

PURE ROMANCE

Global Compensation Plan

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1. STATEMENT OF TYPICAL PARTNER EARNINGS

In addition to Partner income generated by the resale of products, Partners also earn bonus payments as outlined in the following section. The table below shows information about Partner's earnings for the 2020 calendar year:

Partner Level	% of Partners	Average Bonus Earnings	Average Total Earnings
Sr. Executive Director	0.1%	\$163,667	\$219,949
Executive Director	<0.1%	\$144,601	\$192,245
Sr. National Director	0.1%	\$83,949	\$127,442
National Director	0.1%	\$62,700	\$99,586
Sr. Director	0.3%	\$28,119	\$59,802
Advanced Director	0.5%	\$14,277	\$37,297
Director	0.9%	\$6,643	\$21,291
Associate Director	0.5%	\$2,976	\$10,642
Sr. Partner	2.3%	\$1,233	\$5,850
Advanced Partner	7.0%	\$281	\$1,825
Partner	54.2%	\$12	\$351
Inactive	33.9%	\$5	\$62
Median Partner Earnings:			\$111

- Partners may not make representations concerning potential earnings or sales figures; Partners may only make representations about actual, not potential, individual results.
- Current and potential independent Partners must be provided with sufficient information to understand that:
 - Actual earnings can vary significantly depending upon time committed, skill level and other factors.
 - Not everyone will achieve the represented level of income; and
 - Such amounts are before expenses, if any.
- When sharing individual results, Partners must always orally state (and, when sharing via video or in writing, in a responsible size font and for a period of time in which it may be read): “*These are my individual results. Earnings vary widely depending on the effort Partners devote to their business, their business experience, and other factors. For 2020, median Partner earnings were approximately \$111. View estimated average Partner earnings data at incomedisclosure.pureromance.com.”
- Prior to making any non-individual sales and earnings representations, Partner must work with the Pure Romance Corporate Office to ensure the representations are not false or misleading.
- Pure Romance prohibits Partners from purchasing product that exceeds that which the Partner

(a) believes they need to maintain as inventory to support their business in the near term (e.g., 3-6 months); or (b) plans to use themselves

- Partners are eligible to earn additional rewards selling products and helping others join Pure Romance and sell products to their customers. Partners are prohibited from encouraging Partners in their downline from making purchases for inventory or personal use for the purposes of receiving bonuses, trips, or other incentives.
- All currency stated in the income disclosure statement is USD.

1.1 BECOMING AN ACTIVE PARTNER

- The Pure Romance Partner Agreement must be submitted to the Pure Romance Corporate Office. The Partner Agreement is presented and signed electronically.
- Active status is required to become eligible to receive the benefits of the Pure Romance compensation plan. In order to achieve Active status, Partners have four options:
 - Purchase \$100 in Retail within 60 days of Partner Pack purchase date unless otherwise dictated by promotion or contest rules.
 - Purchase a product bundle (when offered) following Partner Pack purchase within 60 days of Partner Pack purchase date.
 - Participate in the New Partner Inventory Booster within 30 days of the Partner Pack purchase date.
 - Purchase a Deluxe Partner Pack
- Failure to meet the requirements to become Active within 60 days of the original Partner Pack purchase date, will require an additional Partner Pack purchase to become a Partner once again.
- The Pure Romance Corporate Office reserves the right to speak with each new potential Partner prior to shipping her Partner Pack.

1.2 MAINTAINING ACTIVE PARTNER STATUS

- Partners holding the Level of Partner and above must achieve a Retail purchase every two consecutive calendar months to maintain an Active status. Personal website orders count towards the minimum to remain Active.
- Should a Partner (at any Level of Partner or above) fail to achieve a Retail purchases every two consecutive calendar months, their status will be changed to inactive.
- For new Partners, the date you are first eligible to fall to inactive status is 60 days following either your Activation Date or your Partner Pack Purchase Date (whichever is later). Since status and Partner Level demotions occur on the 1st day of each month, a Partner is subject to the stay-active minimum if their Partner Pack Purchase or Activation dates are greater than or equal to 60 days prior to the last day of the prior month.
- Team members of the Inactive Partner will permanently roll up to the sponsor.
- Inactive Partners do not have any additional discount when placing orders and will need to re-enroll via the purchase of a new Partner Pack to regain these benefits once again. Upon rejoining Pure Romance with the purchase of a Partner Pack, her career retail sales total will reset to zero and the individual must re-earn higher Buying Discounts based on retail and their Partner Level.
- Inactive Partners do not have access to the Online Office, tools, special or daily sales or

other benefits reserved for Partners.

