

**Shoply, Inc.**

**Statement of Policies &  
Procedures**

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## 1.0 **INTRODUCTION**

### 1.1 **Mutual Commitment Statement**

- a) **Shoply Inc.**, (hereinafter referred to as (“Shoply” or “Company”) strives to develop a long-term and mutually rewarding relationship with its Affiliate, Influencer, or Influencer Pros and Customers. In the spirit of mutual respect and understanding, Shoply is committed to:
- (i) Providing prompt, professional, and courteous service to its Affiliates, Influencers, Influencer Pros and Customers;
  - (ii) Providing the highest level of quality products, at fair and reasonable prices;
  - (iii) Exchanging or refunding the purchase price of any product, service, or monthly subscription as provided in Shoply’s return policies contained herein;
  - (iv) Delivering orders promptly and accurately;
  - (v) Paying commissions accurately and on a timely basis;
  - (vi) Expediting orders if an error or unreasonable delay occurs;
  - (vii) Maintaining a mutually beneficial Incentive Plan;
  - (viii) Implementing changes to the Incentive Plan or this Statement of Policies and Procedures (the “Policies and Procedures”) with input from Affiliates, Influencers, or Influencer Pros and/or Customers (Note: such changes will be effective thirty (30) days after the date any such changes are published by Shoply)
  - (ix) Supporting, protecting, and defending the integrity of the Shoply Business Opportunity;
- b) In return, Shoply expects that its Affiliates, Influencers or Influencer Pros will:
- (i) Conduct themselves in a professional, honest, and considerate manner;
  - (ii) Present Shoply Corporate and Shoply product information in an accurate and professional manner;
  - (iii) Present the Incentive Plan and return and exchange policies in a complete and accurate manner;
  - (iv) Not make exaggerated income or product claims;
  - (v) Make reasonable effort(s) to support and train other Affiliates, Influencers, or Influencer Pros and Customers in their downline;
  - (vi) Not engage in cross-line recruiting, unhealthy competition, or unethical business practices;

- (vii) Provide positive guidance and training to Shoply Affiliates, Influencers, or Influencer Pros and Customers in their downline while exercising caution to avoid interference with other downlines. As such, an Affiliate, Influencer, or Influencer Pro is discouraged from providing cross-line training to other Affiliates, Influencers, or Influencer Pros Customers in a different Organization without first obtaining the consent of the Affiliate, Influencer, Influencer Pro, or Customer's upline leader;
- (viii) Support, protect, and defend the integrity of the Shoply business opportunity.

## **1.2 Code of Ethics**

- a) Shoply desires to provide its Independent Affiliates, Influencers, or Influencer Pros with the best products and Incentive Plan in the industry. Accordingly, Shoply values constructive criticism and encourages the submission of written comments addressed to the Shoply Compliance Department.
- b) An Affiliate, Influencer, or Influencer Pro's negative and disparaging comments about Shoply, its products, these Policies, or Incentive Plan, made to Shoply, or to the field or at any Shoply meeting and/or event, or disruptive behavior at any meeting and/or event, serve no purpose other than to dampen the enthusiasm of other Affiliates, Influencers, Influencer Pros and Customers. Shoply Affiliates, Influencers, or Influencer Pros must not belittle Shoply, fellow Shoply Affiliates, Influencers, Influencer Pros, Shoply products or services, the Incentive Plan, or any and all Shoply directors, officers, or employees, product suppliers, or agents. Such conduct represents a material breach of these Policies and Procedures and may result in suspension or termination of the offending Affiliate, Influencer, or Influencer Pro Account.
- c) Shoply endorses the following code of ethics:
  - (i) A Shoply Affiliate, Influencer, or Influencer Pro must show fairness, tolerance, and respect to all people associated with Shoply, regardless of race, gender, social class, or religion, thereby fostering a "positive atmosphere" of teamwork, good morale, and community spirit.
  - (ii) An Affiliate, Influencer, or Influencer Pro shall strive to resolve business issues, including conflicts or disagreements with Upline and/or downline Organization Affiliates, Influencers, or Influencer Pros with tact, sensitivity, and goodwill, and taking care not to create additional conflict.
  - (iii) Shoply Affiliates, Influencers, or Influencer Pros must be honest, responsible, professional, and conduct themselves with integrity.
  - (iv) Shoply Affiliates, Influencers, or Influencer Pro shall not make disparaging statements about Shoply, other Affiliates, Influencers, Influencer Pros, Shoply employees, product suppliers or agents, products, services, sales, and marketing campaigns, or the Incentive Plan.
  - (v) Shoply Affiliates, Influencers, or Influencer Pros shall not make statements that unreasonably offend, mislead or coerce others.

- d) Shoply may take appropriate action against an Affiliate, Influencer, or Influencer Pro if it determines, in its sole discretion, that an Affiliate, Influencer, or Influencer Pro's conduct is detrimental, disruptive, or injurious to Shoply or other Affiliates, Influencers, or Influencer Pros.

### **1.3 The Affiliate, Influencer, or Influencer Pro Agreement**

- a) Throughout these Policies & Procedures, when the term "Agreement" is used, it collectively refers to the most current version of the following along with any addendums or exhibits thereto: (i) Shoply Policies and Procedures; and (ii) Shoply Incentive Plan.
- b) It is the responsibility of the Sponsoring Affiliate, Influencer, or Influencer Pro to provide the most current version of these Policies and Procedures (available on the Shoply website), the Income Disclosure Statement, the Incentive Plan, and any and all social media guidelines or any other guidelines which may be implemented from time to time and any amendments thereto to their downline Affiliate, Influencer or Influencer Pro. The Income Disclosure Statement is attached as Addendum 2 and is incorporated by reference for all purposes.

### **1.4 Amendments to the Affiliate, Influencer, or Influencer Pro Agreement**

- a) Because federal, state, and local laws, as well as the business environment, periodically change, Shoply reserves the right to amend the Agreement as set forth on its website in its sole and absolute discretion. Notification of amendments shall appear in official Shoply materials, Shoply website, social media outlets, and/or Affiliate, Influencer, or Influencer Pro's back office.
- b) Any such amendment, change, or modification shall be effective thirty (30) days following notice by one of the following methods:
  - (i) Posting on the official Shoply website;
  - (ii) Electronic mail (e-mail); or
  - (iii) Any Shoply communication channels or social media outlets (i.e., Facebook, Instagram, Twitter, and/or Shoply App).

## **2.0 BASIC PRINCIPLES**

### **2.1 Independent Contractor Status**

- a) A Shoply Affiliate, Influencer, or Influencer Pro is an independent contractor. A Shoply Affiliate, Influencer, or Influencer Pro is not a franchisee, joint venture Partner, business Partner, employee, or agent of Shoply, and Shoply Affiliates, Influencers, or Influencer Pros are prohibited from stating or implying, whether orally or in writing, otherwise. A Shoply Affiliate, Influencer, or Influencer Pro has no authority to bind Shoply to any obligation, otherwise. Shoply is not responsible for payment or co-payment of any employee benefits. An Affiliate, Influencer, or Influencer Pro is responsible for liability, health, disability, and workmen's compensation insurance. A Shoply Affiliate, Influencer, or Influencer Pro is responsible for their own managerial decisions and expenditures including all estimated income and self-employment taxes. A Shoply Affiliate, Influencer,



or Influencer Pro sets their own hours and determines how to conduct their Affiliate, Influencer or Influencer Pro business, subject to the Shoply Affiliate, Influencer or Influencer Pro Agreement and any other guidelines that may be implemented from time to time.

## **2.2 Becoming a Shoply Affiliate, Influencer, or Influencer Pro**

- a) To become an Affiliate, Influencer, or Influencer Pro, an applicant must:
  - (i) Be of the age of majority (not a minor) in his or her state of residence;
  - (ii) Reside or have a valid address in the United States or U.S. territory in which Shoply is licensed to operate.
  - (iii) Have a valid taxpayer identification number (i.e., Social Security Number, Federal Tax ID Number (EIN));
  - (iv) Enter a verified mobile phone number, which is not in use or associated with any other Shoply accounts, which will be verified through a verification code sent to the applicant's mobile phone number.
  - (v) Acknowledge and agree to all communications sent by Shoply, (including but not limited to emails, texts, broadcasts, letters, etc.) with the choice to "opt-out" of these communications.

## **2.3 New Affiliate, Influencer, or Influencer Pro Enrollment**

- a) A potential new Affiliate, Influencer, or Influencer Pro may self-enroll on any Affiliate, Influencer, or Influencer Pro/Sponsor's website, subject to acceptance by Shoply of the applicant's online enrollment confirming the applicant has agreed to all terms and conditions of the Affiliate, Influencer or Influencer Pro Agreement.
- b) Electronically submitted and/or signed documents, including, but not limited to, online submissions, automated credit card processing authorization documents, and the Affiliate, Influencer, or Influencer Pro Agreement are legally binding contracts that must not be altered, tampered with, or changed in any manner after they have been signed and/or submitted. False or misleading information, forged signatures, or alterations to any document, including business registration forms, may lead to sanctions, up to and including involuntary termination of the offending Affiliate, Influencer, or Influencer Pro's Account.
- c) An applicant enrolling with Shoply must identify a Sponsor in the online enrollment process. If the applicant later enrolls and identifies a different Sponsor, Shoply will not accept the later enrollment. Shoply reserves the right, at its sole discretion, to make the final decision with respect to any disputes regarding Affiliate, Influencer, or Influencer Pro enrollments and Sponsors.

### **3.0 SHOPLY AFFILIATE, INFLUENCER, OR INFLUENCER PRO RESPONSIBILITIES**

#### **3.1 Correct Address**

- a) It is the responsibility of the Affiliate, Influencer, Influencer Pro, or Customer to make sure Shoply has the correct shipping address before any orders are shipped.
- b) An Affiliate, Influencer, Influencer Pro, and/or Customer will need to allow up to seventy-two (72) hours for processing after the notice of address change has been received by Shoply Support Team.

#### **3.2 Training and Leadership**

- a) Sponsoring Affiliates, Influencers, or Influencer Pros should have ongoing contact and communication with the Affiliates, Influencers, or Influencer Pros in their downline Organizations. Examples of communication may include but are not limited to, newsletters, written correspondence, personal telephone calls, team conference calls, voicemail, e-mail, personal meetings, training sessions, events, workshops, and any other related functions.
- b) A Sponsoring Shoply Affiliate, Influencer, or Influencer Pro should monitor the Affiliates, Influencers, or Influencer Pros in his or her downline Organizations to ensure that downline Affiliates, Influencers, or Influencer Pros do not make improper product or business claims or engage in any illegal or inappropriate conduct. Upon request, a Sponsoring Affiliate, Influencer, or Influencer Pro must provide documented evidence to Shoply of his or her ongoing fulfillment of the responsibilities set forth in this Section 3.2.
- c) Up-line Affiliates, Influencers, or Influencer Pros are encouraged to educate and train new Affiliates, Influencers, or Influencer Pros about Shoply's products and services, effective sales techniques, the Incentive Plan, along with compliance with these Policies and Procedures, and any and all social media guidelines or any other guidelines issued by Shoply. Marketing product is a required activity in Shoply and must be emphasized in all Recruiting presentations.
- d) Use of Sales Aids. To promote Shoply products and the Shoply business opportunity, Affiliates, Influencers, or Influencer Pros are encouraged to use the sales aids and support materials produced or expressly authorized by Shoply. Affiliates, Influencers, or Influencer Pros may use and publish marketing materials they design only after such materials have been approved by Shoply. An Affiliate, Influencer, or Influencer Pro's unauthorized use of sales aids or promotional materials, including but not limited to Internet advertising, social media marketing on Facebook, Instagram, and like, is a violation of these Policies and Procedures. Additionally, publishing marketing materials that violate any number of statutes or regulatory laws governing how Shoply's products or business opportunity may be marketed is a violation of these Policies and Procedures and may result in immediate termination of the publisher's Shoply Account. Any such violations could jeopardize the Shoply's opportunity for all Affiliates, Influencers, or Influencer Pros. Accordingly, Affiliates, Influencers, or Influencer Pros must submit via email all sales aids, promotional materials, advertisements, websites, training material, flyers, along with any other literature to Shoply's Compliance Department for approval prior to use at [compliance@shoply.com](mailto:compliance@shoply.com). Unless the Affiliate, Influencer, or Influencer Pro receives specific written approval to use the material(s), the request shall be deemed denied. All Affiliates, Influencers, or Influencer

Pros shall safeguard and promote the good reputation of Shoply and its products. The marketing and promotion of Shoply, the Shoply opportunity, the Incentive Plan, and Shoply products and services shall be consistent with the public interest and must avoid all discourteous, deceptive, misleading, unethical, or immoral conduct or practices.

### **3.3 Sponsorship**

- a) The Sponsor is the person who introduces an Affiliate, Influencer, Influencer Pro, or Customer to Shoply, helps them complete their enrollment, and supports and trains those in their downline.
- b) Shoply recognizes the Sponsor as the name shown on an applicant's first enrollment submission to Shoply.
- c) An applicant may not enroll with Shoply as an Affiliate, Influencer, or Influencer Pro without personally accepting and agreeing to the terms and conditions of the Shoply Agreement.
- d) Shoply recognizes that each new prospect has the right to ultimately choose his or her own Sponsor, but Shoply will not allow Affiliates, Influencers, or Influencer Pros to engage in unethical sponsoring activities.
- e) All active Affiliates, Influencers, or Influencer Pros in good standing have the right to Sponsor and enroll others into Shoply. While engaged in sponsoring activities, it is not uncommon to encounter situations when more than one Affiliate, Influencer, or Influencer Pro will approach the same prospect. In this scenario, the new prospect should be Sponsored by the first Affiliate, Influencer, or Influencer Pro who presented a comprehensive introduction to Shoply products or business opportunity.
- f) In the event of a dispute regarding Sponsorship, Shoply reserves the right to designate a prospect's Sponsor, and all such determinations are final.

### **3.4 Unethical Sponsoring**

- a) Unethical sponsoring activities include but are not limited to, enticing, bidding, or engaging in unhealthy competition by attempting to acquire a prospect or new Affiliate, Influencer, or Influencer Pro away from a fellow Affiliate, Influencer, or Influencer Pro or influencing another Affiliate, Influencer or Influencer Pro to transfer to a different sponsor.
- b) Allegations of unethical sponsoring must be reported in writing to the Shoply Compliance Department within the first 30 days of the new Affiliate, Influencer, or Influencer Pro enrollment in question. If the reports are substantiated, Shoply may transfer the Affiliate, Influencer, or Influencer Pro or the Affiliate, Influencer, or Influencer Pro's downline to another Sponsor or Organization without approval from the current up-line Sponsor. Shoply remains the final authority in such cases.
- c) Shoply prohibits the unauthorized manipulation of the Shoply Incentive Plan and/or marketing plan to trigger commissions or cause the promotion of a downline Affiliate, Influencer, or Influencer Pro in an unearned manner (hereinafter, "Stacking."). For example, Stacking occurs when a Sponsor places an Affiliate, Influencer, or Influencer Pro(s) under an inactive downline without the Affiliate, Influencer, or Influencer Pro's knowledge in order to trigger unearned qualification for commissioning purposes. Stacking

is unethical and unacceptable behavior, and as such, it is a punishable offense that may result in immediate termination of Accounts of all Affiliates, Influencers, Influencer Pros, individuals, and/or entities found to be involved.

- d) Any Affiliate, Influencer, or Influencer Pro who solicits or entices members of another direct sales company to sell or distribute Shoply products and services bears the risk of being sued by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against an Affiliate, Influencer, or Influencer Pro alleging that they engaged in inappropriate Recruiting of another company's sales force or customers, Shoply will not pay any of the Affiliate, Influencer, or Influencer Pro's defense costs or legal fees, nor will Shoply indemnify the Affiliate, Influencer or Influencer Pro for any judgment, award, or settlement.

