical sponsoring, and all requests of fraudulent or unethical sponsoring must be made within sixty (60) days of the alleged activity. Consultants may terminate their accounts voluntarily, wait the required six (6) months while abiding by Policies and Procedures, and then enroll with the desired Sponsor.

5.15 Non-Solicitation

Consultants may NOT participate in other direct selling opportunities (party planning, network marketing, direct sales customer recruitment, and/or multilevel marketing) whose primary product line/offering competes with Paparazzi Accessories. This includes items similar to all of Paparazzi's accessories which include but are not limited to: necklaces, earrings, bracelets, rings, anklets, cufflinks, lanyards, headbands, and/or hair clips. If the Consultant has a question about a particular company and whether or not there is a conflict, it is the Consultant's obligation to contact the Paparazzi Compliance Department at compliance@paparazziaccessories.com for clarification.

Failure to adhere to this policy and the continued participation in another competing company may result in disciplinary action. This may include suspension or termination of the Consultant's account.

In addition, during the term of this Agreement, and for twelve (12) months after the termination of a Paparazzi account, the Consultant may not solicit, recruit, or attempt to recruit other Paparazzi Consultants to any other network marketing business.

Consultants must not sell, or attempt to sell, any competing non-Paparazzi products at any event where Paparazzi products are being sold. This includes but is not limited to jewelry, hair accessories, or other network marketing products.

Consultants may not display Paparazzi promotional material, signage, or literature in a way or fashion that may confuse or mislead a prospective customer or Consultant into believing there is a relationship between Paparazzi and non-Paparazzi products or services. Consultants may not offer the Paparazzi Opportunity side by side, or in conjunction with, any non-Paparazzi opportunity, product, or service.

5.16 Downline Activity Reports (Genealogy)

Downline activity reports are available to Consultants to access and view their Paparazzi sales organization. These reports are available in the Consultant's Back Office. These reports are property of Paparazzi, and therefore the information contained therein is confidential. The use of these reports outside the intended use of supporting and building a Paparazzi organization is in direct violation of this agreement and may bring legal action upon the violating Consultant. The Consultant shall not, on his/her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- a. Directly or indirectly disclose any information contained in any downline activity report to any third party;

- b. Directly or indirectly disclose the password or access code to his/her downline activity report, or to the reports of any other Consultant;
- c. Use the information to compete with Paparazzi or for any purpose other than promoting his/her Paparazzi business;
- d. Recruit or solicit any Consultants or customers of Paparazzi listed on any report, or in any manner attempt to influence or induce any Consultant of Paparazzi to alter their business relationship with Paparazzi; or
- e. Use or disclose to any person, partnership, association, corporation, or other entity any information contained in any downline activity reports – including sponsorship or placement relationships.

Upon demand by Paparazzi, any current or former Consultant will return the original and all copies of any downline activity reports to Paparazzi.

5.17 Cross Sponsoring

Actual or attempted cross sponsoring is strictly prohibited. “Cross Sponsoring” is defined as the enrollment (or attempted enrollment) of an individual or entity which is already or has a current Agreement on file with Paparazzi that has not expired or been terminated for the duration of six (6) consecutive months. The use of a spouse’s or relative’s name, trade names, DBAs, assumed names, corporations, partnerships, trusts, federal ID numbers, fictitious ID numbers, or any other artifice to circumvent this policy is prohibited. Consultants must not demean, discredit, or defame other Consultants in an attempt to entice another Consultant to become a part of a new organization with Paparazzi or within another company.

If cross sponsoring is discovered, it must be brought to Paparazzi’s attention immediately. Paparazzi reserves the right to permanently terminate any agreements involved, rectify the organization as they deem appropriate, and potentially initiate legal action.

5.18 Cross-Company Recruiting

Any and all attempts, successful or unsuccessful, by any Consultant to cross recruit current Paparazzi Consultants to any other multilevel, network marketing, direct sales, customer recruitment, master resell rights, or party planning companies and organizations, constitutes a violation of this agreement. This violation will result in the immediate termination of the Consultant’s account. This section survives the termination of this Agreement.

5.19 Inventory Loading

Consultants must never purchase more products than they can reasonably use or sell to retail Customers in a month, and therefore must not influence other Consultants to purchase more product than they can reasonably sell within a month, as it may be seen as Bonus Buying and a violation of Section 5.20.

5.20 Bonus Buying

Bonus Buying is strictly and absolutely prohibited. “Bonus Buying” involves any method of directly or indirectly maintaining or increasing a Consultant’s rank, volume, or commission level by purchasing products for which the Consultant does not have a bona fide need for personal use or bona fide reason or intent to resell within the next thirty (30) days from the date of the order; or, placing orders personally with the intention of hitting or maintaining a rank, volume, or commission level. This also includes using multiple positions within the organization to achieve the goal of “buying” the bonus or achievement.

If it is determined by the Compliance Department that a Consultant is Bonus Buying, that Consultant may be subject to suspension, termination, loss of commissions, loss of rank, or temporary or permanent suspension of the return policy.

