

J. HILBURN

Sales & Leadership Development Plan

Confidential
Effective 6/1/2024

Let's Get Started!

At J.Hilburn, we prioritize providing exceptional support and resources to our Independent Personal Stylists. We firmly believe that having the best Stylists in the industry is a critical ingredient that sets us apart from our competition. To achieve this, we have developed a comprehensive training program

that equips all of our new Stylists with the necessary skills and confidence before they enter the field. We also believe in rewarding self-starters who demonstrate an entrepreneurial spirit. As they move through training and quickly put their skills into action, they can earn bonuses as outlined below.

Fast Start Bonus Program

Fast Start Period: Enrollment Month + 3 Months

Bonus for New Stylist selling = For every \$500 sold during the New Stylist Fast Start period, within a given month, that New Stylist will earn a \$25 bonus within a calendar month. The bonus is uncapped and can be earned unlimited times during the Fast Start Period.

NEW STYLIST BONUS EXAMPLE:

Sell \$3,500 to earn your New Stylist Kit for \$149 + Fast Start Bonus.

This example shows a New Stylist selling \$500 or more to 7 Clients.

Sale:	\$500	+	\$500	+	\$500	+	\$500	+	\$500	+	\$500	+	\$500
Bonus:	\$25		\$25		\$25		\$25		\$25		\$25		\$25

SALES: \$500 × 7 = \$3,500
SALES BONUS: \$25 × 7 = \$175

Bonus for New Stylist Mentor = New Stylist Mentors are also offered a bonus during their New Stylist's Fast Start Period. For every \$500 in sales produced by the New Stylist within a month, the Mentor of that Stylist will receive a matching bonus of \$25.

MENTOR BONUS EXAMPLE:

The Mentor earns a matching bonus for every Fast Start Bonus that the New Stylist achieves.

This example shows a New Stylist selling \$500 or more to 7 Clients.

Sale:	\$500	+	\$500	+	\$500	+	\$500	+	\$500	+	\$500	+	\$500
Bonus:	\$25		\$25		\$25		\$25		\$25		\$25		\$25

SALES: \$500 × 7 = \$3,500
MENTOR BONUS: \$25 × 7 = \$175

New Stylist First 6 Months

To help new Stylists build momentum during their 1st 6 Months, they earn higher rates of sales commissions. Starting at an automatic 20% on personal sales up to \$5,999.

Monthly Personal Qualification Volume (PV-Q)	% Payout on Personal Commissionable Volume* (PV-C)
\$0 - \$5,999 PV-Q	20%
\$6,000 - \$7,999 PV-Q	22%
\$8,000+ PV-Q	25%

* Full price, J.Hilburn products to be paid out at 100% commissionable volume.
 * Third-party brands and any J.Hilburn sale items to be paid at 50% commissionable volume.

Continue Building your Business

The J.Hilburn Sales & Leadership Development Plan offers various opportunities for personal and professional growth. Stylists are encouraged to challenge themselves as they continue through the Sales & Leadership Development Plan. Stylists have the ability to take the business in the direction of their choice, whether it be a top seller, ambassador, team builder or all of the above. J.Hilburn presents a variety of avenues to help Stylists succeed, all while maintaining the freedom and flexibility they value.

Standard Stylist Commission Rates

Monthly Personal Qualification Volume (PV-Q)	% Payout on Personal Commissionable Volume* (PV-C)
\$0 - \$499 PV-Q	10%
\$500 - \$2,499 PV-Q	15%
\$2,500 - \$3,999 PV-Q	18%
\$4,000 - \$5,999 PV-Q	20%
\$6,000 - \$7,999 PV-Q	22%
\$8,000+ PV-Q	25%

* Full price, J.Hilburn products to be paid out at 100% commissionable volume.
 * Third-party brands and any J.Hilburn sale items to be paid at 50% commissionable volume.

Sales & Leadership Development Plan

Climb the path and qualify for the highest Title every month. All qualifications are monthly.

Monthly Paid-As Title	Style Associate	Style Advisor	Style Partner	Associate Partner	Senior Partner	Associate Managing Partner	Managing Partner	Senior Managing Partner	Executive Partner	Senior Executive Partner	National Executive Partner
	SAS	SA	SP	AP	SrP	AMP	MP	SrMP	EP	SrEP	NEP
PV-Q*		\$500	\$1,250	\$2,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Active Legs**		1	2	2	3	3	4	4	4	4	4
TV (Max/Leg)				\$6,000 \$3,000	\$12,000 \$6,000	\$20,000 \$10,000	\$36,000 \$18,000	\$36,000 \$18,000	\$36,000 \$18,000	\$36,000 \$18,000	\$36,000 \$18,000
DV (Max/Leg)								\$75,000 \$37,500	\$200,000 \$100,000	\$500,000 \$250,000	\$1.25M \$500,000
New 1st Gen AMP in Last 12 Months										1	1

* 100% of a Stylist's PV-Q is eligible to contribute to TV & DV qualification.