### **3.5 Cross Sponsoring Prohibition**

- a) "Cross sponsoring" is defined as the enrollment into a different Line of Sponsorship of an individual, or Business Entity, that was already previously enrolled as an Affiliate, Influencer, or Influencer Pro. Actual or attempted Cross Sponsoring is strictly prohibited and may result in termination of the offending Affiliate, Influencer, or Influencer Pro's Account.
- b) Enrollment through the use of a Spouse or relative's name, trade name, assumed name, Business Entity, or fictitious identification of any kind to evade or circumvent this Cross Sponsoring Policy is strictly prohibited.
- c) This Policy does not prohibit the transfer of a Shoply Account and business in accordance with the Transfer of Sale or Transfer Policy set forth in these Policies.

### **3.6 Solicitation for Other Companies or Products**

- a) A Shoply Affiliate, Influencer, or Influencer Pro and/or Customer may participate in other direct sales, multilevel, network marketing, or relationship marketing businesses or marketing opportunities. However, during the Term of this Agreement and for six (6) months thereafter, a Shoply Affiliate, Influencer, or Influencer Pro may not recruit any fellow Shoply Affiliate, Influencer or Influencer Pro or Customer for any other direct sales or network marketing business, unless that fellow Affiliate, Influencer or Influencer Pro or Customer was personally sponsored by such Affiliate, Influencer or Influencer Pro.
- b) The term "recruit" means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way (either directly or through a third party), another Affiliate, Influencer, Influencer Pro, or Customer to enroll or participate in any direct sales or network marketing opportunity. This conduct represents recruiting even if the Affiliate, Influencer, or Influencer Pro's actions are in response to an inquiry made by another Affiliate, Influencer, or Influencer Pro or Customer.
- c) An Affiliate, Influencer, or Influencer Pro may not display or bundle Shoply products or services, in sales literature, on a website, or in sales meetings, with any other products or services to avoid confusing or misleading a prospective Customer or Affiliate, Influencer, or Influencer Pro into believing there is a relationship between the Shoply and non-Shoply products and services.

- d) A Shoply Affiliate, Influencer, or Influencer Pro may not offer any non-Shoply opportunity, products, or services at any Shoply-related meeting, live or virtual, event, seminar, or convention that other Shoply Affiliate, Influencer, or Influencer Pros or Customers are known to be attending, or immediately following a Shoply event.
- e) A violation of any of the provisions in this section shall constitute unreasonable and unwarranted contractual interference between Shoply and its Affiliate, Influencer, or Influencer Pros and would inflict irreparable harm on Shoply. In such event, Shoply may, at its sole discretion, impose any sanction it deems necessary and appropriate against such Affiliate, Influencer, or Influencer Pro or such Affiliate, Influencer, or Influencer Pro's positions including termination, or seek immediate injunctive relief without the necessity of posting a bond in addition to any other legal remedies to which Shoply may be entitled.

#### **4.0 AGREEMENTS & GENERAL UNDERSTANDINGS**

##### **4.1 Rights Granted**

- a) Shoply hereby grants to the Affiliate, Influencer, or Influencer Pro a non-exclusive right, based upon the terms and conditions contained in the Agreement to:
  - (i) Purchase Shoply products and services;
  - (ii) Promote and sell Shoply products and services; and
  - (iii) Sponsor new Affiliates, Influencers, Influencer Pros, and Customers in countries where Shoply is currently authorized to do business or becomes authorized to do business in the future.
- b) No feature of the Incentive Plan constitutes a personal purchase requirement to become an Affiliate, Influencer, or Influencer Pro, move up in rank, or otherwise fully participate in the Incentive Plan. No product purchase is required of anyone at any time to fully participate as an Affiliate, Influencer, or Influencer Pro.

##### **4.2 Shoply Account Renewals and Termination of the Affiliate, Influencer, or Influencer Pro's Shoply Account Due to Nonpayment of the Monthly Subscription Renewal Fee.**

- a) An Affiliate, Influencer, or Influencer Pro must pay a license fee upon enrolling with Shoply and a subscription fee on a monthly basis thereafter. An Influencer and Influencer Pro must purchase a one-time license upon enrollment. If an Affiliate, Influencer or Influencer Pro fails to pay the monthly subscription fee within sixty (60) days of when it is due, the Affiliate, Influencer or Influencer Pro's Account will be terminated and the Affiliate, Influencer or Influencer Pro will lose any and all rights to the Account downline Organization, and any commissions and/or bonuses associated therewith. The Affiliate, Influencer, or Influencer Pro shall not be eligible to re-enroll with Shoply as an Affiliate, Influencer, or Influencer Pro for six (6) months following termination of the Account. Upon termination of the Account, the downline Organization will roll up to the immediate, active Upline Sponsor.
- b) If an Affiliate, Influencer, or Influencer Pro pays the monthly subscription renewal fee after it is due but within the sixty (60) day grace period set forth in Section 4.2(a) above, the Affiliate, Influencer or Influencer Pro will resume the rank and positions held immediately prior to the monthly subscription renewal fee due date. However, such an Affiliate,

Influencer, or Influencer Pro's paid as level will not be restored unless that Affiliate, Influencer, or Influencer Pro qualifies at that level in the new month. The Affiliate, Influencer, or Influencer Pro is not eligible to receive commissions or bonuses for any part of the sixty (60) day grace period that the monthly subscription renewal fee is unpaid.

#### **4.3 Effect of Termination**

- a) Following voluntary or involuntary termination of an Affiliate, Influencer or Influencer Pro's Shoply Account (collectively, "termination") such Affiliate, Influencer or Influencer Pro:
  - (i) Shall have no right, title, claim, or interest to any commission or bonus from the sales generated by the Affiliate, Influencer, or Influencer Pro's former Organization or any other payments in association with the Affiliate, Influencer or Influencer Pro's terminated Account;
  - (ii) Effectively waives any and all claims to property rights or any interest in or to the Affiliate, Influencer, or Influencer Pro's former Downline Organization; and
  - (iii) Shall receive commissions and bonuses only for the last full pay period in which the Affiliate, Influencer, or Influencer Pro was active prior to termination, less any amounts withheld during an investigation preceding an involuntary termination, and less any other amounts owed to Shoply.

#### **4.4 Modifying an Affiliate, Influencer, or Influencer Pro's Shoply Account**

- a) An Affiliate, Influencer, or Influencer Pro may modify his or her existing Shoply Account to add a Spouse or partner to the Affiliate, Influencer, or Influencer Pro's Account or change the form of ownership from an individual to a Business Entity by submitting a written request to Shoply's Support Department to make such modification.

#### **4.5 Unauthorized Transfer & Re-Enrollment**

- a) In the event an Affiliate, Influencer or Influencer Pro discovers that an Affiliate, Influencer, or Influencer Pro in their downline has re-enrolled under a different Affiliate, Influencer or Influencer Pro, the Affiliate, Influencer or Influencer Pro has thirty (30) days from the date the downline Affiliate, Influencer or Influencer Pro enrolled under a new Affiliate, Influencer or Influencer Pro to notify the Shoply Compliance department and request the downline Affiliate, Influencer or Influencer Pro be transferred back to his/her downline. Upon the expiration of the thirty (30) day notice period, the right to re-claim a new Affiliate, Influencer, or Influencer Pro to his or her downline will be waived.

#### **4.6 Change of Sponsors for Affiliate, Influencer, or Influencer Pro**

- a) Sponsor changes/corrections may be requested within a period of 72 hours from the time of enrollment. Such adjustments require written permission directed to the Support Department submitted from the personal back office of the Sponsor as well as the Affiliate, Influencer, or Influencer Pro to be moved and in some cases the Upline Affiliate, Influencer, or Influencer Pro.
- b) Sponsor changes are generally not permitted. However, sponsor corrections can be made if they are reported to the Support Department within seventy-two (72) hours from the time

of enrollment. Sponsor corrections must be requested from the Affiliate, Influencer, or Influencer Pro's back office of the current (original) Sponsor, stating the reason that the correction needs to be made.

- c) At the discretion of Shoply, Affiliates, Influencers, or Influencer Pros who have not ordered products or services for at least six (6) months, and whose Account has not been terminated, are eligible to re-enroll in Shoply under the Sponsor of their choice.
- d) When a former Affiliate, Influencer, or Influencer Pro re-enrolls with Shoply, Shoply will "compress" (close) the Affiliate, Influencer, or Influencer Pro's original Account, and a new Shoply User ID number will be issued to the Affiliate, Influencer or Influencer Pro. In this scenario, an Affiliate, Influencer, or Influencer Pro does not retain former rank, downline Organization, or rights to commissions from the Affiliate, Influencer, or Influencer Pro's former Shoply business or Account.
- e) Shoply reserves the right to correct Sponsor errors at any time and in whatever manner it deems necessary in its sole discretion.

#### **4.7 Change Organizations**

- a) If an Affiliate, Influencer, or Influencer Pro wishes to change Organizations within Shoply, he or she must submit a notice of voluntary termination to the Shoply Customer Support Department in accordance with Section 4.9 (below) and remain inactive (place no orders or be on an auto-ship) with or in Shoply for six (6) months from the receipt of the notice before being eligible to re-enroll under a different Sponsor.
- b) Shoply retains the right to approve or deny any request to re-enroll after an Affiliate, Influencer, or Influencer Pro's termination. Affiliate, Influencer, or Influencer Pros within the same downline Organization simultaneously submitting notices of voluntary termination to transfer Organization in accordance with Section 4.7(a) will be deemed an abuse of these Policies.
- c) If re-enrollment is approved, the former Affiliate, Influencer, or Influencer Pro will be issued a new Shoply User ID after accepting and agreeing to the terms of the Affiliate, Influencer, or Influencer Pro Agreement in effect at that time. The re-enrolled Affiliate, Influencer, or Influencer Pro will not be entitled to keep any former rank, downline, or rights to commissions associated with the Affiliate, Influencer, or Influencer Pro's prior Shoply User ID/Account.

#### **4.8 Placement Tree**

- a) When you personally enroll an Influencer or Influencer Pro, they are automatically placed in your Marketplace Connection upon enrollment. Specific Status levels have the ability to place a new Influencer or Influencer Pro in a specific spot in their Marketplace Connection tree, as outlined below.
- b) The Influencer or Influencer Pro has up to thirty (30) days of the new downline Influencer or Influencer Pro enrollment to place the new Influencer or Influencer Pro into an open position in their Marketplace Connection tree. Upon the expiration of the thirty (30) days, this option expires indefinitely. Once the new Influencer or Influencer Pro has been placed in your Marketplace Connection, they cannot be moved again.

#### **4.9 Voluntary Termination**

- a) An Affiliate, Influencer, or Influencer Pro may immediately terminate his or her Account and Shoply business associated therewith by submitting a written notice via email to the Shoply Support Department [support@shoply.com](mailto:support@shoply.com). The written notice must include the following:
  - (i) Statement of the Affiliate, Influencer, or Influencer Pro's intent to terminate the Account;
  - (ii) Date of termination;
  - (iii) Affiliate, Influencer, or Influencer Pro's Shoply User ID;
  - (iv) Reason(s) for terminating the Account, and
  - (v) Affiliate, Influencer, or Influencer Pro's signature.
- b) An Affiliate, Influencer, or Influencer Pro may not use voluntary termination as a way to immediately change Sponsors. An Affiliate, Influencer, or Influencer Pro who has voluntarily terminated an Account is not eligible to re-enroll with Shoply or have any financial interest in a or any Shoply business for six (6) months from the receipt of the written notice of termination. A terminated Affiliate, Influencer, or Influencer Pro who promotes Shoply products or services during the six (6) month waiting period by using another Affiliate, Influencer, or Influencer Pro's referral code is in violation of the provision and shall not be permitted to re-enroll until six (6) months following any such offending conduct has ceased.

#### **4.10 Involuntary Termination**

- a) Shoply reserves the right to terminate an Affiliate, Influencer, or Influencer Pro's position for, but not limited to, the following reasons:
  - (i) Violation of any provision of the Affiliate, Influencer, or Influencer Pro Agreement;
  - (ii) Violation of any applicable law, ordinance, or regulation related to the Affiliate, Influencer, or Influencer Pro's Shoply business;
  - (iii) Engaging in unethical business practices or violating standards of fair dealing; or
  - (iv) Returning over \$500 worth of Shoply products, services, and/or sales tools for a refund within a twelve (12) month period.
  - (v) Affiliate, Influencer, or Influencer Pro initiates, joins, or otherwise voluntarily participates in a lawsuit against Shoply, its directors, officers, employees, and/or agents.
- b) Shoply will notify the Affiliate, Influencer, or Influencer Pro in writing via email certified mail, return receipt requested, or overnight documented mail, at the Affiliate, Influencer, or Influencer Pro's last known address of Shoply's intent to terminate the Affiliate, Influencer



or Influencer Pro's position and the reasons for termination. The involuntary termination will be effective date as of the written notice.

- c) The former Affiliate, Influencer, or Influencer Pro shall thereafter be prohibited from using the names, marks, signs, labels, stationery, advertising, or business material referring to or relating to any Shoply products or services. Shoply will notify the active Upline Sponsor within ten (10) days after termination. The Organization of the terminated Affiliate, Influencer, or Influencer Pro will "roll up" to the active Upline Sponsor on record.
- d) The Affiliate, Influencer, or Influencer Pro who is involuntarily terminated by Shoply may not re-enroll as an Affiliate, Influencer, or Influencer Pro, either under his or her present name or any other name or Business Entity, without the express written consent of an officer of Shoply, following a review by the Shoply Compliance Committee. If such consent is granted, the Affiliate, Influencer, or Influencer Pro may not re-enroll as an Affiliate, Influencer, or Influencer Pro for twelve (12) months following the date of termination.

## **5.0 BUSINESS ENTITIES**

### **5.1 Definition**

- a) A corporation, partnership, limited liability company, or trust (collectively, a "Business Entity") may apply to be a Shoply Affiliate, Influencer, or Influencer Pro.
- b) A Shoply Affiliate, Influencer, or Influencer Pro may change their status under the same Sponsor from an individual to a Business Entity in accordance with Section 4.4 of these Policies.

### **5.2 Indemnification for Actions**

- a) An Affiliate, Influencer, or Influencer Pro is fully responsible for all of his or her verbal and written communications made regarding Shoply products, services, and the Incentive Plan that are not expressly contained within official Shoply materials. Affiliates, Influencers, or Influencer Pros shall indemnify and hold harmless Shoply, its directors, officers, employees, product suppliers, and agents from any and against all liability including judgments, civil penalties, refunds, lawyer fees, and court costs incurred by Shoply as a result of the Affiliate, Influencer or Influencer Pro's unauthorized representations or actions. This provision shall survive the termination of the Shoply Affiliate, Influencer, or Influencer Pro Agreement and a Shoply Account.

### **5.3 Insurance**

- a) Shoply encourages Affiliates, Influencers, or Influencer Pros to obtain insurance coverage for their Shoply business. A homeowner's insurance policy does not cover business-related injuries, or the theft of, or damage to, inventory or business equipment. Affiliates, Influencers, or Influencer Pros should contact their insurance agent to make certain their business property is protected. In many instances, this may be accomplished with a "Business Pursuit" endorsement to an existing homeowner's policy.

## **6.0 POLICY VIOLATIONS**

### **6.1 Reporting Policy Violation**

- a) An Affiliate, Influencer, or Influencer Pro who observes a violation of these Policies and Procedures by another Affiliate, Influencer, Influencer Pro, or Customer should submit any such violation(s) to the Shoply Compliance Department via email to [compliance@shoply.com](mailto:compliance@shoply.com). The email should include:
  - (i) The nature of the violation(s);
  - (ii) Specific facts to support the allegations;
  - (iii) Dates;
  - (iv) Number of occurrences;
  - (v) Persons involved; and
  - (vi) Supporting documentation.
- b) The Compliance Department will investigate the reported violations(s) and Shoply will take appropriate action if warranted.