5.21 Fraudulent Behavior

Consultants are obligated to work in an ethical, fair, and honest manner with the other Consultants, customers, and hostesses they work with. If a Consultant's behavior or interactions are dishonest or fraudulent in any way, they will be immediately suspended, investigated, and potentially terminated. It is also expected that Consultant uphold all agreements, contracts, or obligations entered into with any other party, through the course of building their Paparazzi business.

5.22 Owning Another Direct Sales Company

Neither Consultants, nor their spouses/significant others, may be an owner/founder/partner or operate/manage another multilevel, network marketing, or party planning company organization.

SECTION 6 – RESPONSIBILITIES OF CONSULTANTS

6.1 Change of Address, Telephone, or Contact Information

To avoid any disruption in business practices, the Consultant is responsible to notify Paparazzi of any changes to the contact information provided on the Consultant's account. Most changes can be made online, but can also be done by phone with Support. A Post Office Box (P.O. Box) is acceptable for a billing address, but not acceptable for a shipping address, as inventory packages will NOT be shipped using USPS and will NOT be delivered to a USPS P.O. Box unless a delivery confirmation waiver is received.

Paparazzi is not held liable for missing shipments, commission payments, or any action or delayed response as a result of inaccurate or outdated contact information on the Consultant's account. This includes name, billing address, shipping address, telephone numbers, texting numbers, email address, and any other means of communication possible.

6.2 Changes to the Agreement

It is the Consultant's responsibility to update or initiate any updates if there are any changes to the Agreement, including government ID numbers, applicant names, or business entities. These changes can be initiated through Support and require that a newly executed and completed Agreement be submitted. There may be an additional \$250 fee to change principles, business entities, or taxable government IDs on file.

6.3 Continuing Leadership

A Consultant who sponsors another Consultant into Paparazzi should assist and train to ensure that members of the Consultant's organization are properly operating their Paparazzi business and that they are in compliance with this Agreement. Where a Consultant discovers that a member of the Consultant's team may be in violation of this Agreement, they should give guidance; however, if that is not possible, they should contact the Compliance Department.

Consultants should support, train, and mentor other Consultants in their organization to help them build success. Sponsoring Consultants should be available during reasonable hours to support their organizations.

6.4 Understanding the Agreement

The Consultant is responsible for becoming familiar with the Agreement before signing the Agreement or enrolling online. The Paparazzi staff is available to answer questions of the Agreement. Any account activity, purchases, or sale of Accessories and any acceptance of bonuses or commissions constitutes the Consultant's acceptance of this Agreement in its entirety.

6.5 Reporting Obligation

All Consultants have an obligation to report any policy violation that they may witness or be aware of to the Paparazzi Compliance Department. Failure to do so may result in compliance actions taken against them.

6.6 Laws and Ordinances

All Consultants must be aware of and adhere to any local ordinances and to any state or federal laws and regulations that may affect or be a part of their Paparazzi business or sales activities.

6.7 Retail Sales Data

Consultants need to keep complete and accurate records of all business dealings. For each sales transaction, the Consultant should have:

- a. Date of transaction;
- b. Product and quantity sold;
- c. Method of payment;
- d. Purchaser's email address; and
- e. Price paid by purchaser.

At the request of Paparazzi, Consultants must provide sales records to Paparazzi.

6.8 Adherence to Hostess Rewards Program

Hostess refers to someone who has agreed to hold a party for the Hostess's friends and associates at home or via an online party. Paparazzi has outlined the following as the minimum amount of compensation offered to Hostesses for hosting the party

All Consultants are obligated to offer a 10% credit to the Hostess for the retail sales generated at their hosted party - preferably to be selected out of the inventory at the party. Hostesses of online parties will choose from current online inventory before the party is closed. The credit amount is determined from retail sales from the party (not profit), and the 10% Hostess credit is exchanged based on Manufacturer's Retail Price.

To support and offset the cost for the Consultant to adhere to this minimum offering for their Hostess, Paparazzi supplements a Consultant's personal inventory purchases with additional units that may be used to fill this obligation.

Paparazzi strongly encourages Consultants to increase and enhance their Hostess Rewards program for their own Hostesses – understanding that the more excited the Hostess is, the more excited the customers are, and the more sales are generated.

When there is not a predetermined Hostess (as with a mystery Hostess), any free Accessories offered are considered giveaways, not Hostess Rewards, and are governed by Section 5.11.

6.9 Reception of Product

When an order is received, it is the Consultant's responsibility to do an immediate inventory of the product delivered to determine if there are any damaged or missing pieces from the invoiced order. Failure to notify Paparazzi within three (3) business days of confirmed delivery of the shipment will cancel the Consultant's right to request a return. Any pieces that may be received that can be reasonably corrected will not be considered returnable.

6.10 Lost or Stolen Orders

In the event that an order is shipped by Paparazzi and not received by the designated recipient, Paparazzi will initiate a claim through the associated courier. The courier's investigation process

can take up to ten (10) business days. If the courier determines that the package was delivered to the address provided and no signature was obtained, a replacement order may be sent at Paparazzi's discretion.

