LEADERSHIP BONUS PLAN
FIRST LEVEL LEADER: the first LEADER within any Line on your Team.

GRADUATED LEADER: an Independent Fashion Retailer in your Line who is a First Level Leader. The First Level Leader will still count towards your Team requirements for qualifications, however their Team will no longer count.

GROUP VOLUME: the total number of Pieces Sold in a calendar month by the Independent Fashion Retailers on a Team. The total number of Pieces Sold by the first Trainer, Coach, or Mentor in each Line of your Team will count towards your Group Volume. Any Pieces Sold by the Trainer, Coach, or Mentor’s Team will not count. Remember, Group Volume does not include your Personal Volume.

GROUP RETAIL SALES: the total Retail Sales dollar amount Sold in a calendar month by the Independent Fashion Retailers on a Team. The total number of Pieces Sold by the first Trainer, Coach, or Mentor in each Line of your Team will count towards your Group Volume. Any Pieces Sold by the Trainer, Coach, or Mentor’s Team will not count. Remember, Group Volume does not include your Personal Volume.

INDEPENDENT FASHION RETAILER: anyone who has entered into the LuLaRoe Independent Fashion Retailer Program Application and Agreement and has been onboarded as an Independent Fashion Retailer by LuLaRoe. Sometimes an Independent Fashion Retailer may be called a Fashion Retailer or simply a Retailer.

LEADER: any onboarded Independent Fashion Retailer who has attained the rank of Trainer, Coach, or Mentor in a calendar month.

LEADERSHIP EVENT OR EVENTS: all Leadership Events designated by LuLaRoe as qualifying for participation in the Leadership Pool, including quarterly Leadership Events and the annual convention, and any other Leadership Events so specified by LuLaRoe.

LEADERSHIP LINE: begins with any First Level Leader on your Team and includes all Independent Fashion Retailers in that First Level Leader’s Line.
LINE: each one of the Independent Fashion Retailers onboarded immediately underneath you and the Independent Fashion Retailers onboarded under them represents one Line on your Team.

LULAROE: LuLaRoe and/or its affiliates referred to as “LuLaRoe” herein.

PERSONAL VOLUME: the total number of Pieces Sold in a calendar month by an Independent Fashion Retailer.

PERSONALLY SPONSORED OR PERSONALLY SPONSORED INDEPENDENT FASHION RETAILER: anyone you personally sponsor into LuLaRoe and who is onboarded by LuLaRoe as an Independent Fashion Retailer.

PIECE, PIECES, OR QUALIFYING PIECES: each LuLaRoe item or product Sold by an Independent Fashion Retailer through a point of sale system approved by LuLaRoe. An individual pair of leggings Sold by an Independent Fashion Retailer is considered one-half Piece. Qualifying Pieces may be called Pieces.

RETAIL SALES: the total amount of Retail Sales made by an Independent Fashion Retailer through a point of sale system approved by LuLaRoe in a calendar month. The total of Retail Sales does not include tax or shipping.

SECOND LEVEL: the first Leader located underneath a First Level Leader within any Line on your Team.

SELL OR SOLD: Pieces Sold at Retail Sales.

TEAM: all Personally Sponsored Independent Fashion Retailers and all onboarded Independent Fashion Retailers sponsored by them who are not onboarded by a graduated Leader. A Team includes all of your Lines.

WHOLESALE VALUE: the wholesale amount paid for a piece at the time of your order, not including credits or other adjustments.
LEADERSHIP ROLES

SPONSOR

TRAINER

COACH

MENTOR
SPONSOR REQUIREMENTS
Before you sponsor other people into the business, you must complete 10 Pop-Up Boutiques and generate a minimum of $10,000 in Retail Sales. *Once you have met these requirements and personally sponsored at least 1 Independent Fashion Retailer, you will achieve the rank of Sponsor.

*Aspiring Sponsors can add individuals to the Queue, but cannot achieve the rank of Sponsor until they complete the requirements above.