### **6.2 Adherence to the Shoply Incentive Plan**

- a) An Affiliate, Influencer, or Influencer Pro must adhere to the terms of the Shoply Incentive Plan.
- b) An Affiliate, Influencer, or Influencer Pro shall not offer the Shoply opportunity through or in combination with, any other system, program, or method of marketing other than that specifically set forth in Official Shoply Literature.
- c) An Affiliate, Influencer, or Influencer Pro shall not require or encourage a current or prospective Affiliate, Influencer, or Influencer Pro to participate in Shoply in any manner that varies from the Incentive Plan as set forth in official Shoply literature.
- d) An Affiliate, Influencer, or Influencer Pro shall not require or encourage a current or prospective Affiliate, Influencer, or Influencer Pro to make a purchase from or payment to any individual or other entity as a condition to participating in the Shoply Incentive Plan.

### **6.3 Adherence to Laws and Ordinances**

- a) Many cities, counties, and townships have laws regulating certain home-based businesses. Affiliates, Influencers, or Influencer Pros shall comply with all federal, state, and local laws, ordinances, and regulations in conducting his or her Shoply business.
- b) An Affiliate, Influencer, or Influencer Pro understands and agrees that he/she/it is solely responsible for any and all fines and liabilities incurred as a result of the Affiliate, Influencer or Influencer Pro's or Customer's violation(s) of applicable laws, regulations, and/or ordinances.

#### **6.4 Compliance with Applicable Income Tax Laws**

- a) An Affiliate, Influencer, or Influencer Pro accepts sole responsibility for and agrees to pay all federal, state, provincial, and local taxes on any income generated as an Affiliate, Influencer, or Influencer Pro, and further agrees to indemnify Shoply from any failure to pay such taxes when due. Shoply encourages Affiliates, Influencers, or Influencer Pros to consult with his/her/its tax advisor(s) to ensure they are compliant with all applicable laws and understand the tax consequences of an independent contractor. At the end of each calendar year, Shoply will issue to each eligible Affiliate, Influencer, or Influencer Pro an IRS FORM 1099 or other applicable documentation required by law, for non-employee compensation of an Affiliate, Influencer, or Influencer Pro.
- b) If an Affiliate, Influencer, or Influencer Pro's business is tax-exempt, the Federal Tax ID (EIN) must be provided to Shoply in writing along with any additional documentation requested reflecting such status.
- c) Shoply is required to charge and remit sales tax to the various states or provinces based on the retail price.

#### **6.5 One Shoply Business Affiliate, Influencer, or Influencer Pro**

- a) An Affiliate, Influencer, or Influencer Pro may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one (1) Shoply Account. No individual may have, operate, or receive compensation from more than one Shoply Account and business associate therewith. Individuals of the same Family Unit may each enter into or have an interest in their own separate Shoply Account, only if each subsequent family position is placed frontline to the first family member enrolled. Each position must build their position separate and independent of the other or the position will be deemed to be stacking. If an Affiliate, Influencer, or Influencer Pro, also wants to be a Vendor, both roles must be done within the same position.

#### **6.6 Actions of Household Members or Affiliated Parties**

- a) If any member of an Affiliate, Influencer, or Influencer Pro's immediate household engages in any activity which, if performed by the Affiliate, Influencer, or Influencer Pro, would violate any provision of the Affiliate, Influencer or Influencer Pro Agreement, such activity will be deemed a violation by the Affiliate, Influencer or Influencer Pro, and Shoply may take disciplinary action pursuant to these Policies and Procedures against the Affiliate, Influencer or Influencer Pro. Likewise, if an Affiliate, Influencer, or Influencer Pro is a Business Entity, any owner, member, officer, and/or Affiliate, Influencer, or Influencer Pro of that Business Entity shall be personally and individually bound to and must comply with the Affiliate, Influencer or Influencer Pro Agreement.

#### **6.7 Identification Numbers and Pay-Out**

- a) Each Affiliate, Influencer, or Influencer Pro is required to provide a Social Security Number or Federal Tax ID if located in the United States or any of its territories to Shoply at the time the Affiliate, Influencer or Influencer Pro initiates a transfer of funds or earnings accumulated in the Affiliate, Influencer or Influencer Pro's Wallet. The transferring and disbursement of commission payments or bonuses acquired is known as a "Pay-Out" and

Shoply reserves the right to withhold Pay-Out from any Affiliate, Influencer, or Influencer Pro who fails to provide a valid Social Security Number or Federal Tax-ID (EIN) or who provides false information.

- b) Upon enrollment, Shoply will provide a Shoply User ID to the Affiliate, Influencer, or Influencer Pro. This number will be used to place orders, structure Organizations, and track commissions and bonuses.

## **6.8 Sell, Assign, or Delegate Ownership**

- a) In order to preserve the integrity of the hierarchical structure, it is necessary for Shoply to place restrictions on the transfer, assignment, or sale of an Affiliate, Influencer, or Influencer Pro's Shoply Account and business associated therewith.
- b) An Affiliate, Influencer, or Influencer Pro may not sell, assign, or transfer his or her rights or delegate his or her Account as an Affiliate, Influencer, or Influencer Pro without Shoply's prior written approval, which will not be unreasonably withheld. All parties involved in any transaction described in Section 6.8 must be in good standing with Shoply to be eligible for any proposed sale, assignment, or transfer. Any attempted sale, assignment, or delegation without such approval may be voided at the discretion of Shoply.
- c) Any approved buyer/assignee/transferee shall assume the position of the Affiliate, Influencer, or Influencer Pro at the current qualified title but at the current "paid as" rank, at the time of the sale and acquire the Affiliate, Influencer, or Influencer Pro's downline Organization.
- d) To the sale, transfer, or assignment of a Shoply position, an Affiliate, Influencer, or Influencer Pro must request a "Sale/Transfer of Position Form" from Shoply's Support Department and submit the following items to Shoply's Compliance Department:
  - (i) a fully executed, dated, and properly completed Shoply Sale/Transfer of Position Form;
  - (ii) a fully executed, dated, and notarized agreement between the Affiliate, Influencer, or Influencer Pro and the proposed buyer/transferee/assignee; and.
  - (iii) any additional supporting documentation requested by Shoply.
- e) Any debt obligations that any party involved in the proposed transaction may have with Shoply must be satisfied in full prior to the approval of the sale, transfer, or assignment.
- f) An Affiliate, Influencer, or Influencer Pro who sells, transfers, or assigns his/her/ Shoply's position is not eligible to re-enroll as a Shoply Affiliate, Influencer, or Influencer Pro in any organization for six (6) full calendar months following the date of the sale, transfer, or assignment except as otherwise expressly permitted by these Policies and Procedures.

## **6.9 Separating a Shoply Business**

- a) Pending a divorce or dissolution of a Business Entity, the parties must adopt one of the following methods of operation:

- (i) One of the parties may, with the written consent of the other(s), operate the Shoply business whereby the relinquishing Spouse, shareholder, partner, member, or trustee ("Relinquishing Party") authorize Shoply to deal directly and solely with the non-Relinquishing Party.
  - (ii) The parties may continue to operate the Shoply business jointly on a "business as usual" basis. All compensation paid by Shoply will be paid into the Individual(s) or Business Entity named as the Affiliate, Influencer, or Influencer Pro on the Account and the Affiliate, Influencer, or Influencer Pro shall indemnify Shoply from any and all claims of any other party with respect to the Shoply business and Account and any payment(s) made in connection therewith.
- b) Shoply recognizes only one downline Organization and will issue only one commission payment transfer per Shoply Account per commission cycle. Under no circumstances will the downline of an Organization be divided, nor will Shoply split commissions and/or bonuses.
  - c) If a Relinquishing Party has completely relinquished, in writing, all rights to the original Shoply business and Account, the Relinquishing Party may immediately thereafter re-enroll under the Sponsor of his or her choice. In such cases, however, the Relinquishing Party shall have no rights to, and shall not solicit, any Affiliate, Influencer, or Influencer Pro or active Customer in the former Organization, and must develop a new business in the same manner as any other new Shoply Affiliate, Influencer or Influencer Pro. An Affiliate, Influencer, or Influencer Pro in the Relinquishing Party's former Downline who wishes to transfer to the Relinquishing Party's new Organization or to any other Organization must comply with the requirements in Section 4.0.

#### **6.10 Succession**

- a) The Affiliate, Influencer, or Influencer Pro Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.
- b) Upon the death or incapacity of an Affiliate, Influencer, or Influencer Pro, the Affiliate, Influencer, or Influencer Pro's business may be passed on to his or her legal successors in interest ("Successor"). Whenever a Shoply business is transferred by a will or other testamentary process, the successor acquires the right to collect all bonuses and commissions of the deceased Affiliate, Influencer, or Influencer Pro's Sales Organization. The Successor must:
  - (i) Accept and agree to all the terms of the Affiliate, Influencer, or Influencer Pro Agreement;
  - (ii) Comply with the terms and provisions of the Affiliate, Influencer, or Influencer Pro Agreement; and
  - (iii) Meet all of the qualifications for the last rank achieved by the former Affiliate, Influencer, or Influencer Pro.
- c) Any bonus and commissions transferred pursuant to this section will be paid in a single transfer to the successor. The successor must provide Shoply with an "address of record"

to which all bonus and commission Pay-Out will be sent. Payments will be based on the current performance of the position, not the highest rank or volume achieved.

- d) If the business is bequeathed to joint devisees, they must form a Business Entity and acquire a Federal Tax ID (EIN). Shoply will issue all bonus and commission payments to the managing Business Entity only.
- e) Appropriate legal documentation must be submitted to the Shoply Compliance Department to ensure the transfer is done properly. To affect a testamentary transfer of a Shoply business, the Successor must provide the following to the Shoply Compliance Department:
  - (i) A certified copy of the death certificate; and
  - (ii) A notarized copy of the will.
- f) To complete a transfer of the Shoply business because of incapacity, the Successor must provide the following to the Shoply Compliance Department:
  - (i) A notarized copy of an appointment as trustee;
  - (ii) A notarized copy of the trust document or other appropriate legal documentation establishing the trustee's right to administer the Shoply business; and
  - (iii) An Affiliate, Influencer, or Influencer Pro Agreement accepted and agreed to by the trustee in writing.
- g) If the Successor is already an existing Affiliate, Influencer, or Influencer Pro, Shoply will allow such Affiliate, Influencer, or Influencer Pros to keep his or her own position plus the inherited position active for up to six (6) months. By the end of the six (6) month period, the Affiliate, Influencer, or Influencer Pro must have compressed (if applicable), sold, or otherwise transferred either the existing position or the inherited position.
- h) If the Successor wishes to terminate the Shoply position, he or she must submit a notarized statement stating the desire to terminate the position, along with a certified copy of the death certificate, appointment as trustee, and/or any other appropriate legal documentation.
- i) Upon written request, Shoply may grant a one (1) month bereavement waiver and payout at the last "paid as" rank.

## **7.0 DISCIPLINARY ACTIONS**

### **7.1 Imposition of Disciplinary Action - Purpose**

- a) It is the spirit of Shoply that integrity and fairness should pervade among its Affiliates, Influencers, or Influencer Pros, thereby providing everyone with an equal opportunity to build a successful business. Therefore, Shoply reserves the right to impose disciplinary sanctions at any time, when it has determined that an Affiliate, Influencer, or Influencer Pro has violated the Affiliate, Influencer, or Influencer Pro Agreement, as may be amended from time to time by Shoply in accordance herewith.

## 7.2 Consequences and Remedies of Breach

- a) Disciplinary actions may include one or more of the following:
  - (i) Monitoring an Affiliate, Influencer, or Influencer Pro's conduct over a specified period of time to ensure compliance;
  - (ii) Alerting the Affiliate, Influencer, or Influencer Pro's Upline so that the Upline may further educate the Affiliate, Influencer, or Influencer Pro and/or take proactive action to protect the Shoply community from cross-Recruiting, disparagement, etc.;
  - (iii) Issuance of a written warning or requiring the Affiliate, Influencer, or Influencer Pro to take immediate corrective action;
  - (iv) Imposition of a fine (which may be imposed immediately or withheld from future commission payments) or the withholding of commission payments ("Commission Hold") until the matter causing the Commission Hold is resolved or until Shoply receives adequate additional assurances from the Affiliate, Influencer, or Influencer Pro to ensure future compliance;
  - (v) Suspension from participation in Shoply or Affiliate, Influencer or Influencer Pro events, rewards, or recognition;
  - (vi) Suspension of the Affiliate, Influencer, or Influencer Pro's Account and position for one or more pay periods;
  - (vii) Involuntary termination of the Affiliate, Influencer, or Influencer Pro's Account and position;
  - (viii) Any other measure which Shoply deems feasible and appropriate to justly resolve injuries caused by the Affiliate, Influencer, or Influencer Pro's violation(s); or
  - (ix) Legal proceedings for monetary or equitable relief.

## 7.3 Suspension Procedures

- a) First Violation: Counseling and initial warning letter. A first violation usually occurs because the Affiliate, Influencer, or Influencer Pro is not familiar with the Policies and Procedures or the law. Counseling and the initial warning provide an opportunity for Compliance to bring to the attention of the Affiliate, Influencer, or Influencer Pro the Policies and Procedures and the specific violation, and to provide counseling on complying with the Policies and Procedures and applicable laws. The Compliance Department will also describe expectations and steps the Affiliate, Influencer, or Influencer Pro must take to resolve the violation including, but not limited to, either removing or revising the non-compliant claim or how to remedy other policy violations. Within three (3) days of this notice, Compliance will determine if the non-compliant material or other policy violation has been remediated. If so, Compliance will close the file. If not, Compliance will proceed to the 2nd Violation notice described below.
- b) Second Violation: Second warning letter and temporary suspension. Although it is hoped that the Affiliate, Influencer, or Influencer Pro will promptly correct the violation(s), Shoply

recognizes that this may not always occur. The second written warning indicates the seriousness of repeated violations and will prompt a suspension of the Affiliate, Influencer, or Influencer Pro's account. During the suspension period, the Affiliate, Influencer, or Influencer Pro waives any and all rights to Pay-Out of any bonuses or commissions and must submit a signed reinstatement letter wherein the Affiliate, Influencer, or Influencer Pro acknowledges the violation(s) and describes the steps taken to correct the violation(s). Once the reinstatement letter is accepted by Shoply, the suspension will be lifted, and the Affiliate, Influencer, or Influencer Pro will be able to request a Pay-Out. The Affiliate, Influencer, or Influencer Pro may be subject to additional discipline up to and including termination if the violation is not cured or further violation(s) occur.

- c) Third Violation: Suspension and final written warning. Repeated violation(s) of the Policies and Procedures is very problematic and potentially harmful. Therefore, the most effective and prudent action is suspension of the Affiliate, Influencer, or Influencer Pro and forfeiture of commissions and bonuses associated with the offending Affiliate, Influencer, or Influencer Pro's Account. The final written warning letter will include notification of such suspension, action needed to cure the violations(s), and an indication that if the Affiliate, Influencer, or Influencer Pro violates the Policies and Procedures again, the Affiliate, Influencer, or Influencer Pro will be terminated immediately.
- d) Fourth Violation: Termination. As described above, Shoply will try to exercise the progressive nature of the Discipline Policy by first providing warnings, a final written warning, and suspension and commission forfeiture before proceeding to termination of the Affiliate, Influencer, or Influencer Pro's Account. Shoply will notify the Affiliate, Influencer, or Influencer Pro in writing if/when the Account is terminated.
- e) Shoply reserves the right to combine and omit steps depending on the circumstances of each situation and the nature of the violation. Furthermore, the Affiliate, Influencer, or Influencer Pro may be terminated without prior notice or disciplinary action, as authorized by the Policies and Procedures.