There is no guarantee of a replacement order being sent under these circumstances.

If excessive or fraudulent claims of missing deliveries are submitted by a Consultant, corrective action, including suspension and possible termination will be initiated.

6.11 Holding or Manipulation of Enrollments or Orders

A Consultant must never hold or manipulate the timing of an Consultant's enrollment or order. Doing so will result in the conclusion that such actions are in conjunction with Bonus Buying (Section 5.19), and will be subject to a compliance review. Doing so also postpones the activity of the new Consultant, and can damper an opportunity for them to succeed.

6.12 Actions of Household Members

If a member of the Consultant's immediate household engages in activities that violate the Agreement (including these Policies), the Consultant will be considered to be in violation of the Agreement. This section also applies to any member of a business entity that is a business representative of Paparazzi as a Consultant (Section 3.2).

6.13 Business Insurance

Paparazzi does not provide or offer any form of business or liability insurance for a Consultant's business. Consultants are free to purchase such insurance for their business. Homeowners or automobile coverage usually does not provide coverage for any type of business-related injury, theft, or damage.

SECTION 7 – Bonuses and Commissions

7.1 Bonuses and Commissions

The Consultant must be active (accumulate and/or purchase a minimum of 50 PV within a commission period) in good standing, and in compliance with the Agreement to qualify for bonuses and commissions. So long as the Consultant complies with the terms of the Agreement, Paparazzi shall pay commissions to qualified Consultants in accordance with the Compensation Plan and their qualifications. If at any time during a month a Consultant account is suspended for compliance or policy issues, their commission check for that month will be held until the Compliance Department determines a resolution to the issue. If it is found that there was no violation, the check will be issued at that time. If the account is terminated as a result of proven violations, the commission will not be paid.

The minimum amount for which Paparazzi will issue a check or direct deposit is \$20.00 (after a \$2.50 processing fee for printed checks). If a Consultant's earnings for the month total less than the aforementioned amount, those funds will be placed on their Paparazzi account to be added to the next commission payout cycle. Once the minimum amount has accumulated, the standard payout process will be triggered.

In the event that a check must be reissued due to misinformation out of the control of Paparazzi, an additional \$2.50 will be charged and taken from the check amount.

7.2 Commission Times

Commissions are only paid in the form of checks or direct deposit, and are paid as a whole payment in relation to the activity within the last previously closed commission period. Commission periods (and qualification periods) begin the first day of every calendar month at 12:00 AM EST,

and conclude the evening of the last day of every calendar month at 11:59 PM EST. After a commission period is closed, a monthly audit and commission calculation begins. Final commission calculations will be posted (via the Back Office) around the 10th of the month, and the checks mailed and deposits made no later than the 20th day of the following month for which the commissions are being processed. Commission checks are only mailed to the mailing address on file, and are issued only in the primary name on file (personal or business).

7.3 Compensation Plan Adjustment

Paparazzi reserves the right to make any adjustments necessary to the Compensation Plan at its sole discretion with thirty (30) days prior notice in writing. Such notice would be made via e-mail, and through any notifications in the Back Office.

7.4 Bonus Adjustments from Returns

In the event that a commission has been issued on the sale of product that is eventually returned or on inventory that is accepted back by Paparazzi, any bonuses or commissions that were calculated and paid on the initial sale of the inventory or products will be deducted from the month in which the refund or return took place. This may continue for subsequent months until the paid commissions are recovered from all Consultants up the tree which may have earned commissions from the initial sales of the refunded inventory.

7.5 Bonus and Volume Reports

All information provided by Paparazzi over the phone, online, or through any type of downline activity reports, including but not limited to personal and group sales volume (or any part thereof), and downline sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors including the inherent possibility of human and mechanical error, the accuracy, completeness, and timeliness of orders, denial of credit cards and payments, returned product or inventory, credit cards and payment method chargebacks, the information is not guaranteed by Paparazzi or any person creating or transmitting the information. All sales volume information is provided "as is" without warranties, expressed or implied, or representations of any kind whatsoever. In particular, but without limitation, there shall be no warranties of merchantability, fitness for a particular use, or non-infringement.

To the fullest extent permissible under applicable law, Paparazzi and/or other persons creating or transmitting the information will in no event be liable to any Consultant or anyone else for any direct, indirect, consequential, incidental, special or punitive damages that arise out of the use of or access to sales volume information (including but not limited to lost profits, bonuses, or commissions, loss of opportunity, and damages that may result from inaccuracy, incompleteness, inconvenience, delay, or loss of the use of the information), even if Paparazzi or other persons creating or transmitting the information shall have been advised of the possibility of such damages. To the fullest extent permitted by law, Paparazzi or other persons creating or transmitting the information shall have no responsibility or liability or other theory with respect to any subject matter of this agreement OR terms and conditions related thereto.

