



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 the *Designer* price, direct from the company, and sell at the advertised 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 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 Chalk Couture, you earn a commission rate of 25% on all retail orders placed. This commission is called *Deferred Commission* because the customer pays retail price online, then you receive 25% commission after the close of the month, typically by the 15th of the following month.

Additionally, you may enroll *Perks Members* (who shop at 30% off regular retail pricing) and earn a 25% *Deferred Commission* on their product purchases as well.

« YOU MAY ALSO SELL TO CUSTOMERS ON YOUR CHALK SITE.

ORDER TYPE	COMMISSION	PAID
DESIGNER PRICE (<i>DESIGNER OFFICE</i>)	40%	<i>INSTANT COMMISSIONS</i> (EARNED WHEN SOLD)
RETAIL PRICE (<i>CHALK SITE</i>)	25%	<i>DEFERRED COMMISSIONS</i> (PAID BY THE 15th OF THE FOLLOWING MONTH)
PERKS MEMBER PRICE (<i>CHALK SITE</i>)	25%	<i>DEFERRED COMMISSIONS</i> (PAID BY THE 15th OF THE FOLLOWING MONTH)

For Example:

One month, you sell a total of \$1,500 retail value in products (within your own country).

- \$1,000 in retail value was purchased through your *Designer Office* for \$600.
- \$400 in retail value purchased by your customers on your *Chalk Site*.
- \$100 in *Perks Member* purchases on your *Chalk Site*.

How much will you get paid?

Designer Office Orders

- You earn 40% commission when you resell the inventory you purchased through your *Designer Office*.
For example: \$1,000 (retail) - \$600 (Designer price) = \$400 (40% *Instant Commission*)

Chalk Site Orders

- You earn 25% commission on retail *Chalk Site* orders.
\$400 x 25% = \$100

Perks Member Orders

- You earn 25% commission on *Perks Member* orders.
\$100 x 25% = \$25.

Your total commission earned is \$525.

How are you paid?

Of that \$525 commission you will earn for selling \$1,500 in retail value, \$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 commission run, to take place typically by the 15th of the following month. *Deferred Commissions* will be shown in both USD and CAD in your *Designer Office* and then settled at the time of payment in your country's currency (USD or CAD).

How do I earn Personal Volume?

You will earn *Personal Volume* (PV) on inventory and personal orders you purchase in your *Designer Office* or when a retail customer or Perks Member makes a purchase on your *Chalk Site*. PV is typically 60% of the USD retail value (see current Product List for PV value of items).

Note that your PV levels also may qualify you for other compensation elements in the Compensation Plan, such as *Design Dollars* (DD) and the *Savvy Seller Bonus*. Read the entire *Compensation Plan* for more information on these additional benefits of *Personal Volume*.

Design Dollars

We want to reward you for working on your Designership, so for all the PV you generate each month, you also earn *Design Dollars* (DD)! *Design Dollars* are product credits. You can use them to fund Hostess Rewards, *Team* incentives, or even gifts for customer giveaways, to name a few. You earn 10DD for your first 100PV, 10DD for your second 100PV, and 20DD for every 200PV thereafter.

For Example:

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

First 100PV = 10DD

Second 100PV = 10DD

200–400PV = 20DD

400–600PV = 20DD

600–800PV = 20DD

Total Design Dollars earned = 80DD

This product credit is paid monthly, with your *Deferred Commissions*, by the 15th of the following month. *Design Dollars* are added to your DD bank and can be used all at once or a little at a time. Commission-earned DD expire 60 days after they are deposited to your DD bank.

« WE WANT TO REWARD
YOU FOR WORKING YOUR
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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 2,000PV in a month. The percentage for which you qualify is based on your total PV for the current month, which includes *Designer Office* orders as well as retail customer orders and *Perks Member* orders placed via 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% cash on your monthly PV.
- When your PV is 4,000 or more in the month, you receive a *Savvy Seller Bonus* of 20% cash on your monthly PV.

PERSONAL VOLUME	% BONUS	EXAMPLE	MATH	TOTAL BONUS
2,000-3,999PV	10%	2,000PV	$2,000PV \times 10\%$	\$200 USD*
4,000PV	20%	4,000PV	$4,000PV \times 20\%$	\$800 USD*

*Bonus is calculated on PV, shown in USD, then paid in your country's currency (if CAD; paid at current exchange rate at the time of payment).

You receive the *Savvy Seller Bonus* based on the total PV you earn in a month. This bonus is paid as part of your *Deferred Commissions*, by the 15th of the following month.

Build Income Through Leadership

Personal sales are the foundation of your Chalk Couture Designership and will give it stability. However, as you invite others to join your *Team*, you will add greater income potential to your Designership. Chalk Couture's *Compensation 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.

« THERE IS A DIRECT CONNECTION BETWEEN WHAT YOU DO AND WHAT YOU'LL RECEIVE.