## **8.0 DISPUTE RESOLUTION**

### **8.1 Grievances Against Another Affiliate, Influencer, or Influencer Pro**

- a) If a Shoply Affiliate, Influencer, or Influencer Pro has a grievance or complaint against another Affiliate, Influencer, or Influencer Pro regarding any practice or conduct relating to their respective Shoply businesses, he or she is encouraged to resolve the issue directly with the other party. If an agreement cannot be reached, it must be reported directly to the Shoply Compliance Department as outlined below in this Section.
- b) The Shoply Compliance Department will be the final authority on settling such grievance or complaint and its written decision shall be final and binding on the Affiliate, Influencer, or Influencer Pros involved.
- c) Shoply will confine its involvement to disputes regarding Shoply business matters only. Shoply will not decide on issues that involve personality conflicts or unprofessional conduct by or between Affiliates, Influencers, or Influencer Pros outside the context of a Shoply business. These issues go beyond the scope of Shoply and may not be used to justify a Sponsor change or a transfer to another Shoply Organization.



- d) Shoply does not consider, enforce, or mediate third-party agreements between Affiliates, Influencers, or Influencer Pros, nor does it provide names, funding, or advice for obtaining outside legal counsel.
- e) Process for Grievances:
  - (i) The Affiliate, Influencer, or Influencer Pro should submit a letter of complaint via email directly to the Shoply Compliance Department at [compliance@shoply.com](mailto:compliance@shoply.com). The letter shall set forth the details of the incident as follows:
    - A. The nature of the violation;
    - B. Specific facts to support the allegations;
    - C. Dates;
    - D. Number of occurrences;
    - E. Persons involved; and
    - F. Supporting documentation.
  - (ii) Upon receipt of the written complaint, Shoply will conduct an investigation according to the following procedures:
    - A. The Compliance Department will send an acknowledgment of receipt to the complaining Affiliate, Influencer, or Influencer Pro;
    - B. The Compliance Department will provide a verbal or written notice of the allegation to the Affiliate, Influencer, or Influencer Pro under investigation. If a written notice is sent to the Affiliate, Influencer, or Influencer Pro, he or she will have 10 business days from the date of the notification letter to present all information relating to the incident for review by Shoply.
    - C. The Shoply Compliance Department will thoroughly investigate the complaint, consider all the submitted information it deems relevant, including information from collateral sources. Due to the unique nature of each situation, determinations of the appropriate remedy will be on a case-by-case basis, and the length of time to reach a resolution will vary.
    - D. During the course of the investigation, the Compliance Department will only provide periodic updates simply stating that the investigation is ongoing. No other information will be released during this time. Affiliate, Influencer, or Influencer Pro calls, letters, and requests for “progress reports” during the course of the investigation will not be answered or returned.
- f) Shoply will make a final decision and timely notify the Shoply Affiliate, Influencer, or Influencer Pro involved.

## **8.2 Mediation Disputes Between an Affiliate, Influencer, or Influencer Pro and Shoply**

- a) Affiliate, Influencer, or Influencer Pro and Shoply (collectively “the Parties”) recognize disputes and differences may arise between the Parties and therefore agree it is in their best interest to appoint an impartial mediator to resolve such disputes as they arise. Mediation of a dispute may allow the parties to avoid the cost and inconvenience of litigation in court.
- b) The Parties should exchange all documents pertinent to the relief requested. The mediator may request the exchange of memoranda and other information; items that a party wishes to keep confidential may be sent to the mediator in a separate communication.
- c) The mediator shall not be a legal representative of any party.
- d) Unless otherwise agreed to by the Parties, the mediation shall take place in Collin County, Texas, on a date that is mutually agreeable among the Parties and the mediator. Participation in the mediation by telephone will be permitted to prevent inconvenience to a party.
- e) The mediator shall allow the Parties to be represented by their respective advocates, who have the authority to consummate a settlement. Any party may participate without representation (pro se).
- f) Mediation sessions and related mediation communications are private proceedings. For this reason, only the Parties and their legal representatives may attend mediation sessions. Other persons may attend only with the permission of the Parties and with the consent of the mediator.
- g) Each Party will pay its own costs and expenses of the mediation unless the Parties agree otherwise.
- h) The Parties agree that all mediation communications are privileged and not subject to discovery or admissible in evidence in a proceeding unless waived or precluded by both Parties or unless the evidence would otherwise be admissible or subject to discovery if it were not by reason of its disclosure or use in mediation.
- i) Jurisdiction and venue of any controversy or claim brought under this mediation provision shall be in Collin County, Texas. The Parties further agree that the laws of the State of Texas shall govern all matters, claims, or controversy submitted to mediation pursuant to the Agreement.

### **8.3 Severability**

- a) If any provision of these Policies and Procedures is found to be invalid, or unenforceable for any reason, only the invalid provision shall be severed. The remaining terms and provisions hereof shall remain in full force and shall be construed as if such invalid or unenforceable provision never had comprised a part of these Policies and Procedures.

### **8.4 Waiver**

- a) Only an officer of Shoply can, in writing, affect a waiver of these Policies and Procedures. Shoply’s waiver of any particular breach by an Affiliate, Influencer, or Influencer Pro shall

not affect Shoply's rights with respect to any subsequent breach, nor shall it affect the rights or obligations of any other Affiliate, Influencer, or Influencer Pro.

- b) The existence of any claim or cause of action of an Affiliate, Influencer, or Influencer Pro against Shoply shall not constitute a defense to Shoply's enforcement of any term or provision of these Policies and Procedures.

## **8.5 Governing Law**

- a) The Parties agree that jurisdiction and venue of any controversy or claim arising from the Affiliate, Influencer, or Influencer Pro Agreement or between Shoply and Affiliate, Influencer, or Influencer Pro shall be in Collin County, Texas. The law of the State of Texas shall govern all matters relating to or arising from the Affiliate, Influencer, or Influencer Pro Agreement or between Shoply and Affiliate, Influencer, or Influencer Pro, without regard for any provisions regarding choice of law.

## **8.6 Class Action Waiver**

- a) The parties expressly intend and agree that:
  - (i) Class action and representative action procedures are hereby waived and shall not be asserted, nor will they apply, in any court or arbitration; and
  - (ii) The parties will only submit their own, individual claims in any court or arbitration and will not seek to represent the interests of any other person.
- b) The court or arbitrator is not empowered to consolidate claims of different individuals into one proceeding, to hear any litigation or arbitration as a class action.
- c) As a Shoply Affiliate, Influencer, or Influencer Pro and/or Customer, I agree that I will not assert class or collective action claims against Shoply in arbitration, court, or otherwise, nor will I join or serve as a member of a class or collective action in arbitration, court or otherwise.
- d) As an Affiliate, Influencer, or Influencer Pro and/or Customer, I understand that this means that there will be no right or authority for any dispute to be brought, heard, or arbitrated as a class or collective action by me or Shoply.

## **9.0 PAYMENT OF COMMISSIONS & BONUSES**

### **9.1 Bonus and Commission Qualifications**

- a) An Affiliate, Influencer, or Influencer Pro must be active and in compliance with the Affiliate, Influencer, or Influencer Pro Agreement and all Shoply-issued guidelines and policies implemented to qualify for bonuses and commissions. So long as an Affiliate, Influencer, or Influencer Pro complies with the terms and conditions set forth in the Affiliate, Influencer, or Influencer Pro Agreement, Shoply shall pay commissions to such Affiliate, Influencer, or Influencer Pro in accordance with the Incentive Plan and any amendments thereto.
- b) Shoply will not issue a payment in any form to an Affiliate, Influencer, or Influencer Pro without the receipt of an Affiliate, Influencer, or Influencer Pro's monthly subscription fee (license fee if applicable) and completed electronic enrollment as a Shoply Affiliate,

Influencer or Influencer Pro, including the Affiliate, Influencer or Influencer Pro's acceptance and agreement to the Affiliate, Influencer or Influencer Pro Agreement.

- c) Shoply reserves the right to postpone bonus and commission payments until such time the cumulative amount exceeds \$25.00.

## **9.2 Computation of Commissions and Discrepancies**

- a) In order to qualify to receive commissions and/or bonuses, an Affiliate, Influencer, or Influencer Pro must be in good standing and comply with the terms of the Affiliate, Influencer, or Influencer Pro Agreement. Commission, bonuses, overrides, and achievement levels are calculated on a daily, monthly, or yearly basis.
- b) A Shoply Affiliate, Influencer, or Influencer Pro must review his or her monthly statement and bonus/commission reports promptly and report any discrepancies within thirty (30) days of receipt. After the thirty (30) day "grace period" no additional requests will be considered for commission recalculations.
- c) For additional information on payment of commissions, please review the Incentive Plan.
- d) Shoply reserves the right, in its sole discretion, to modify or amend the terms or conditions of any Bonus or Bonus Pool. Furthermore, Shoply may amortize the payment of proceeds from a Bonus or Bonus Pool.

## **9.3 Adjustments to Bonuses and Commissions for Returned Products or Affiliate, Influencer, or Influencer Pro Monthly Subscriptions**

- a) An Affiliate, Influencer, or Influencer Pro receives bonuses and commissions based on the actual sales of Shoply products and services to end consumers and to Affiliate, Influencer, or Influencer Pros through product and service purchases. When a product or service is returned to Shoply for a refund from the end consumer or by an Affiliate, Influencer, or Influencer Pro, the bonuses and commissions attributable to the returned product or service will be deducted from the Affiliate, Influencer or Influencer Pro who received bonuses or commissions on such sales. Deductions will occur in the month in which the refund is given and continue every pay period thereafter until the bonus/and or commission is recovered.
- b) In the event that an Affiliate, Influencer, or Influencer Pro terminates his or her Shoply Account, and the amounts of the bonuses or commissions attributable to the returned products or services have not yet been fully recovered by Shoply, the remainder of the outstanding balance may be offset against any other amounts that may be owed by Shoply to the terminated Affiliate, Influencer, or Influencer Pro.

## **10.0 ORDERING PRODUCT**

### **10.1 General Product Ordering Policies**

- a) "Bonus Buying" is strictly and absolutely prohibited. Bonus Buying includes; (a) the enrollment of individuals or Business Entity as an Affiliate, Influencer, Influencer Pro or Customer without their knowledge or consent; (b) the fraudulent enrollment of an individual or Business Entity as an Affiliate, Influencer, Influencer Pro or Customer; (c) the enrollment

or attempted enrollment of non-existent individuals or Business Entities as Affiliates, Influencers, Influencer Pros, or Customers (“phantoms”); (d) purchasing Shoply products or services on behalf of another Affiliate, Influencer or Influencer Pro or Customer, or under another Affiliate, Influencer or Influencer Pro’s or Customer’s ID number, to qualify for commissions or bonuses; (e) purchasing excessive amounts of products, services or Autoships that cannot reasonably be used or resold in a month; and/or (f) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions, or bonuses that is not driven by bona fide product or service purchases by end consumers.

- b) Shoply requires that Affiliates, Influencers, or Influencer Pros use their own credit cards and not allow others to use them. An Affiliate, Influencer, or Influencer Pro shall not use another Affiliate, Influencer, or Influencer Pro’s or Customer’s credit card or debit account to enroll in Shoply or purchase products, services, or AutoShip.
- c) Regarding an order with an invalid or incorrect payment, Shoply will attempt to contact the Affiliate, Influencer, or Influencer Pro by phone, mail, and/or e-mail in order to obtain another form of payment. If these attempts are unsuccessful after the expiration of ten (10) business days, the order will be canceled.
- d) Prices are subject to change without notice.
- e) An Affiliate, Influencer, Influencer Pro, or Customer who is a recipient of a damaged or incorrect order must notify Shoply within thirty (30) calendar days from receipt of the order and follow the steps as set forth in these Policies and Procedures, along with the Return/Exchange Policies and any other guidelines pertaining to product returns and exchanges.

## **10.2 Sales to Customers**

- a) Sales to retail Customers may be done directly through an Affiliate, Influencer, or Influencer Pro’s replicated website or directly using product that Shoply has in inventory.
- b) Affiliates, Influencers, or Influencer Pros will comply with applicable consumer protection laws and regulations (including any consumer rights to receive specific notices and any rights to return product) afforded to consumers under applicable consumer protection legislation.
- c) When making a sale to an end Customer, an Affiliate, Influencer, or Influencer Pro must provide him/her with an official Shoply retail receipt at or prior to the time of the initial sale and every sale thereafter. Affiliate, Influencer, or Influencer Pros will need to customize the template with his/her personal information. If the customer exercises the right to cancel the sale, the Affiliate, Influencer, or Influencer Pro shall follow the refund procedures described in this section.
- d) The Customer should return all unused product to Shoply. These sales receipts set forth the consumer protection rights afforded by applicable law for direct sales, including the right to cancel (without any reason) the sales receipt up to ten (10) days after the end Customer receives a copy of the receipt or invoice.

### 10.3 Insufficient Funds

- a) All electronic payments that are declined for insufficient funds will be automatically resubmitted for payment.
- b) Any outstanding balance owed to Shoply by an Affiliate, Influencer or Influencer Pro or Customer of an Affiliate, Influencer, or Influencer Pro from NSF (non-sufficient funds) or insufficient fund (“ACH”) fees, will be withheld by Shoply from that Affiliate, Influencer or Influencer Pro’s future bonus and commission funds.
- c) All transactions involving insufficient funds through ACH or credit card, which are not resolved in a timely manner by the Affiliate, Influencer, or Influencer Pro, constitute grounds for disciplinary sanctions or termination of the account.
- d) If a credit card order or automatic debit is declined the first time, the Customer or Affiliate, Influencer, or Influencer Pro will be contacted directly and a request for an alternate form of payment will be made before any product will be shipped. If payment is declined a second time, the Customer or Affiliate, Influencer, or Influencer Pro may be deemed ineligible to purchase Shoply products or services or participate in the monthly Auto-ship. **Note: Participation by Affiliate, Influencer, or Influencer Pros in Shoply’s monthly auto-ship, which is a recurring product order program, is entirely optional and is not required in order to become an Affiliate, Influencer, or Influencer Pro, move up in rank, or otherwise, fully participate in the Rewards Program.**

### 10.4 Credit Card Purchases

- a) Credit card purchases may only be made by the individual or Business Entity whose name and address are on the credit card. An Affiliate, Influencer, Influencer Pro, or Customer may not use another individual’s or Business Entity’s credit card to purchase Shoply products (regardless of whether that Affiliate, Influencer, or Influencer Pro/Customer has permission from that individual/entity to do so). Shoply considers such transactions fraudulent and will report them to the proper authorities for settlement.
- b) Under no circumstance will any Affiliate, Influencer, Influencer Pro, or Customer charge back any credit card purchases. The Affiliate, Influencer, Influencer Pro, or Customer Account associated with any credit card chargeback request will be terminated immediately without notice to the Affiliate, Influencer, Influencer Pro, or Customer.
- c) All Affiliates, Influencers, Influencer Pro, or Customer requests for refunds or returns must be done in accordance with these Policies.

### 10.5 Sales Tax Obligation

- a) Affiliates, Influencers, or Influencer Pros shall comply with all federal and local taxes and regulations governing the sale of Shoply products and services.
- b) Shoply will collect and remit sales tax on all Affiliate, Influencer, Influencer Pro, and Customer orders. When orders are placed with Shoply, sales tax is prepaid based upon the suggested retail price and remitted to the appropriate state and local jurisdictions. Affiliates, Influencers, or Influencer Pros may recover the sales tax when he or she makes

a sale. Affiliate, Influencer or Influencer Pros are responsible for any additional sales taxes due on products marked up and sold at a higher price.

- c) Shoply encourages each Affiliate, Influencer, or Influencer Pro to consult with a tax advisor for additional information for his or her business.

## 10.6 Refund Policy

### a) Shoply Customers:

- (i) If within the first thirty (30) days you are not satisfied with the product or services purchased directly on the Shoply platform via our website, you must contact [support@shoply.com](mailto:support@shoply.com) to return the unused portion of the product for a full refund of the product purchase amount, minus shipping and handling charges incurred. After thirty (30) days and up to ninety (90) days post-purchase, you must contact [support@shoply.com](mailto:support@shoply.com) to return the remaining sellable portion of the product for a full refund, minus shipping and handling charges incurred. Because Shoply cannot guarantee the quality of Shoply products that are sold to Customers by non-Affiliates, non-Influencers, or non-Influencer Pros, Shoply's Refund Policy is not available for products that Customers purchase from anyone other than an Affiliate, Influencer, or Influencer Pro or Shoply directly or that are purchased in any unauthorized channel. Digital Products are non-refundable.