- If a return or adjustment results in a negative balance below \$100 at Retail, the Partner will lose her Active status and all benefits.
- As an Inactive Partner, an individual may not represent Pure Romance in any way (e.g., selling products, holding parties, conducting trade shows, etc.).
- Any remaining credit on file will be held in escrow and may be requested within 30 days of falling inactive. If they are not requested in 30 days, they will be forfeited after a period of one year should the Inactive Partner not re-enroll.
- Backorders must be requested within 30 days of date of inactive status otherwise they will be forfeited. Requests must be submitted via the Support portal.

1.3 PARTNER LEVEL ADVANCEMENT

Partner Levels are used to celebrate various milestones in team sales as well as determine personal Buying Discounts, incentive eligibility, recognition, bonuses and more.

- Partner Level is the primary factor which determines a Partner's Buying Discount. When a Partner advances in Level, the Buying Discount associated with this new higher level will take effect immediately.
- Once a Partner reaches \$100 in Career Retail Sales, they will receive a permanent (if the Partner remains Active) Buying Discount of 40%.
- Pure Romance, from time to time, will offer sales that allow Partners to purchase at a Buying Discount that is above the Buying Discount associated with their current Partner Level.

In addition to Buying Discount, a Partner's Level determines their eligibility to earn Monthly Bonuses in any given month.

Pure Romance recognizes the hard work of Partners at all Partner Levels. Since Partner Level is determined by the sale of product, size and structure of a Partner's team, incentive contests and opportunities for recognition are often conducted so that Partners compete within that Level, and the requirements for achievement will also differ according to the Partner Level held.

Qualifying for a Partner Level

- Partner Level advancements are determined by the number of 1st downline active personally sponsored Partners (non-rollups) and the count of 1st downline Active Partners that hold the Level of Sr. Partner or above (may include rollups).
 - While the 1st downline active count requirement must be met with personally sponsored Partners in order to be promoted, once a Partner Level has been achieved, roll-ups will count towards maintaining that Level. The requirement for Sr. Partner and above counts may be satisfied with both rollups and non-rollups both for Level advancements and maintenance.
- A Partner Level advancement can happen at any point during the month.
- The Pure Romance Corporate Office updates Partner Level and status demotions at 12:00 am ET on the first day of each month by determining the number of Active Partners in your downline after Partner status adjustments are made. For a Partner to maintain their Partner Level, they must re-qualify for it at the end of each month.
 - Downline Partners who fall to inactive status at the end of the given month do not count as Active Partners to contribute to Partner Level maintenance.

1.4 RE-ENROLLING

From Inactive Status

- A Partner who falls to inactive status may rejoin by purchasing a new Partner Pack and activating her business within 60 days of the new Partner Pack purchase date.
- Partners who re-enroll with the purchase of a new Partner Pack may activate their business in any of the following ways:
 - Purchase \$100 in Retail within 60 days of Partner Pack purchase date unless otherwise dictated by promotion or contest rules.
 - Purchase a product bundle (when offered) following Partner Pack purchase within 60 days of Partner Pack purchase date.
 - Participate in the New Partner Inventory Booster within 30 days of the Partner Pack purchase date.
- All Partners will begin with a 30% Buying Discount upon re-activation. Any previously earned Buying Discount floor earned via advancement of a Partner Level or career sales would need to be re-earned.
- If a Partner previously bought a Partner Pack but never activated, they must purchase a new Partner Pack and fulfill the activation obligations associated with their new Partner Pack to become an Active Partner.
- Partners rejoining from Inactive Status within one year of becoming inactive will rejoin under the same Sponsor. Partners rejoining from Inactive Status who have been inactive more than 1 year may rejoin under the same Sponsor or the Sponsor of their choice.
- If the Corporate Office learns that a Partner was inactive for less one year, purchases a new Partner Pack, and activates under a new Sponsor, action will be taken to move this Partner back under her original Sponsor.

1.5 ROLL-UPS

If a Partner falls inactive, all of the Partners in the downline automatically roll up into the downline of the Partner's Sponsor.

- Roll-ups are not recognized as part of the 1st downline active count requirement in improving a Partner's Level, but they will be counted towards the requirement for 1st downline active Sr. Partners or above in improving a Partner's Level. Also, once a Partner Level has been achieved, roll-ups will be counted toward both of these requirements for maintaining that Level.
- When roll-up and Partner Level changes are made, first Partners are made inactive, then a Partner's Level is re-determined and adjusted if applicable, then all roll-ups are moved into the correct downline.

