

# TRADES OF HOPE INDEPENDENT CONTRACTOR AGREEMENT ("AGREEMENT")

THIS INDEPENDENT CONTRACTOR AGREEMENT is made by and between TRADES OF HOPE LLC, (hereinafter referred to as the "Company" or "TOH"), a Florida limited liability company, and the person named in the application being submitted to become a Sales Consultant of the Company (hereinafter referred to as "You" and "Your" or "Partner" or "Consultant"). You are entering into this Agreement as a result of your desire to become a sales consultant for the Trades of Hope product line ("Sales Consultant"). Therefore, in consideration of such desire and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and You hereby agree as follows:

1. **Engagement of Services.** Subject to the terms and conditions of this Agreement, the Company hereby agrees that You will be a Sales Consultant to the Company. You confirm to be a legal citizen of the USA and of legal age of 18 and legal age in the state of residency, to engage in this agreement with your own legal name and not be a Corporation, Sole Proprietorship, Partnership, Limited Liability Corporation, Limited Liability Partnership or other entity such as groups of individuals. Only Independent Contractors are permitted to become a sales consultant and to sign and accept this agreement.
2. **Scope.** During the term of this Agreement, You agree to serve as a **Sales Consultant** for the Company's products and will perform the duties and functions detailed in this Agreement, in accordance with the TOH Policies and Compensation Plan. You are not required to exclusively perform services to the Company but may engage in work elsewhere during the term of this Agreement so long as You are fulfilling your duties under this Agreement. You further agree to provide your own vehicle, insurance, communications, and tools necessary to perform the duties listed below.
3. **Policies and Compensation Plan.** You have carefully read and agree to comply with the TOH Policies and Compensation Plan, which are incorporated into and made part of the "Agreement". As consideration for entering into this Agreement, as well as the services to be performed hereunder, the Company will pay to You compensation as set forth in the Trades of Hope Policies and Compensation Plan (referred to herein as the "TOH Policies and Compensation Plan"). To receive such payments, you must be in "Good Standing" as defined in the TOH Policies and Compensation Plan and You must not otherwise be in violation of this Agreement. You are not entitled to receive any benefits other than those described herein and in the TOH Policies and Compensation Plan. In addition, You agree that you shall perform your duties and all activities as a Sales Consultant to the Company in accordance with the TOH Policies and Compensation Plan.
4. **INDEPENDENT CONTRACTOR RELATIONSHIP.** YOU ARE AN INDEPENDENT CONTRACTOR AND NOT AN EMPLOYEE, SERVANT, PARTNER OR JOINT VENTURER OF OR WITH RESPECT TO THE COMPANY. THE COMPANY MAY DIRECT THE SERVICES TO BE PROVIDED BY YOU AS A CONSULTANT, BUT YOU SHALL DETERMINE THE MEANS, METHOD AND MANNER BY WHICH YOU ACCOMPLISH THE SERVICES IN ACCORDANCE WITH THIS AGREEMENT. THE COMPANY IS NOT RESPONSIBLE FOR WITH-HOLDING AND SHALL NOT WITHHOLD OR DEDUCT FROM THE COMPENSATION PAYABLE TO YOU HEREUNDER, FICA OR TAXES OF ANY KIND, UNLESS SUCH WITHHOLDING BECOMES LEGALLY REQUIRED. AS AN INDEPENDENT CONTRACTOR OF THE COMPANY, YOU ARE NOT ENTITLED TO RECEIVE THE BENEFITS THAT EMPLOYEES OF THE COMPANY ARE ENTITLED TO RECEIVE, AND SHALL NOT BE ENTITLED TO WORKERS COMPENSATION, UNEMPLOYMENT

COMPENSATION, MEDICAL INSURANCE, LIFE INSURANCE, PAID VACATIONS, PAID HOLIDAYS, PENSION, PROFIT SHARING, OR SOCIAL SECURITY CONTRIBUTIONS ON ACCOUNT OF YOUR SERVICES TO THE COMPANY. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, THE USE OF THE WORD "COMPENSATION" IN THIS AGREEMENT OR IN ANY OTHER COMPANY DOCUMENT IS NOT TO BE INTERPRETED IN ANY WAY AS BEING INDICATIVE OF EMPLOYEE STATUS.

5. **Duties.** As an independent contractor to the Company, You are authorized to perform the following activities:

- You will have the right to offer Company products for sale in accordance with the TOH Policies and Compensation Plan.
- You will have the right to enroll other persons ("New Consultants") to serve as Sales Consultants to the Company in accordance with the TOH Policies and Compensation Plan.
- You will train and motivate the Consultants in your success-line organization
- You will have the right to participate in the Company's Sales Consultants Compensation plan as outlined in the TOH Policies and Compensation Plan.

Trades of Hope follows the DSA's code of ethics and is committed to fair business practices.

Examples, but not limited to, such elements of code of ethics, and fair business practice are ;

- Provide you with accurate information about the company's compensation plan, products, and sales methods.
- Refrain from any unlawful or unethical recruiting practice and exorbitant entrance or training fees.
- Ensure that you are not just buying products solely to qualify for downline commissions.
- Encourage you to purchase only the inventory you can sell in a reasonable amount of time.
- Have reasonable start-up fees and costs.

#### **6. Contacting & Visiting Artisan Groups**

Trades of Hope loves when our Partners meet our artisans through vision trips and Trades of Hope sponsored events. However, for the safety and privacy of our artisans all correspondence must go through Trades of Hope. As Trades of Hope has grown, we have seen our artisans get asked many questions by Partners. This creates confusion for them on who is representing Trades of Hope's home office. Because of this, any communication (email, phone, social media contact) to an artisan is not allowed and must go through the home team.

This is also due to the very dangerous situations some of our artisans are in. Though we love that social media can provide such a wonderful global community, it can also present a danger to our artisans that they don't even realize. With this, private information and locations can become harder to keep confidential, as they do not always realize the information they can share and should not share. Their global network has widened considerably and with that, the danger has widened as well.

We ask you to help shoulder this responsibility with us in keeping our artisan's information safe.

In almost all cases, individual trips by our Partners to an artisan group are prohibited in order for us to maintain the artisan's safety and privacy. Any trips or event with an artisan group member present that is outside of a vision trip must be approved by the home office and have a Trades of Hope representative in attendance.

7. **Intellectual Property.** You agree to not use the Company's intellectual property, including without limitation, the Company's trademarks, copyrights, trade names, trade dress, designs, images, or symbols, without the prior written consent of the Company except as set forth in the TOH Policies and Compensation Plan in regards of use of logos or symbols for use on individual social media such as Facebook etc. (See TOH Policies and Compensation Plan).

8. **Amendments to Company Documents.** By assenting to this Agreement, you agree and understand that Company may, from time to time, amend this Agreement and the TOH Policies and Compensation Plan, and any such amendment will be made in Company's sole discretion. Amended

documents shall be published in official Company materials and / or will be provided to Sales Consultants via email (or other reasonable delivery method) within 30 days of the amendment being made. Amendments will become effective upon publication or specifically stated effective date. Continuation activities as sales consultant for Company or my acceptance of bonuses or commissions shall constitute my acceptance of any and all amendments.

**9. INDEMNIFICATION.** YOU AGREE THAT YOU WILL INDEMNIFY AND HOLD HARMLESS THE COMPANY FROM AND AGAINST ANY AND ALL LOSS OR DAMAGES RESULTING FROM ANY AND ALL ACTS (INCLUDING WITHOUT LIMITATION ALL INTENTIONAL AND NEGLIGENT ACTS) OR OMISSIONS OF YOU (AND/OR ANY OF YOUR SUBCONTRACTORS) RESULTING IN LOSS OR DAMAGE TO THE COMPANY, ITS PROPERTY OR ASSETS, OR TO ANY OTHER PERSON OR PROPERTY. THE PROVISIONS OF THIS SECTION 8 SHALL EXTEND TO THE OFFICERS, DIRECTORS, EMPLOYEES AND AFFILIATES OF THE COMPANY.

**10. Compliance with Laws.** You shall comply with: (i) all federal, state and local laws; and (ii) all other standards imposed by Company on the conduct of Sales Consultant.

**11. Promotional and Advertising Release.** You agree that the Company may use your personal information, including without limitation, your name, likeness, photograph or personal story in the Company's promotional or advertising materials without compensation or remuneration.

