LAUNCH OVERVIEW

May 6-20, 2019

Chalk Couture™ is thrilled to open business operations in Canada beginning May 6, 2019. We are an innovative, high-end, DIY home décor company operating in the direct sales model and will be initially launching in Ontario, British Columbia, Alberta and Saskatchewan. These are the only provinces available for Designer enrollment and selling activity at launch, with anticipated expansion shortly thereafter.

In the first 2 weeks of launch, called the “get on the bus” period, Chalk Couture will be focused on helping pre-registrants enroll and establish their Designerships. During this initial period, some program features and functions will not be available due to the essential “get on the bus” period. This period is when pre-registrants who were placed on a “soft hold” connection officially register. During this period, Designer Office reports may not show all Team members or their placement, as this is not possible until the period ends and “soft holds” expire. When soft hold expires on May 20, consolidation will begin. This consolidation will compress any gaps created by pre-registrants who have not enrolled and will be finalized by no later than May 31 to meet the month-end commission deadline.

Services not available during “get on the bus” period include:

- Website for Canada—chalkcouture.ca (will have a banner announcement only, but no shopping or enrollment or Designer Locator services). Chalk Sites for Canadians will be live, and Designers can direct visitors to these by providing their Chalk Site address.

- Reports—Full team reports showing all new Team member placement. Until the soft hold expires, these placements are not final and cannot be shown.

LAUNCH SCHEDULE

Monday, May 6: Canada Designer enrollment opens for “get on the bus” period. Custom emails to all pre-registrants will be sent in waves throughout the day with a link to enrollment. As soon as enrollment is complete, Canadian Designers may order product inventory in Designer Office and/or direct customers to shop on their Chalk Site.

May 6 to 20: “Get on the bus” enrollment for all pre-registrants continues (pre-registrants must use the custom link sent to them via email). “Soft hold” connections to Sponsors and prospective Team members are honored.

Canadians not pre-registered may enroll using a Designer’s permanent or temporary ID on your Chalk Site. The corporate Chalk Couture website/Canadian Designer Locator will NOT be available for enrollments during this time.

Monday, May 20, 12:00 pm MT: “Get on the bus” period ends. Any pre-registrant not enrolled forfeits “soft hold” connection to their Sponsor and any pre-registrants they may have sponsored. Regular enrollment becomes available, with prospective Designers (US and CAN) enrolling on Chalk Sites of existing Designers (US and CAN). Available to opened Canada provinces only.
Monday, May 20 1:00 pm MT to May 31: Designer placement. With soft holds expired, Chalk Couture will begin to process compression and close any spaces in Teams to create fully intact, connected Teams. As gaps close, US and Canadian leaders alike will be able to see Team member info for Designers at Level 2 and deeper.

May 31 close of business: All Canada Designer placements are final and commissions can be calculated for all Designers and Team leaders. May commissions prepared and paid via ChalkPay on June 15. Launch phase concludes; all business services available.

BEFORE YOU ENROLL
1. Read the Policies and Procedures to fully understand the business model.
   Chalk Couture is NOT a wholesaler or a “discount club,” but a direct sales company. As such, Designers agree to a set of rules, responsibilities, and policies that govern Designer activity—some by law, others by industry best practice, others to protect the Chalk Couture community, opportunity, and brand. Be fully informed to give yourself a great start.

2. Determine which kit you want.
   In Canada only, you may choose our standard Power Pack Starter Kit, which includes more than $330 CAD retail value of products and business supplies and is available at $129 CAD + $28.50 CAD shipping + tax. We also offer a Basic Kit featuring the business supplies only for $19 CAD + $16.50 CAD shipping + tax. You may only choose one kit and may not add other items to your enrollment order. Kits are not commissionable and do not carry PV. Shipping times vary based on your location and shipper; our logistics partner determines shipper at time of fulfillment.

3. Select your Chalk Site name.
   You will be asked to choose a name for your personal website, called a Chalk Site. This is your online “home base” and will be where you direct customers to shop or to enroll as a new Designer on your Team. Determine your preferred Chalk Site name and choose two to three alternates prior to enrollment to smooth the process. For information about acceptable names, please see the Policies and Procedures, Section 5.7.

