LEADERSHIP COMPENSATION PLAN
Enroll a New Boutique Owner

Teach them how to build an organization with at least $20,000 in Retail Sales to customers

Teach them how to be successful and reach $4,000 in Personal Retail Sales to customers
LULAROE SALES ORGANIZATION COMPENSATION STRUCTURE

- **Personal Retail Sales** - Your total Retail Sales
- **Total Retail Sales** - The total retail sales of all Boutique Owners in your organization
- **Direct Organization** - Any Boutique Owner directly beneath you
- **Directly Led Organization** - Any Boutique Owner not directly beneath you who is not beneath another Boutique Owner at the rank of Trainer or above
- **Primary Graduated Organization** - Any Boutique Owner who is beneath no more than one other Boutique Owner at the rank of Trainer or above
- **Additional Graduated Organizations** - Any Boutique Owner who is beneath at least 2 other Boutique Owners at the rank of Trainer or above

### Monthly Requirements

<table>
<thead>
<tr>
<th>Rank</th>
<th>Personal Retail</th>
<th>Total Retail</th>
<th>Direct Org. Retail Sales</th>
<th>Directly Led Org. Retail Sales</th>
<th>Primary Graduated Org. Retail Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsor</td>
<td>$2,000</td>
<td>$1</td>
<td>3.00%</td>
<td>1.25%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Trainer</td>
<td>$4,000</td>
<td>$20,000</td>
<td>3.25%</td>
<td>1.50%</td>
<td>2.00%</td>
</tr>
<tr>
<td>Coach</td>
<td>$8,000</td>
<td>$250,000</td>
<td>3.50%</td>
<td>1.75%</td>
<td>2.25%</td>
</tr>
<tr>
<td>Mentor</td>
<td>$12,000</td>
<td>$1,000,000</td>
<td>3.75%</td>
<td>2.00%</td>
<td>2.50%</td>
</tr>
</tbody>
</table>

### Compensation

REV.20230308.1
### LULAROE SALES ORGANIZATION RANKS AND SUB-RANKS

#### Sponsor Ranks

<table>
<thead>
<tr>
<th>Rank</th>
<th>One Time Payout*</th>
<th>Personal Sales</th>
<th>Total Retail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsor</td>
<td>$0</td>
<td>$2,000</td>
<td>$1</td>
</tr>
<tr>
<td>Sponsor 1</td>
<td>$250</td>
<td>$2,500</td>
<td>$5,000</td>
</tr>
<tr>
<td>Sponsor 2</td>
<td>$500</td>
<td>$3,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>Sponsor 3</td>
<td>$750</td>
<td>$3,500</td>
<td>$15,000</td>
</tr>
</tbody>
</table>

#### Coach Ranks

<table>
<thead>
<tr>
<th>Rank</th>
<th>One Time Payout*</th>
<th>Personal Sales</th>
<th>Total Retail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coach</td>
<td>$5,000</td>
<td>$8,000</td>
<td>$250,000</td>
</tr>
<tr>
<td>Coach 1</td>
<td>$7,500</td>
<td>$8,500</td>
<td>$375,000</td>
</tr>
<tr>
<td>Coach 2</td>
<td>$10,000</td>
<td>$9,000</td>
<td>$500,000</td>
</tr>
<tr>
<td>Coach 3</td>
<td>$12,500</td>
<td>$9,500</td>
<td>$625,000</td>
</tr>
<tr>
<td>Coach 4</td>
<td>$15,000</td>
<td>$10,000</td>
<td>$750,000</td>
</tr>
<tr>
<td>Coach 5</td>
<td>$17,500</td>
<td>$11,000</td>
<td>$875,000</td>
</tr>
</tbody>
</table>