**12. Force Majeure.** Any delay in or failure of performance by Company or You shall not constitute default hereunder if and to the extent such delay or failure of performance is caused by occurrences beyond the control of Company or You, as the case may be, including but not limited to: Acts of God or the public enemy; compliance with any order or request of any governmental authority; act of war; rebellion or sabotage or damage resulting there from; fires; floods; release of hazardous or toxic substances; explosions; accidents; riots or strikes or other concerted acts of workmen, whether direct or indirect; or any other causes, whether or not of the same class or kind as those specifically above named, which are not within the reasonable control of Company or You, as the case may be.

**13. Termination.** The Company or You may, with or without cause, terminate this Agreement at any time upon written notice to the other party. If the Company or You elect not to renew agreement or if it is cancelled or terminated for any reason, I understand that I will permanently lose all rights as a Consultant. I shall not be eligible to sell Trades of Hope products, nor shall I be eligible to receive commissions, bonuses, or other income resulting from the activities of my former success-line organization. In the event of cancellation, termination or nonrenewal, I waive all rights I have, including but not limited to property rights to my former success-line organization and to any bonuses, commissions or other remuneration derived through the sales and other activities of my former successline organization. The Company reserves the right to terminate all Consultant agreements upon fifteen (15) days notice if the company elects to: (1) cease business operations; (2) dissolve as a business entity; or (3) terminate distribution of its products and/or services via direct selling channels.

**14. Miscellaneous.** If any provision of the Agreement is held to be invalid or unenforceable, such provision shall be reformed only to the extent necessary to make it enforceable, and the balance of the Agreement will remain in full force and effect. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument. The provisions of this agreement, including all documents incorporated herein by reference, embody the whole agreement between you and the Company and supersedes any prior agreements, understanding and obligations between you and the Company concerning the subject matter of your contract with the Company.

**15. Jurisdiction, Governing Law and Dispute Resolution.** The formation, construction, interpretation, and enforceability of this Agreement shall be governed by and interpreted in all respects under the laws of the state of Florida without regards of principles or conflict of law provisions. All disputes and claims relating to the Company, the Consultant, The Agreement, the TOH Policies and Compensation Plan or its products and services, the rights and obligations of an Independent Consultant and the Company, or any other claims or causes of actions relating to the performance of either the Consultant or the Company under the Agreement or the TOH Policies and Compensation Plan shall be settled totally and finally by arbitration in Flagler County, Florida or

other such location as the Company prescribes, in accordance with the Federal Arbitration Act and the Commercial Arbitration Rules of the American Arbitration Association, except that all parties shall be entitled to discovery rights allowed under the Federal Rules of Civil Procedure. All issues related to arbitration shall be governed by the Federal Arbitration Act. The decision of the arbitrator shall be final and binding on the parties and may, if necessary be reduced to a judgement in any court of competent jurisdiction. The prevailing party shall be entitled to receive from the losing party costs and expenses of arbitration, including legal and filing fees. This agreement to arbitrate shall survive any termination or expiration of the Agreement. Nothing in the Agreement shall prevent the Company from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction, or other relief available to safeguard and protect Company interest prior to, during or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding. The parties consent to jurisdiction and venue before any federal or state court in Flagler County, State of Florida for purposes of enforcing an award by an arbitrator or any other matter not subject to arbitration. You also understand and agree that you will not have the right to participate in a representative capacity or as a member of any class of claimants pertaining to any claim subject to arbitration. There is no right or authority for any claim you have against TOH to be arbitrated on a class action basis or on any basis involving claims brought in a purported representative capacity on behalf of the general public or on behalf other persons or entities similarly situated. Claims brought against TOH may not be joined or consolidated with claims brought by anyone else.

**16. Time Limitation.** If a Consultant wishes to bring an action against the Company or any act or omission relating to or arising from the Agreement, such action must be brought forward with six (6) months from the date of the alleged conduct giving rise to the cause of action. Failure to bring such action within such time shall bar all claims against the Company for such act or omission. Consultant waives all claims that any other statutes of limitations apply.

**17. Entire Agreement.** Both parties participated in the drafting of this Agreement and this Agreement constitutes the sole agreement between the parties with respect to the subject matter hereof, and supersedes any and all other agreements, oral or written, between the parties. I understand that if I am in breach, default or violation of the Agreement at termination, I shall not be entitled to receive any further bonuses or commissions, whether or not the sales for such bonuses or commissions have been completed.

**18. Waiver.** Any waiver or breach of any of the terms of this Agreement shall not operate as a waiver of any other breach of such terms or conditions, nor shall any failure to enforce any provisions hereof operate as a waiver of such provision or any other provision hereof.

**19. Assignment.** This Agreement is a personal independent contractor agreement and the rights and interests of You hereunder may not be sold, transferred, assigned or pledged. The Company may assign its rights under this Agreement to (i) any entity into or which the Company is merged or consolidated or to which the Company transfers all or substantially all of its assets or (ii) any entity, which at the time of such assignment, controls, is under common control with, or is controlled by the Company.

**20. Successors.** This Agreement shall be binding upon You and your heirs, executors, administrators and legal representatives. This Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns.

**21. Section Headings.** The section headings in this Agreement have been inserted for convenience and shall not be used for interpretive purposes or to otherwise construe this Agreement.

**22. Online Agreement.** This agreement is an online agreement that is being executed in keeping with applicable federal and state laws.

**I UNDERSTAND THAT I MAY CANCEL THIS AGREEMENT AT ANY TIME BY PROVIDING WRITTEN NOTICE OF CANCELLATION TO THE COMPANY.**

# **POLICIES AND COMPENSATION PLAN**

The goal of having a Policies and Compensation Plan is to ensure that Trades of Hope (“The Company” or “TOH”) treats all Consultants fairly and enables Consultants to conduct business effectively with the Company, other Consultants, customers and the community. Please forgive the necessity of the “legalese” in this section to explain relatively simple concepts. Give this document a thorough read, and simply refer back to it when you have questions. If you have any questions about any of the policies in this document, ask your Sponsor, or any Upline Rank or Director, or Customer Service for additional guidance.

The policies listed within the TOH Policies and Compensation Plan are incorporated into, and form an integral part of, the Independent Consultant Agreement between Compassionate Entrepreneurs and the Company. Throughout this document, where the term “Agreement” is used, it collectively refers to the Trades of Hope Independent Consultant Agreement, the TOH Policies and Compensation Plan. It is your responsibility to read, understand and comply with the Agreement. “We,” “us” and “our” refer to the Company; “you” and “yours,” “Distributor” or “Consultant”, “Bonus,” “Commissions,” “Branch,” “Team”, “Group”, “Generation”, “branch, group or team commissions,” “commission on personal, branch, group or team sales”, may be used interchangeably.

# PRACTICING THE VALUES OF TRADES OF HOPE

At all times, Partner must:

- Operate with the highest level of integrity, ethics and professionalism. This includes maintaining professionalism and courtesy at all times with customers, other Partner, Customer Service, at all events and all other members of the Trades of Hope Office team.
- Not discriminate against any individual because of age, race, creed, color or legally protected status. Discrimination will not be tolerated.
- Act in good faith at all times.
- Provide helpful customer service in the spirit of developing long-term customer relationships.
- Refrain from making disparaging comments or gossiping about others.
- Abide by all the guidelines provided by the Trades of Hope office to ensure it remains a positive and supportive environment.

The Company will terminate the Sales relationship with any Consultant who does not comply with these policies and operate within the spirit of Trades of Hope.

## STATUS AND QUALIFICATIONS

### *Basic Qualifications*

You become a Trades of Hope Sales Consultant when your completed Agreement has been received and accepted by the Company at its Home Office.

To become a Trades of Hope Sales Consultant, you must be 18 years or older, be a United States citizen or permanent resident, possess a valid Social Security Number or Green Card, and be sponsored by a current Sales Consultant or the Trades of Hope Home office. You must also have a US bank account set up to receive commissions on your sales. If you do not have a Sponsor, you will be assigned one by the Home Office. In order to sign up with Trades of Hope, you must visit our website and submit the online form, which includes the electronic acceptance of the Independent Sales Consultant Agreement. As soon as the Home Office approves the Independent Sales Consultant Agreement, you are ready to begin!

### *Rank Level*

Your Rank Level is determined by your Join Activity as Partner and sales activity, which determines your Paid as Rank and is used for coaching information by the Home Office and your upline leaders. Your current status is listed on your Activity Report in your back office.

Your initial and Base Rank will be;

Either Affiliate. If Joined as Affiliate and will remain fixed as Affiliate unless you choose to upgrade to Partner. You will be compensated at a Fixed rate of 15% for all Personal Retail Value (PRV) in accordance with the Compensation Plan for this Rank Level.