Our *Compensation 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 and beyond.

Maintaining your Title

Your "*Career Title*" is the highest title you've earned to date. Once you are promoted to a new title, you need to continually meet the requirements to keep it. Your "*Paid-As Title*" is the title for which you have met commission qualifications for the month. Your *Recognition Title* is used for recognition purposes and other marketing programs as needed.

Maintaining your *Recognition Title* is achievable! It is determined on a calendar quarter schedule, where you must earn your highest *Paid As Title* at least 1 MONTH during the calendar quarter to be recognized at that title in the months remaining in the current quarter and the quarter that follows.

For Example:

Ashley is promoted 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 is paid for the lower title that she did qualify for, but she retains her Mentor title for recognition purposes, because she qualified for it in February (both February and March are in first quarter). Ashley will continue to be recognized at Mentor title through the second quarter, April through June, and is recognized as such in any publication or program.

To retain the Recognition Title of Mentor for the third quarter, she must be paid as a Mentor at least once in April, May, or June.

You are always recognized as the highest Paid-As Title you earned in the previous quarter.

To continue our example, if Ashley does not earn paid-as Mentor status in any month of the 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 recognized as Mentor.

PHASE 1 TEAM REQUIREMENTS					
	Title	Personal Volume (PV)	Personally Sponsored Qualified (PSQ)	Team Volume (TV)	Level 1 Mentors
Share and Grow	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					
	Title	*Sponsoring Bonus	*Coaching Bonus		
	Title	Level 1 PSCV	Level 1 CV	Level 2 CV	Level 3 CV
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%

*Earned on up to 10,000PV (Sponsoring, Coaching, and Sales Volume combined.)

PHASE 1 PERKS MEMBER REQUIREMENTS & SALES COMMISSIONS					
	Title	Personal PMV	Level 1 PMCV	Level 2 PMCV	Level 3 PMCV
Share and Grow	Qualified Designer				
	Leading Designer	200	1%		
	Master Designer	200	2%	2%	
Sponsor and Develop	Mentor	400	4%	3%	
	Leading Mentor	400	6%	4%	1%
	Master Mentor	400	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 CV, plus 3% for the combined *Commissionable Volume (CV)* of all those whom they *Personally Sponsor*. In other words, assuming all of the Designers on their Level 1 were *Personally Sponsored*, their commissions for Level 1 will be 4%. Likewise, a Master Mentor will get 8% of CV on their Level 1 for the *Coaching Bonus*, plus 4% of CV for the *Sponsoring Bonus*. So, if they *Personally Sponsored* everyone on their Level 1, their Level 1 Team commissions would be 12%.

Team Commissions are paid on CV, calculated at 75% of PV, less Perks Member Volume and up to 10,000CV.

For example: If a Designer’s Level 1 Team accumulated a total of 125PV in a given month (75PV from Designer Office purchases, 25PV from retail purchases, and 25PMV from *Perks Member* purchases) they would earn Coaching and Sponsoring bonuses on 75CV according to their personal qualifications. Team commissions on PMV are earned according to the *Perks Member Team* commission requirements as outlined.

Perks Member Volume (PMV) requirements only apply to Sales Commissions paid on Perks Member Volume.

For example: To qualify for *Team Commissions* on *Perks Member* purchases on Level 1 and 2, a Master Designer is required to remit 300 in PMV. Failing to meet that requirement does not affect the Leading Designer’s *Team Commissions* from non-*Perks Member* PV.

Note that in the example above, if the Master Designer has 300PMV in a given month it would fulfill the requirements to earn *Team commission on CV* and *sales commission on PMCV* in their Level 1 and 2.

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 USD.

PHASE 2 TEAM 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		
	Title	Level 1 PSCV	Level 1 CV	Level 2 CV	Level 3 CV
Lead and Inspire	Couturier	5%	9%	6%	2%
	Executive Couturier	5%	10%	7%	2%
	Master Couturier	5%	11%	8%	2%

PHASE 2 PERKS MEMBER REQUIREMENTS & SALES COMMISSIONS

	Title	Personal PMV	Level 1 PMCV	Level 2 PMCV	Level 3 PMCV
Lead and Inspire	Couturier	600	9%	6%	2%
	Executive Couturier	600	10%	7%	2%
	Master Couturier	600	11%	8%	2%

Title Promotions Bonus

	Title	Generation 1	Generation 2	Generation 3
Lead and Inspire	Couturier	\$1,000 USD		
	Executive Couturier	\$1,500 USD	\$600 USD	
	Master Couturier	\$2,000 USD	\$1,000 USD	\$400 USD

The *Title Promotion 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. This bonus is shown and earned in USD. It is paid in CAD using the current exchange rate at the time commissions are paid.

Team Commissions are paid on CV, calculated at 75% of PV, less PMV and up to 10,000CV.

Glossary

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.