#### Trainer Ranks

<table>
<thead>
<tr>
<th>Rank</th>
<th>One Time Payout*</th>
<th>Personal Sales</th>
<th>Total Retail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trainer</td>
<td>$1,000</td>
<td>$4,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>Trainer 1</td>
<td>$1,500</td>
<td>$4,750</td>
<td>$50,000</td>
</tr>
<tr>
<td>Trainer 2</td>
<td>$2,000</td>
<td>$5,500</td>
<td>$100,000</td>
</tr>
<tr>
<td>Trainer 3</td>
<td>$2,500</td>
<td>$6,250</td>
<td>$150,000</td>
</tr>
<tr>
<td>Trainer 4</td>
<td>$3,000</td>
<td>$7,000</td>
<td>$200,000</td>
</tr>
</tbody>
</table>

#### Mentor Ranks

<table>
<thead>
<tr>
<th>Rank</th>
<th>One Time Payout*</th>
<th>Personal Sales</th>
<th>Total Retail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mentor</td>
<td>$30,000</td>
<td>$12,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Mentor 1</td>
<td>$35,000</td>
<td>$12,000</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Mentor 2</td>
<td>$40,000</td>
<td>$12,000</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Mentor 3</td>
<td>$45,000</td>
<td>$12,000</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Mentor 4</td>
<td>$50,000</td>
<td>$12,000</td>
<td>$15,000,000</td>
</tr>
<tr>
<td>Mentor 5</td>
<td>$60,000</td>
<td>$12,000</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>Mentor 6</td>
<td>$70,000</td>
<td>$12,000</td>
<td>$25,000,000</td>
</tr>
</tbody>
</table>

*For all Sponsor and Trainer ranks, the one time payout will be received in the first month you reach the new rank. For all Coach and Mentor rank one time payouts, you must qualify 3 consecutive months to receive the payout.

REV.20230308.1
Setting a new goal is a great way to jump start your business. The Start Now Sales Incentive Program may be the perfect goal to set to take your business to the next level! No matter how long you’ve been in business, choosing to Start Now will not only build your business, but will help strengthen your community. By qualifying for the Start Now Incentive Program, ANY Retailer who has not previously sold 175 pieces in a month for three consecutive months may be eligible to receive a $1,500 Back Office Credit!

THE POLICY:
This will be available to ANY Independent Fashion Retailer who has not previously qualified for the Start Now program. To be eligible to receive this one-time bonus, an Independent Fashion Retailer will need to sell at least 175 pieces a month with a minimum of $5,250 in Retail Sales with an average price per piece of at least $30 for 3 consecutive months. And what’s great, if a Retailer is able to sell 175 pieces for 2 months, but misses the 3rd month – they are able to start over to hit the 3 consecutive months requirement.
YOUR BONUS:
The Independent Fashion Retailer will receive a $1,500 credit towards the purchase of new product!
The Sponsor of the Retailer will receive a one-time $500 bonus for any new Independent Fashion Retailers that qualify! (To receive this bonus, the Sponsor of the Independent Fashion Retailer must be qualifying at the rank of Sponsor or above.)
FAST START PROGRAM

Is your business off to a fast start since joining LuLaRoe? Hard work and dedication should always be recognized and the Fast Start Incentive Program does just that! The Fast Start Incentive Program is designed for Retailers that hit the ground selling from the very start! Any new Retailer is eligible to participate for the first 3 full months following enrollment and could receive up to $600 in Back Office credit! Check out all of the details below.

ELIGIBLE FOR NEW ENROLLED RETAILERS:
• Any new Retailer is eligible to participate in their first 3 months following enrollment. Retailers may use their first enrollment month or the following month as their first month for the incentive. (For instance, if a Retailer enrolled in May, they can use May as their enrollment month, or June as their first month.)
• For the Sponsor to participate, they must be in good standing with the company and have at least a rank of Retailer. Your enrollment month can count towards qualification or your first three months.
FAST START PROGRAM CONT.