1.6 BUYING DISCOUNT

Buying Discounts are determined by Partner Level or account status at the time an order is submitted as shown in the chart below:

Partner Level	Active Partners in 1st Level Downline	Active Sr. Partner & Above in 1st Level	Buying Discount
Sr. Executive Director	40	10	50%
Executive Director	36	8	50%
Sr. National Director	30	6	50%
National Director	24	4	50%
Sr. Director	18	2	50%
Advanced Director	12	1	50%
Director	8	-	50%
Associate Director	6	-	45%
Sr. Partner	3	-	45%
Advanced Partner	1	-	40%
Partner	-	-	30%

- Adjustments to move up Levels to earn a higher Buying Discount are made each business day. Therefore, you can move up Levels throughout the month.
- Partners who roll-up to you from another sponsor will not contribute to the required number of Active Partners in your first downline with regards to Partner Level advancement.
 - Once you have promoted to a Level however, these roll-up Partners will count towards this requirement to maintain the Partner Level.
- The number of Active Sr. Partners and above required in your first downline for advancement may include rollups.
- The initial Buying Discount that a new Partner starts their business at is determined by the type of Partner Pack they purchased, as shown below. This initial Buying Discount is a temporary floor that the Partner will not fall below for 12 months after the Partner Pack purchase. Once the 12-month period expires, Buying Discount will be determined by both Partner Level held and career retail sales achieved (explained below).
 - Standard Partner Pack - 30% Buying Discount
 - Deluxe Partner Pack - 30% Buying Discount
- Once a Partner reaches \$100 in Career Retail Sales, their Buying Discount will no longer be

able to fall below 40% while they are at Active status, regardless of their Partner Level.

- o When a Partner moves to inactive status, their career retail sales will be reset, and they must re-earn higher Buying Discounts once again by achieving the necessary thresholds after re-enrolling through purchasing another Partner Pack.
- Should a Partner not satisfy their Partner Level Active count requirements at the end of the month after the status change processes are run, their Buying Discount will be altered for the following month. All downward status and Level changes (along with their implied Buying Discount changes) are made once a month at 12:00 am ET on the first day of the month.
- On occasion, Pure Romance offers opportunities for Partners to increase their Buying Discount through promotions, special orders, or Partner Pack sales. Therefore, Buying Discounts may be increased independent of Partner Level qualifications. Pure Romance notifies Partners of such promotions or special sales through emails and announcements made on the Online Office.

1.7 PERSONAL WEBSITE ORDERS

When a customer places an order via your personal website, the Corporate warehouse will pack the order and send it directly to the customer in discreet packaging.

You will be paid commission on the Retail sales of the order (excluding sales tax and shipping and handling).

Two components are used to dictate Web Commission calculations: Partner Buying Discount and Commissionable Retail Value amount on the order. The table below shows how these two components interact and dictate the commission percentage to be paid out. If for any reason a Partner's Buying Discount is above 50% at the time of the order, their commissions will still be paid out the same as if their Buying Discount was 50%.

Partner Buying Discounts & Web Commissions				
Your Current Buying Discount Based on Partner Level:	30%	40%	45%	50%
	↓	↓	↓	↓
Website Commission on Orders \$39.99 and Under	30%	30%	30%	30%
	↓	↓	↓	↓
Website Commission on Orders \$40 and Over	30%	40%	40%	40%

- Any additional discounts given to the customer on a Partner's personal website will reduce the commission to be paid to the Partner on the order by the full amount of the discount given.

- o Example: a customer places an order with a commissionable retail value of \$200 on the website of a Partner whose Buying Discount is currently 50%, but the Partner gave the customer a coupon for \$20 off their order which the customer used. The commission would be calculated at 40% since the order value was \$200, but instead of receiving \$80 in commission on the order, the Partner would receive \$60 commission since the \$80 is reduced by the \$20 coupon which was redeemed on the order.
- If a product is on backorder and cannot be shipped within 30 days of the order, the customer will be contacted by the Corporate Office and will be given the option to cancel the backordered item or select an alternate item. When a customer cancels a backordered item or an order, it may take up to five business days for the credit to post on the customer's account (depending on the customer's financial institution).
- If a product is delivered to the customer damaged or defective, the customer must contact Pure Romance to replace the item.