Access to and use of the Paparazzi online and telephone reporting services and the Consultant's reliance upon such information is at the Consultant's own risk. If the Consultant is dissatisfied with the accuracy or quality of the information, their sole and exclusive remedy is to discontinue use of and access to Paparazzi's online and telephone reporting services and their reliance upon the information.

7.6 Compensation Plan Calculations

All calculations within the Paparazzi Compensation Plan (qualification and bonus calculations) are based off of the Personal or Product Volume (PV) accumulated within such account or

organization. This includes all ranks, commissions, bonuses, rebates, promotions, or any other form of rewards offered by Paparazzi within or outside of the Paparazzi Compensation Plan.

Paparazzi Compensation Plan is audited monthly in an attempt to ensure accuracy. Any errors that are discovered are to be reported to Paparazzi Support within thirty (30) days of the publication of the commission run. Paparazzi has no responsibility in relation to any issues that are not reported within that 30 day period. Paparazzi does all due diligence to ensure accuracy in all calculations and payouts.

7.7 Back Office Rewards from Paparazzi

When Paparazzi applies credits to Consultant accounts as part of a corporate incentive, promotion, or reward, these credits do not have cash value. These credits are intended for that Consultant to use exclusively toward future purchases of Paparazzi Accessories, events, or services and cannot be redeemed for cash or transferred to another account. These credits expire on the termination of the account to which they were originally credited.

SECTION 8 – Payment & Sales Tax

8.1 Insufficient Funds

It is the Consultant's responsibility to ensure that there are sufficient funds through the approved transaction type or credit card. If the funds or credit is not available, the system may not accept the Consultant's order, or the orders of their organization. If the order payment is not resolved by the end of the commission period, the order will be cancelled, and any lost commissions, qualifications, or business as a result of the lost order is the sole responsibility and liability of the Consultant.

8.2 Entered Orders

Any online orders that have been entered but not paid for will be voided after two (2) calendar days.

8.3 Sales Tax

Paparazzi has Consultants throughout the United States and its Territories. Sales/use tax laws are complex and vary by state and locality. Consultants are independent contractors responsible for their business practices and tax issues. Further, every Consultant is required to comply with all city, state, and federal laws (Section 6.6). Consultants should consult a tax advisor regarding all tax matters.

8.3.1 Calculation of Sales/Use Taxes

Sales tax and consumer use tax (referred to herein as "sales/use tax") from Consultants when they purchase Paparazzi Accessories at wholesale prices. The amount of sales tax collected and remitted is calculated based on the state or locality to which the product is being shipped and is based on the following formula: The retail sales price of Paparazzi Accessories multiplied by the state and local sales tax rate for the location to which the Paparazzi products are shipped.

8.3.2 Sales/Use Tax Exemption

Paparazzi will not collect sales/use tax from a Consultant if documentation of a valid exemption (such as a resale permit) is provided to Paparazzi on or before the time of their purchase. Tax exemption eligibility varies by state. For more information, contact support@paparazziaccessories.com.

8.3.2 Recoupment/Reimbursement

If the Consultant wishes to recoup the sales tax paid to Paparazzi at the point of sale to a customer, it should be designated on invoices as a "recoupment" or "reimbursement" rather than

as “sales tax” or “use tax.” This method is currently established within Paparazzi Premiere. Using Paparazzi Premiere, the app will automatically apply the recoupment or reimbursement on the invoice. The Consultant can choose to toggle off any recoupment or reimbursement on Paparazzi Premiere.

If Consultants are collecting money labeled as “sales tax” or “use tax” from their customers, they are responsible for complying with the requirements of their taxing authorities. This would include filing any sales/use tax reporting forms to their tax authority and documenting what sales/use taxes they have collected from customers as well as what has already been submitted on behalf of the Consultant by Paparazzi. The Consultant may receive a credit on sales/use taxes owed or may be required to remit all such designated “sales tax” and “use tax” to the taxing authority. Certain states provide opportunities for Consultants to offset sales tax already remitted to their states by Paparazzi. However, Consultants should seek tax advice from a knowledgeable account familiar with the tax laws in their states.

8.3.3. Nexus Between Consultants and Other States

For sales the Consultant makes outside of the Consultant’s home state, sales tax liability is governed by an economic nexus requirement for sales tax (also known as “sales tax nexus”) that determines a Consultant’s sales tax responsibilities in a state other than the Consultant’s home state. A nexus is typically triggered when a Consultant’s sales activities in a state reach a specific dollar amount and/or number of transactions. If a Consultant does not meet the threshold and/or transaction amount, no tax is due to the non-home state. However, if/when a Consultant meets the threshold set by each state, the Consultant must pay and collect the required sales tax. Keep in mind that the requirements vary by state, so depending on your sales transaction levels or dollar amounts, Consultants should discuss this with their tax advisor.

8.3.4. Potential Sales Tax Liability

Paparazzi does not collect sales tax on free accessories that are given to Consultants, including, but not limited to, Hostess Rewards, free Life of the Party Exclusives, and accessories given away at Paparazzi-sponsored events. This would also include selling Accessories above the Manufacturer’s Retail Prices per unit. If Consultants choose to sell these accessories, they should contact a tax professional concerning potential sales tax liability and sales/use tax laws in their state.