In order to receive compensation at the rank of Sponsor, the rank must be qualified for each month. The monthly Sponsor Compensation Requirements are:
  • Have personal Retail Sales totaling 75 Pieces with a minimum of $2,250 in Retail Sales that month and;
  • Have a per Piece Sold average of at least $30 in Retail Sales

SPONSOR COMPENSATION
You will be eligible to earn a 5% override bonus on the Wholesale Value of the Sales of your new Personally Sponsored Independent Fashion Retailer. Sales and bonuses will be calculated per calendar month.
Sponsor Compensation

5% Override on the Wholesale Value of Retail Sales by Any Personally Sponsored Retailer
TRAINER REQUIREMENTS

As a Trainer, you must have personally sponsored at least 3 Independent Fashion Retailers and have a total of 10 people on your team (Team includes all downline not under a graduated leader).

In order to receive compensation at the rank of Trainer, the rank must be qualified for each month. The monthly Trainer Compensation Requirements are:

- Have personal Retail Sales totaling 175* Pieces with a minimum of $5,250 in Retail Sales that month and;
- Have Team Retail Sales totaling 1,750 Pieces and a minimum of $52,500 in Group Retail Sales that month and;
- Have a per Piece Sold average of at least $30 in Retail Sales (Both personal and Team)

*Sales requirement reduction in a month where any Personally Sponsored Retailer Sells 175 Pieces with a minimum of $5,000 in Retail Sales.

- Reduction will be 25 Pieces and $750
- Can occur up to 3 times
- Only eligible on a Personally Sponsored Retailer within their first 90 days (This 90 Day period can begin in the month that they onboard, or at the beginning of the following month. Please note, this does not need to be determined at the date of onboarding. They can determine this at any time)

TRAINER COMPENSATION

As a result of your achievement in becoming a Trainer, you will begin participating in the Leadership Pool. You will continue to be eligible to earn a 5% bonus on the wholesale value of the Retail Sales of your Personally Sponsored Independent Fashion Retailers. For any member of your Team you do not personally sponsor, you’ll receive a 3% bonus on the wholesale value of their Retail Sales. This will continue while you work with them to also achieve the rank of Trainer. Once a Team member becomes a Trainer, they will graduate within your group, allowing you to train others who need your help. The 3% you were receiving on the Dollar Amount of the Group Volume will be replaced by 1% of the Dollar Amount of the Group Volume as well as 1 point in the Leadership Pool. The Trainer’s Personal Volume will count toward your Group Volume, but their Group Volume will not count toward your Group Volume.

*As long as you continue to qualify as a Trainer or above, you will receive a 1% bonus on the Dollar Amount of that graduated Trainer’s Group Volume and 1 point in the Leadership Pool for that Trainer. If one of your graduates who have reached Trainer or Coach for that month has one of their Team members graduate to Trainer or Coach, bonuses are not eligible on that second level Leader’s Team’s total Retail Sales.
TRAINER COMPENSATION

1 LEADERSHIP POOL POINT FOR YOURSELF*

5% OF THE WHOLESALE VALUE OF THE RETAIL SALES OF YOUR PERSONALLY SPONSORED INDEPENDENT FASHION RETAILERS

1 LEADERSHIP POOL POINT FOR EACH 1ST LEVEL LEADER*

3% OF THE WHOLESALE VALUE OF THE RETAIL SALES OF ANY INDEPENDENT FASHION RETAILER NOT PERSONALLY SPONSORED ON YOUR TEAM WHO IS NOT UNDER A GRADUATED LEADER ON YOUR TEAM

3% OF THE WHOLESALE VALUE OF THE RETAIL SALES OF ANY INDEPENDENT FASHION RETAILER NOT PERSONALLY SPONSORED ON YOUR TEAM WHO IS NOT UNDER A GRADUATED LEADER ON YOUR TEAM

*See page 15
COACH REQUIREMENTS

As a Coach, you must have personally sponsored at least 3 Independent Fashion Retailers, have a total of 10 people on your Team (Team includes all downline not under a graduated leader), and additionally have at least 3 First Level Leaders.