1.8 MONTHLY BONUS

The Pure Romance Compensation Plan allows Partners to earn monthly bonuses each month based on the Retail Sales performance of both themselves and their teams, and both the requirements to be paid as well as the amounts being paid out, are based on the highest Partner Level achieved in a given month. Monthly Bonuses on a Partner's 1st & 2nd Downlines as well as "Team Builder Bonuses" can be earned from achieving Retail Sales performance requirements as well as that of a Partner's downlines. In addition, Partners have the opportunity to earn additional bonuses on 3rd, 4th, and 5th downlines as well as a "Lifestyle Bonus" each month for achieving requirements in newly activated personally-sponsored recruits that they bring into the business.

These different performance-based requirements play a specific role in determining how a Partner will be paid monthly bonuses as laid out below:

- Personal Retail Sales, 1st Downline Retail Sales, and Group Retail Sales:
 - o Each Partner Level has a monthly requirement for performance thresholds that must be met for some or all three of these sales-based metrics (Partner Levels in the "Starter" Compensation Plan only have a requirement for Personal Retail Sales and Group Retail Sales, while Partner Levels in the "Advanced" Compensation Plan also have a 1st Downline Retail Sales requirement).
 - In the following paragraphs of this Section, details and restrictions will be given on how Partners may still be eligible to be paid monthly bonuses in accordance with a lower Level than they hold at the end of a month, but achievement of all applicable sales-based requirements determines the Partner Level at which monthly bonuses may be paid. Failure to achieve any or all of these sales-based performance requirements will result in the Partner to not be paid any monthly bonuses at the given Partner Level.
 - o For Partners whose Partner Level is located on the "Starter" Compensation Plan chart, achieving all applicable sales-based monthly requirements will result in being paid the Team Builder Bonus associated with the given Partner Level.
 - o For Partners whose Partner Level is located on the "Advanced" Compensation Plan chart, achieving all applicable sales-based monthly requirements will result in being paid the percentage associated with the given Partner Level, based on the commissionable Retail Sales amounts of their 1st and 2nd Downlines.
- The value of all sales contributing to the fulfillment of each of these requirements is determined by the commissionable Retail Value of purchases made before Buying Discount is removed.

Activated Personal Sponsored Partner ("Activations")

- Partner Levels of Associate Director and above are eligible to received Lifestyle bonuses

based on achievement of each of the requirements listed in the chart below:

- The achievement or lack of achievement of monthly requirements for personally sponsoring and activating new recruits does not determine eligibility to be paid at a given Partner Level like the sales-based requirements do.
 - Rather, once the Level is determined at which a Partner is eligible to be paid monthly bonuses at with their achievement of all applicable sales-based requirements, it will be determined then whether their Activations for the month were sufficient to be paid these additional monthly bonuses.

Starter Compensation Plan: United States & Puerto Rico

Partner Level	Personal Retail Sales	Group Retail Sales ²	Team Builder Bonus	Monthly Activations Needed ³	Lifestyle Bonus
Director	\$2,500	\$10,000	\$300	1	\$300
Associate Director	\$2,000	\$5,000	\$200	1	\$100
Sr. Partner	\$1,500	\$2,500	\$200		
Advanced Partner	\$1,000		\$100		
Partner					

²Personal & Downline 1-4

³Activations Needed for Lifestyle Bonus

Advanced Compensation Plan: United States & Puerto Rico

Partner Level	Personal Retail Sales	1 st Downline Retail Sales ¹	Group Retail Sales ²	1 st Downline Bonus	2 nd Downline Bonus	Monthly Activations Needed ³	Lifestyle Bonus	3 rd Downline Bonus	4 th Downline Bonus	5 th Downline Bonus
Sr. Executive Director	\$4,000	\$24,000	\$200,000	6%	5%	2	\$1,200	2%	1%	1%
Executive Director	\$4,000	\$20,000	\$120,000	5%	5%	2	\$1,200	2%	1%	1%
Sr. National Director	\$4,000	\$14,000	\$90,000	5%	5%	2	\$1,000	2%	1%	
National Director	\$4,000	\$10,000	\$60,000	5%	4.5%	2	\$800	1%	1%	
Sr. Director	\$3,500	\$8,000	\$30,000	4.5%	4%	2	\$700	1%	1%	
Advanced Director	\$3,000	\$6,000	\$15,000	4%	3%	2	\$700			