### b) Shoply Affiliate, Influencer, or Influencer Pro:

- (i) If within the first thirty (30) days of the original purchase, you are not satisfied with any products or services purchased directly on the Shoply platform, you must contact [support@shoply.com](mailto:support@shoply.com) to return the unused portion of the product for a full refund, minus shipping and handling charges. Your Affiliate, Influencer, or Influencer Pro account will then be subject to six (6) months suspension. Digital products are non-refundable. Digital products are non-refundable.
- (ii) Between thirty (30) and ninety (90) days, if you are not 100% satisfied with our products or are unable to sell them, you may return the items for a refund if the products are in a resalable condition. (\*Resaleable condition means in sealed enclosed boxes with wrapper intact.) The refund shall be 70% percent of the original price for all returned products. Any shipping and handling charges incurred will not be refunded.
- (iii) If you receive a product that is damaged or otherwise defective, you may return the product within thirty (30) days of receipt for a full refund or replacement product.

- c) Terminated Affiliate, Influencer, or Influencer Pros. If a terminated Affiliate, Influencer, or Influencer Pro has purchased Shoply products, Shoply will issue a refund or credit for any products purchased by the Affiliate, Influencer, or Influencer Pro if: (i) the product is in Resalable condition; (ii) the Resalable product is returned to Shoply within twenty (20) days from the date of termination; and (iii) the Affiliate, Influencer, or Influencer Pro provides proof the product was purchased within twelve (12) months preceding the date of termination. [Note: the twelve (12) month requirements not applicable to residents of Maryland, Wyoming, Massachusetts, and Puerto Rico]. Refunds are subject to a ten percent (10%) handling fee. Shipping costs are not refundable.

- d) Problems with Shipments: If within thirty (30) days of the reported expected product delivery date, an Affiliate, Influencer, or Influencer Pro does not notify [support@shoply.com](mailto:support@shoply.com) of a problem with the receipt of the Affiliate, Influencer, or Influencer Pro's order, including but not limited to, failure to receive the product, improper sealing, damage to the container, quality of the internal product, and/or receipt of wrong product, refunds or exchanges will not be given.
- e) All purchases are charged and refunded in U.S. Dollars. All returns, refunds, and exchanges will also be refunded or exchanged in U.S. Dollars. Shoply is not responsible for fluctuating exchange rates.

## **10.7 Return Process**

- a) All returns, whether by a Customer or Affiliate, Influencer, or Influencer Pro, must be made as follows:
  - (i) Obtain a Return Merchandise Authorization ("RMA") from Shoply by contacting [support@shoply.com](mailto:support@shoply.com) and submit a request.
  - (ii) Ship items to the address provided by Shoply customer service when you receive your RMA.
  - (iii) Provide a copy of the sales receipt or invoice with the returned product. Such invoice must reference the RMA and include the reason for the return.
  - (iv) Ship product back in the original manufacturer's box exactly as it was delivered.
  - (v) All returns must be shipped to Shoply pre-paid, as Shoply does not accept shipping collect packages. Shoply recommends shipping returned product by UPS or FedEx which includes tracking information and insurance, as risk of loss or damage in the shipping process of the returned product shall be borne solely by the Customer or Affiliate, Influencer, or Influencer Pro. If the returned product is not received at the address provided on the RMA, it is the responsibility of the Customer or Affiliate, Influencer, or Influencer Pro to trace the shipment of the product wherein no credit will be applied.
  - (vi) The return of \$500 or more of products accompanied by a request for a refund within one (1) calendar year by an Affiliate, Influencer, or Influencer Pro, may constitute grounds for involuntary termination.

## **11.0 SHOPLY OPPORTUNITY**

### **11.1 Presentation of Incentive Plan**

- a) In presenting the Shoply business opportunity, an Affiliate, Influencer, or Influencer Pro is required to:
  - (i) present a copy of the Shoply Income Disclosure Statement;
  - (ii) refrain from misquoting or omitting any material fact about the Incentive Plan;



- (iii) clearly explain that the Incentive Plan is based upon sales of Shoply products and services;
- (iv) not make income projections, claims, or guarantees while presenting or discussing the Shoply opportunity or Incentive Plan to prospective Affiliate, Influencer, or Influencer Pros or Customers;
- (v) inform all prospective Affiliate, Influencer, or Influencer Pros that success requires substantial work;
- (vi) not make any unsubstantiated claims regarding products or services of any products offered by Shoply, except those contained in official Shoply literature.
- (vii) not use official Shoply material to promote the Shoply business opportunity in any country where Shoply is not duly authorized to conduct business.

## **11.2 Sales Requirements Are Governed by the Incentive Plan**

- a) The Shoply program is built on sales to the ultimate consumer or end-user. Shoply encourages its Affiliates, Influencers, or Influencer Pros to only purchase inventory, in reasonable quantities, that they and their family will personally consume, will be used as a sales tool, or will be resold to others for their ultimate consumption. Affiliates, Influencers, or Influencer Pros must never attempt to influence any other Affiliate, Influencer, or Influencer Pros to buy more products than they can reasonably use or sell to retail Customers in a month.
- b) Each Shoply Affiliate, Influencer, or Influencer Pro commits to personally use, sell, or use in business building at least seventy percent (70%) of every order placed with Shoply prior to placing another order and must be able to certify as much if demanded by Shoply or by any regulatory agency. Purchasing product solely for the purpose of collecting bonuses or achieving rank is strictly prohibited. Shoply retains the right to limit the amount of purchases you may make if, in our sole judgment, we believe those purchases are being made solely for qualification purposes instead of for consumption or resale.

## **12.0 PROPRIETARY INFORMATION & TRADE SECRETS**

### **12.1 Reports**

- a) By agreeing to the Shoply Affiliate, Influencer, or Influencer Pro Agreement, the Affiliate, Influencer or Influencer Pro acknowledges that business reports, lists of Customer and Affiliate, Influencer or Influencer Pro names and contact information, and any other information, which contains financial, scientific, or other information both written or otherwise circulated by Shoply or pertaining to the business of Shoply (collectively, "Reports"), are confidential and proprietary information and trade secrets belonging to Shoply.

### **12.2 Obligation of Confidentiality**

- a) During the term of the Shoply Affiliate, Influencer or Influencer Pro Agreement and for a period of two (2) years after the termination or expiration of the Affiliate, Influencer or Influencer Pro Agreement between the Affiliate, Influencer or Influencer Pro and Shoply, the Affiliate, Influencer or Influencer Pro shall not:

- (i) Use the information in the Reports to compete with Shoply or for any purpose other than promoting his or her Shoply business;
- (ii) Use or disclose to any person or entity any confidential information contained in the reports, including disclosure or use to replicate or attempt to replicate the Affiliate, Influencer, or Influencer Pros' Upline and/or downline Organization genealogy in another network marketing company.

### **12.3 Breach and Remedies**

- a) The Affiliate, Influencer, or Influencer Pro acknowledges that the Reports and other confidential and proprietary information is of such character as to render it unique and that disclosure or use thereof in violation of this provision will result in irreparable damage to Shoply and to independent Shoply businesses. Shoply and its Affiliates, Influencers, or Influencer Pros will be entitled to injunctive relief and/or to recover damages against any Affiliate, Influencer, or Influencer Pro who violates his or her obligations in section 12.2 in any action to enforce its rights under this section. The prevailing party shall be entitled to an award of attorney's fees, court costs, and expenses in addition to any award of damages.

### **12.4 Return of Materials**

- a) Upon demand by Shoply, any current or former Affiliate, Influencer, or Influencer Pro will return the original and all copies of all Reports to Shoply together with any Shoply confidential information in such person's possession.

## **13.0 PRIVACY POLICY**

### **13.1 Introduction**

- a) This Privacy Policy is to ensure that all Customers and Affiliates, Influencers or Influencer Pros understand and adhere to the basic principles of confidentiality. Without limiting the terms of this section, all Affiliates, Influencers, or Influencer Pros must comply with applicable privacy laws governing the collection, use, and disclosure of Customer and fellow Affiliate, Influencer, or Influencer Pro information.

### **13.2 Expectation of Privacy**

- a) Shoply recognizes and respects the importance its Customers, Affiliates, Influencers, or Influencer Pros place on the privacy of their financial and personal information. Shoply will make reasonable efforts to safeguard the privacy of and maintain the confidentiality of its Customers', Affiliates', Influencers', or Influencer Pros' financial and account information and nonpublic personal information.
- b) By entering into the Affiliate, Influencer, or Influencer Pro Agreement, an Affiliate, Influencer, Influencer Pro, or Customer authorizes Shoply to disclose his or her name and contact information to Upline Affiliate, Influencer, or Influencer Pros solely for activities related to the furtherance of the Shoply business. An Affiliate, Influencer, or Influencer Pro hereby agrees to maintain the confidentiality and security of such information and to use it solely for the purpose of supporting and servicing his or her downline Organization and conducting the Shoply business.

### **13.3 Employee Access to Information**

- a) Shoply limits the number of employees who have access to Customers' and Affiliates', Influencers', or Influencer Pros' nonpublic personal information.

### **13.4 Restrictions on the Disclosure of Account Information**

- a) Shoply will not share non-public personal information or financial information about current or former Customers, Affiliates, Influencers, or Influencer Pros with third parties, except as permitted or required by laws and regulations, court orders, or to serve the Customers', Affiliates', Influencers', or Influencer Pros' interests or to enforce its rights or obligations under the Affiliate, Influencer or Influencer Pro Agreement or with written permission from the account holder on file.

## **14.0 PRODUCT INSPECTION, QUALITY CONTROLS, ADVERTISING, PROMOTIONAL MATERIAL, USE OF SHOPLY NAMES AND TRADEMARKS**

### **14.1 Inspection, Product Care, and Quality Controls**

- a) Promptly upon receipt, Affiliate, Influencer or Influencer Pros shall inspect Shoply products and their packaging for damage, broken seals, evidence of tampering, or other product defects. If a product is defective or damaged, Affiliates, Influencers, or Influencer Pros shall not sell the product and must report the defect or damage to Shoply. Affiliates, Influencers, or Influencer Pros may return products that are damaged or otherwise defective within thirty (30) days of receipt for a full refund or replacement.
- b) Affiliates, Influencers, or Influencer Pros must comply with all instructions provided by Shoply regarding the proper care, storage, and handling of Shoply products. Additionally, Affiliates, Influencers, or Influencer Pros shall store all Shoply products in a dry place at room temperature, away from direct sunlight. Members shall also regularly inspect inventory for products that are expired or that will expire within sixty (60) days and shall not sell any such products.
- c) If Shoply discovers that an Affiliate, Influencer, or Influencer Pro is not properly inspecting products upon receipt, not properly storing and caring for Shoply products, and/or selling products that are damaged or otherwise defective, Shoply will investigate the Affiliate, Influencer, or Influencer Pro and take remedial and disciplinary action up to and including involuntary termination of the offending Affiliate, Influencer or Influencer Pro's Shoply Account.

### **14.2 Labeling, Packaging, and Displaying Products**

- a) A Shoply Affiliate, Influencer, or Influencer Pro and/or Customer may not re-label, re-package, refill, or alter labels of any Shoply product, service, information, materials, or program(s) in any way. Shoply products must only be sold in their original containers from Shoply. Such re-labeling or re-packaging violates federal law, which may result in criminal or civil penalties or liability.
- b) A Shoply Affiliate, Influencer, or Influencer Pro shall not cause any Shoply product or service or any Shoply trade name to be sold or displayed in retail establishments except:

- (i) Where professional services are the primary source of revenue and the product sales are secondary (e.g., doctor's offices, clinics, health clubs, spas, and beauty salons);
  - (ii) Where the retail establishment is owned or managed by the Shoply Affiliate, Influencer, or Influencer Pro and the store does not exceed \$1 million in annual gross revenue, and there are five (5) or fewer stores under common ownership of management.
- c) An Affiliate, Influencer, or Influencer Pro may sell Shoply products and services and display the Shoply trade name at any appropriate display booth (such as trade shows, expositions, conferences, etc.) with the express written consent of Shoply.
  - d) An Affiliate, Influencer, Influencer Pro, or Customer is prohibited to sell Shoply products and services and display the Shoply trade name, trademark, or service mark at any kiosk or booth located in any retail establishment, such as a mall or retail facility.
  - e) Shoply reserves the right to refuse authorization to participate at any function that it does not deem a suitable forum for the promotion of its products and services, or the Shoply opportunity.

### **14.3 Use of Company Names and Protected Materials**

- a) A Shoply Affiliate, Influencer, or Influencer Pro must safeguard and promote the good reputation of Shoply and the products and services it markets. The marketing and promotion of Shoply, the Shoply business opportunity, the Incentive Plan, and Shoply products and services will be consistent with the public interest and must avoid all discourteous, deceptive, misleading, unethical, or immoral conduct and practices.
- b) All promotional materials supplied or created by Shoply must be used in their original form and cannot be changed, amended, or altered, except with prior written approval from the Shoply Compliance Department.
- c) The name of Shoply, each of its product and service names, and other names that have been adopted by Shoply, in connection with its business are proprietary trade names, trademarks, and service marks of Shoply. As such, these marks are of great value to Shoply and are supplied to Affiliates, Influencers, or Influencer Pros for their use only in an expressly authorized manner.
- d) A Shoply Affiliate, Influencer, or Influencer Pro's use of the name "Shoply" is restricted to protect Shoply proprietary rights, ensuring that the Shoply protected names will not be lost or compromised by unauthorized use. Use of the Shoply name on any item not produced by Shoply is prohibited except as follows:
  - (i) [Affiliate, Influencer or Influencer Pro's name] Independent Shoply Affiliate, Influencer or Influencer Pro.
  - (ii) [Affiliate, Influencer, or Influencer Pro's name] Independent Affiliate, Influencer, or Influencer Pro of Shoply products and services.
- e) Further procedures relating to the use of the Shoply name are as follows:

- (i) All stationery (i.e., letterhead, envelopes, and business cards) bearing the Shoply name or logo intended for use by the Shoply Affiliate, Influencer, or Influencer Pro must be submitted via email to the Shoply Compliance Department for approval. Submit to; [compliance@shoply.com](mailto:compliance@shoply.com).
  - (ii) Shoply Affiliate, Influencer, or Influencer Pros may list “Independent Shoply Affiliate, Influencer, or Influencer Pro” in the white pages of the telephone directory under his or her own name.
  - (iii) Shoply Affiliate, Influencer, or Influencer Pros may not use the name Shoply in answering his or her telephone, creating a voice message, or using an answering service, such as to give the impression to the caller that they have reached the corporate office. They may state, “Independent Shoply Affiliate, Influencer or Influencer Pro.”
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- f) Certain photos and graphic images used by Shoply in its advertising, packaging, and websites are the results of paid contracts with outside vendors that do not extend to Affiliates, Influencers, or Influencer Pros. If an Affiliate, Influencer, or Influencer Pro wants to use these photos or graphic images, they must negotiate individual contracts with the vendors for a fee.
  - g) A Shoply Affiliate, Influencer, or Influencer Pro shall not appear on or make use of television, radio, or make use of any other media to promote or discuss Shoply or its programs, products, or services without prior written permission from the Shoply Compliance Department.
  - h) An Affiliate, Influencer, or Influencer Pro may not produce for sale or distribution any Shoply event or speech, nor may an Affiliate, Influencer, or Influencer Pro reproduce Shoply audio or video clips for sale or for personal use without prior written permission from the Shoply Compliance Department.
  - i) Shoply reserves the right to rescind its prior approval of any sales aid or promotional materials to comply with changing laws and regulations and may request the removal from the marketplace of such materials without financial obligation to the affected Affiliate, Influencer, or Influencer Pro.
  - j) Claims (which include personal testimonials) as to therapeutic, curative, or beneficial properties of any products offered by Shoply may not be made except those contained in official Shoply literature. In particular, no Affiliate, Influencer or Influencer Pro may make any claim that Shoply products are useful in the cure, treatment, diagnosis, mitigation, or prevention of any diseases. Such statements can be perceived as medical or drug claims. Not only do such unsubstantiated claims violate Shoply policies, but they also potentially violate federal and provincial laws and regulations.
  - k) An Affiliate, Influencer, or Influencer Pro and/or Customer may not make any unsubstantiated claims regarding products or services of any products offered by Shoply, except those contained in official Shoply literature.