The Personal Volume of your First Level Leaders will count toward your Group Volume, but no other Personal Volume from their group will count toward your Group Volume. You will need a Group Volume of a minimum of 1,750 Pieces to qualify as Coach.

In order to receive compensation at the rank of Coach, the rank must be qualified for each month. The monthly Coach Compensation Requirements are:

• Have personal Retail Sales totaling 250* Pieces with a minimum $7,500 in Retail Sales and;
• Have Team Retail Sales totaling 1,750 Pieces with a minimum $52,500 in Group Retail Sales and;
• Have a per Piece Sold average of at least $30 in Retail Sales (Both personal and Team)

*Sales requirement reduction in a month where any Personally Sponsored Retailer Sells 175 Pieces with a minimum of $5,000 in Retail Sales.

• Reduction will be 50 Pieces and $1,500
• Can occur up to 3 times
• Only eligible on a Personally Sponsored Retailer within their first 90 days (This 90 Day period can begin in the month that they onboard, or at the beginning of the following month. Please note, this does not need to be determined at the date of onboarding. They can determine this at any time)

COACH COMPENSATION

In addition to the Trainer Leadership Bonus, you will be eligible to earn 1% of the Wholesale Value of any Second Level Leader’s Group Retail Sales. You will also be eligible for additional points in the Leadership Pool. As a Coach, you receive 2 points in the Leadership Pool for yourself, with an additional 1 point for each First Level Leader and 2 points for each Second Level Leader on your Team.
COACH COMPENSATION

IN ADDITION TO THE TRAINER BONUS (PAGE 8), YOU WILL RECEIVE THE FOLLOWING AS A COACH:

1. ADDITIONAL LEADERSHIP POOL POINT FOR YOURSELF*

1% OF THE WHOLESALE VALUE OF ANY 2ND LEVEL LEADER'S GROUP RETAIL SALES

1% OF DOLLAR AMOUNT OF ANY 2ND LEVEL GRADUATE LEADER

1 LEADERSHIP POOL POINT* FOR EACH 1ST LEVEL LEADER

2 LEADERSHIP POOL POINTS* FOR EACH 2ND LEVEL LEADER

*See page 15

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MENTOR REQUIREMENTS

As a Mentor, you must meet the requirements of a Coach, have at least 3 Leadership Lines with Coaches or above, and 3 additional Leadership Lines.

In order to receive compensation at the rank of Mentor, the rank must be qualified for each month. The monthly Mentor Compensation Requirements are:

- All Coach Requirements and;
- Have at least 6 Leadership Legs
  - At least 3 must have a Coach or above in the leg (Does not have to be First Level)

*Sales requirement reduction in a month where any Personally Sponsored Retailer Sells 175 Pieces with a minimum of $5,250 in Retail Sales.
  - Reduction will be 50 Pieces and $1,500
  - Can occur up to 3 times
  - Only eligible on a Personally Sponsored Retailer within their first 90 days (This 90 Day period can begin in the month that they onboard, or at the beginning of the following month. Please note, this does not need to be determined at the date of onboarding. They can determine this at any time)

MENTOR COMPENSATION

In addition to the Coach Bonus, you will be eligible to earn 1% of the wholesale value of any 3rd Level Leader’s Group Retail Sales.
IN ADDITION TO THE TRAINER BONUS (PAGE 8) AND COACH BONUS (PAGE 10), YOU WILL RECEIVE THE FOLLOWING AS A MENTOR:

MENTOR COMPENSATION

1% OF THE WHOLESALE VALUE OF ANY 3RD LEVEL LEADER’S GROUP RETAIL SALES

*See page 15
IN ADDITION TO THE TRAINER BONUS (PAGE 8) AND COACH BONUS (PAGE 10), YOU WILL RECEIVE THE FOLLOWING AS A MENTOR:

MENTOR ALTERNATE QUALIFIER COMPENSATION

1% OF THE WHOLESALE VALUE OF ANY 3RD LEVEL LEADER’S GROUP RETAIL SALES

*See page 15
The First Level Leader in your Line will still count towards your Team requirements, however their Team will no longer count.
For Coaches and Mentors, participation in the Leadership Pool will be contingent on attendance at the quarterly Leadership Events and the annual convention. Attendance at one of the Leadership Events or the annual convention will qualify you for 3 months of participation in the Leadership Pool, starting with the month of the event.