¹Includes Rollups

²Personal & Downline 1-4

³Activations Needed for Downline 3-5 Bonus and Lifestyle Bonus

Starter Compensation Plan: Australia, Canada & New Zealand

Partner Level	Personal Retail Sales	Group Retail Sales ²	Team Builder Bonus	Monthly Activations Needed ³	Lifestyle Bonus
Director	\$3,000	\$12,500	\$400	1	\$400
Associate Director	\$2,500	\$6,250	\$250	1	\$125
Sr. Partner	\$1,800	\$2,800	\$250		
Advanced Partner	\$1,200		\$125		
Partner					

²Personal & Downline 1-4

³Activations Needed for Lifestyle Bonus

Advanced Compensation Plan: Australia, Canada & New Zealand

Partner Level	Personal Retail Sales	1 st Downline Retail Sales ¹	Group Retail Sales ²	1 st Downline Bonus	2 nd Downline Bonus	Monthly Activations Needed ³	Lifestyle Bonus	3 rd Downline Bonus	4 th Downline Bonus	5 th Downline Bonus
Sr. Executive Director	\$5,000	\$30,000	\$250,000	6%	5%	2	\$1,500	2%	1%	1%
Executive Director	\$5,000	\$25,000	\$150,000	5%	5%	2	\$1,500	2%	1%	1%
Sr. National Director	\$5,000	\$17,500	\$112,500	5%	5%	2	\$1,200	2%	1%	
National Director	\$5,000	\$12,500	\$75,000	5%	4.5%	2	\$950	1%	1%	
Sr. Director	\$4,500	\$10,000	\$37,500	4.5%	4%	2	\$850	1%	1%	
Advanced Director	\$3,500	\$7,500	\$18,750	4%	3%	2	\$850			

¹Includes Rollups

²Personal & Downline 1-4

³Activations Needed for Downline 3-5 Bonus and Lifestyle Bonus

1.9 RETAIL SALES BONUS

In addition to monthly bonuses for team production, Partners can earn a Retail Sales Bonus each month based on their personal Retail sales performance. Eligibility for each Retail Sales Bonus is determined by the Partner Level achieved by the Partner each month (see chart below). If a Partner exceeds one of the given thresholds in personal retail sales in a month, they will receive a bonus equal to the percentage of their Retail Sales as listed below for their Partner Level that month; only one Retail Sales Bonus may be earned per month, and the Partner will be paid the percentage associated with their highest threshold they achieved for the month.

United States & Puerto Rico

Partner Level	\$5,000 Retail Sales Bonus (paid in Free Product)	\$7,500 Retail Sales Bonus	\$12,500 Retail Sales Bonus	\$20,000 Retail Sales Bonus
Sr. Executive Director		5%	7%	10%
Executive Director		5%	7%	10%
Sr. National Director		5%	7%	10%
National Director		5%	7%	10%
Sr. Director		5%	7%	10%
Advanced Director		5%	7%	10%
Director	5%	5%	7%	10%
Associate Director	5%	5%	7%	10%
Sr. Partner	5%	5%	7%	10%
Advanced Partner	5%	5%	7%	10%
Partner	5%	5%	7%	10%

Australia, Canada & New Zealand

Partner Level	\$6,000 Retail Sales Bonus (paid in Free Product)	\$9,000 Retail Sales Bonus	\$15,000 Retail Sales Bonus	\$25,000 Retail Sales Bonus
Sr. Executive Director		5%	7%	10%
Executive Director		5%	7%	10%
Sr. National Director		5%	7%	10%
National Director		5%	7%	10%
Sr. Director		5%	7 %	10%
Advanced Director		5%	7%	10%
Director	5%	5%	7%	10%
Associate Director	5%	5%	7%	10%
Sr. Partner	5%	5%	7%	10%
Advanced Partner	5%	5%	7%	10%
Partner	5%	5%	7%	10%

1.10 EARNING MONTHLY BONUSES BASED ON PARTNER LEVEL

- The Pure Romance Compensation Plan also allows for Partners who do not achieve some requirements in a given month to still be paid in accordance with a Partner Level lower than the one at which they ended a month.
- If a Partner whose Level places them in the Starter Compensation Plan fails to complete any or all of the sales-based performance requirements associated with their Level by the end of a given month, they are permitted to be paid the monthly bonuses associated with the Level directly below their own current Level, if and only if their (and their team's) sales-based performance for the month satisfies the requirements of that lower level. While the Starter Compensation plan allows Partners to be paid the monthly bonuses associated with the requirements of the Level directly below their own, failure to satisfy the performance requirements of this lower Level will result in monthly bonuses to not be paid for the given month. Partner Levels found on the Starter Compensation Plan chart are not permitted to be paid more than 1 (one) Partner Level beneath their Level at which they ended their month with.
- Likewise, a Partner whose Level at the end of a given month places them in the Advanced Compensation plan is permitted to be paid bonuses up to three (3) levels beneath their own, as long as they meet the performance requirements to satisfy that Partner Level. Should a