#### 14.4 Faxes and E-mail - Limitations

- a) Except as provided in this section, an Affiliate, Influencer, or Influencer Pro may not use or transmit unsolicited email, mass email distribution, other commercial electronic messages, or “spamming” that advertises or promotes the operation of his or her Shoply business. The exceptions are:
  - (i) E-mailing any person who has given prior permission or invitation;
  - (ii) E-mailing any person with whom the Affiliate, Influencer, or Influencer Pro has established a current business or personal relationship.
- b) In all states or the U.S. or International territories where prohibited by law, an Affiliate, Influencer, or Influencer Pro may not transmit, or cause to be transmitted through a third party, (by telephone, facsimile, computer, or other devices), an unsolicited advertisement to any equipment, which has the capacity to transcribe text or images from an electronic signal received over a regular telephone line, cable line, ISDN, T1 or any other signal carrying device, except as set forth in this section.
- c) All e-mail or computer-broadcasted documents subject to this provision shall include each of the following:
  - (i) A clear and obvious identification that the fax or e-mail message is an advertisement or solicitation. The words “advertisement” or “solicitation” should appear in the subject line of the message;
  - (ii) A clear return path or routing information;
  - (iii) The use of legal and proper domain name;
  - (iv) A clear and obvious notice of the opportunity to decline to receive further commercial facsimile or e-mail messages from the sender;
  - (v) Unsubscribe or opt-out instructions should be the very first text in the body of the message box in the same size text as the majority of the message;
  - (vi) The true and correct name of the sender, a valid sender’s fax or e-mail address, and a valid sender physical address;
  - (vii) The date and time of the transmission; and
  - (viii) Upon notification by the recipient of his or her request not to receive further faxed or e-mailed documents, a Shoply Affiliate, Influencer or Influencer Pro shall not transmit any further documents to that recipient.
- d) All e-mail or computer-broadcasted documents subject to this provision shall not include any of the following:
  - (i) Use of any third-party domain name without permission; and
  - (ii) Sexually explicit materials.

## 14.5 Internet and Third-Party Website Restrictions

- a) An Affiliate, Influencer, or Influencer Pro and/or Customer is prohibited from creating or registering any third-party website in order to promote, sell, or advertise their Shoply business without Shoply's express written approval. An Affiliate, Influencer, or Influencer Pro and/or Customer is prohibited to use or attempt to register any of Shoply's trade names, trademarks, service names, service marks, product names, URLs, advertising phrases, the Shoply name, or any derivative thereof, for any purpose including, but not limited to, Internet domain names (URL), third party websites, e-mail addresses, web pages, or blogs.
- b) A Shoply Affiliate, Influencer, Influencer Pro, and/or Customer may not (directly or indirectly through any intermediary or instrumentality) advertise, offer for sale, or facilitate the offering for sale of any Shoply products or services or offer the Business Opportunity on any online auction websites, internet retailer sites, or online marketplace websites. Examples of such sites include but are not limited to, eBay®, Amazon, Facebook Marketplace, Sears.com, Jet.com, Walmart.com, and Etsy. This obligation survives the termination of an Affiliate, Influencer, or Influencer Pro's Agreement with Shoply.
- c) Social Media sites may be used to sell or offer to sell Shoply products or services. PROFILES AN AFFILIATE, INFLUENCER OR INFLUENCER PRO GENERATES IN ANY SOCIAL COMMUNITY WHERE SHOPLY IS DISCUSSED OR MENTIONED MUST CLEARLY IDENTIFY THE AFFILIATE, INFLUENCER OR INFLUENCER PRO AS AN INDEPENDENT SHOPLY AFFILIATE, INFLUENCER OR INFLUENCER PRO, and when an Affiliate, Influencer, or Influencer Pro and/or Customer participates in those communities, Affiliate, Influencer, Influencer Pros and/or Customers must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. The determination of what is inappropriate is at Shoply's sole discretion, and the offending Affiliate, Influencer, Influencer Pro, and/or Customer will be subject to disciplinary action. Banner ads and images used on these sites must be current and must come from the Shoply-approved library, official Shoply website, or social media outlet. If a link is provided, it must link to the posting Affiliate, Influencer, or Influencer Pro's Replicated website.
- d) Anonymous postings or use of an alias on any Social Media site is prohibited, and offending Affiliates, Influencers, or Influencer Pros will be subject to disciplinary action.
- e) Affiliates, Influencers, Influencer Pros, and/or Customers may not use blog spam, spamdexing, or any other mass-replicated methods to leave blog comments. Comments Affiliates, Influencers, Influencer Pros or Customers create or leave must be useful, unique, relevant, and specific to the blog's article.
- f) Affiliates, Influencers, Influencer Pros, and/or Customers must disclose their full name on all Social Media postings and conspicuously identify themselves as an Independent Shoply Affiliate, Influencer, or Influencer Pro for Shoply. Anonymous postings or the use of an alias are prohibited.
- g) Postings that are false, misleading, or deceptive are prohibited. This includes but is not limited to, false or deceptive postings relating to the Shoply business opportunity or income therewith, Shoply's products and services, and/or your biographic information and credentials.

- h) Affiliates, Influencers, Influencer Pros, and/or Customers are personally responsible for their postings and all other online activity that relates to Shoply. Therefore, even if an Affiliate, Influencer, or Influencer Pro does not own or operate a blog or Social Media site if an Affiliate, Influencer, Influencer Pro, and/or Customer posts to any such site that relates to Shoply or which can be traced to Shoply, the Affiliate, Influencer, or Influencer Pro is responsible for the posting. Affiliate, Influencer, Influencer Pro, and/or Customer are also responsible for postings that occur on any blog or Social Media site that the Affiliate, Influencer, Influencer Pro, and/or Customer owns, operates, or controls.
- i) As a Shoply Affiliate, Influencer, or Influencer Pro, it is important to not converse with any person who places a negative post against you, other Affiliates, Influencers, Influencer Pros, or Shoply. Report negative posts to Shoply at [support@shoply.com](mailto:support@shoply.com). Responding to such negative posts often simply fuels a discussion with someone carrying a grudge who does not hold themselves to the same high standards as Shoply, and therefore damages the reputation and goodwill of Shoply.
- j) The distinction between a Social Media site and a website may not be clear-cut because some Social Media sites are particularly robust, Shoply, therefore, reserves the sole and exclusive right to classify certain Social Media sites as third-party websites which are herein prohibited.
- k) If your Shoply business is canceled for any reason, you must discontinue using the Shoply name, and all of Shoply's trademarks, trade names, service marks, and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all Social Media sites that you utilize. If you post on any Social Media site on which you have previously identified yourself as an Independent Shoply Affiliate, Influencer, or Influencer Pro, you must conspicuously disclose that you are no longer an Independent Shoply Affiliate, Influencer, or Influencer Pro.
- l) Failure to comply with these Policies for conducting business online may result in the Affiliate, Influencer, or Influencer Pro losing their right to advertise and market Shoply products, services, and Shoply's business opportunity online in addition to any other disciplinary action available under the Policies and Procedures.
- m) Affiliates, Influencers, or Influencer Pros are prohibited from selling Shoply products to individuals or entities that they know or should know, intend to resell the products. Affiliates, Influencers, or Influencer Pros must sell Shoply products only to end-user customers, and Affiliates, Influencers, or Influencer Pros shall not sell to any person any quantity of Shoply products greater than that generally purchased by an individual for personal use. Affiliates, Influencers, or Influencer Pros must take reasonable steps to ensure that they do not violate these prohibitions.

#### **14.6 Advertising and Promotional Materials**

- a) You may not advertise any Shoply products or services at a price LESS than the highest Shoply published, established retail price of ONE offering of the Shoply product or service plus shipping, handling, and applicable taxes. No special enticement advertising is allowed. This includes but is not limited to, offers of free monthly subscriptions, free shipping, or other such offers that grant advantages beyond those available through Shoply.



- b) Advertising and all forms of communication must adhere to principles of honesty and propriety.
- c) All advertising, including, but not limited to, print, Internet, computer bulletin boards, television, radio, etc., is subject to prior written approval by the Shoply Compliance Department.
- d) All requests for approvals with respect to advertising must be directed in writing to the Shoply Compliance Department.
- e) Shoply reserves the right to rescind its prior approval of submitted advertising or promotional materials in order to comply with changing laws and regulations and may require the removal of such advertisements from the marketplace without obligation to the affected Affiliate, Influencer, or Influencer Pro.

#### **14.7 Testimonial Permission**

- a) By agreeing to the Shoply Affiliate, Influencer, or Influencer Pro Agreement, an Affiliate, Influencer or Influencer Pro gives Shoply permission to use his or her testimonial or image and likeness in corporate sales materials, including but not limited to print media, electronic media, audio, and video. In consideration of being allowed to participate in the Shoply business opportunity, an Affiliate, Influencer or Influencer Pro waives any right to be compensated for the use of his or her testimonial or image and likeness even though Shoply may be paid for items or sales materials containing such image and likeness and represents that any testimonial represents Affiliate, Influencer or Influencer Pro's current, original, honest opinion, thoughts, beliefs, findings or experiences, based on Affiliate, Influencer or Influencer Pro's actual experience with Shoply and any stated use of Shoply products and/or services, and agrees to notify Affiliate, Influencer or Influencer Pro immediately of any changes in the views expressed in the testimonial. In some cases, an Affiliate, Influencer, or Influencer Pro's testimonial may appear in another Affiliate, Influencer, or Influencer Pro's advertising materials. If an Affiliate, Influencer, or Influencer Pro does not wish to participate in Shoply sales and marketing materials, he or she should provide a written notice to the Shoply Compliance Department to ensure that his or her testimonial or image and likeness will not be used in any corporate materials, corporate recognition pieces, advertising or recordings of annual events.

#### **14.8 Telemarketing - Limitations**

- a) A Shoply Affiliate, Influencer, or Influencer Pro must not engage in telemarketing in relation to the operation of the Affiliate, Influencer, or Influencer Pro's Shoply business. The term "telemarketing" means the placing of one or more telephone calls, text messages, emails, or facsimile transmissions to an individual or entity to induce the purchase of Shoply products or services or to recruit them for the Shoply opportunity.
- b) The federal government administers the Unsolicited Telecommunication Rules and operates a national Do-Not-Call registry that requires businesses to refrain from calling phone numbers listed on the national "Do-Not-Call" list (DNCL) and or people who tell the caller directly not to call/fax in the future.
- c) While an Affiliate, Influencer, or Influencer Pro may not consider himself or herself a "telemarketer" in the traditional sense, these regulations broadly define the terms

“telemarketer” and “telemarketing” so that the unintentional action of calling someone whose telephone number is listed on the Federal “Do Not Call” registry could cause the Affiliate, Influencer or Influencer Pro to violate the law. These regulations must not be taken lightly, as they carry significant penalties.

- d) “Cold calls” or unsolicited calls/texts/emails/faxes made to prospective Customers or Affiliates, Influencers, or Influencer Pros in order to promote Shoply products, services, or the Shoply business opportunity is considered telemarketing and is prohibited.
- e) Exceptions to Telemarketing Regulations. A Shoply Affiliate, Influencer, or Influencer Pro may place telephone calls or faxes to prospective Customers, or Affiliate, Influencer, or Influencer Pros under the following limited situations:
  - (i) If the Affiliate, Influencer, or Influencer Pro has an established current business relationship with the prospect;
  - (ii) In response to the prospect’s personal inquiry or application regarding a product or service offered by the Shoply Affiliate, Influencer, or Influencer Pro, within 3 months immediately before the date of such a call/fax;
  - (iii) If the Affiliate, Influencer, or Influencer Pro receives written and signed permission from the prospect authorizing the Affiliate, Influencer, or Influencer Pro to call/fax;
  - (iv) If the call/fax is to family members, personal friends, and acquaintances. However, if an Affiliate, Influencer, or Influencer Pro makes a habit of collecting business cards from everyone, he/she meets and subsequently calls/faxes them, the federal government may consider this a form of telemarketing that is not subject to this exemption; and
  - (v) Shoply Affiliate, Influencer, or Influencer Pros engaged in calling “acquaintances,” must make such calls/faxes on an occasional basis only and not as a routine practice.
- f) An Affiliate, Influencer, or Influencer Pro shall not use automatic telephone dialing systems in the operation of his or her Shoply businesses.
- g) Failure to abide by Shoply’s policies or federal regulations regarding telemarketing may lead to sanctions against the Affiliate, Influencer, or Influencer Pro, up to and including termination of the Affiliate, Influencer, or Influencer Pro’s Shoply Account.
- h) By enrolling as an Affiliate, Influencer, or Influencer Pro, or by accepting commissions, other payments, or awards from Shoply, an Affiliate, Influencer, or Influencer Pro gives permission to Shoply and other Affiliates, Influencers, or Influencer Pros to contact them as permitted under the Federal Do Not Call regulations.
- i) In the event an Affiliate, Influencer, or Influencer Pro violates this section, Shoply reserves the right to institute legal proceedings to obtain monetary or equitable relief.

## **15.0 INTERNATIONAL MARKETING**

### **15.1 International Marketing Policy**

- a) A Shoply Affiliate, Influencer, or Influencer Pro is authorized to sell Shoply products and services, to Customers, Affiliates, Influencers, or Influencer Pros only in the countries in which Shoply is authorized to conduct business, according to the Policies and Procedures of each country. Shoply Affiliates, Influencers, or Influencer Pros may not sell products or services in any country where Shoply products and services have not received applicable government authorization or approval.
- b) An Affiliate, Influencer or Influencer Pro may not, in any unauthorized country, conduct sales, enrollment, or training meetings, enroll or attempt to enroll potential Customers or Affiliates, Influencers, or Influencer Pros, nor conduct any other activity for the purpose of selling Shoply products and services, establishing a sales organization, or promoting the Shoply business opportunity.

## **16.0 MONTHLY SUBSCRIPTION, SMARTSUBSCRIPTION, OR MONTHLY RECURRING ORDER CANCELLATION**

- a) To cancel or modify your monthly subscription at any time at [support@shoply.com](mailto:support@shoply.com) without penalty. You can also modify or cancel your order at any time at [www.shoply.com](http://www.shoply.com). By selecting the “Monthly Subscription”, “SmartSubscription” or “Monthly Recurring Order” you are also authorizing Shoply, to charge your credit card for the services you have ordered on a monthly basis. You may cancel at any time without obligation and without penalty by emailing [support@shoply.com](mailto:support@shoply.com) or canceling the order through the shoply.com portal. All cancellations must be performed or delivered to Shoply within three (3) business days of the next subscription fee to guarantee cancellation of that subscription.

## **17.0 SHIPPING POLICY**

- a) All orders are processed within 2-3 business days.
- b) Orders are not shipped or delivered on weekends or holidays.
- c) If Shoply is experiencing a high volume of orders, shipments may be delayed by a few days. Please allow additional days in transit for delivery. If there will be a significant delay in shipment of your order, we will contact you via email or telephone.
- d) Shipping charges for your order will be calculated and displayed at checkout. Delivery delays can occasionally occur.
- e) Shoply is not liable for any products damaged or lost during shipping. If you received your order damaged, please contact the shipment carrier to file a claim.
- f) Please save all packaging material and damaged goods before filing a claim.