Or Partner. You will at any point and on all sales at any point be compensated in accordance with the Compensation Plan for this rank level, until you are qualified for a higher Rank and will be compensated in accordance with the Compensation Plan.

Based upon your Rank Level, you might have access to more or less Company Incentive Programs which will not be offered equally across all Rank Levels, but either be very Rank specific or be exclusively for certain Rank and above. In Example, Affiliate Rank Level will not be eligible for Partner New Enrollment incentive programs or other specific Partner Programs. Likewise the Company might offer Incentive Programs exclusively for Affiliate Rank Level not eligible for Partner or above Rank Level.

## ***Affiliate/ Partner Upgrade/Downgrade***

For those consultants who joined as Affiliate and want to upgrade to Partner Join, can do so by contacting Customer Service. Upon Upgrade from Affiliate to Partner, a Partner will be eligible to participate in Company New Enrollment program(s) only if not prior eligible.

## ***Continued Permanent Residence***

As of today, Trades of Hope operates in the US 50 States only. (This includes Hawaii and Alaska.) In order to retain your Independent Sales Consultant Agreement with Trades of Hope, you must remain a permanent resident in the US. The Independent Sales Consultant Agreement does not transfer to any country in which Trades of Hope does not presently operate. Partner may not solicit international or cross-border business.

## ***Online Agreement***

Sales Consultants must read the Independent Sales Consultant Agreement in full. The Joining as Affiliate or Partner and purchase of your Join Collection requires the reading and acceptance of the online Consultant Agreement.

## ***Consultant ID***

You will be automatically assigned a non-changeable unique Consultant ID which may be used for all routine communications with TOH.

Consultant must provide TOH with a taxpayer identification number or social security number for those that are receiving more than \$600 in Commission Earnings. The Company will use this number for government reporting purposes. For those that have earned more than \$600 in commission earnings and for who we have not obtained a taxpayer identification number the account will be put on Financial Hold. Financial Hold means, that a Consultant can continue to go about her activities as usual but no Commissions will be distributed into her account. When the Financial Hold is released, all accumulated commissions can be processed as usual.

## ***Independent Contractor Status***

You understand that you are not an employee of Trades of Hope and shall not be entitled to receive any benefits from Trades of Hope whatsoever. Trades of Hope shall not be required to withhold or make contributions for employment insurance, Workers' Compensation and other similar levies in respect of payments to be made to you. You shall be fully responsible for paying all applicable federal and state/provincial withholding taxes, source deductions, taxes, employment insurance premiums, Workers' Compensation contributions other levies, premiums, license requirements and

fees related to your earnings and activities as a Consultant. You agree that as a Consultant you are an independent contractor, and not an employee, agent, partner, legal representative or franchisee of Trades of Hope. You shall be solely responsible for paying all expenses incurred by yourself, including but not limited to travel, food, lodging, secretarial, office, long-distance telephone and other expenses. You will have and maintain control of the manner and means of your performance. You will have no power or authority to incur any debt, obligation or liability on Trades of Hope's behalf.

## ***Partnerships***

Trades of Hope will recognize only one name per Independent Sales Consultant Agreement. A Sales Consultant may utilize a support person in her business. However, the individual who actually conducts the hostess parties and has regular customer contact must be the individual whose name is on the Independent Sales Consultant Agreement.

The Company will not accept Agreements from partnerships, teams or corporations.

Independent Sales Consultant Agreements are valid only between the Company and an individual.

## ***No Exclusive Territories / Solicitation of Overseas Business***

No franchise is granted and there are no exclusive territories for sales or sponsoring purposes. You must only sell and sponsor within your own country of residence. You may not solicit business from other countries and/or neighboring territories (e.g. Puerto Rico, Guam).

## ***Exclusivity***

You are an independent contractor, and Trades of Hope imposes no restrictions on any participation or sales activity in other businesses. However, promotion of other competitive business ventures is prohibited at Home Parties or in communication with Trades of Hope customers. As a Sales Consultant you agree to not promote other products under the Trades of Hope name. We also exclude purchasing from Trades of Hope partnering vendors. Additionally, should you promote to the Director Career Rank Level or above, participation in any other direct-selling ventures is no longer permitted. Please review the Compensation Plan for a complete list of Career Rank Levels.

## ***Ethical Conduct***

As a Sales Consultant, you agree to conduct your business with the highest standards of honesty and integrity. You agree to refrain from making negative, disparaging, untrue or misleading comments about the Company, its owners, directors, officers, associates, other Sales Consultants or any other company or such company's products. You also agree not to engage in any activities that may cause harm to the Company or any other Sales Consultant.

## ***Legal Compliance***

All Sales Consultants shall comply with all federal, state and local statutes and regulations concerning the operations of their businesses. You are responsible for your own managerial decisions and expenditures, including estimating income taxes and self-employment taxes.



## ***Licenses***

Some local governments might have ordinances that restrict the way you conduct your Trades of Hope business. Call your local Small Business Administration (SBA) office to determine if any business licenses are required. Also, if you live in a subdivision or condominium, check with your association to determine if there are any limitations on conducting business activities in your home.

## ***Confidentiality Agreement***

All lists of customers, your personal team, or other Sales Consultants are confidential property of the Company and constitute a business trade secret. Trades of Hope may make these lists or portions of these lists available to you for the express purpose of supporting you and your personal team to further develop your Trades of Hope business. You may use these lists only in connection with your Trades of Hope business and for no other purpose. You must keep the lists confidential and must not make the lists available to third parties. You agree that any wrongful disclosure of the lists or the information on the lists will cause immediate and irreparable damage to the Company and that the Company may pursue all legal remedies available against you if you violate this provision. This provision will survive the termination of your Independent Sales Consultant Agreement.

## ***Non-Solicitation***

As an inducement to Trades of Hope to enter into this Agreement and in consideration of the mutual covenants contained herein, during the term of this Agreement and for a period of one year thereafter you shall not directly or indirectly, on your own behalf or on the behalf of any other person or entity, solicit, induce or hire or attempt to solicit, induce or hire any Sales Consultant to terminate or alter her business relationship with Trades of Hope. Additionally, for a period of one year after the termination of this Agreement, you will not own or operate a multilevel direct-sales business if you are a Director or above.

## ***Transferability***

Neither this Agreement nor your Trades of Hope business may be transferred or assigned by you or operated in partnership with any other person. Trades of Hope may assign this Agreement at any time.

## ***Sponsorship Obligations***

As a Trades of Hope Sales Consultant, you may sponsor other Trades of Hope Sales Consultants. Should you choose to sponsor Sales Consultants, you must provide adequate training and consistent communication to them, just as you would want provided to you. Sponsorship, team mentoring and leadership are critical to the success of every Trades of Hope Sales Consultant. As such, Sales Consultants are also required to train and motivate Sales Consultants in their first line and success-line teams, in accordance with the training and tools provided by Trades of Hope. This training includes, but is not limited to, product knowledge, selling, sponsoring, customer service, ethical behavior, the Compensation Plan and compliance with the Trades of Hope Sales Consultant Agreement and Policies and Procedures.

## ***Income Claims***

The Federal Trade Commission and the laws of several states regulate claims regarding the amount of income that can or may be earned under programs such as the Trades of Hope program. These regulations require that appropriate disclosures also be provided. Because you do not have the data necessary to comply with legal requirements for making income claims, you may not make income projections or disclose your own compensation when presenting the Trades of Hope program. Hypothetical income examples that are used to explain the operation of the Compensation Plan and that are based solely on mathematical projections may be made to prospective Sales Consultants, as long as it is made clear that the examples are hypothetical and not based on actual experience.

## ***Remote Sponsors***

When sponsoring long-distance, Sponsors must still provide training support and recognition to their Sales Consultants. Notes, handouts and/or audio/videotapes from their meetings can be sent to the remote Sales Consultant in place of live local meeting attendance. The Sponsor must also: Provide all training and support via phone and e-mail communications. The upline may arrange with a Sales Consultant in her remote area to have the remote Sales Consultant attend a local training session, if available.

## ***Cross Sponsoring***

Cross sponsoring is strictly prohibited. Cross sponsoring is defined as the enrollment of an active Sales Consultant or a terminated Sales Consultant who has been active within the preceding six months within a different line of sponsorship. This includes the use of a spouse or relative's name or assumed names to circumvent or avoid detection under this policy. You may not demean, discredit or defame other Sales Consultants in an attempt to entice a Sales Consultant to become part of your sponsored group.