QUALIFICATION REQUIREMENTS:
Minimum of 50 pieces sold
Minimum Average Price Per Piece of $30

INCENTIVE:

First Month:
• New Retailer - $100 Back Office Credit
• Sponsor - $50 Cash Bonus

Second Month:
• New Retailer - $200 Back Office Credit
• Sponsor - $100 Cash Bonus

Third Month:
• New Retailer - $300 Back Office Credit
• Sponsor - $150 Cash Bonus
D.R.E.A.M. FAST START (DESTINATION REQUIRES EVERYDAY ACTION & MINDSET)

D.R.E.A.M. FAST START BONUS
Available for any Independent Fashion Retailer who started their business after December 1, 2016.
To be eligible to receive this bonus, a new Independent Fashion Retailer will need to D.R.E.A.M. Qualify each of their first 6 months:

• First month of Retail Sales has to be at least $1,000 to qualify.
• The new Independent Fashion Retailer will receive a $2,000 D.R.E.A.M. Cash bonus when they attend the D.R.E.A.M. for which they qualified.
• The Sponsor of the Independent Fashion Retailer will receive a $1,000 D.R.E.A.M. Cash bonus for any new Independent Fashion Retailer that qualifies, if they are also D.R.E.A.M. qualified.

Special Note: Your new Independent Fashion Retailer must D.R.E.A.M. Qualify their first 6 consecutive months, otherwise you both will forfeit this incentive.
D.R.E.A.M. START NOW BONUS

Available for any Independent Fashion Retailer who started their business after December 1, 2016.

To be eligible to receive this bonus, an Independent Fashion Retailer that has never D.R.E.A.M. Qualified, will need to D.R.E.A.M. Qualify for six consecutive months:

• First month of Retail Sales has to be at least $1,000 to qualify.
• The Independent Fashion Retailer will receive a $2,000 D.R.E.A.M. Cash bonus when they attend the D.R.E.A.M. for which they qualified.
• The Sponsor of the Independent Fashion Retailer will receive a $1,000 D.R.E.A.M. Cash bonus for any Independent Fashion Retailer that qualifies, if they are also D.R.E.A.M. qualified.
D.R.E.A.M. QUALIFICATION

STANDARD D.R.E.A.M. QUALIFICATION
To qualify for the LuLaRoe 2023 D.R.E.A.M. Incentive Trip, Independent Fashion Retailers ("Retailer or Retailers") must have $12,000 in Retail Sales for six out of twelve months in 2022.
Please note the following:

• The last month to meet the Standard Qualifications and become eligible for the 2023 D.R.E.A.M. Incentive Trip is December 2022.
• Retail Sales amounts do not include tax or shipping charges.
• No sales may be Retailer-to-Retailer (wholesale transfers) at wholesale or discounted price(s).
• Retailer ranking with LuLaRoe does not play a part in trip Qualifications and potential Room assignments.
• Retailer must maintain $30 Average Price Per Piece
• In order to go on the D.R.E.A.M. Incentive Trip, Retailers must be in good standing at the time of the Trip.
D.R.E.A.M. QUALIFICATION

STANDARD DOUBLE QUALIFICATION

- Double Qualification is only applicable to duly organized corporations or limited liability companies registered as Retailers with LuLaRoe as of November 30, 2021.
- Acting partnerships without proper legal paperwork will not be eligible for the 2023 D.R.E.A.M. Incentive Trip.
- Spouses are not considered a partnership.
- There is no grandfathering of partnerships.
- All partnerships must be legally recognized.
- To double qualify the names of the qualifiers must be listed on the proper legal paperwork.
D.R.E.A.M. QUALIFICATION

INCREMENTAL D.R.E.A.M. QUALIFICATION

An Independent Fashion Retailer (IFR) will maintain the tier that they finished the previous year. An IFR will need to progress to the following tier to receive credit for 1 month of D.R.E.A.M. qualification. After completing all the tiers, an IFR must have completed a minimum of 2 months at the $12,000 D.R.E.A.M. qualification level. Total time to qualify cannot be less than 6 months (i.e. if an IFR began at the $9,000 tier, they would need to progress to $12,000 and complete 5 months of $12,000 qualification to be D.R.E.A.M qualified.). For a qualifying month to count, an IFR must maintain a price per piece average of at least $30. Qualifying months do not have to be consecutive.