Earnings from the Leadership Pool will be calculated utilizing a point system. The Leadership Pool is comprised of 2% of the Wholesale Value of all Retail Sales transacted in a month. The total dollar value of the Leadership Pool will be divided by the total points earned. This will create a dollar value for each point. Bonuses will then be paid to participants based on their individual points earned.

Trainers will receive 1 point for qualifying as a Trainer and 1 point for each First Level Leader on their Team.

Coaches and Mentors will receive 2 points for qualifying as a Coach, 1 point for each First Level Leader and 2 points for each second level Leader on their Team.
FAST START PROGRAM

90 DAY FAST START BONUS
This will be available to any Independent Fashion Retailer who onboard after April 1, 2017.
• To be eligible to receive this bonus, a new Independent Fashion Retailer will need to Sell at least 175 Pieces a month with a minimum of $5,000 in Retail Sales for each of their first 3 months*
  • The new Independent Fashion Retailer will receive a Free 50 Piece order
  • The Sponsor of the Independent Fashion Retailer will receive a one-time $500 bonus for any new Independent Fashion Retailers that qualify

*You can elect to begin qualifying for the 90 Day Fast Start Bonus in the month that you onboard, or at the beginning of the following month. Please note, this does not need to be determined at the date of onboarding. You can determine this at any time.
FAST START PROGRAM

CRUISE FAST START BONUS
Available for any Independent Fashion Retailer who onboards after December 1, 2016.
To be eligible to receive this bonus, a new Independent Fashion Retailer will need to Cruise Qualify each of their first 6 months*

• The new Independent Fashion Retailer will receive $2,000 Cruise Cash when they attend the cruise for which they qualified
• The Sponsor of the Independent Fashion Retailer will receive a $1,000 Cruise Cash Bonus for any new Independent Fashion Retailer that qualifies, if they are also cruise qualified

Special Note: Your new Independent Fashion Retailer must Cruise Qualify their first 6 consecutive months,* otherwise you both will forfeit this incentive.

*You can elect to begin qualifying for the Cruise Fast Start Bonus in the month that you onboard or at the beginning of the following month. Please note, this does not need to be determined at the date of onboarding. You can determine this at any time.
LuLaRoe makes every effort to ensure the products and potential for success of Independent Fashion Retailers are accurately represented. Bonus, earnings, and income statements made by LuLaRoe and Independent Fashion Retailers are estimates based on reasonable experience, but are subject to the limitations below.

The potential bonuses (and earnings and income, if any) referenced in the LuLaRoe Leadership Bonus Plan are not necessarily representative of the bonuses (or earnings or income), if any, that you can or will earn as an Independent Fashion Retailer either through sales of LuLaRoe products or participation in the LuLaRoe Leadership Bonus Plan.

Testimonials and examples, if any, are exceptional results, which do not apply to the average Independent Fashion Retailer, and are not intended to represent or guarantee that you will achieve the same or similar results. LuLaRoe does not represent that the bonuses and success of exceptional Independent Fashion Retailers can be duplicated in the future by you or anyone else.

Testimonials and examples, if any, do not include the actual profit made by Independent Fashion Retailers. The figures referenced in the LuLaRoe Leadership Bonus Plan should not be considered as guarantees or projections of your actual bonuses (or earnings, income or possible profits, if any). Any representation or guarantee of bonuses (or earnings, income or possible profits, if any) would be misleading. Success results only from your successful sales efforts, which require hard work, dedication, diligence, leadership, and perseverance.

As with any business, your results will vary. In addition to the factors above, your success will be influenced by your individual capacity, business experience, expertise, and motivation.