## ***Sponsor Reassignment***

Trades of Hope will not honor requests from Sales Consultants to have other Sales Consultants' success-line transferred to them. Nor will we make transfers if there is any concern that proactive solicitation of another Sales Consultants success-line has occurred. The Trades of Hope Office reserves the right to reject transfers in order to maintain a NO POACHING culture and environment. In order to protect the rights of all Sales Consultants who work hard to sponsor and mentor others in the business, Trades of Hope prohibits the transfer of a Sales Consultant from one Sponsor to another, except under the following conditions:

### ***Inadequate Support***

If a Sales Consultant is dissatisfied with the minimum level of support received, she may file a request for Sponsor reassignment by contacting Trades of Hope Customer Service. Trades of Hope will then contact the Sponsor via phone or e-mail and give the Sponsor 30 days to release the success-line or make amends with the success-line so that the request is withdrawn by the success-line via e-mail. If the request is not withdrawn, Trades of Hope will then independently assign success-lines to another up-line who meets the Sales Consultant Referral Program Requirements. No special requests will be honored.

### ***Deceptive Sponsorship***

In cases where a Sales Consultant is assigned to a Sponsor in a deceptive manner or such a manner that it was not clear to the sponsored Sales Consultant who her Sponsor would be, the sponsored Sales Consultant may request to be transferred to a different Sponsor, with her team intact. The new Sponsor will be assigned by Trades of Hope. The request must be made by the sponsored Sales Consultant directly to Trades of Hope Customer Service by contacting them within 30 days of her start date. Trades of Hope will investigate each request on a case-by-case basis, and reserves the right to reject or grant the transfer of sponsorship.

## ***Disruptive Relationships***

In cases where a Sales Consultant-Sponsor relationship is strained to the point where it is disrupting the business of those individuals and other Partner, the sponsored Consultant may request to be transferred to a different Sponsor, with her team intact. The new Sponsor will be assigned by Trades of Hope and special requests will not be accommodated. The request must be made by the sponsored Consultant directly to Trades of Hope Customer Service. Trades of Hope will investigate each request on a case-by-case basis, and reserves the right to reject or grant the transfer of sponsorship. In the case where Trades of Hope corporate provides a lead or places a new Consultant on a sponsor's team and after sign up the new Consultant feels that she is not compatible or comfortable with the assigned Sponsor, the new Consultant may request reassignment. The Trades of Hope Office looks differently at the cases of assigned relationships versus organic recruiting. The Consultant requesting a sponsor change may not select a new upline. The Trades of Hope Office will again assign a new leader based on those qualified to receive leads.

## ***Minimum Leadership Support***

A Trades of Hope Sponsor must provide a minimum level of support to Partner in order to maintain Sponsor status. Minimum Support Level: The Sponsor must actively practice the Core Values of Trades of Hope as described in this policy guide and Trades of Hope publications. The Sponsor must exemplify the cornerstone of Trades of Hope leadership by maintaining an active and consistent Entrepreneurs Home Party schedule. A sponsor must meet \$300 in Personal Retail Sales Volume in a month to get the commission earned on their success-line. If the PRV monthly requirement is not met for 6 consecutive months, the Sponsor will lose her success-line all together.

When a Sales earns Director Rank, they make themselves available to their groups for help and training.

## ***Technology Suite, Consultant Portal and Personal Website***

During the Join Activity as a Partner, a consultant will be enrolling in the Technology Suite which provides tools such as, marketing emails, replicated websites, individualized pop-up (party) links, individualized QR Codes, and other selling tools, including access to the individual Consultant Portal.

For the Partner, upon joining, the Technology Suite is free for the first 30 days of enrollment. If not cancelled by the 31st day, the credit card on file will be charged the current monthly fee (\$9.95 at time of this update). This fee will be charged without notice on each monthly anniversary.

If a Partner cancels their Technology Suite at any time, customers of the cancelling Partner will no longer be sent marketing emails on behalf of the cancelling Partner and may be marketed to by Trades of Hope. If the Technology Suite is turned on after being cancelled at any time, those customers may continue to be marketed to by Trades of Hope and will not be sent marketing emails on behalf of the Partner.

# TERMINATION OF AGREEMENT

The following terms are used to describe a termination of the Independent Sales Agreement:

## ***Resignation***

You may voluntarily terminate the Trades of Hope Independent Sales Agreement at any time and for any reason by submitting a written notice of Self Termination to the Company.

If your Independent Sales Agreement was terminated as a result of Resignation, you must wait six months before you can reapply to become a Consultant again. This six-month period will begin on the date your account was deactivated. The Company may accept or reject your application for any reason at its sole discretion. If your application is accepted, you must start at the beginning Career Rank level that is in accordance with your Join Activity, Affiliate versus Partner.

## ***Deactivation***

Deactivation means a loss of Consultant status and all Consultant benefits including product discounts, Company mailings, eligibility for Consultant contests, events and incentives, as well as the loss of all success-line Partner and related coaching commissions. All deactivated Partner' success-lines and related commissions will be reassigned by the company.

The Independent Consultant Agreement may be deactivated:

- 1) As a result of the Consultants resignation.
- 2) At the Company's discretion with reasonable notice upon conclusion of the initial term or any renewal term.
- 3) At the death or retirement of the individual Consultant.
- 4) Immediately upon relocation and change of the Consultants permanent residence to one outside of the country where Consultant signed the agreement.
- 5) For any reason, provided the Consultant is given 30 days' written notice. The Company will notify the Consultant by e-mail at the latest address listed with the Company for the Consultant.
- 6) If a Consultant has \$0 in personal retail sales volume for 12 consecutive months, they will be deactivated.

## ***Reactivation***

If your Independent Consultant Agreement was terminated as a result of deactivation, you may contact Customer Service to request reactivation. The Company may accept or reject your application for any reason at its sole discretion. If your request for reactivation is accepted, you will be reactivated at the beginning rank of Partner.

The reactivation guidelines are as follows, but remain subject to Company acceptance:

### **0-30 Days from Deactivation Date**

- A Partner may request a one-time reactivation at no cost.

- Consultant is reactivated under her previous sponsor.
- Consultant must place a PRV order within that same month period to avoid deactivation the following month.
- If deactivated again in the following month due to non-production, reactivation fee will apply.

#### **31 Days - 6-Months from Deactivation Date**

- A Partner wishing to be reactivated must contact Customer Service with request.
- Reactivation is subject to a \$25 reactivation fee.
- Consultant will be placed directly under their previous sponsor.
- Consultant will not be given any previous success-line if rolled up.
- Once reactivated, standard Terms and Agreement applies.

#### **Over 6-Months from Deactivation**

- A Partner wishing to be reactivated must contact Customer Service with request.
- Consultant will have the option of choosing their sponsor.
- Consultant will not be given any previous success-line if rolled up.
- Once reactivated, standard Terms and Agreement applies.

## ***Home Office Termination***

The Company may terminate the Independent Consultant Agreement with any Consultant at any time and for any reason by notifying you in writing of our election to terminate. Trades of Hope may immediately terminate this Agreement without notice in the event of your death, insolvency, assignment for the benefit of creditors, or misrepresentation in or breach of any provision of the Agreement, violations of policies as herein defined.

The Trades of Hope Office may also terminate the Independent Consultant Agreement if there has been a breach of any term of these policies, the plan or the Consultant Agreement, by the Consultant. For purposes of this Agreement, a "breach" shall include, but not be limited to, any actions by the Consultant which, in the Company's sole discretion, the Company believes:

- 1) The Partner discredits the Company's name, goodwill or products,
- 2) Violates in any material way any provision contained in the Agreement, Trades of Hope publications or any of the Company's Policies and Procedures;
- 3) In any way misrepresents Company's products or business opportunity. The Company shall notify the Partner by e-mail of the Trades of Hope Office Termination at the latest email address listed with the Company for the Consultant. If your Independent Consultant Agreement was terminated by the Trades of Hope Office, you may not reapply.

## ***Effect of Termination***

Terminations of the Independent Consultant Agreement are effective the first day of the month following the date of Resignation, Deactivation or Termination. Upon termination of the Independent Consultant Agreement for any reason, your success-line will roll up as per our policy on Roll-Ups. In addition, you will lose any gift certificates or other credits that you have earned. You will receive legitimately earned commission only for the last full payment period you were active prior to termination.

# **EVENTS UPON TERMINATION OF THIS AGREEMENT:**

## ***You will:***

- 1) Within five days of termination pay all amounts due and owed to Trades of Hope;
- 2) Cease representing yourself as a Trades of Hope Consultant immediately; and
- 3) Be ineligible to receive any un-accrued compensation or benefits as a Consultant.