<table>
<thead>
<tr>
<th>Tier</th>
<th>Month 1</th>
<th>Month 2</th>
<th>Month 3</th>
<th>Month 4</th>
<th>Month 5</th>
<th>Month 6</th>
<th>Month 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFR A: LESS THAN $1,000 TIER</td>
<td>$1,000</td>
<td>$2,000</td>
<td>$4,000</td>
<td>$6,000</td>
<td>$1,000</td>
<td>$12,000</td>
<td>$12,000</td>
</tr>
<tr>
<td>IFR B: $6,000 TIER</td>
<td>$6,000</td>
<td>$9,000</td>
<td>$12,000</td>
<td>$12,000</td>
<td>$6,000</td>
<td>$12,000</td>
<td>$12,000</td>
</tr>
</tbody>
</table>
T.E.A.M. BUILDING D.R.E.A.M. QUALIFICATION

#1: T.E.A.M. BUILDING REQUIREMENTS
• A minimum of $6,000 in Retail Sales at a $30 average price per piece for 10 of 12 months
• Help at least 4 NEW personally sponsored Retailers to qualify and achieve the rank of Sponsor (see reference: Sponsor Rank Requirements) in the qualifying period and maintain the rank of Sponsor for a minimum of 3 consecutive months.

#2: RETAILERS WITH LESS THAN $1,000 IN RETAIL SALES, TIER TEAM BUILDING TO D.R.E.A.M. QUALIFY
• Retailers with less than $1,000 in Retail Sales tier, at a $30 average price per piece for the first 4 months of the 12 month calendar year:
  • Month 1 - $1,000 in Retail Sales
  • Month 2 - $2,000 in Retail Sales
  • Month 3 - $4,000 in Retail Sales
  • Month 4 - $6,000 in Retail Sales
• In addition, a minimum of $6,000 in Retail Sales at a $30 average price per piece for 6 of the remaining 8 months of the 12 month calendar year.
• Help at least 4 NEW personally sponsored Retailers to qualify and achieve the rank of Sponsor (see reference: Sponsor Rank Requirements) in the qualifying period and maintain the rank of Sponsor for a minimum of 3 consecutive months.
T.E.A.M. BUILDING D.R.E.A.M. QUALIFICATION

RETAIL SALE REQUIREMENTS
$6,000 in Retail Sales at a $30 average price per piece for 10 of 12 months
Sponsor Rank - Personal Retail Sales minimum of $1,965 = 65 pieces at a $30 average price per piece.

SPONSOR RANK REQUIREMENTS:
Personal Retail Sales minimum of $1,965 = 65 pieces at a $30 average price per piece.
Personally Sponsor 1 Retailer.
LuLaRoe makes every effort to ensure that the products and potential for success of Independent Fashion Retailers are accurately represented. Leadership compensation, 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 compensation (and earnings and income, if any) referenced in the LuLaRoe Leadership Compensation Plan is not necessarily representative of the compensation (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 Compensation 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 Leadership compensation 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 Compensation Plan should not be considered as guarantees or projections of your actual Leadership compensation (or earnings, income, or possible profits, if any). Any representation or guarantee of Leadership compensation (or earnings, income, or possible profits, if any) would be misleading. Successful retail sales of LuLaRoe products and Leadership compensation result from factors within your control (i.e., hard work, dedication, diligence, creativity, business experience, perseverance, etc.) and factors outside of your control (i.e., market conditions, demand, etc.).

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.
Independent Fashion Retailers are independent contractors, not employees of LuLaRoe. As LuLaRoe is a wholesale seller of LLR Products, and as Independent Fashion Retailers are in the business of retail sales of LLR Products, it is understood that Independent Fashion Retailers perform work that is outside the usual course of LuLaRoe’s business. Independent Fashion Retailers do not purchase a Franchise or Business Opportunity from LuLaRoe. Each Independent Fashion Retailer establishes the Independent Fashion Retailer’s own goals, inventory levels, and working hours. The use of the terms “bonus” or “compensation” does not change the nature of the independent contractor status of the Independent Fashion Retailers. Notwithstanding anything herein, to the fullest extent allowed by applicable law, the determination of an Independent Fashion Retailer’s status as an independent contractor shall be governed by the laws of the Independent Fashion Retailer’s state of residence.