



CAREER PLAN

Enrolling Online

Congratulations on completing the first step to getting started with Chalk Couture! By enrolling under your *Sponsor* on the Chalk Couture Website and submitting your Independent Chalk Couture Designer Agreement, you are now officially an *Independent Chalk Couture Designer* (Designer). As a Designer, you are entitled to receive commissions and bonuses on sales to your customers and sales made by your *Team*, as more fully described below.

Designers have a unique opportunity to be rewarded for sharing something they love while empowering others with a creative outlet and a way to beautify their space. This document walks you through our system of qualifications and compensation. Italicized terms in this document are defined in the glossary located at the end of the document.

Earning Through Personal Sales

The foundational method for every Designer to earn compensation at Chalk Couture is through personally selling our gorgeous line of exclusive products.

When you buy products at wholesale, direct from the company, and sell at the manufacturer's advertised price (retail price), you can instantly earn up to 40% commissions—one of the most generous plans in the industry! This pricing is offered on orders placed in your *Designer Office*. You pay for the product up front, then earn your commission when you resell the product to customers through your *Chalk Shop* and collect their payment. This commission is termed *instant commission* because you recoup it immediately at the time of sale.

You may also sell to customers on your *Chalk Site*. Because these orders are managed and fulfilled by the company and all inventory is managed by the home office, these orders have a commission rate of 25%. This commission is called *deferred commission* because the customer pays retail price online, then your 25% commission is paid after the close of the month, typically by the 15th of the following month.

Order Type	Commission	Paid
Wholesale (Chalk Shop)	40%	Instant Commissions (earned when sold)
Online (Chalk Site)	25%	Deferred Commissions (paid by the 15th of the next month)

For example:

One month, you sell a total of \$1,500 retail value in products.

- \$1,000 in retail value was purchased through your Designer Office for \$600.
- \$500 in retail value come from your customers on your Chalk Site.

How much will you get paid?

Designer Office Order

- You earn 40% commission when you resell the inventory you purchased through your Designer Office.
 $\$1,000 - \$600 = \$400$ (40%)

Chalk Site Order

- You earn 25% commission on Chalk Site orders.
 $\$500 \times 25\% = \125

Your total commissions earned is \$525.

How are you paid?

Of that \$525, \$400 of it is instant commissions received at the time you resell product to a customer; \$125 of it is deferred commissions paid during the monthly commissions run to take place typically by the 15th of the following month.

You will earn *Personal Volume (PV)* at the time you make a wholesale purchase or when a customer makes a purchase on your Chalk Site. PV is typically 60% of the retail value or price paid by the customer. Note that there are some items that do not qualify for PV, such as business materials or the Starter Kit. See examples below:

Designer Office PV = Wholesale value or price paid (40% off retail value).

$$\$1,000 - 40\% = 600 \text{ PV}$$

Chalk Site = 60% of what your customer paid (retail value).

$$\$500 \times 60\% = 300 \text{ PV}$$

Your total PV for the month will be 900, based on \$1,500 retail value sold.

Note that your PV levels also may qualify you for other compensation elements in the *Career Plan*, such as *Designer Dollars* and the *Savvy Seller Bonus*. PV levels are also used to determine *activity*. Read the entire document for more information on these additional benefits of personal sales volume.

Designer Dollars

We want to reward you for working your business, so for every 200 PV you generate per month, you will earn \$20 in Designer Dollars (DD)! Designer Dollars are product credit to help you further support your business. You can use them to fund Hostess Rewards, Team incentives, or even gifts for expo giveaways, to name a few.

For Example:

You sold \$1,500 retail value and earned 900 PV.

$$900 \div 200 = 4.5 \text{ (round down to 4)}$$

$$4 \times \$20 = \$80 \text{ DD}$$

This bonus will be paid monthly, with your deferred commissions, by the 15th of the following month. Designer Dollars are paid via a single email voucher for the entire amount of Designer Dollars earned in the month (and must be redeemed in a single transaction; no balance may be carried forward.)