HOW TO ENROLL
1. Receive your email and enroll using your custom link.
   On May 6, emails will be sent in waves to all pre-registrants. Your email may arrive any time that day. There is no rush to enroll that day; your deadline is May 20 at 12:00 pm MT. You do not need to remember your Temporary ID number. Your information is embedded in the custom link and will pre-populate some fields in the enrollment form. However, you may not change your email address during this process; it’s a unique identifier that connects you to your sponsor and anyone you may have pre-registered. Do not share or forward your email. It is unique to you. Do not enroll on another Designer’s Chalk Site during the “get on the bus” period (even your Sponsor or upline’s Chalk Site) as this will not allow you to retain your pre-launch associations. It will show Chalk Couture as your Sponsor during the enrollment, that is correct! You will be placed accordingly after the enrollment has been processed.

   IMPORTANT NOTE: All Chalk Couture websites, including enrollment, are optimized for Google Chrome. We strongly recommend you use this browser to ensure a smooth enrollment.

2. Complete the enrollment form.
   Enter all fields as prompted in the enrollment form.

3. Submit payment using your own credit card.
Chalk Couture policy requires Designers to use a card in their own name for enrollment and all subsequent orders. Failure to do so may “pause” your account. While you may choose to use a prepaid card (card must be registered with a billing address), note that this same card information will be used to process your monthly Designer Subscription fee ($19.99 CAD, beginning the month anniversary following your enrollment date). You will need to ensure the card on file is eligible for these recurring payments. For more information, see Policies and Procedures, Sections 3.7, 4.3, and 7.2.

4. Ensure you are the only Designer in your household.
   Chalk Couture policy allows only one name per Designership and only one Designer per household. If more than one individual enrolls at your address or a spouse/partner enrolls, additional accounts will be cancelled. For more information, see Policies and Procedures, Section 2.3.

5. Note your login and new Designer ID.
   Make a record of your login information for your reference, specifically your username (email) and your password, as well as your Designer ID. Your Designer ID is now your permanent identifier, and you will use it instead of your Temporary ID for all Chalk Couture purposes. You will also receive an enrollment email confirmation—you’re “official” and your Starter Kit is on the way!

AFTER YOU ENROLL
You’re an official Designer of Chalk Couture! You can now enjoy all the benefits of building a customer base, selling products, and teaching classes. As you begin your Designership, ensure you are mindful to operate within Chalk Couture policy and all applicable laws based on your province and market. Common areas of focus include:

1. Set up your Chalk Couture social pages and brand.
   Follow the branding policies and naming structure for your Facebook business and other social media pages and groups. You’ll also want to be aware of the policies that govern closed Team and customer (VIP) groups. For all branding and social media policies, read Policies and Procedures, Section 5, in its entirety before setting up your Independent Designer social media pages (particularly because some may be difficult to change after setup. If your group/page is out of compliance, you will be asked to change it.)

2. Know where, what, and how you can sell.
   Selling Chalk Couture products, holding creative workshops, building Teams, and creating Finished Goods to sell are the heart of your Designership! (It’s also a ton of fun.) Chalk Couture products may not be sold on any website other than your Chalk Site, although you may advertise retail pricing (plus tax/shipping) on other websites. You have more flexibility to price and sell Finished Goods and creative workshops/kits than retail product, so ensure to review Policies and Procedures, Section 6 covering appropriate selling methods.

3. Start learning and doing!
   As a new Designer, watch your email for our Bonjour email series. These handy emails will tell you exactly what to do each week for your first 6 weeks as a Designer. We also recommend you take a tour of your Designer Office (go to myoffice.chalkcouture.ca/login and log in using your username/password). Check out your Resources Library and Chalk University (our online training academy) for answers to common questions as well as great business ideas! Don’t forget to have your Sponsor add you to their Team pages as well.
FOR ALBERTA AND SASKATCHEWAN DESIGNERS ONLY

Alberta and Saskatchewan require provincial licensing as well as Designers to carry ID cards. As of the May 6 launch date, Designers in these two provinces are not yet permitted to resell inventory directly to customers.

**THIS IS A SHORT-TERM LIMITATION ONLY** and is expected to be lifted within 4 to 6 weeks after initial launch. We will advise all Designers in these two provinces when they may begin direct-to-customer sales and we will also email these Designers their province-required ID cards.