Partner in the Advanced Compensation Plan not fulfill the requirements of their current Partner Level, they will be paid out in accordance with the highest Level that they do fulfill the requirements for, as long as it is within three (3) Levels beneath the Level they hold, even if these lower levels are found in the Starter Compensation Plan charts found in this section.

- o Example: if a Partner ends a month holding the Level of National Director but they fail to meet any one (1) of the Personal Retail Sales, 1st Downline Retail Sales, or Group Retail Sales requirements associated with that Level, then the system will check if they achieved all three (3) requirements of the next Partner Level down (Senior Director in this example). If the Partners' performance for the month still does not fulfill the sales-based requirements for this lower Level, then the requirements for the next Level down will be checked (Advanced Director in this example).
 - If this Partners' sales-based performance fulfills the requirements of this lower Level, then they will receive any 1st & 2nd Downline bonus or Team Builder Bonus associated with that Level, and achievement of the Activation requirements of that Level will be reviewed for eligibility to be paid any Lifestyle Bonus and bonuses for Downline Levels 3-5, depending on the Level.
 - If this same Partner fulfilled the Personal Retail Sales, 1st Downline Retail Sales, and Group Retail Sales requirements of this lower Level but did not fulfill the Activation requirement, this failure to achieve the Activation requirements will not cause them to drop to the next Level down to be paid, but rather will simply not allow them to be paid the Lifestyle Bonus or bonuses on Downlines 3-5, as applicable.
- Retail Sales amounts are based on purchases made before Buying Discount.
- Monthly bonus eligibility for Partners with teams with Group Retail Sales of at least \$500,000 (USD, CAD, AUD) will be contingent on attendance of World Conference, National Training, and any regional events.
 - o Should you miss consecutive World Conference and National Training events, a Partner will forfeit their eligibility for the 3 months following the second missed event. For 2022, Virtual Attendance will satisfy this requirement.
- Partners are required to maintain Good Standing status and actively support their downline to be eligible for a Monthly Bonus.
- The Pure Romance compensation plan is designed to reward those who build legitimate Pure Romance businesses through the sale of product and sponsoring. Pure Romance discourages inventory loading and does not tolerate purchasing Partner Packs solely for the purposes of advancing a Partner Level, receiving a bonus, or placing orders under another Partner for the purposes of keeping them active. Partner Packs should be sold to individuals who show an interest in promoting Pure Romance to others.
- Knowingly falsifying new Partner information, buying Partner Packs, or "manufacturing" sales for the purposes of earning Bonuses or incentives is considered fraudulent and can result in the loss of trips, incentives, bonuses, or termination of Partner's Partner Agreement.
- Should there be a continued pattern of credit card payments and/or shipping addresses for Partner Packs and orders in a Partner's account that matches a different Partner's account, the Corporate Office will investigate. Meaning if the Partner Pack and all orders for Partner "A" are paid for and shipped to Partner "B" this would be seen as highly unusual. Partner "A" will be asked to produce proof of sale of the product to customers. If this cannot not be presented both Partners' activity is considered fraudulent and can result in the loss of trips, incentives, bonuses, or termination according to the Partner Agreement.
- Pure Romance reserves the right to verify new Partners before payment of bonuses. Failure

to provide accurate contact information for new Partners will result in the leader forfeiting bonuses.

1.12 MAINTAINING DOWNLINES

Should a Partner fail to maintain a status of Active and falls to inactive status, she will permanently forfeit her downline members and they will roll up to her sponsor effective immediately.