You will cease all use of Trades of Hope Intellectual Property and Confidential Information and will cease holding Entrepreneur Home Parties, trade shows, presentations or otherwise displaying, offering for sale or selling Trades of Hope products. You will immediately cease using, and upon request by Trades of Hope, return all Confidential Information to Trades of Hope.

## ***Roll-Ups***

The Roll-Up policy is to ensure that all Partners have an active and engaged Sponsor who is leading by consistent example.

Roll-Ups occur when a Partner who has sponsored a team:

- 1) Terminates her Independent Consultant Agreement as a result of Resignation, Deactivation or Home Office Termination,
- 2) Fails to meet the minimum leadership qualifications for their rank.

At the time of a Consultants Roll-Up, every Consultant below her will immediately be rolled up to the next Consultant. Roll-ups can occur immediately and without prior notification at the discretion of Trades of Hope. They are effective in the month executed and will not be retroactive to the date of the original request.

If a Consultant does not produce a minimum of \$300 PRV for at least one month in a rolling 12 month-consecutive period (based on previous 12 months), her success-line will roll-up as per our policy on roll-ups. The Consultants personal account is not affected by roll-ups.

## **DIRECTOR LEVEL RESPONSIBILITIES**

Partners who achieves the Director Rank will be asked to sign an Addendum to the Independent Consultant Agreement. Partner must submit the signed form to the Home Office within 15 days after the month of promotion.

## **COMMISSIONS POLICY AND PAYOUT TIMELINES**

Commissions will be paid monthly and deposited onto a Consultants Trades of Hope Wallet. From the Wallet, the funds can be used on additional Trades of Hope purchases or requested to be transferred to your personal banking account by direct deposit. Any commissions or funds transferred to the Consultant will be done exclusively by direct deposit into the account you specified in your Consultant portal.

- Commissions are paid on the commissionable Trades of Hope core product sales, sold to end customers.
- Commissionable products do not include, Sales-only items (e.g. Join Collections, internal coupon orders and promotional gift certificates Business Supplies, Kit Builders etc.)
- If you have any issues or discrepancies with your commission report, they must be reported prior to the end of the calendar month following the month for which the commission was issued. For example, if you have a concern about November's commission, which you would have received by December 5th, you must report that issue to the Trades of Hope Office Customer Service by the end of December of that same year. Issues reported after that timeline will not be researched or adjusted. Send your requests via email through Customer Service.

- Commissions are issued to Partner in their name only and cannot be paid to businesses, trust funds, etc.
- If overpayments are made, amounts will be deducted from future payouts.
- Each January, Trades of Hope issues Tax Form 1099 for the previous year. A 1099 will be issued for each non-employee who has earned commission checks, incentives, prizes, etc., of \$600 or more, or has purchased more than \$5,000 worth of product intended for resale. Commission and other earnings must be claimed as income in your tax filings each year.

## ***Account Holds***

Trades of Hope may, at its option, place a Consultants account on hold for money owed to Trades of Hope or for violation of other Policies and Procedures. If an account is placed on hold, the Consultant may be prohibited from placing orders, receiving all or a portion of commissions, registering for Conventions or other corporate events or obtaining other Consultant benefits until the account is current and/or all Policy and Procedure violations are corrected.

## **LEAVES OF ABSENCE:**

### ***Personal Leave***

We offer a three-month personal leave, which allows our Consultants to avoid the roll-up of her team, as per the Roll-Up Policy. Personal Leave will only be granted to Partner who have sold Trades of Hope product. Career and pay rank still require that all qualifications of the Compensation Plan are met while on leave. This leave will not extend the time you have to qualify for coaching commissions without meeting your personal sales requirements. Please contact Customer Service for a Personal Leave Request form.

### ***How To Request An Exemption Period***

- In case of an extenuating circumstances such as illness you can put in for an exemption to termination. Please contact Customer Service for an Exemption form.

## **CORPORATE MARKETING, LEADS AND ASSIGN MENTS**

Trades of Hope makes a considerable investment in building our general brand and driving awareness that will fuel all of our Partner' businesses. Our corporate marketing and public relations efforts are in- tended to attract new potential customers and Partner, which ultimately benefits every Trades of Hope Consultants.

### ***Our Philosophy***

- 1) For building a great business, there is no substitute for leveraging YOUR social network. Trades of Hope Office leads should not be expected and are not a way to build a personal business. We do general marketing like press and events because we know that you can then show this media coverage to your network of people and build excitement.
- 2) The Trades of Hope Office will allocate Leads and Assignments with the utmost integrity to Partner who we deem to be exemplary members of the Trades of Hope team and who we believe will provide the best support and leadership to our customers and new Partner.
  - a) Leads refer to requests made by our customers for more information about Trades of Hope, interest in hosting a Home Party or learning more about the opportunity to become a Consultant.

b) Assignments refer to new Partner who have signed the Independent Consultant Agreement and have not indicated a Sponsor.

3) We do not make exceptions to this program and we are under no obligation to provide history or explanations for our Lead and Assignment allocations.

The corporate marketing and public relations efforts will primarily direct potential customers/Partner to our official corporate website, [www.tradesofhope.com](http://www.tradesofhope.com). While on the official corporate website, the potential customer or Consultant may learn more about products and Consultant opportunities. In general, most, but not all, leads and assignments will be given to a Consultant who:

- Embodies the core values of Trades of Hope and is an exemplary member of the Trades of Hope community.
- Has a Trades of Hope Personal Website.
- Has earned the pay rank of Director or above.

Trades of Hope has the right to transfer any Consultants who was a Corporate Lead to another team if the Trades of Hope Office determines the Consultant is receiving inadequate coaching as per the Minimum Leadership Support requirements.

The company encourages a Consultant to advertise her personal website in online blogs, social media sites, and other commercial websites as much as possible to drive online sales. However, please note that we have specific rules around online advertising that include:

- Compliance with our advertising and online policies. When you market your business, always refer to yourself as a name, Trades of Hope Independent Consultant to eliminate confusion between your personal website and the official Trades of Hope website. You may never sell your products on any site other than Trades of Hope (this includes eBay, Etsy, or other auction site).
- You may not create search engine marketing campaigns (this includes Google AdWords) as it directly competes with Trades of Hope's official website and any advertising placements Company is running.

## TAXES

### ***Income Tax — U.S.***

As a self-employed professional, it is up to you to maintain complete records regarding your income and expenses. This will greatly assist you when calculating your taxes every year. There are a myriad of tax benefits that can be available to self-employed individuals, and **each Consultant should consult their own tax advisors** concerning how the benefits may apply to each individual case. Visit the IRS website ([www.irs.gov](http://www.irs.gov)) for more information.

The first month of each calendar year, Trades of Hope issues Tax Form 1099 for the previous year. A 1099 will be issued for each non-employee who has earned commission checks, incentives, prizes, etc., of \$600 or more. Commission and other earnings must be claimed as income with your tax filings each year.

As a Trades of Hope Consultant, you are an independent contractor to Trades of Hope, not an employee. Because of this distinction, you are self-employed for income tax purposes. You will report your commission income on Schedule C of your income tax return. As a self-employed Schedule C tax filer, you may have significant advantages in deducting business expenses. Examples include home office deductions, business use of your auto, home computer usage and travel and entertainment expenses.

Throughout the year, **keep all of your receipts for income and expenses in one place.**

Designate a folder for paperwork and don't forget to write down mileage that you've traveled in order to conduct your Trades of Hope business. This will make it much easier for you to calculate your tax return at the end of the year.

You may call the IRS at (800) 829-1040 and request several helpful pamphlets at no cost.

- Direct Sellers, No. 911
- Travel, Entertainment, Gift, and Car Expenses, No. 463
- Self-Employment Tax, No. 533



- Business Expenses, No. 535
  - Business Use of Your Home, No. 587
  - Business Use of a Car, No. 917.
  - Form 4562 is used if you buy equipment (like a computer or a printer) that costs more than \$150
  - Sole Proprietorship – Small Business Tax Kit (also free). This kit includes copies of, and instructions for, all of the federal tax forms you need. Call to request this at the end of the year.
- Don't forget, if your state has income tax, you will also need to file state tax forms.

## ***Frequently Asked Questions About U.S. Income Tax***

**If I don't receive a Form 1099 from Trades of Hope, do I still need to file a tax return?**

Yes, you need to report income you earned from sales of Trades of Hope products on Schedule C.

**What other information do I have to provide to the IRS?**

Please contact your accountant for more information about inventory accounting.

**If I didn't make \$600 in my Trades of Hope business, do I still have to file?**

Yes, if you are in business, you still need to file. If you had more expenses than income, you may have incurred a loss in your business that can be used to offset other income and reduce your taxes. You should discuss this with your accountant.