Savvy Seller Bonus

While all Designers receive generous instant or deferred commissions for personal sales, Chalk Couture offers an extra bonus to our strongest sellers. It's called the Savvy Seller Bonus and it is paid on the PV of your personal sales when you have at least 2,000 PV in a month. The percentage for which you qualify is based on your total PV for the current month, which includes your wholesale orders placed in your Designer Office as well as customer orders placed on your Chalk Site.

- When your PV is between 2,000 and 3,999 during any given calendar month, you receive a Savvy Seller Bonus of 10% on your monthly PV.
- When your PV is 4,000 or more in the month, you receive a Savvy Seller Bonus of 20% on your monthly PV.

Personal Volume	% Bonus	Example	Math	Total Bonus
2,000-3,999	10%	2,000 PV	$2,000 \times 10\%$	\$200
4,000	20%	4,000 PV	$4,000 \times 20\%$	\$800

The Savvy Seller Bonus is earned based on the total PV you earn in a month. Note that there are some items that do not earn PV, such as business materials or the Starter Kit. These products do not qualify for PV and will not be included in the Savvy Seller Bonus.

This bonus will be paid as part of your deferred commissions, by the 15th of following month.

Build Income Through Leadership

Personal sales are the foundation of your Chalk Couture business and will give it stability. However, as you invite others to join your Team, you will add greater income potential to your business. Chalk Couture's Career Plan is designed to help you succeed by walking you step-by-step along the path to becoming a top leader within the company, while rewarding you for doing the right things at the right times. When you sell, you'll be rewarded. When you build, teach and train a Team, you'll be rewarded. There is a direct connection between what you do and what you'll receive.

Our Career Plan is organized into two phases. Phase 1 guides you down the path of sharing and growing through sponsoring and developing your business as you strive to become a Master Mentor. Phase 2 focuses on inspiring and leading your team as a Couturier, the ultimate title of achievement.

Maintaining your Title

Once you have been promoted to a new title as a Chalk Couture Designer, you will want to ensure you are meeting the requirements to keep it. Titles are used for recognition and other programs (like Convention gifts, eligibility for social media leader groups, etc.), not just payouts in the career plan.

Maintenance is determined on a calendar quarter schedule, where you must achieve paid-as status at least **ONE MONTH** during the calendar quarter to be recognized at that title in the months remaining in the current quarter and the quarter that follows.

As an example:

Sally promotes to the title of Mentor in February. She is “paid as” Mentor for the February commission run. The following month, March, she does not meet all criteria for the Mentor title. This means she will be paid for the lower title that she did qualify for, but she will retain her Mentor title for recognition purposes, because she qualified for it in February (both February and March are in first quarter). Sally will also keep her Mentor title through second quarter, April-June, and will be recognized as such in any publication or program. To retain the title for third quarter, she must be paid as a Mentor at least once in April, May, or June.

This means you will always be recognized as the highest paid-as title you earned in the previous quarter. To continue our example, if Sally does not earn paid-as Mentor status in any month of second quarter, and in her best month she is paid as Master Designer, then on June 1 her recognition title will be Master Designer and she will no longer be a Mentor.

PHASE 1 REQUIREMENTS					
	Title	Personal Volume (PV)	Personally Sponsored Qualified (PSQ)	Team Volume (TV)	Level 1 Mentors
Share and Grow	Qualified Designer	100			
	Leading Designer	200	1		
	Master Designer	200	2		
Sponsor and Develop	Mentor	400	3	\$2,000	
	Leading Mentor	400	4	\$5,000	
	Master Mentor	400	5	\$8,000	1

PHASE 1 TEAM COMMISSIONS					
	Sponsoring Bonus			Coaching Bonus	
	Title	Level 1 PSV	Level 1	Level 2	Level 3
Share and Grow	Qualified Designer				
	Leading Designer	3%	1%		
	Master Designer	3%	2%	2%	
Sponsor and Develop	Mentor	4%	4%	3%	
	Leading Mentor	4%	6%	4%	1%
	Master Mentor	4%	8%	5%	2%

Team commissions include both your Coaching Bonus and Sponsoring Bonus.