Even though Paparazzi collects and remits sales tax that is paid by Consultants when ordering from Paparazzi, it is the Consultant’s responsibility to comply with any and all requirements regarding sales tax, use tax, and sales tax nexus. This may include filing any reports or forms that may be required by your state or other states. Paparazzi does not provide tax or legal advice to Consultants. If you have any questions about sales tax, nexus, or what states require, you should contact a tax advisor.

8.4 Automated Payment Processing for Events

In the circumstance where Paparazzi offers a payment package for any event or experience ticket, the Consultant agrees to the terms proposed through the payment process.

Tickets for Paparazzi events, shows, or trainings are subject to their individual terms and conditions. All Consultants must pay the full amount of the ticket after they have registered for the event, regardless of whether they attend or not. All automatic recurring payments, as designated and agreed to by the Consultant upon registration, must be completed and the ticket must be paid in full.

8.5 Chargebacks

When a card processor forcibly reverses a credit card transaction and returns funds to the cardholder, it is known as a chargeback. Chargebacks are usually issued when a cardholder reports fraud or other claims to the Consultant's credit card company. When Paparazzi receives a chargeback notice relating to a Consultant's account, the account is suspended, any Fashion Fix Subscription is cancelled, and a \$50 chargeback fee per chargeback is assessed. Until Paparazzi is paid in full for the original funds and the chargeback fees, the account will be suspended. If the Consultant fails to rectify the chargeback(s) or is unwilling to rectify the chargeback(s) and pay the corresponding fee(s), the account will be terminated. Any and all volume from the product subject to the chargeback will be retracted from the sales organization (Section 7.4).

SECTION 9 – Warranties, Guarantees, Returns, and Repurchases

9.1 Manufacturer Defects

Paparazzi only warrants against manufacturer defects. Consultants are required to inventory their product within three (3) days upon receipt and immediately report any defective products (in accordance with Section 6.9). There are times when small pieces of jewelry may be loose (i.e. jump rings) and only need a small adjustment; these are not manufacturer defects. Consultants are expected to report any issues to Paparazzi Support, and describe the issue to identify what might be done to resolve it. If indeed, it is determined that there is a manufacturer defect. Returns will approve an RMA (Return Merchandise Authorization) Number for the defective pieces. The Consultant will then be required to complete and submit a Return Request Form and send it, along with the defective merchandise to Paparazzi. Upon receipt, a credit for the amount of the original purchase price will be placed on the Consultant's account. This credit can be accessed via the Back Office and can be applied to a future order with Paparazzi. Return shipping costs will be included in the amount of the credit if the return shipping method indicated on the Return Request Form was used.

Personal Volume (PV) associated with the returned items will be retracted in the month that the return was received by Paparazzi.

9.2 No Warranty of Used Product

Paparazzi does not guarantee or warranty its product after it is removed from the packaging and/or used. Paparazzi Accessories are fashionable, trendy, and inexpensive. There is no intention or claim at the time of retail purchase of any life of the product, guarantee, or warranty. Consultants are encouraged to have their own satisfaction offerings within their own business, but to never offer any type of product life guarantee by Paparazzi. Used or opened product will not be returnable to Paparazzi, whether by a retail Customer or an Consultant, unless the product falls under the manufacturer defects mentioned in Section 9.1.

9.3 Purchase Policy

Any Consultant who has an active account may purchase Paparazzi product as inventory to resell. Purchased Paparazzi product is the inventory of the Consultant, and is their responsibility to sell or move. Consultants should not purchase more than they reasonably believe they can resell. Upon purchase and opening of the product, the Consultant accepts the responsibility to sell that product, and remove any liability of Paparazzi to make any retail sales on their behalf. Product purchased for inventory carries no warranties (Section 9.2) and the purchasing Consultant accepts those liabilities.

9.4 Return Policy

In relation to the nature of Paparazzi, fashion trends, and rotating inventory, once the product is purchased and is delivered, that item is not returnable unless it falls under the guidelines of "Manufacturer Defects" (Section 9.1), and is identified within three (3) days of receipt. Once a

product package is no longer offered, returned inventory is no longer available to be restocked and therefore resold. Any excess products from a show or party that the Consultant may have ordered, are encouraged to be used at the next party or show or as Hostess gifts. As a result of the fast change of fashion, the potential handling of the product, or to resell returned items that have already rotated out of the online catalogue, most jewelry that has been received may not be considered resalable, and therefore should not be requested to be returned.

Any and all volume from the returned product will be retracted from the sales organization if within a current commission period, or any commissions issued would be retracted back from the upline per Section 7.4.