During this waiting period, Alberta and Saskatchewan Designers may:

- Order product for personal use from Designer Office (select “personal use” at checkout).
- Pre-order product inventory from Designer Office to prepare for when sales to customers are permitted.
- Send customers to their Chalk Sites; customers can shop and have orders delivered directly to their homes.
- Enroll new Designers (see the FAQ on recruiting new Designers).

**FAQS: CANADA “GET ON THE BUS” PERIOD**

Do I have to enroll during the “get on the bus” period?

No. You can enroll anytime. However, if you have pre-registered others, you will lose your connection to them if you enroll after the “get on the bus” period ends.

How long will the Canada-only Facebook groups exist?

Not much longer! By the end of May, these groups will close. All enrolled Designers are invited to join our all-Designer Facebook Studio (at https://www.facebook.com/groups/chalkcouture/). It’s a great place for ideas, support, and inspiration. We’re building one unified community of Designers, and do not maintain market-specific groups. Come and join the family!

When the Canada Facebook groups close, where can I go for more information?

When you become a Designer, you’ll create a login for your Designer Office. Login and visit the “Resources Library” which is full of information, FAQs, product information, training videos and materials, and marketing tools. You’ll also start receiving our Bonjour training email series right away and it will tell you everything you need to know and do, week by week, for the first 6 weeks of your Designership. We make it easy to get answers and support!

The Resources Library also contains reference materials like the Policies and Procedures, Compensation Plan, and more that you may wish to print or save to refer to often.

If I have pre-registered Canadians, how long will it take after they enroll before I can “see” them in my Team report in Designer Office?

You will be able to see a “Level 1” Team member (someone you personally sponsored) within 2 business days of their enrollment during the “get on the bus” period. Chalk Couture will also batch a daily email to all Sponsors to notify them that a new Level 1 Team member (or multiple new Level 1 Team members) are showing in their Team report.

After the “get on the bus” period, you will be able to see a new Team member as soon as they complete enrollment, and you will also receive a same-day confirmation via email.
What about Team members on my Level 2 or deeper? When will I see them in my reports?
During the “get on the bus” period, if there is no “break” in your downline structure, you will see a new Team member at any level within 2 business days. However, if there is a spot in Level 2 or deeper awaiting a pre-registrant to enroll, that spot may remain open until May 20, 12:00 pm MT. That is when “get on the bus” closes, and Chalk Central will begin processing compression if someone has not enrolled. Placement notifications will happen daily through May 31. All placements are final as of that date.

Will I be able to sell in both the US and Canada? When?
Cross-border sales are permitted on your Chalk Sites only. You may not transport product inventory across the border (either direction) with the intent to resell, to allow someone else to resell it for you, or to hold a workshop. You may begin promoting shopping on your Chalk Site immediately (including Designers in Alberta and Saskatchewan).

Will I be able to sponsor in both the US and Canada? When?
You may begin sponsoring Designers in all 50 US states and in Alberta, Ontario, British Columbia, and Saskatchewan as soon as you complete enrollment. Note that during the “get on the bus” period, the Designer Locator in Canada will not be live and anyone not already a pre-registrant can only enroll by going directly to your Chalk Site. After May 20, prospective Designers may also enroll at the chalkcouture.com and chalkcouture.ca sites, or use the Designer Locator. We encourage you to always give out your Chalk Site verse sending your customers to the Designer Locator to find you.

Can I offer incentives for enrolling with me to prospective Team members?
No. It is a violation of Chalk Couture policy to offer any recruiting incentive, enticement, product, prize, or promise to someone based only on enrolling on your Team. Sign-up incentives may also be a violation of law, depending on your area.
You may offer incentives to existing Team members for performance (i.e. sales or other activity), but never for enrolling only.

Can I recruit Canadians who are already pre-registered?
Absolutely not. You should never encourage any pre-registrants to “Sponsor hop” and switch to you during or after the “get on the bus” period. This is an unethical practice called “poaching.” Poaching is counter to the supportive, multi-national community we share and can create hurt feelings, confusion, and a loss of Team performance. Proof of poaching by Designers or pre-registrants may incur sanctions, including potential account suspension or re-assignment of affected Team members.

All pre-registrants are encouraged to enroll using their custom link, which automatically supports their original Sponsor connection. We understand that in rare circumstances, an enrollee needs to change Sponsors, and Chalk Couture's Compliance team has programs and processes in place to do so; you may contact Compliance if you have questions about this program or process.