## ***Sales Tax — U.S.***

When you become a Consultant, you authorize the Company to collect and remit to the proper governmental agencies the applicable sales/use tax generated as a result of your sales of your products as outlined below. When orders are placed with the Company, sales tax is prepaid based upon the suggested retail price or actual selling price if known. You must agree to be bound by all sales tax collection agreements between the Company and all appropriate taxing jurisdictions, and all related rules and procedures.

Sales tax is calculated on the retail price of the items purchased, not on the cost to the Consultant.

The tax collected from the Consultant is then remitted to the appropriate state agency.

Here's how sales tax works for your Trades of Hope Business:

- 1) **When your customers purchase products from Trades of Hope**, the Company collects sales tax and submits it to the appropriate state agency based on the retail amount of the order and the location of the ship-to address.
- 2) **When you purchase products from Trades of Hope**, the Company collects sales tax from you and submits it to the appropriate state agency based on the retail amount of the order (not the cost to you) and the location of the ship-to address.
- 3) **Hostess Rewards FREE PRODUCT** is subject to Sales Tax on the full retail amount of the rewards.

## **ADVERTISING, PRESS, TRADEMARK AND PUBLIC IMAGE PROTECTION**

### ***Repackaging or Relabeling***

Because repackaging could violate laws or result in civil liability, all products must be sold in their original packaging only.

## ***Training Materials***

Partner may not produce, distribute or sell DVDs, videotapes, audiotapes and other training materials bearing the Company brand and name. If you have suggestions for training material, please submit your ideas to CustomerService.

## ***Liability***

- 1) Trades of Hope cannot guarantee, regenerate or in any way be responsible for Trades of Hope products purchased from sources other than Trades of Hope.
- 2) Trades of Hope cannot guarantee, regenerate or in any way be responsible for products that are not officially part of the Trades of Hope product line.
- 3) Trades of Hope cannot guarantee regenerate or in any way be responsible for products that have been imprinted with the Trades of Hope trademark by sources other than Trades of Hope.

## ***Trademarks***

- 1) Partner' duplication of Trades of Hope trademarks or service marks is prohibited without express written permission from the Company in advance.
- 2) When reproducing the Trades of Hope logo, it must not be altered in any manner or form. Trades of Hope Partner may not duplicate the Trades of Hope trademark for private use or for the intention of selling non-Trades of Hope products to others.

## ***Marketing Policy***

Registered trademarks of Trades of Hope, LLC include the Trades of Hope logo are protected under trademark law.

For our Consultants a special Trades of Hope logo is provided for their use when creating documents. Partners may not use the Trades of Hope corporate logo for any purposes but may use the specially designed Consultant logo that represents the document as Consultant created and not corporately created.

Partners may not edit or alter graphics or photos that are released by Trades of Hope. It is encouraged that they share Trades of Hope graphics just as the company created them.

Trades of Hope appreciates the input of our Partners, however, Partners creating their own graphics is strongly discouraged. Trades of Hope provides graphics for every promotion, as well as multiple photographs for incentives. Statistically, customers interact more with photos of Partners enjoying their lifestyle, posting photos of their own jewelry, and photo images rather than graphics that are made at home. Trades of Hope works hard to provide graphics that fit customer needs so each Consultant can focus on spending time growing their businesses. Any suggestions for needed graphics may be placed in the suggestion box. Any information, product suggestions, or general comments provided through to Trades of Hope through our site(s) or suggestion box shall become the property of Trades of Hope, LLC.

## ***Advertising and Press***

You may advertise in local publications and online, but must make sure your ad is accurate, professional and not misleading in any way. Partners are prohibited from making ANY claims regarding TOH Products or the TOH Program and Compensation Plan other than those claims made in current official TOH literature or on the Company website. You must always list your Trades of Hope personal website address and use only official Trades of Hope logos. If you list contact information, you must identify yourself as an Independent Consultant so that there will be no confusion that you represent the Trades of Hope Office. You may advertise sponsoring opportunity sessions, your Home Parties or any other Trades of Hope events you choose.

## **PRESS CONTACTS AND LEADS**

The Home Office is the primary contact with all major network press and media. All members of the Consultant force wishing to contact any members of the media for any reason should contact the Trades of Hope Office Marketing Department first. Press includes any media with a wide audience including network television, newspapers with over 100,000 circulation and all Internet media such as blogs, syndicated columns, broadcast shows and wire services. Please direct any questions and media inquiries to the Trades of Hope office [info@tradesofhope.com](mailto:info@tradesofhope.com)

## ***Media Promotions***

The Trades of Hope Office initiates all television, cable TV, radio, Internet, newspaper, newsletter and magazine interviews, features and paid advertisements. Trades of Hope Partner may not initiate, authorize or implement national or regional media publicity. Partner, may participate in local media interviews. All interviews with the major media must be handled through the Company Communications Manager. Whether the media outlet pursues you or vice versa, **you must inform the Company before the interview is conducted (no exceptions)**. Contact the Trades of Hope Office and refer the reporter/writer to our public website for contact information. If you are approached by a member of the **national** media about contributing to a story, you must refer her or him to the Company immediately.

As with advertising, you may only personally approach **local** media when submitting a press release or story pitch.

We require Partners to list the Trades of Hope web address in addition to any personal contact information. The Company must approve proposals for regional or national media promotions in advance. Look online in the Sales Training website for high-resolution logos and advertising guidelines.

## ***Checking/ Charge Accounts***

Trades of Hope Partners may not use the trademark or trade name Trades of Hope on bank accounts, credit applications with local suppliers or other business forms. Checking accounts can simply be designated as "Business Accounts." Or, if you need to list a business on your checking account, credit application or other form, use your name and "Trades of Hope Independent Consultant." The intent of this is to avoid any implication that a Consultant business is the Corporate Office.

## **ONLINE COMPLIANCE**

Trades of Hope builds our brand for the general benefit of all Partners. Thus, our trademarked brand name cannot be used to drive traffic away from our corporate site. Infractions may result in the immediate termination of a Consultant account.

You may not represent yourself in any way online that detracts from the Trades of Hope brand. You may only have a Personal Website through Trades of Hope. In compliance with laws and Direct Selling Association policy, all Independent Sales marketing, both in print and online, must clearly appear as though it is coming from an independent representative of the company and not lead the consumer to think they may be interacting with the corporate office. Furthermore, any ad in which the trademarked Trades of Hope name or logo is used must be approved by the corporate office. Corporate-approved advertisements will be made available in the Sales Training Website.

## ***What you should know about social media, Facebook and your Trades of Hope business?***

Your business succeeds when you develop a network of loyal customers, hostesses and Partners on your team who are excited to share the beautiful products and inspiring artisan stories with others. Trades of Hope recognizes that the ability to use social media platforms like Facebook pages to help you communicate is part of the fabric of building your business.

Facebook establishes its own rules for the use of the platform and directly regulates how an individual can and cannot conduct interactions within their page. Without notice, the rules established by Facebook can change, and therefore, our guidelines may be amended at any time. We can only react to the rules established and provide the guidelines that represent acceptable behavior associated with a Trades of Hope Terms & Agreement

## ***Restricted Use of Trades of Hope Trademarked Name***

The trademarked Trades of Hope name cannot be used in any Google AdWords or other search engine marketing campaigns or sponsored links. This includes the use of your Personal Website, since this contains mytradesofhope.com. All web advertisements must clearly contain the descriptor of Independent Consultant in both the title and description field.

## ***Marketing and Naming of Personal Websites***

Using a generic extension like shop, jewelry, cities or major regions, etc., is not allowed as it appears to the end user that this is a corporate site URL. Your extension must relate to your name.

You cannot use any name

like [www.mytradesofhope.com/jewelry](http://www.mytradesofhope.com/jewelry), [www.mytradesofhope.com/shop](http://www.mytradesofhope.com/shop), or [www.mytradesofhope.com/sanfrancisco](http://www.mytradesofhope.com/sanfrancisco).

## ***Use of Trades of Hope in URLs***

You may not use tradesofhope or any derivative in a registered URL with any extension. This is in violation of our trademarked name and can result in the termination of a Consultant account. For example, you cannot register or use any URL

like [www.mytradesofhopebiz.com](http://www.mytradesofhopebiz.com) or [www.tradesofhope.tv](http://www.tradesofhope.tv), etc.