9.5 Return of Enrollment

Consultants have forty-five (45) days from the time of their enrollment to rescind the Agreement. This includes any initial enrollment fee or Starter Kit. As long as Paparazzi is notified within the first forty-five (45) days from the time of the initial enrollment, Paparazzi will refund the full enrollment fee or amount of the Starter Kit purchased, provided certain conditions are met. For a full refund, all items in the kit must be unopened, unused, and undisplayed. If some items have been opened, a full refund may be given only for any items in the kit that are unopened, unused, and undisplayed. All refunds are subject to a review of merchandise once it is received by Paparazzi. A Returned Merchandise Authorization (RMA) number is required for all returns. RMA numbers can be obtained by emailing the Returns Department. Returning items must be received no later than fifteen (15) days from the date on which the Consultant notifies Paparazzi of the Consultant's intent to terminate the Agreement or sixty (60) days from the initial enrollment date (whichever comes first).

9.6 Inventory Buyback

A Consultant terminating their account may, upon written request, have refunded 90% of the purchase price of all currently marketable Accessories purchased within one year from the date of the terminating Consultant's written request, less any consideration received by the Consultant when the Consultant bought the Accessories. Products shall not be considered currently marketable if returned for repurchase after the Accessories' commercially reasonable usable or shelf life has passed, or if it has been clearly disclosed to the buyer that the Accessories are seasonal, discontinued, or special promotional products that are not subject to the repurchase obligation.

- * Consultants residing in Georgia, Maryland, Wyoming, Massachusetts, and Puerto Rico may exceed the one (1) year repurchase period, so long as the above stated criteria is met.

- * Consultants in Texas and Washington do not need to be terminating their relationship with the Company in order to seek buyback of inventory on the terms above.

Accessories being returned need to be in resellable condition. Resellable condition is defined as: unused, never previously worn, containing the original Paparazzi tags, in individual bags with the barcode P-number. Items that don't carry PV are not eligible for buyback. Original packaging is preferred. Only items purchased under the Consultant's account will be eligible for buyback. Consultants who participate in an inventory buyback will not be eligible to re-enroll in Paparazzi.

An RMA number issued and approved by the Returns Department is required prior to any inventory buyback taking place - or the inventory buyback will not be honored.

The full accumulation of the return product volume will be retracted from the organization as in Section 7.4 (clawback) and the most recent commissions which may have been earned by the terminating Consultant may be retracted or removed from the returning funds as a result of the

retracting volume which may have qualified them within the Paparazzi Compensation Plan of previously awarded bonuses.

9.7 Refused Deliveries

In any circumstance where a Paparazzi inventory order is refused at the door and returned to Paparazzi, the ordering Consultant will be liable for a \$25.00 refusal fee (issued by the delivering service) as well as a 10% restocking fee to restock the unopened inventory.

9.8 Business Autoship or Fashion Fix

When a Consultant subscribes to receive the monthly business autoshipment (hereafter referred to as the Fashion Fix), the Consultant acknowledges that it is an optional service, and is in no form required by this document, literature, or training. The Fashion Fix is designed to help the Consultants in the following ways:

- a. Contributing to the minimum monthly level of Personal Volume (50) required to be considered active and eligible for commissions;
- b. Maintain new inventory on hand through regular inventory shipments.

Due to the nature of fashion as well as Paparazzi's inventory process, when the Fashion Fix option is selected by the Consultant, the Consultant acknowledges the following:

- a. There is no guarantee, option, or perception that any single piece, accessory, or item will be part of the Fashion Fix;
- b. That each package is selected with the intent to increase inventory of the Consultant by the amount specified above, not to increase any particular item or accessory;

9.8.1 Method of Payment for Fashion Fix

Fashion Fix must be paid for by credit card. The credit card on file for Fashion Fix will be processed on the 20th of each month (or the following business day if the 20th falls on a holiday). If the card is declined for any reason, the Consultant will receive an email notifying them of the decline. The Consultant will then have until 11:59 PM ET on the second business day following the decline to correct any issues there may be with the Consultant's order. If the card on file has expired and Consultants do not update the profile by 11:59 PM ET on the 19th of the month, the system will not create an order. On the third business day, all cards that were declined will be processed a second time. If the funds transfer successfully, the order will be processed within three (3) business days and sent to the Consultant. There is a grace period of three (3) business days after the second run to make the payment. This can be done by contacting Support. After the grace period, the order is cancelled if no payment is made. In the event that the second attempt to charge the card designated for the order declines, the Fashion Fix order for that month will be cancelled. It is the responsibility of the Consultant to contact Paparazzi Support to change the Consultant's credit card information on the order. In addition, the Consultant will need to make the same changes to the card on the Consultant's Fashion Fix profile. Changing the card on the monthly order will not make a change to the profile.

One credit card missed payment on the Consultant's Fashion Fix profile will not affect the Consultant's enrollment in the program. However, any Consultant having two (2) consecutive months with a missed payment will lose the Consultant's enrollment in the program, and the Consultant's subscription will be cancelled. If the Consultant wishes to reenroll following cancellation, the Consultant will have to wait for Open Enrollment.