## **GLOSSARY OF TERMS**

The terms listed below shall have the following meaning throughout these Policies and Procedures regardless of whether they are capitalized.

**ACCOUNT:** The secure and proprietary back-office associated with each Affiliate, Influencer, or Influencer Pro's Shoply business and unique User ID where an Affiliate, Influencer or Influencer Pro can access the Affiliate, Influencer or Influencer Pro Agreement, the Incentive Plan, to ensure that they are eligible to receive bonuses and commissions.

**ACTIVE AFFILIATE, INFLUENCER, OR INFLUENCER PRO:** An Affiliate, Influencer, or Influencer Pro who is in good standing with respect to the Affiliate, Influencer, or Influencer Pro Agreement and who satisfies the minimum sales volume requirements, as set forth in the Incentive Plan, to ensure that they are eligible to receive bonuses and commissions.

**AFFILIATE, INFLUENCER, OR INFLUENCER PRO AGREEMENT:** The most current version of the following along with any addendums or exhibits thereto: (i) Shoply Policies and Procedures; and (ii) Shoply Incentive Plan.

**AFFILIATE, INFLUENCER, OR INFLUENCER PRO:** An individual or entity who actively promotes, markets, and sells Shoply products for profit and who actively seeks and Recruits others to do the same in accordance with the Affiliate, Influencer, or Influencer Pro Agreement.

**CUSTOMER:** Any person who purchases Shoply products and does not enroll as a Shoply Affiliate, Influencer, or Influencer Pro.

**INCENTIVE PLAN:** The guidelines and referenced literature for describing how Affiliate, Influencer, or Influencer Pros can generate commissions and bonuses.

**FAMILY UNIT:** Parents or dependent children living at or doing business at the same address as an Affiliate, Influencer, or Influencer Pro.

**LINE OF SPONSORSHIP (LOS):** A report generated by Shoply that provides critical data relating to the identities of Affiliates, Influencers, or Influencer Pros, sales information, and enrollment activity of each Affiliate, Influencer, or Influencer Pro's Organization. This report contains propriety, confidential, and trade secret information.

**ORGANIZATION OR DOWNLINE:** The Customers, Affiliates, Influencers, or Influencer Pros placed below a particular Affiliate, Influencer, or Influencer Pro.

**OFFICIAL SHOPLY MATERIAL:** Literature, audio or video recordings, photographs, intellectual property, and/or any other materials developed, printed, published, or distributed by Shoply to Affiliates, Influencers, or Influencer Pros and/or Customers.

**PLACEMENT:** An Affiliate, Influencer, or Influencer Pro's position inside his or her Sponsor's organization.

**RECRUIT, RECRUITMENT & RECRUITING:** Actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way (either directly or through a third party), another Affiliate, Influencer, or Influencer Pro or Customer to enroll or participate in any direct sales or network marketing opportunity. Recruitment includes but is not limited to messaging, posting, friending, or otherwise contacting known Affiliates, Influencers, or Influencer Pros and/or Customers of Shoply on social media (e.g., Facebook, Instagram, etc.) to discuss another direct sales or network marketing opportunity. The conduct described in this paragraph is Recruitment

even if the Affiliate, Influencer, or Influencer Pro's actions are in response to an inquiry made by another Affiliate, Influencer, or Influencer Pro or Customer.

**RESALABLE:** Products shall be deemed "resalable" if each of the following elements is satisfied: 1) they are unopened and unused, 2) original packaging and labeling have not been altered or damaged, 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price, and 4) the product contains current Shoply labeling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable.

**SPONSOR:** An Affiliate, Influencer, or Influencer Pro who enrolls Customers or other Affiliates, Influencers, or Influencer Pros into Shoply and is listed as the Sponsor.

**SPOUSE:** An individual that is legally married to an Affiliate, Influencer, or Influencer Pro or an individual that is a party to a legally recognized common-law relationship with an Affiliate, Influencer, or Influencer Pro.

**UPLINE:** This term refers to the Affiliate, Influencer, or Influencer Pro(s) above a particular Affiliate, Influencer, or Influencer Pro in a Sponsorship line up to the Shoply. It is the line of Sponsors that links any particular Affiliate, Influencer, or Influencer Pro to Shoply.

**WALLET:** A secure feature in the back-office software that maintains an Affiliate, Influencer, or Influencer Pro's commissions and bonuses.

**ADDENDUM 1**  
**Shoply**  
**Incentive Plan**

*shoply*

**INCENTIVE PLAN**



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# shoply

## INCENTIVE PLAN

The SHOPLY incentive plan is designed to bring together customers, affiliates, influencers and vendors globally.





 **Status**

## Status

*A Status is a goal achieved by Affiliate Members based on their Marketplace Connections, to show their progress within the Shoply Incentive Plan.*

- Paid Status - Active Affiliate Members can qualify for one of the statuses in the Incentive plan and earn commission in that period according to their Status.
- Highest Status - The Highest Status ever achieved by the Affiliate Member for all closed monthly commissionable periods.

**QUALIFIED CUSTOMERS COUNT** - This requirement counts qualified customers referred by you and those referred by your PRM "Affiliates". For example, if you have 2 qualified customers and 1 personally enrolled affiliate who referred 10 customers, your Qualified Customer Count would be 12 customers.

**MAX OV PER TEAM** - Out of the OV requirement to achieve a Status, no more than the indicated percentage per Status can come from a single team. For example, if the goal for OV is 100,000 and the Max OV per team is 60%, it means each of your marketplace connections teams can contribute up to 60,000 OV toward your goal. Your own PQV will count as an extra team.



shoply

# Status

Leadership Group			Team Influencer			Micro Influencer			Macro Influencer			Diamond Influencer			Global Influencer		
Status Name	Qualified	Catalyst	T1	T2	T3	MIC 1	MIC 2	MIC 3	MAC 1	MAC 2	MAC 3	D1	D2	D3	G1	G2	G3
PQV	100	100	100	100	100	200	200	200	300	300	300	400	400	400	500	500	500
Qualified Customers Count	0	1	3	4	5	6	8	10	15	15	15	20	20	20	25	25	25
OV	100	500	1000	2000	4000	7000	10000	15000	25000	50000	100000	150000	250000	500000	1000000	1500000	2000000
Max OV per Team	100	100%	100%	100%	100%	75%	75%	75%	60%	60%	60%	50%	50%	50%	40%	40%	40%
Marketplace Teams with someone paid as T1 or higher						3	3	3	3	4	5	5	5	5	5	5	5
Out or wich...												3 are Mac 1	3 are Mac 1	3 are Mac 1	3 are D 1	3 are D 1	3 are D 1

*\*Must be qualified to participate.*





**GETTING STARTED**

# GETTING STARTED

## FIRST, CHOOSE YOUR AFFILIATE MEMBER LICENSE AND LEARN HOW YOU CAN EARN.



The License is a one-time purchase, which creates the respective subscription to renew monthly. The first subscription is not charged until the next calendar month on the same calendar day you purchased the License. For example, if you purchased your Influencer PRO license on September 7th, your first monthly subscription will run on October 7th.

License Benefits When Eligible	Affiliate	Influencer	Influencer PRO
Can earn Direct Bonus	✓	✓	✓
Can earn License Bonus		✓ 15%	✓ 20%
Can earn Community Bonus		✓ Limited*	✓ Unlimited*
Can earn Community Check Match		✓	✓
Can earn Marketplace Commission		✓	✓
Can earn Vendor Development Bonus			✓
Can earn Vendor Development Check Match			✓
Can earn Global Marketplace Pool			✓
<b>One-Time License</b>	FREE	\$499	\$799
<b>Monthly Subscription</b>	\$9.99	\$29.99	\$39.99

\* For eligibility and to learn more how each bonus works, please visit the commission page

No refunds are issued on licenses or subscriptions. To change from any license type to another, must purchase the new license in full. There are also vendor licenses for vendors selling their products on Shoply. These licenses are also part of the License Bonuses. If a vendor wants to perform both roles, selling products and being any kind of Affiliate Member, they must purchase both respective licenses and subsequent monthly subscriptions. Both roles are attributed to the same Shoply ID.





**UP TO 8 WAYS TO EARN**

# UP TO 8 WAYS TO EARN

## 1 - DIRECT BONUS

Vendors decide their product price, the amount to be paid to the person who directly referred it to a customer (aka "Direct Bonus amount").

**Eligibility:** For Qualified Customers\*, Affiliates, Influencers and Influencer PROs

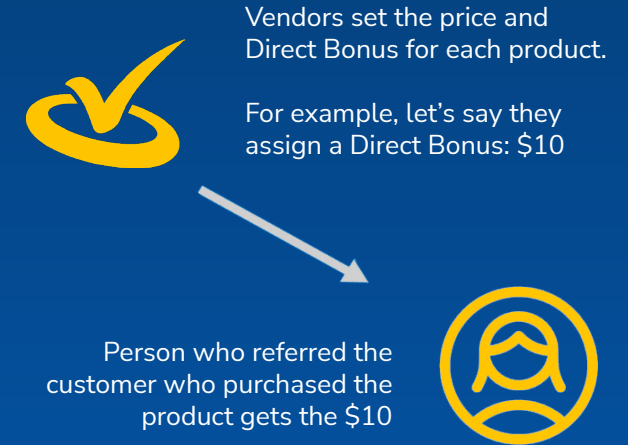
**Earned on the sale of:** Products purchased by Direct Customers.

**Paid:** Weekly

**Connections:** Enrollment Connections

**How it works:** Earn 100% of the Direct Bonus amount assigned by the vendor of the product.

\*Customers get paid in Referral points, usable within the Shoply store to pay towards products, not for shipping or taxes.



## 2 - LICENSE BONUS

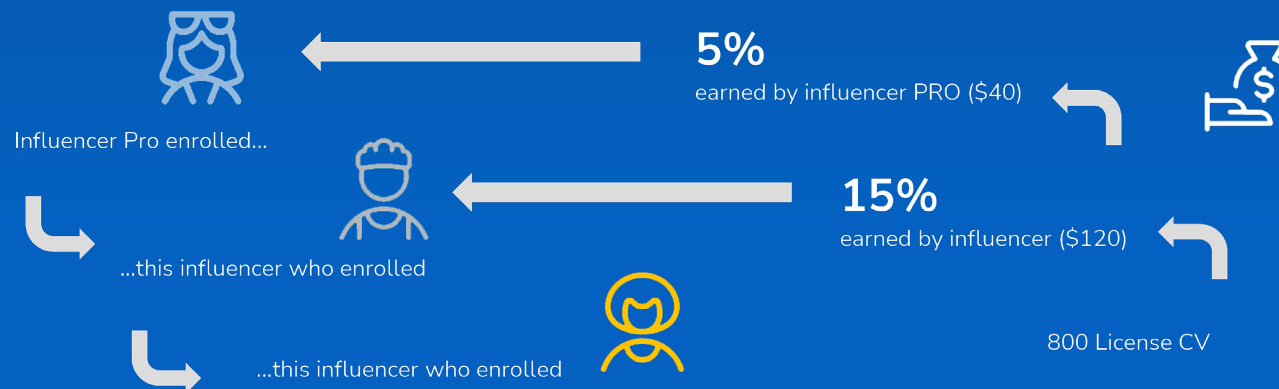
How it works: When any type of License is acquired, Shoply will always payout 20% of the License CV on this specific bonus. Influencers earn 15% of the License CV, and Influencer PROs earn 20% of the License CV, in addition, Influencer PROs can pick up the remaining 5% left on the table by Influencers when they're the first eligible Influencer PRO found in the upline.

**Eligibility:** For Qualified Influencer and Influencers PROs

**Earned on sales of:** Licenses for the Shoply SAAS digital product. On the License CV from PRM (Personally Referred Members)

**Paid:** Weekly

**Connections:** Enrollment Connections





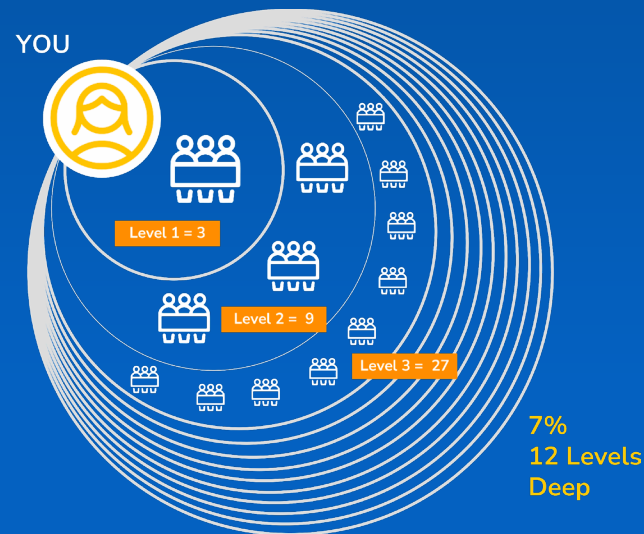
# 3 - COMMUNITY BONUS

Your community connections can grow quickly with Influencers and Influencer PROs you and your organization refer, waterfaling from your upline. The community connections create a node for each Influencer and Influencer Pro, with a limit of 3 direct nodes per node. There is no limit to how many influencers you can enroll, some will be placed under others, known as “spill over.”

Every two weeks, the Community Bonus is calculated using the Total Community Bonus CV (TCBCV) from subscriptions and 30% of license sales. You can earn 7% on each node for up to 12 levels in this connections, allowing for nearly a million people.

Depending on your paid Status (whichever is highest in the current or previous calendar month), you can earn a community bonus up to a specific amount per Status shown on the chart below.

Leadership Tier	1	Team Influencer			Micro Influencer			Macro Influencer			Diamond Influencer			Global Influencer		
Status Name	Catalyst	T1	T2	T3	MIC 1	MIC 2	MIC 3	MAC 1	MAC 2	MAC 3	D1	D2	D3	G1	G2	G3
Bi-Monthly Community Bonus Cap	Up to \$500	Up to \$1,000	Up to \$2,000	Up to \$4,000	Up to \$7,000	Up to \$10,000	Up to \$15,000	Up to \$25,000	Up to \$50,000	Up to \$100,000	No Limit	No Limit	No Limit	No Limit	No Limit	No Limit



# 4 - COMMUNITY CHECK MATCH

Once the Community Bonus has been calculated, the "1st level 10% match" of each Community Bonus earner will be paid to the first upline Mic2 or higher. This works with a dynamic compression, which means, once a Community Bonus is paid to an earner, Shoply will look upwards in the enrollment connections until we can find the first eligible Mic2 or higher to pay the "1st level 10% match"

Then, the Infinity Differential match will be paid to the first Mic3 or higher using the percentage for the Status, and will continue looking upwards until we pay up to 15% infinity check match starting on the next eligible upline after paying the 1st level 10% match, using a differential method. Let's explain this with an example after this table:

**Eligibility:** For Qualified Influencer and Influencer PROs Status Mic2 or higher.

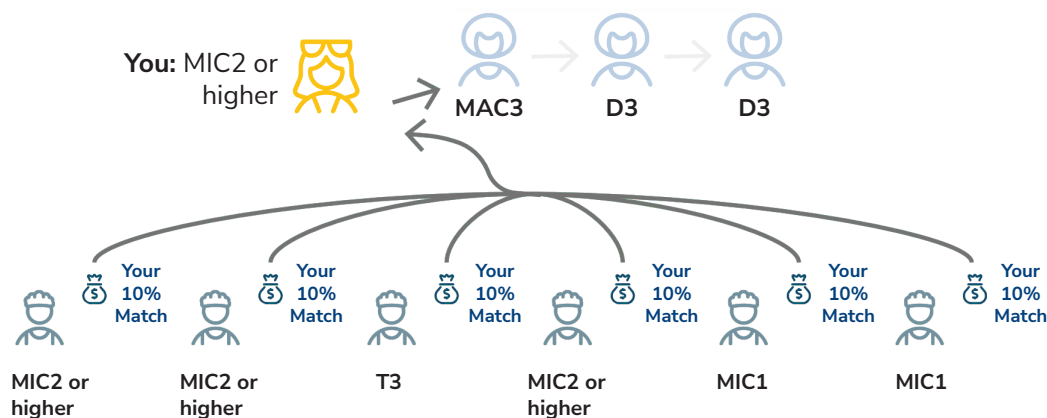
**Earned on sales of:** Licenses and subscriptions for the Shoply SAAS digital product. Calculated on Community Bonus amount earned by all your PRM in your enrollment connections. Dynamically compresses to the first Mic2 or higher.