## ***Naming Social Network Pages on Facebook and More***

When using social media, Partner may not use any name that could be confused with the corporate office. Usernames may, however, include the name “Trades of Hope,” if they also include “Independent Compassionate Entrepreneur” or a similar identifier first that distinguishes it from a Trades of Hope corporate account. We encourage creativity, as long as it represents the Trades of Hope brand appropriately, keeps with our company values, and in no way implies geographical ownership or corporate endorsement.

## ***What can I do on my Personal Facebook Page related to my Trades of Hope Business?***

Your personal Facebook page is not a page that you should use to sell products. Facebook can be very particular about selling and spamming friends, so keep your posts focused on your lifestyle. This is a place to share what you love and your experiences. Because Trades of Hope is part of your life, you could talk about these experiences, the products you love, the artisan stories, referencing Trades of Hope, but not using it to “sell.”

## ***Solicitation of Business on Facebook***

Partner may not use the Trades of Hope Official Facebook Fan Page to solicit business, drive people to your Personal Website, or sign up team members.

## ***Can I sell through my Facebook business page?***

You may promote on your Facebook business page, but you should always ask the question “Am I being to sale-sy?” And, remember that the Facebook guidelines often change, so keep up to date with Facebook on the appropriate way to run your business page. Also, if you are hosting a Trades of Hope Party on Facebook or a Live Event, you should think of it as a real party. Because of this, many Partner set up their party as a private Event on their personal Facebook page. This allows them to access friends that are linked to their page.

On your Facebook business page, you can post graphics of products provided in your graphic library with the retail value and direct customers to purchase through your replicated website, but, please keep in mind, you are not permitted to sell products directly on your personal Facebook page.

Online business is best developed by directing your customers to order through your replicated website by simply providing your replicated website or party URL. On your replicated page, your customer will be able to shop, process her payment and be properly notified of the purchase when completed.

## ***Sales of Excess Inventory***

You cannot use Facebook or any other online sites such as ebay, craigslist, etsy, etc., to sell excess inventory to customers or other Partners if products are currently available through Trades of Hope. This includes the Trades of Hope Consultant Facebook page. All product purchases must go through your replicated website or party portal. Facebook may be used for online parties and marketing your Trades of Hope business.

## ***Sales Through Auction Sites or Other Internet Sites***

Trades of Hope Partner may not sell Trades of Hope on any website other than their personal Trades of Hope website. You may **NOT** sell Company products (including Business Supplies) through any online auction service or any other website. Nor may you advertise your business or the business opportunity through online auction services.

A Consultant may not sell her products online anywhere but her replicated website or party links, unless it is an out of stock item. She may advertise her products online, but the point of sale should happen within the Trades of Hope system. She may process orders if she carries out of stock inventory via PayPal, but her current Trades of Hope products may not be listed and have a point of sale that happens outside of the replicated website (including not selling on ecommerce sites such as EBay and Etsy).

Facebook Live or parties held on Facebook, Skype, Zoom or other such media is like having a virtual party, and are closed or private events. Partners have the option of sending attendees to the party URL to purchase, or if she is offering products from her out of stock inventory, it is acceptable to complete the transaction through an outside payment processor that provides a confirmation receipt to the customer, such as Pay Pal. In all situations when a transaction is outside of the back office system, such as cash and carry, the Consultant is responsible for ensuring the customer receives a receipt, the customer has received her contact details including address and phone number and the customer understands the terms of the return policy.

Partners are not permitted to sell through any 3<sup>rd</sup> party site like Etsy or Ebay. All current merchandise must be offered at the regular retail price, or current sale price if Trades of Hope corporate is offering a sale on that item.

\*As these platforms evolve, the guidelines will adjust to ensure that our Partners remain a relevant and exciting choice for our customers. When in doubt, verify with our customer service team.

## ***Sale of Inventory to Other Partners***

Products that are no longer available to be purchased through the company can be purchased from another Partner. If one Partner is interested in purchasing from another, we suggest that a private message be used to pursue the transaction, but this may not be done within the Partner Facebook page. This helps ensure the integrity of the Trades of Hope brand to new Partner who may be joining this Facebook page.

## ***Can a Consultant Sell Products at a Price Different than the Retail Price?***

No. Trades of Hope works hard to establish a fair price that will ensure a fair wage for our artisans and still maintain the interest of our customers. If a product has been discontinued and the

Consultant has it in inventory, it is recommended that the Consultant use the most recent retail sale price of the last time it was offered on sale but not deeply discount any Trades of Hope product. This helps to ensure the integrity of the brand value for our customers.

## ***Sales Presentations***

At sales presentations, you shall truthfully represent the Company, yourself and the products. Partner are prohibited from making ANY claims regarding TOH Products or the TOH Program and Compensation Plan other than those claims made in current official TOH literature or on the Company website. You may not use any misleading, deceptive or unfair sales practices. Explanation and demonstration of products offered shall be accurate and complete, including but not limited to, price, terms of payment, refund rights, guarantees and after-sales service and delivery. Personal or telephone contact shall be made in a reasonable manner and during reasonable hours to avoid intrusiveness. Immediately discontinue a sales presentation upon request of the consumer. Also, refrain from using comparisons which are likely to mislead, and which are incompatible with the principles of fair competition. The following deceptive practices are absolutely prohibited and may result in immediate termination of a Partner account without notice:

- 1) The enrollment of individuals without their knowledge and/or execution of an Independent Consultant Agreement on behalf of others without their knowledge;
- 2) The fraudulent enrollment of a Consultant.

## ***Customer Cancellation***

The U.S. federal government requires that every U.S. customer who generates an order or makes a purchase from you must receive a Cancellation Policy (found on the back of the Trades of Hope Order Forms). Partner shall use the Order Forms provided by Trades of Hope, which contain the required statutory notice of cancellation language. Partner shall honor all consumer cancellations in accordance with the statutory requirements thereunder.

## ***Customer Refunds and Returns***

You must comply with the Return Policy and procedures currently listed on the Trades of Hope website at [www.tradesofhope.com](http://www.tradesofhope.com).

## ***Territory Restrictions***

There are no exclusive territories granted to anyone, and no franchise fees are required.

## ***International Sales***

Due to complex legal and tax considerations involving international sales, no sales or recruitment efforts may be made outside the 50 states of the USA.

## ***Back Order Policy***

The Company will quickly ship all products currently in stock. Any out-of-stock items (unless discontinued) may be placed on back order and will be distributed upon Company receipt of additional inventory. A Consultant will be charged and granted commissions on back-order items once the order is submitted. Back orders may be cancelled on a Consultants request and a credit will be made to either the Consultant or customer card based on the original payment method. Commissions will be adjusted accordingly. If the back order can- not be filled, the Company will cancel the back order and adjust commissions accordingly. The company has the right to offset such amounts against future commission and other compensation paid or owed to the Consultant who received commissions for subsequently canceled orders.

## ***Mail Order***

Trades of Hope Partner may not advertise, promote, sell or sponsor through other company catalogs.

## ***Sales of Discontinued Products***

Partner may sell discontinued products from the Partner inventory at parties, events, and to other Partner at the regular purchase price. No adjustments of volume or commissions will be made by the Home Office.

## ***Purchase of On Hand Product***

As an independent Consultant, you may hold inventory on hand for cash and carry type selling at your party or at events. On hand merchandise can be purchased by opening a party through which you will place your order. It is recommended that a Consultant carry only what she may need. For example, you may want to limit to no more than 20% of your annual purchased products in inventory at any given time to ensure a positive income benefit from your activities. Trades of Hope allows inventory to be purchased when an intention to on-sell the merchandise is clearly defined and planned, however, Trades of Hope does not encourage inventory loading at any time.

When completing an on-hand transaction with the customer, it is acceptable to complete the transaction through an outside payment processor that provides a confirmation receipt to the customer, such as Pay Pal as long as the Consultant provides to the customer her contact details and the return policy.

## ***Trade Shows / Expos / Booth Events, Etc.***

Public events are great opportunities to receive exposure for your Trades of Hope business. You can find people interested in hosting a Home Party, purchasing the product or becoming a Consultant. The registration for the event must be as an Independent Trades of Hope Consultant. The first Consultant to register for the space with the event sponsor has the right to conduct that event. Only one Consultant representing Trades of Hope at an event.

## ***International Distribution***

Trades of Hope may not conduct business outside of the United States. Trades of Hope does not currently offer the Consultant opportunity in Puerto Rico and Guam, Trades of Hope Partner may not Sponsor, sell or promote Trades of Hope outside of their country.

# **GENERAL PROVISIONS**

## ***Site Downtime***

Each party acknowledges that the Trades of Hope website may be subject to temporary shutdowns from time to time for maintenance and/or due to causes beyond the operating party's reasonable control, and that neither party shall have any liability to the other by reason of any such shutdowns.