At that point, they may do so through the Consultant's Back Office or by contacting our Support Team at (855) 697-2727 or via email: support@paparazziaccessories.com. Re-enrolling in the program is subject to availability.

9.8.2 Fashion Fix Waiting List

Enrollment in Fashion Fix is limited by availability. The Consultant can request to be placed on the waiting list for Fashion Fix enrollment anytime by contacting Paparazzi Support. As spots in Fashion Fix become available, Consultants will be subscribed to Fashion Fix in the order in which they were added to the waiting list. When a Consultant is subscribed to Fashion Fix from the waiting list, they will be notified via email, and the Consultant's credit card will be charged when the next Fashion Fix processes (Section 9.8.1). If a Fashion Fix subscription is cancelled, the Consultant will not be eligible to be back on the Waiting List until there is an Open Enrollment to reset the List.

9.9 Sold Out Items

If an item that has been purchased sells out before an order is fulfilled, the Consultant will be notified via email. This email will list each item from the Consultant's order that has sold out. A credit for these items (and applicable sales tax) will be placed on the Consultant's account. This credit can be accessed through the Consultant's Back Office and can be applied towards a future order. A replacement will not be offered.

9.10 Cancelling or Rerouting of a Delivery

If a Consultant requests an order be rerouted, a non-refundable \$25 rerouting fee will be assessed. Once an order has entered fulfillment, cancellations are not allowed.

SECTION 10 – Dispute Resolution and Disciplinary Proceedings

10.1 Disciplinary Sanctions

The Consultant's violation of the Agreement, any of its components, these Policies and Procedures, or the violation of any common law duty, including but not limited to any applicable duty of loyalty, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by a Consultant that, in the sole discretion of Paparazzi may damage its reputation or goodwill, may result, at Paparazzi's discretion, in one or more of the following measures being imposed on the Consultant:

- a. Issuance of a written warning;
- b. Requirement that the Consultant take immediate corrective measures;
- c. Imposition of a fine, which may be withheld from bonus and commission checks;
- d. Loss of rights to one or more bonus and commission checks;
- e. Paparazzi may withhold from a Consultant all or part of the Consultant's bonuses and commissions during any period of investigation involving an alleged violation of the Agreement. If the Consultants business is terminated for disciplinary reasons they will lose all rights and will not be entitled to recover any held commissions;
- f. Suspension of the individual's Agreement for one or more pay periods;
- g. Involuntary termination of the offender's Agreement;
- h. Any other measure expressly allowed within any provision of the agreement;
- i. In situations deemed appropriate by Paparazzi, Paparazzi may institute legal proceedings for monetary and/or equitable relief.

In the event that a written warning is issued, with specific request of compliance or action, such agreed to terms between Paparazzi and the disciplined Consultants are considered an appended agreement to their Agreement, and a violation of such terms may warrant, at Paparazzi's full discretion, any or all of the actions detailed above.

All disciplinary actions are considered confidential and should not be discussed with uninvolved parties. Resolutions and outcomes are not required to be made public knowledge.

10.2 Grievances and Complaints

When a Consultant has a grievance or complaint with another Consultant regarding any practice or conduct in relationship to their respective Paparazzi business, the complaining Consultant should first report the problem to his/her Sponsor who should review the matter and try to resolve it with the other party's upline Sponsor. If the matter cannot be resolved, it must be reported in writing to Compliance. Compliance will review the facts and resolve the issue at the sole discretion of the Compliance Department.

10.3 Arbitration and Jurisdiction

Any dispute or claim arising from or relating to the Agreement (including these Policies and Procedures), or any other claim or grievance against Paparazzi in any form whatsoever, including but not limited to, economic losses, personal injury, property damage, will be subject to mediation at Paparazzi's corporate address using a neutral mediator of Paparazzi's choosing. In the event that Paparazzi and the Consultant are unable to resolve their dispute through mediation, Paparazzi and the Consultant will be subject to final and binding arbitration to be held in Salt Lake City, Utah.

The arbitration will take place before a panel of three arbitrators to be selected as follows: the Consultant shall select one arbitrator, Paparazzi shall select one arbitrator, and the selected arbitrators will select the third arbitrator. The third arbitrator shall be an attorney. The party initiating the arbitration will identify its arbitrator in its written demand for arbitration to the other party. The other party shall identify its arbitrator within five (5) days of receipt of the notification of intent to arbitrate, and the third arbitrator must be selected within five (5) days of the appointment of the second arbitrator. Paparazzi shall pay the fees of its selected arbitrator, the Consultant shall pay the fees of his/her selected arbitrator, and Paparazzi and the Consultant shall pay equal shares of the third arbitrator's fees. The dispute will be subject to rules of arbitration agreed upon by the majority vote of the arbitrators and will be communicated to the party within ten (10) days after the arbitration panel has been completed.

The prevailing party in any arbitration proceeding shall be entitled to receive from the losing party all costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrators shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. The decision of the arbitrators shall be final, and there shall be no right to appeal such decisions in any court or judicial system. This agreement to arbitrate shall survive any termination or expiration of the Agreement.