**Paid:** Bi-Monthly

**Connections:** Enrollment Connections

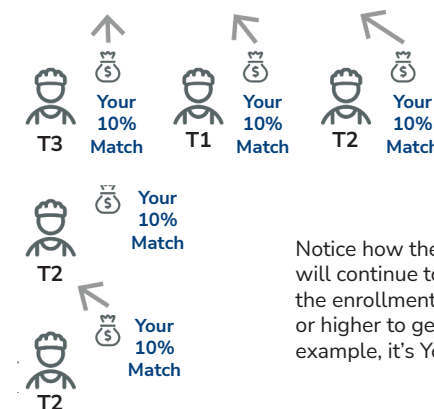
Leadership Tier	Micro Influencer		Macro Influencer			Diamond Influencer			Global Influencer		
	MIC 2	MIC 3	MAC 1	MAC 2	MAC 3	D1	D2	D3	G1	G2	G3
Wave 1	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Infinity (starts after 1st Wave is paid)		1%	2%	3%	4%	5%	6%	7%	10%	13%	15%

For example: Let's say you're paid as Microinfluencer 2 or higher and let's also say you directly enrolled 6 Influencers and Influencer Pros earning community bonuses. For sure you'll be getting the 1st-level 10% match on all of them, but... maybe also from influencers THEY enrolled if you're the first Mic2 found from their position up-wards in the connections (aka upline).



But we're not done yet...

Now, for the 2nd level match, let's say we're looking up-wards on the enrollment connections and the first eligible person we find above "you" is a Mac3, they'll get 4% on all of them, but we want to pay a total of 15% so we keep looking upwards... Let's say the next person is a D3, their number is 7% minus what has already been paid (7% - 4% = 3%). The D3 would get a 3%, and we'll continue to find the next upline, let's say it's a G3, who will get 8% check match on all of those community bonuses. (15% - 7% = 8%)



Notice how these community bonuses will continue to look for the upline in the enrollment tree to find the first Mic2 or higher to get the 10% match! In this example, it's You.

## 5 - MARKETPLACE COMMISSIONS

Depending on the paid Status you achieve in a calendar month, the marketplace commissions will earn you up to 5 waves (compressed to the next qualified Influencer or Influencer Pro) and then an Infinity Bonus using the same differential method explained above, this time on the Marketplace Connections.

Vendors also decide the Commissionable Volume (CV) to be paid to the marketplace.

Each wave and generation is paid on PCV, which means, not only on the CV from product purchased by the person on the node, but also the CV from products purchased by all of their customers.

Leadership Tier	Team Influencer			Micro Influencer			Macro Influencer			Diamond Influencer			Global Influencer				
	Qualified	Catalyst	T1	T2	T3	MIC 1	MIC 2	MIC 3	MAC 1	MAC 2	MAC 3	D1	D2	D3	G1	G2	G3
Wave 1	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Wave 2		5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Wave 3			5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Wave 4						5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Wave 5									5%	5%	5%	5%	5%	5%	5%	5%	5%
Infinity Differentials					2%	3%	4%	5%	7%	8%	9%	10%	11%	12%	13%	14%	15%

**Eligibility:** For Qualified Influencers and Influencer PROs.

**Earned on sales of:** Products. Calculated on PCV assigned by the vendor of the product. Dynamically compresses to the first Qualified Influencer or Influencer Pro.

**Paid:** Monthly

**Connections:** Marketplace Connections



## 6 - VENDOR DEVELOPMENT BONUS

When an Influencer PRO brings a Vendor to sell their products in Shoply, they can be eligible to earn 3% of the CV on the sales of this vendor's products company-wide! No compression applies.

**Eligibility:** Exclusively for Influencer PRO.

**Earned on sales of:** Products. Calculated on CV assigned by the vendor of the product.

From sales company-wide

**Paid:** Monthly

**Connections:** Enrollment Connections

## 7 - VENDOR DEVELOPMENT CHECK MATCH

A two-waves dynamically compressed check match. No differentials here. When a Vendor Development Bonus is paid, Shoply will look upwards on the payee's enrolment connections to find the first eligible Influencer Pro paid as Mac1 or higher and will assign the match in the amount shown on the table below. Then, Shoply will continue to find the next eligible Influencer Pro paid as Mac1 or higher, to pay the Wave 2 match. This means, you could earn a match on the Vendor Development Bonuses of Influencers deep below in your organization.

**Eligibility:** Exclusively for Influencer PRO.

**Earned on sales of:** Products. Calculated on Vendor Development Bonus.

**Paid:** Monthly

**Connections:** Enrollment Connections

Leadership Tier	Macro Influencer			Diamond Influencer			Global Influencer		
	MAC 1	MAC 2	MAC 3	D1	D2	D3	G1	G2	G3
<b>Paid Status</b>									
<b>Wave 1</b> (Dynamically Compressed)	35%	38%	39%	40%	41%	42%	43%	44%	45%
<b>Wave 2</b> (Dynamically Compressed)	17%	18%	19%	20%	21%	22%	23%	24%	25%

## 8 - GLOBAL MARKETPLACE POOL

When a vendor makes a sale, they get charged a “transfer fee” by Shoply. Shoply makes you part of this form of revenue by taking 10% of these transfer fees and adding them to a pool.

Every month that you achieve a paid Status of D1 or higher, you can earn a number of shares.

Once all the shares have been issued, Shoply will divide the pool amount by the number of shares issued. For example, let’s say the pool amount is \$100,000 and there’s a total of 10 shares issued.  $\$100,000/10 = \$10,000$  is the value for 1 share.

Let’s say that you accrued 2 shares. In this example the value for all of your shares would be \$20,000

Leadership Tier	Diamond Influencer			Global Influencer		
	Paid Status	Paid Status	Paid Status	Paid Status	Paid Status	Paid Status
	D1	D2	D3	G1	G2	G3
Shares Accrued	1 Share	2 Shares	3 Shares	4 Shares	5 Shares	6 Shares

**Eligibility:** Exclusively for Influencer PRO.

**Earned on sales of: Products.** Calculated on number of shares earned.

**Paid:** Yearly

**Connections:** Enrollment Connections





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## THE BASICS

Before we begin, let's get familiar with some of our company's language

**ACTIVE:** An "Active Affiliate Member" or "Active Vendor" means they're in good standing with the company and have successfully processed the order for their license or subscription within the current calendar month. If their subscription is scheduled to run later in the current calendar month, the one processed for the previous month makes them ACTIVE until the date their subscription is scheduled to run for the current month.

**AFFILIATE MEMBER:** This is a person or business entity who has created a SHOPLY account to purchase and/or promote products and services from different vendors within the SHOPLY platform. First, an Affiliate Member must choose and purchase the kind of License that fits best for their activity. The options are:

1. **Affiliate:** They get access to the "Direct Bonus", which is the dollar amount established by a vendor to be paid to the referrer of the customer who purchased a product. Ideal for social media content creators and anyone who enjoys referring customers to specific products and services.
2. **Influencer:** They get all the perks Affiliates have, plus access to 4 additional earning centers described later in this document. Ideal for people with an entrepreneurial mind and passion for teaching and leading others who share their interests and enjoy networking as a team.

3. **Influencer PRO:** Having access to all the perks for Influencers, an Influencer PRO gets additional and exclusive perks and opportunities. For example, the possibility of bringing new vendors into the platform and earning every time these vendors sell a product within Shoply, regardless of who referred the customer. Ideal for people committed to their success and who enjoy the power of networking, not only with the combined activity of other influencers and affiliates but also with vendors.

**COMMISSIONABLE PERIOD:** For Affiliate Members, while their qualification requirements are based on the monthly period, some earning centers can be paid as per "weekly", "bi-monthly", or "monthly" commissionable periods.

- **Weekly:** Goes from Wednesdays through Tuesdays 11:59 pm CT.
- **Bi-Monthly:** Goes from the 1st through the 15th day of the month, and then from the 16th through the last day of the month 11:59 pm CT.
- **Monthly:** Goes from the 1st day through the last day of the calendar month 11:59 pm CT.

**COMMISSIONS TRANSFER DAY:** Once a commissionable period is closed, commissions are paid on the second Thursday after the closing day.

**COMMISSIONABLE VOLUME (CV):** This is the amount used for calculating and paying the percentages shown in the different earning centers within the incentive plan. For example, different earning centers may refer to paying on:

- **CV = Products CV:** The CV for products assigned by the vendor towards the "Shoply marketplace". For products fulfilled by Shoply, CV is credited right away. For products fulfilled by a third-party vendor, CV is credited as per delivery confirmation.
- **SCV = Subscriptions CV:** The CV coming from subscriptions.
- **LCV = Licenses CV:** The CV coming from Licenses.
- **TCBCV = Total Community Bonus CV:** Includes SCV and 30% of LCV. From your purchases and those from your PRM "Affiliates".

**COMMUNITY CONNECTIONS:** Only Influencer and Influencer PRO members can occupy a node in this connections. The structure is limited to 3 direct nodes per person, which means your 4th PRM Influencer or Influencer PRO may end up underneath one of your first three, and so forth. This also means you're likely to get "spill-over" from those referred by your upline. Each node on the community connections shows the "Total Community Bonus CV" as defined in the CV paragraph in this glossary.

**INCENTIVE PLAN** The description of requirements and rewards that Affiliate Members receive in return for their results generating sales within the Shoply platform.

**CUSTOMER:** A person who has created a Shoply account to buy products and services from different vendors at Shoply. There is no license or subscription fee to be a customer, but there are great benefits for buying products and recommending the products they like to other customers.

**ENROLLMENT CONNECTIONS:** This genealogy keeps track of who referred each Customer, Affiliate Member, or Vendor. Your referrer is also known as your "enroller".

- **Downline:** Anyone within your Enrollment Connections is part of your "Downline".
- **Upline:** The person who invited you is your Enroller, and they have an enroller too. Everyone has an enroller. We call this your "Upline" and these are not part of your Enrollment Connections per-se, but you are part of theirs.

**MARKETPLACE CONNECTIONS:** This connections structure includes only Affiliates, Influencers and Influencer Pros, each of those nodes will include the CV from their respective customers. By default, it'll look the same compared to the enrollment connections unless you choose to place a PRM underneath someone else within the Marketplace Connections. This may help create synergistic efforts between two or more people. When you place a PRM, you're giving up at least

one (or more) pay waves of the Marketplace Commission, as the beneficiary will now be the first upline for payout. It will also help the beneficiary count your PRM's OV as a Team for status qualification. Marketplace Connections placements may be done within the same calendar month of your PRM's enrollment.

**MONTHLY RECURRING ORDER (MRO):** Regardless of our role in Shoply, we are all also Customers buying products, and we all can use a convenient way to ensure the products and services we love are scheduled to automatically process or renew every month. As a perk, we get a 5% discount! This is an optional service you can opt-in for eligible products. You can edit or cancel up to 48 hours before the day it's scheduled to be charged.

**OV (Organizational Volume):** This is the sum of QV from the whole Marketplace Connections, including your own.

**PCV (Personal Commissionable Volume):** This is the sum of the CV from your personal orders and orders from your personally enrolled Customers purchased within the calendar month. For example, let's say you purchased a product for which the vendor assigned to the "Shoply marketplace" the amount that becomes 50CV, and 3 of your personally referred customers purchased products with 30CV each, then your PCV would be 140.



**PQV (Personal Qualifying Volume):** This is the sum of the QV from your personal orders and orders from your personally enrolled Customers purchased within the calendar month. For example, let's say you purchased a product with 50QV, and 3 of your personally referred customers purchased products for 50QV each, then your PQV would be 200.

**PRM (Personally Referred Member):** Any Customer, Affiliate Member, or Vendor personally referred by you.

**QUALIFIED AFFILIATE MEMBER:** An Affiliate Member that is "Active" as defined in this glossary, and has a PQV of 100 or more in the calendar month.

**QUALIFIED CUSTOMER:** A Customer with an order for at least \$1 in the calendar month processed with a credit card or payment method that hasn't been used by another member.

**QV (Qualifying Volume)** - Each product or service, including the Shoply SAAS platform as a product itself, is linked to a QV amount. QV is used for meeting requirements for qualification to the different earning centers in the incentive plan within a calendar month. For products shipped by vendors, all QV is credited for qualification at the date of purchase.

**SHOPLY FAST PASS:** This fast pass "reserves" the best available node for an invited person, under the referrer's Community Connections in case they decide to become an Influencer or Influencer PRO. When they purchase their License before the next fast pass deadline, they'll be able to take over that node. If they miss the deadline and didn't purchase the License, their node in the community connections will be taken by someone else. The person will continue to be in the fast pass, this time reserving the new best available node until the next fast pass deadline. Each fast pass deadline happens weekly.

**TCBCV (Total Community Bonus CV):** The Community Connections are populated with the sum of a portion of Licenses CV (30%), Subscriptions CV (50% of subscriptions sale price), the sum of Subscriptions CV coming from all the direct

Affiliates under an Influencer or Influencer PRO. Don't worry! Let Shoply do this math. Simply put, the "Total Community Bonus CV" is the commissionable amount you'll see for each node in the Community connections from which you can earn 7% when eligible.

**TEAM:** Each PRM (Personally Referred Member) is a Team on the Enrollment Connections, and the organization they develop will be part of each respective Team. This term also applies to the Marketplace Connections, where each person shown as 1st wave (also known as "direct") to you, along with their respective Marketplace Connections, is considered a Team.

**VENDOR:** This is a person or business entity who has products they want to sell within the Shoply platform. By meeting some requirements and acquiring the type of license that fits them best, a Vendor can enjoy the Shoply SAAS platform to bring attention to their product, as every Customer and Affiliate Member can also become their best referrer. The Vendor has the freedom to establish the amount they want to pay to the referrer of a Customer and to the Shoply Influencer Community (marketplace), helping create virality for their product or service. They can choose to be:

- 1. Vendor Domestic:** To sell their products within their home country.
- 2. Vendor International:** To sell their products internationally where available.

**WATERFALL:** This term refers to the Community Connections, where there's a limit of 3 nodes direct to each node. However, there's no limit to how many Influencers you can enroll, so some of them will end up underneath others, which we refer to as "Waterfall". For example, when your upline enrolls more Influencers, they may waterfall under your node, added to your Community Connections.





## How do Refunds and Returns affect the Comp Plan?

When a return or refund occurs, any commissions paid to the upline by the incentive plan must also be reversed. This may also affect Status qualifications. To learn more about refunds and returns please consult the Return Policy document located at your back office.



## Income Disclosure Statement

The Shoply Incentive plan is an exciting opportunity that rewards you for selling products and services and sponsoring other participants who do the same. Although the opportunity is unlimited, individual results will vary depending on commitment waves and sales skills of each participant. Since Shoply has just started, there is insufficient statistical data to prepare a reliable income disclosures at this time. There will be certain participants who will earn less while others will earn much more. We're excited about the Shoply Incentive plan and we're confident it will provide you a solid foundation to help you achieve your financial goals. As with all endeavors, hard work and the time you dedicate impacts outcomes.

If income projections were presented to you prior to your enrollment, such projections are not necessarily representative of the income, if any, that you can earn through your participation in the Incentive plan. These income projections should not be considered as guarantees or projections of your actual earnings or profits. Success with Shoply results only from hard work, dedication, and leadership.



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**ADDENDUM 2**  
**INCOME DISCLOSURE**  
**STATEMENT**

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