1.13 LEAVE OF ABSENCE (STATUS HOLD)

- The Pure Romance Corporate Office may approve a leave of absence (also referred to as Status Hold) of three months for those Partners who have a medical condition, military deployment, or family issues that will prevent them from maintaining their Active Status through traditional procedures.
 - If the circumstance requires medical records to be supplied, the Support Team will instruct you on how to provide this information in a way that protects confidentiality.
- While on leave of absence or status hold, a Partner's Level may still fluctuate during the month as explained in the Partner Level Advancement Section of this Guide, but they will be protected from having their status change to inactive. This does not protect a Partner from termination resulting from violations of Pure Romance policy, this Guide, or the Partner Agreement or for failing to maintain good standing while on leave of absence.
- A Partner must fill out the leave of absence form, which can be obtained through a Support Portal request, and submit the form to the Support Team along with a doctor's note or documentation supporting her request. Please allow 48 hours once the Corporate Office receives the necessary paperwork to process leave of absence request.
- If a leave of absence is needed for more than three months, a written request for an extension should be submitted via the Support Portal before the original three months has expired. Extensions are considered on a case-by-case basis.
- If a leave of absence is required due to active military deployment, the Partner must submit her deployment documentation containing dates of deployment via the Support portal.
- Partners who are on a leave of absence are not eligible to receive trips, contests, or special incentives. To receive monthly bonuses the Partner on a leave of absence must meet the monthly requirements in accordance with the Partner Level(s) they are eligible to be paid at as laid out in this Guide.
- The Pure Romance Corporate Office reserves the right to refuse a leave of absence request at its discretion.

1.14 FAMILY EXPANSION MONTHLY BONUS ALLOWANCE

- Since Pure Romance Partners are independent business owners whose commissions are based on the product they sell, most opt to maintain a minimum activity level to keep their income flowing during times of major life changes, such as the birth of a child or adoption. As strong supporters of women in business, Pure Romance acknowledges that during these times,

business-as-usual is not always an easy option. Therefore, we are pleased to offer the Family Expansion Bonus Allowance:

- Partners can request to have their Personal Retail Sales minimum required to receive bonuses waived for a period of two calendar months for the birth of a child, or placement of a child for adoption or foster care.
- The Family Expansion Bonus Allowance waives the monthly Personal Retail Sales minimum requirement on monthly bonus & Team Builder Bonuses. The Level at which monthly bonuses are paid will be determined by the 1st Downline Retail Sales (when applicable, including Roll-ups) and Group Retail Sales (personal and downlines 1 - 4) only, as stated at each Partner Level in this Guide. Lifestyle Bonuses that require minimum sponsoring, are not covered by this waiver as well as trips and/or other special incentives offered seasonally.
- Requests must be made within 7 days of the birth or placement of a child.
- Pure Romance will acknowledge a Bonus Allowance request when the Partner herself is giving birth or her spouse for those in same-sex marriages. For adoption or placement of a foster child, Pure Romance will require that the Partner be listed as a legal guardian of the child to be eligible for the Family Expansion Bonus Allowance.
- To request a Family Expansion Bonus Allowance, Partners will be required to complete a Family Expansion Bonus Allowance request form, which can be found on the Online Office. When submitting the completed form to the Corporate Office, the Partner must provide a doctor's confirmation or legal documentation as proof of the circumstances.
- In situations of confidential adoptions or other special circumstances, Partners may contact the Corporate Office and request to speak with a member of the Executive staff for help in handling the request.
- Partners may request one Family Expansion Bonus Allowance per calendar year.

1.15 MAXIMUM DOWNLINE CONTRIBUTION RULE

- If a Partner has Group Retail Sales (Personal Retail Sales plus Retail Sales from Downlines 1 - 4) in a given month greater than or equal to \$200,000 USD (\$250,000 CAD / AUD) then their downline contributions toward Group Retail Sales requirements for Partner Level bonus calculations and subsequent bonuses are subject to the Maximum Downline Contribution Rule.
- The Maximum Downline Contribution Rule is applied by looking at the Group Retail Sales of each of a Partner's 1st Downline team members (the 1st Downline team member's Personal Retail Sales plus the Retail Sales of their downlines 1 - 3) and to determine if any given lineage exceeds 80% of the Sponsor's Group Retail Sales for that month. If 80% or more of a Partner's overall Group Retail Sales for a given month (where said Group Retail Sales is greater than or equal to \$200,000 USD or \$250,000 CAD / AUD) comes from one individual in their 1st Downline and that individual's Downlines 1 - 3, then the Retail Sales of that lineage will be reduced down to the 80% maximum amount, and this reduction will be applied across that individual's Personal Retail Sales and the Retail Sales of their downlines 1 - 3 in proportion to what percentage of that lineages' Retail Sales that came from each of those sources.
 - The reason that this rule only looks at the 1st Downline team member's Personal Retail Sales and their downlines 1 - 3 instead of their downlines 1 - 4 is that that Partner's 4th Downline would be their Sponsor's 5th Downline, which is not included in Group Sales calculations.
 - Example: Below shows My Team's Group Retail Sales Breakdown. I have 3 Partners in my 1st Downline, Mary, Susan, and Barbara; the second table shows their respective teams' contribution to my overall Group Retail Sales:

	Personal	1st Downline	2nd Downline	3rd Downline	4th Downline	Group Retail Total
My Team	\$10,000	\$40,000	\$60,000	\$200,000	\$190,000	\$500,000

	Personal	1st Downline	2nd Downline	3rd Downline	Group Retail Contribution	Group Retail Contribution %
Mary	\$15,000	\$55,000	\$190,000	\$180,000	\$440,000	88%
Susan	\$15,000	\$5,000	\$10,000	\$10,000	\$40,000	8%
Barbara	\$10,000	\$0	\$0	\$0	\$10,000	2%
Total	\$40,000	\$60,000	\$200,000	\$190,000	\$490,000	

- In this example, My Team is over the \$200,000 USD (\$250,000 CAD / AUD) threshold and therefore subject to the Maximum Downline Contribution Rule, and Mary's team contributes 88% of my Group Retail Sales for that month.
- Since my Group Retail Sales for that month was \$500,000 the most that can come from one downline lineage is 80%, which in this example would be \$400,000. Therefore, Mary's team will be reduced to \$400,000 at each level in proportion to how much was contributed by that level (see below for how rule would be applied):

	Personal	1st Downline	2nd Downline	3rd Downline	Group Retail Contribution	Group Retail Contribution %
Mary	\$15,000	\$55,000	\$190,000	\$180,000	\$440,000	88%
% of Mary's Team	3%	13%	43%	41%		
Reduction Applied	\$ (1,364)	\$ (5,000)	\$ (17,273)	\$ (16,364)		
Total After Rule	\$13,636	\$50,000	\$172,727	\$163,636	\$400,000	80%

- After the rule is applied and the needed reductions are calculated on Mary's team to be in compliance with the Maximum Downline Contribution Rule, my Group Retail Sales for the month would now break down as shown in the table below. These would be the amounts used towards monthly bonus calculations and Partner Level performance requirements for the month:

	Personal	1st Downline	2nd Downline	3rd Downline	4th Downline	Group Retail Total counting towards bonus payout
My Team	\$10,000	\$38,636	\$55,000	\$182,727	\$173,636	\$460,000

1.16 BONUS PAYMENTS

- Bonuses are paid to Partners monthly in the form Pure Pay. You may earn bonuses in several ways.
- Pure Romance reserves the right to verify new Partners before payment of bonuses. Failure to provide accurate contact information for new Partners will result in the leader forfeiting any applicable bonuses.

1.17 DIRECT DEPOSIT METHOD OF PAYMENT

- Partners can set up their direct deposit on the Online Office under My Business > Pure Pay
- Questions regarding receipt of your deposits paid by Pure Romance should be directed to our Support Team by submitting a Support Portal request.

1.18 PERSONAL WEBSITE COMMISSIONS

- Personal Website Commissions will be reflected on a Partner's account within 24 hours of order submission.
- Every Monday, Personal Website Commissions are reviewed for payout eligibility. If the first Monday of the month occurs before the first full weekend of the month (Friday - Sunday) then the first commission balance review would be conducted on the Monday of the following week. If the review day falls on a holiday, the review will be conducted the next business day.
- Monthly bonus payments occur on the 10th of the following month. If the 10th falls on a weekend or holiday, it will be issued the next business day.

1.19 CREDIT ON FILE

Credit on file can be used as a payment method for Partner orders or other charges.

- Credit on file may be used toward the payment of a regular order. Once available, you will see credit on file as a payment option on the payment page.

Any credit on file remaining when a Partner falls inactive will be held in escrow and may be requested within 30 days of falling inactive. If they are not requested in 30 days, they will be forfeited after a period of one year should the Inactive Partner not re-enroll.

1.20 OUTSTANDING BALANCES

- If a Partner has an outstanding balance with the Pure Romance Corporate Office, bonuses, trip values, incentives or other rewards may be applied to the unpaid balance in Pure Romance's sole discretion.
- Pure Romance also reserves the right to garner funds from a Partner's upline should they be paid for her activity while she has accumulated debt with the company.
- If a Partner has an outstanding balance owing to Pure Romance, a Partner may be prohibited from placing orders until the balance is paid.