For example: A Leading Designer will receive 1% on their Level 1, plus 3% for the combined personal volume of all those whom they personally sponsor. In other words, assuming all of the Designers on your Level 1 were personally sponsored, your commissions for Level 1 will be 4%. Likewise, for Master Mentor, you will get 8% on your Level 1 for the Coaching Bonus, plus 4% for the Sponsoring Bonus. So, if you personally sponsored everyone on your Level 1, your Team commissions would be 12%.

Master Mentor Advancement Bonus: When you advance to Master Mentor for the first time, you will receive a one-time Master Mentor Advancement Bonus of \$500.

PHASE 2 REQUIREMENTS									
	Title	Personal Volume (PV)	Personally Sponsored Qualified (PSQ)	Team Volume (TV)	Level 1 Mentors	Master Mentor Legs	Couturier Legs	Executive Couturier Legs	Enterprise Volume (EV)
Lead and Inspire	Couturier	600	5	\$10,000	2	1			\$25,000
	Executive Couturier	600	7	\$20,000	3	2	1		\$100,000
	Master Couturier	600	10	\$50,000	5	5	2	1	\$250,000

PHASE 2 TEAM COMMISSIONS					
	Sponsoring Bonus	Coaching Bonus			
	Level 1 PSV	Level 1	Level 2		
Lead and Inspire	Couturier	5%	9%	6%	2%
	Executive Couturier	5%	10%	7%	2%
	Master Couturier	5%	11%	8%	2%

Couturier Bonus		
Title	Generation 1	Generation 2
Couturier	\$1,000	
Executive Couturier	\$1,500	\$600
Master Couturier	\$2,000	\$1,000
		\$400

The Couturier Bonus table above shows the Master Mentor Generations along with the amount you earn for every Master Mentor or above that falls in each *generation*. This is paid on ANY Master Mentor in your downline, regardless of level.

Go For It! This is a go-to-work plan and it's yours for the taking. How far you go in the Chalk Couture Career Plan has virtually no limits, and you have the support of a strong, vibrant community to help you set and achieve your goals.

Glossary

Activity: Activity is determined by calendar quarter PV for each Designer. To remain an active Designer in the Chalk Couture family, Designers must remit a minimum of 150 PV quarterly (calendar quarter). Any Designer who remits less than 150 PV quarterly will transition to “former” status, which will result in the loss of their team (see compression below), Chalk Site and accrued credits, and they will no longer be able to place Designer orders or Sponsor new Team members.

Advance/Advancement: You advance to a new Title the first time you meet all qualifications for a higher title.

Advisor: The person directly above you in your upline, regardless if they personally sponsored you or not.

Career Plan: The earnings plan for all Designers that includes your personal sales commission, Designer Dollars and monthly bonuses.

Chalk Central: Corporate or Home office and warehouse.

ChalkCouture.com: Chalk Central-managed site with information about the company.

Chalk Shop: A Designer's personal point of sale app for selling on-hand inventory (no deferred commissions or PV generated by activity in the Chalk Shop). This app requires either an iPhone or an Android for use.

Chalk Site: A Designer's replicated, personalized e-commerce site. Customers (and Designers) may place orders here, generating 25% deferred commission and PV valued at 60% of price paid.

Coaching Bonus: Qualifying Designers will earn a % commission of the combined PV by level, based on monthly title (this includes the first three levels of your downline).

Compression: When your team permanently rolls up to your Advisor due to not meeting activity requirements (see activity).

Deferred Sales Commission/Chalk Site Orders: Online orders placed by a Designer or customer on a Chalk Site (i.e. kristine.chalkcouture.com). Generates 25% commission of retail price/price paid. Paid monthly.