Nothing in these Policies and Procedures shall prevent Paparazzi from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction or other relief available to safeguard and protect Paparazzi's interest prior to, during, or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

Additionally, any dispute a Consultant has with Paparazzi for any act or omission relating to or arising from this Agreement, must be brought within one year from the date of the alleged misconduct and by accepting this Agreement, said Consultant waive all claims that any other statute of limitation applies.

Further, by accepting this agreement, the Consultant agrees and covenants not to file suit against Paparazzi, any of its affiliates, subsidiaries, officers, directors, or employees for any claim or grievance the Consultant may have arising from the status as an Consultant of Paparazzi.

Jurisdiction and venue of any matter not subject to arbitration shall reside in Washington County, in the state of Utah unless the laws of the state in which the Consultant resides expressly require the application of its laws, in which case that state's law shall govern all issues related to

jurisdiction and venue. The Federal Arbitration Act shall govern all matters relating to arbitration. The laws of the State of Utah shall govern all other matters relating to or arising from the Agreement unless the laws of the state in which a Consultant resides expressly require the application of its laws.

10.4 Product Liability Claims

Paparazzi maintains insurance to protect Paparazzi against product liability claims. Paparazzi's insurance policy contains a "Vendors Endorsement" which extends the coverage to Consultants so long as they are marketing Paparazzi products in accordance with applicable laws and regulations and the Agreement. Paparazzi's product liability policy does not extend coverage to claims that arise as a result of a Consultant's misconduct in marketing, reselling, or representing the product or company.

SECTION 11 – Inactivity and Cancellation

11.1 Voluntary or Involuntary Cancellation

As long as the Consultant remains current (see activity requirements outlined in Section 3.7), and complies with the terms of the Agreement and these Policies and Procedures, Paparazzi will continue to pay the Consultant all earned bonuses and commissions in accordance with the Compensation Plan. Bonuses and commissions constitute the entire reward for the Consultant's efforts in generating sales and all activities related – including building and support of a downline organization.

If a Consultant fails to meet the minimum inventory purchases or sales requirement for a period of twelve (12) consecutive months (with less than 200 PV), or if the Agreement is voluntarily or involuntarily terminated, the Consultant shall be deemed to have waived all their rights, title, claim, privileges, or interest to the downline organization that they operated, and to any bonuses or commissions for the sales generated from that organization. Additionally, the Consultant will lose the right to represent Paparazzi, the right to sell Paparazzi products as a Consultant, and the right to receive any further compensation, bonuses, commissions, or other income resulting from Paparazzi activities.

11.2 Cancellation Due to Inactivity

In order to keep a Consultant's Agreement and account active, the Consultant must have accumulated at least 200 PV within a rolling 12 consecutive month window. If at any time the Consultant has a period of twelve (12) consecutive months wherein the 200 PV minimum is not reached, the Agreement will be cancelled; the account and position terminated, and the measures in Section 11.1 will take effect. Paparazzi will not provide or issue any written confirmation of the cancellation.

It is the consultant's responsibility to maintain and monitor these PV requirements. Paparazzi is not required to provide notification prior to or upon cancellation due to inactivity.

11.3 Voluntary Cancellation

The Consultant has the right to cancel their Agreement at any time, regardless of reason. Cancellation must be submitted in writing to Paparazzi Support. Any cancellation notice must include name, address, Paparazzi Consultant ID, and a signature of the primary account representative. At the conclusion of the Agreement, all Sections that specifically denote a life beyond the Agreement are still enforceable.

11.4 Involuntary Cancellation

Any violation of the terms of the Agreement, including any amendment that may be made by Paparazzi at its sole discretion, may result in any of the sanctions listed in Section 10.1, including involuntary termination or cancellation of the Agreement at the sole discretion of Paparazzi.

Paparazzi reserves the right to cancel any or all Agreements upon thirty (30) days written notice in the event that it elects to.

11.4.1 Cancellation and the Organization Tree

In any circumstance where there is any Cancellation of an Agreement, that account will be terminated but will not be removed from the Paparazzi organization tree – maintaining and protecting the current structure of the organization and protecting the integrity of the original organization (Section 4.6).

11.5 – Enrollment Restriction

Consultants who voluntarily cancel their account, can re-enroll in six (6) months after that cancellation so long as that Consultant remains in good standing with Paparazzi. Consultants whose Account is cancelled for inactivity and remains in good standing with Paparazzi, can re-enroll on the 15th of the month following cancellation. Any Consultant who is terminated by Compliance is not eligible to re-enroll at any time. This section also applies to a Consultant's household as outlined in Section 3.2.

SECTION 12 - Specific Jurisdictions

12.1 Louisiana Residents

This Agreement shall be governed by Louisiana law. Jurisdiction and venue shall be in a court in Louisiana.

12.2 Washington Residents

Paparazzi has made the business decision not to offer the Consultant Opportunity in the state of Washington effective February 28, 2025. No Washington resident may enroll as a Paparazzi Consultant.