# ***Personal Retail Volume:***

Personal Retail Volume (PRV) is expected to be associated with customer sales. To ensure all (Consultant) rank promotions are based upon a sustainable foundation, Consultant Personal Retail Volume in any given month must maintain a balance of 65% or more of total volume associated with customer orders.

As an example, for clarification: If a Consultant has orders in a month that total \$1000 in PRV, a minimum of \$650 must be from customer's orders.

It is against Trades of Hope policy for Consultants to ask other Consultants to make purchases through another Consultants party or personal website to increase PRV for herself (or another team member).

Partner may not stack/place new Partners under new current branches to increase BRV.

While you are welcome to place personal purchases in reasonable quantities through your replicated website/party link or anyone on your team's replicated website/party link, these purchases should not be with the sole intent to make paid as rank, earn incentives, and must not be more than the listed amount above.

Volume should always be generated as organically as possible without ever pressuring or asking other Partner to buy under you or your branches.

Such behavior may result in the loss of rank or permanent termination at Trades of Hope.

\*If a question falls outside of this agreement, always ask yourself:

- 1) does your action empower and sustain your business, your downline's business, and the artisans?
- 2) does your action honor everyone involved?

## ***Disciplinary Actions***

Any violation of Trades of Hope Policies and Procedures or the Independent Consultant Agreement, or any illegal, fraudulent, deceptive or unethical business conduct on your part may result, at our sole discretion, in one or more of the following disciplinary actions:

- Issuance of a written warning or admonition.
- Reassignment of all or part of your organization.
- Placing you on Account Hold, during which period you may not conduct Trades of Hope business or receive compensation.
- Suspension of your Consultant status, which may result in termination, or reinstatement with conditions or restrictions.
- Termination of Consultant status.

## ***Buy Back Policy***

If a Consultant chooses not to stay on with Trades of Hope as a Consultant, Trades of Hope will repurchase any marketable inventory and sales aids purchased within the past 12 months at 90 percent or more of the original cost. Marketable inventory is defined by Trades of Hope as product solely purchased within the Consultant store/catalog.

The Consultant is required to mail the products back to the company and to notify customer service with a written request. Products need to be in the current catalog and sellable condition. Replicated website and Hope Marketing Portal charges are not included in this policy and will not be refunded.

## ***Reporting Policy Violations***

If you observe a violation of Trades of Hope Policies and Procedures by another Trades of Hope Consultant, please submit a report (electronic or written) to Trades of Hope Customer Service describing the circumstances, evidence and any other pertinent information. Your report to the Company will be held in the strictest confidence.

## ***Amendments***

The company reserves the right to amend 1) the Consultant Agreement, 2) the Compensation Plan, 3) Policies and Procedures, 4) its prices, 5) product and service availability at any time without prior notice as it deems appropriate. Amendments will be communicated to Partner through official Company publications, websites, or voice or e-mail. Amendments are effective and binding on all Partner as of the date of issuance. Subsequent continuation of Consultant business activities or acceptance of commissions, bonuses or other compensation from TOH constitute Consultants acceptance of the amendment. In the event of any conflict between the original documents and policies and any such amendment, the amendment will control.

## ***Indemnification/Offset***

As a Consultant, you indemnify and hold harmless Trades of Hope and its agents and assigns from and against any damages, claims or liabilities and expenses (including attorneys' fees) incident to your: (a) activities as a Consultant including, without limitation, any unauthorized representations made by you; (b) breach of the terms of this Agreement; or (c) violation of or failure to comply with any applicable federal, state or local laws or regulations. Trades of Hope shall have the right to offset any amounts owed by you to Trades of Hope (including, without limitation, the repayment of commissions as a result of product returns) against the amount of any commissions or bonuses owed to you.

## ***Telephone Solicitation***

The Federal Trade Commission (FTC) and the Federal Communications Commission (FCC) each have laws that restrict telemarketing practices. Both of these federal agencies (as well as a number of states) have "do not call" regulations as part of their telemarketing laws. While you may not consider yourself a "telemarketer" in the traditional sense of the word, these regulations broadly define the term "telemarketer" and "telemarketing" so that your inadvertent action of calling someone whose telephone number is listed on the federal "do not call" registry could cause you to violate the law. These regulations must be taken seriously because they carry significant penalties for violation. You may not engage in telemarketing relative to the marketing of Trades of Hope products.

The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of a Trades of Hope product or service or to recruit them for the opportunity of marketing Trades of Hope products. "Cold calls" made to prospective customers that promote either Trades of Hope products or the opportunity to market Trades of Hope products constitute telemarketing and are prohibited. However, your telephone call(s) placed to a prospective customer ("prospect") is permissible in the following situations:

- You may call family members, personal friends, guests who have attended a Trades of Hope Home Party that you have conducted, and acquaintances. An “acquaintance” is someone you have recently personally met.
- You may call people you have an established business relationship with. An “established business relationship” is a relationship between you and a prospect based on the prospect’s purchase, rental or lease of goods or services from you, or a financial transaction between you and the prospect, within the 18-month period immediately preceding the date of your telephone call to induce the prospect’s purchase of a product.
- The prospect’s personal inquiry or application regarding a product or service you offered them within the three-month period immediately preceding the date of such a call.
- If you receive written and signed permission from the prospect authorizing you to call. The authorization must specify the telephone number(s) that you are authorized to call.
- Collecting business cards and subsequently calling these contacts may be considered a form of telemarketing by the FTC and should be avoided.

## ***Cumulative Remedies/Waiver***

All rights, powers and remedies given to Trades of Hope are cumulative, not exclusive and in addition to any and all other rights and remedies provided by law. No failure or delay of Trades of Hope to exercise any power or right under this Agreement or to insist upon strict compliance by you with any obligation or provision shall constitute a waiver of Trades of Hope’s right to demand exact subsequent compliance therewith. Waiver by Trades of Hope can be effective only in writing by an authorized officer of Trades of Hope.

## ***Injunctive Relief***

Upon any breach of this Agreement by the Consultant, Trades of Hope will be immediately and irreparably harmed and cannot be made whole solely by monetary damages.

Because the remedy at law for any breach of any provision of this Agreement shall be inadequate, in addition to any other remedies in law or in equity that it may have, Trades of Hope shall be entitled, without the necessity of proving actual damages, to temporary and permanent injunctive relief to prevent the breach of any provision of this Agreement and/or to compel specific performance of this Agreement. In addition, Trades of Hope shall be entitled to its costs and expenses, including reasonable attorneys’ fees, in enforcing its rights under this Agreement.

## ***Waiver***

We maintain our right to insist on compliance with these Policies and Procedures or with the applicable laws governing the conduct of a business. In the event that we permit a variance of the rules, that permission does not extend to future variances. This provision deals with the concept of “waiver,” and the parties agree that we do not waive any of our rights under any circumstances.

## ***Jurisdiction***

All disputes and claims relating to Trades of Hope, the Consultant Agreement, the Compensation Plan, the Company’s products, the rights and obligations of the Consultant, or any other claims or cause of action relating to the performance of either the Consultant or Trades of Hope under the agreement shall be adjudicated totally and finally in Florida or such other location as the Company prescribes. Unless the state in which you live requires the application of its laws and venue, this agreement is governed by the laws of the State of Florida, without regard to principles of conflicts of laws.

## ***Partial Validity***

Should any portion of these Policies and Procedures, the Independent Consultant Agreement or of any other instruments referred to herein or issued by Trades of Hope be declared invalid by a court of competent jurisdiction, the balance of such rules, applications or instruments shall remain in full force and effect.

## ***Limitation of Damages***

To the extent permitted by law, Trades of Hope and its affiliates, officers, directors, associates and other representatives shall not be liable for, and the Consultant hereby releases the foregoing from, and waives any claim of loss of profit, incidental special, consequential, or exemplary damages which may arise out of any claim whatsoever relating to the Company's performance, non-performance, act, or omission with respect to the business relationship or other matters between the Consultant and the Company whether sounding in contract, tort or strict liability. Furthermore, it is agreed that any damage to the Consultant shall not exceed and is hereby expressly limited to the amount of unsold Trades of Hope products and services owned or held by the Consultant and commissions and bonuses.

## ***Entire Agreement***

The Policies and Procedures and the Compensation Plan, as amended from time to time are incorporated into the Trades of Hope Independent Consultant Agreement and, together with the TOH Independent Consultant Agreement constitute the entire Agreement of the parties regarding their business relationship.