Compensation Plan:

The earnings plan for all *Designers* that includes your personal sales commission, *Design Dollars*, and monthly bonuses.

Career Title:

The highest Title personally earned.

Chalk Site:

A Designer's replicated, personalized e-commerce site (i.e. www.chalkcouture.com/Cora). Perks Members and Customers may place orders here, generating 25% *Deferred Commission*.

Coaching Bonus:

Qualifying Designers earn a percentage of the combined CV by level, up to 10,000CV, based on monthly title (this includes the first three levels of your downline).

Commissionable Volume (CV):

Calculated at 75% of the combined PV from a Designer's Level 1, Level 2, and Level 3 Team members' orders (Designer Office and Chalk Site, less the PV for return orders). CV is used to calculate *Sponsoring* and *Coaching Bonuses* paid monthly.

Compression:

When your Team, Club Couture customers, or Perks Members permanently roll up to your Advisor due to resignation.

Deferred Commission:

Online orders placed by a customer on a *Chalk Site*. Generates 25% commission of retail price/price paid by customers and 25% from Perks Members. Paid monthly.

Design Dollars (DD):

Product credit awarded to you when you reach certain monthly PV thresholds in your Designership. Design Dollars are non-transferable, expire 60 days after they are issued, 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, and other Designership tools. This is where you place Designer-priced orders.

Enterprise:

A Designer and all people in their downline are considered to be part of an Enterprise.

Enterprise Volume (EV):

The combined Personal Volume from a Designer and their entire Enterprise. It includes all downline members, regardless of title or level.

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 is considered the beginning of a 2nd generation and so on.

Chalk Couture Independent Designer:

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

Instant Commission:

Only available on Designer-placed inventory 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 their downline. You have as many legs as you have first-level Designers.

Paid-As Title:

The title a Designer is paid-as based on the Compensation Plan qualifications for any given month.

Perks Member Commissionable Volume (PMCV):

Calculated at 75% of the total volume generated by Perks Member purchases in a Designer's Level 1, Level 2, and Level 3. PMCV is used to calculate a Designer's Team Sales Commissions paid monthly.

Perks Member Volume (PMV):

Volume generated by Perks Member purchases. This volume counts towards a Designer's Personal Volume and is included in PV qualifications for title purposes, the Savvy Seller Bonus, etc. PMV also meets PSQ requirements for title purposes up to three times in a Perks Member's lifetime.

Personally Sponsored Commissionable Volume (PSCV):

The combined Level 1 CV for Team members *Personally Sponsored* by the Designer.

Personally Sponsored Qualified (PSQ):

A Level 1 Designer or Perks Member that was Personally Sponsored or enrolled and has at least 100PV or PMV in a month.

Note that Personally Sponsored Qualified requirements for *title* qualifications can be met in

1 of 2 ways:

- A level 1 Designer, Personally Sponsored, who remits a total of 100PV in a month. (Designers qualify as PSQ every month.)
- A Perks Member, personally enrolled, who remits a total of 100PMV in a month. (Perks Members may qualify as PSQ a maximum of three times in their Perks program lifetime. Qualifying months do not have to be consecutive. If a Perks Member upgrades to a Designer they qualify as PSQ every month.)

Personally Sponsored Volume (PSV):

The combined PV for those Designers you personally sponsored.

Personal Volume (PV):

Calculated by combining the PV from all Designer orders (*Designer Office*) and online orders (*Chalk Site*) from customers in a given month (less the PV for return orders). PV is used to calculate monthly qualification and to maintain title. PV is a global measurement that does not vary between markets—regardless of currency paid. For example, item "A" will have the same PV in Canada as it does in the US. PV is anchored in US pricing. PV is typically 60% of USD retail value. PV is generated equally on product orders regardless of source (whether the *Designer Office* or *Chalk Site*). Some items do not qualify for PV, such as business materials or Perks Packs. Design Dollars redeemed on an order reduces the amount of PV earned for that order.

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:

- 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 them 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.

Recognition Title:

The rank you hold and are recognized by, held, and renewed quarterly.

Savvy Seller Bonus:

A bonus that rewards Designers with additional deferred commission for reaching high personal sales levels in any given calendar month.

Sponsor:

The person who personally sponsored you as a Designer.

Sponsoring Bonus:

A bonus Designers earn as a percentage based on the combined CV, up to 10,000CV, of those they *Personally Sponsored*. Percentage value varies based on *Paid-As* Title. This is an ongoing bonus paid monthly based on qualification.

Sales Commissions:

Calculated on a Designer's Level 1, Level 2, and Level 3 Perks Member purchases (PMCV). Sales Commissions are paid monthly.

Team:

A Designer and the Designers on their first three levels.

Team Volume (TV):

Personal Volume of yourself, plus the combined PV of your first three levels.

Titles:

Titles are labels used for compensation and recognition.

Upline:

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