Designer Dollars (DD): Product credit awarded to you when you reach certain monthly PV thresholds in your business. Designer Dollars are non-transferable, may expire and can only be used one time.

Designer Office: Available for Designers to access with a personal log in. The Designer Office includes team reports, customer information, marketing collateral, etc. This is where you place your wholesale orders and manage your inventory for your Chalk Shop.

Enterprise: A Designer and all people on her/his downline are considered to be part of your Enterprise.

Enterprise Volume (EV): The combined PVs from a Designer and her/his entire Enterprise. It includes all downline members, regardless of title.

Generation: The 1st Generation begins with a downline Designer who has a Paid-as Title of Master Mentor (MM) or higher and then includes their entire Enterprise, down to, but not including, the next MM or higher. The next MM or higher would be considered the beginning of a 2nd generation and so on.

Independent Chalk Couture Designer: All individuals who sign an Independent Chalk Couture Designer Agreement are considered to be Designers until they either voluntarily or involuntarily terminate that agreement.

Instant Sales Commission/Designer Office Orders: Only available on Designer-placed wholesale orders from the Designer Office. Typically 40% of retail price, earned at time of customer order and payment.

Leg: Begins with a first level Designer and includes all Designers in her/his downline. You have as many legs as you have first level Designers.

Monthly Personal Volume (PV): Calculated by combining the PV from all personal wholesale (Designer Office) and online orders (Chalk Site) from customers in a given month (less the PV for return orders).

Paid-as Title: The title a Designer is paid-as based on the Career Plan qualifications for any given month.

Personally Sponsored Qualified (PSQ): A Team member that you originally enrolled into the business, and is considered qualified when they have at least 100 PV in a month.

Personally Sponsored Volume (PSV): The combined PV for those Designers you personally sponsored.

Personal Volume (PV): PV is the foundation of every Designer's business and is used to calculate monthly qualification and quarterly activity, as well as to maintain title. PV is typically 60% of retail value or 60% of the price a customer pays for an item. PV is generated equally on product orders regardless of source (whether the Designer Back Office or Chalk Site). Note that there are some items that do not qualify for PV (such as business materials or the Starter Kit). Designer Dollars redeemed on an order will reduce the amount of PV earned.

Qualified: Determined by monthly PV for each Designer and varies by the title held by that Designer. Reaching minimum qualifying PV delivers two benefits to you and your extended Team family:

- You are eligible to receive Team commissions for sales made by your Team.
- You become a "qualified" Team member in your upline's organization, helping her/him achieve title qualification for commissions as well—this helps keep your expanded Team healthy!

Qualified Leg: A leg that has a Designer who meets a specific Paid-as Title requirement. Your qualified legs may be counted for lower titled leg requirements also. For example, a Couturier leg also counts as a Master Mentor leg. A qualified leg may not

be counted more than once for the same requirement. For example, a leg that has two Master Mentors in it only counts as one Master Mentor leg.

Read Me First: A program summary used by Designers as a resource.

Savvy Seller Program: A program that rewards Designers with additional deferred sales commission for reaching high personal sales levels in any given calendar month.

Sponsor: The person who personally sponsored you as a Designer.

Sponsoring Bonus: Designers will earn a % commission based on the combined personal volume of those they personally sponsor. Percentage value will vary based on Paid-as Title. This is a lifetime bonus paid monthly based on qualification/activity.

Team: A Designer and the people on her/his first three levels are considered to be part of your Team.

Team Volume (TV): Personal Volume of yourself, plus the combined PV of your first 3 levels.

Titles: Titles are measured/maintained by calendar quarter, not month. Note that there is a difference between "Title" (the rank you hold and are recognized by, held and renewed quarterly) and "Paid-as Title," (the rank you qualify for on a monthly basis to be paid as, which may be the same or lower than your recognition Title).

Upline: Designers above you beginning with your Advisor, their Advisor, and so forth, all the way up to Corporate, are all considered to be members of your upline.