** Only Active Legs count towards Sales & Leadership Development Plan qualifications.

Sales & Leadership Development Plan Bonuses

Unlock these bonuses in addition to Personal Commissions:

Monthly Paid-As Title	Style Associate	Style Advisor	Style Partner	Associate Partner	Senior Partner	Associate Managing Partner	Managing Partner	Senior Managing Partner	Executive Partner	Senior Executive Partner	National Executive Partner
	SAS	SA	SP	AP	SrP	AMP	MP	SrMP	EP	SrEP	NEP
Level 1		2.5%	3.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Level 2				2.5%	3.5%	3.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Level 3						2%	2.5%	2.5%	2.5%	2.5%	2.5%
Gen 0							1%	1%	1%	1%	1%
Gen 1								2%	2%	2%	2%
Gen 2									1%	2%	2.5%
Gen 3										1%	2%
Title Achievement*			\$200	\$1,000			\$5,000				
Wellness							\$400	\$600	\$800	\$1,000	\$1,200
Luxury Car								\$800	\$1,000	\$1,200	\$1,200

* Includes Mentor Matching Bonus - See "Title Achievement Bonus" under the Bonus Qualifications.

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Glossary

Volume Types

Personal Qualification Volume (PV-Q)

Qualifying volume from Client orders; matches retail price. Personal commission will be paid on a monthly basis to all Stylists with a PV-Q greater than zero. PV-Q is calculated after all discounts have been applied to the order and does not include taxes or shipping cost.

Personal Commissionable Volume (PV-C)

Commissionable volume earned from Client orders; a percentage of retail price. Full price J.Hilburn products to be paid out at 100% commissionable volume. Third party brands and any J.Hilburn sale items to be paid at 50% commissionable volume.

Team Volume (TV)

Your personal PV-Q plus your Team PV-Q from Levels 1 through 3.

Downline Volume (DV)

Your PV-Q plus your entire Downline PV-Q (includes your Team Volume and volume from your Generations).

Maximum Leg Contribution

For Team Volume and Downline Volume, up to 50% of the minimum volume required per Paid-As Title may be contributed by any single Leg. At the NEP title, up to 40% may be contributed by or any single Leg. There is no restriction on PV-Q for the DV qualification and TV qualification. Thus, 100% of a Stylist's PV-Q is eligible to contribute to DV and TV qualification.

Trailing Three Month Volume (TTM)

PV-Q from the current month plus the two previous months.

Organizational Definitions

Enrolled Stylist

Any individual Stylist who is current with their annual renewal fee requirement.

Active Stylist

Any Enrolled Stylist meeting one or both of the following Sales & Leadership Development Plan

Qualifications and Bonuses:

- \$500+ Monthly PV-Q
- \$1,000+ TTM

Fast Start Period

The month a New Stylist joins plus the first 3 full months.

Business Title

Highest title achieved by a Stylist. Stylist Business Titles are updated when a commission period is closed.

Paid-As Title

A Stylist's Paid-As Title, or Bonus Title, is recalculated each commission period. It is the Title used to determine qualifications for commissions and can fluctuate throughout the month based on qualifications.

Mentor

The Stylist who personally enrolls a new Stylist to their level one.

Leg

Every Stylist that is on a Stylist's Level 1 (direct) creates a leg. For example, a Stylist with eight level 1 Stylists has eight Legs in their organization.

Active Leg

A Leg with an Active Stylist at any level within the Leg is an Active Leg. Only Active Legs count toward Sales & Leadership Development Plan qualifications.

Generation

A Generation begins with a Business Title Managing Partner or higher and includes all the Stylists in their downline, down to but excluding the next Business Title Managing Partner or higher.

Generation 0

Generation 0 includes each Stylist in your downline, down to but excluding the first Business Title Managing Partner or higher and their downline. A first Business Title Managing Partner or higher creates a new Generation (Generation 1). Your current Business Title is equivalent to your highest paid as rank achieved in a trailing 12-month period.

Bonus Qualifications

Team Commission Bonus

The Team Commission Bonus is paid on your Team's total Personal Commissionable Volume for Levels 1-3.

Title Achievement Bonus

Stylists are eligible for a Title Achievement Bonus (one time only per Business Title). Title Achievement Bonuses are paid for Business Title Style Partner, Associate Partner, and Managing Partner. To receive any Title Achievement Bonus, a Stylist must be eligible and have promoted to that Business Title for the very first time. The Title Achievement Bonus will be paid on the next commission payment.

Mentor Matching Title Achievement Bonus

Mentors who have a Personally Sponsored Active (PSA) Stylist who achieves a Title Achievement Bonus, may be eligible for a matching bonus. To be eligible, the Mentor must be at or above the title that the level 1 Stylist Achieved. (Example: PSA Stylist achieves Associate Partner Title Achievement Bonus and earns \$1,000. The Mentor is an Associate Managing Partner, they will receive a matching \$1,000 bonus).

Wellness Bonus

The Wellness Bonus payout is monthly and is based on the Pad-As Title.

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Luxury Car Leader Bonus

To receive the Luxury Car Leader Bonus, the Stylist must hold a Business Title and a Paid-As Title of Senior Managing Partner or higher. The Luxury Car Leader Bonus is paid out according to the Paid-As Title. A Stylist must achieve the Business Title and matching Paid-As Title for 3 consecutive months in order to qualify for this Bonus. Additionally, the Stylist must submit Luxury Car Leader Program paperwork and vehicle documentation to the Company in order to receive the Bonus. Vehicles that are up to 2 years old from the current year will be compliant with the program guidelines.

Generation 0 Bonus

To receive the Generation 0 Bonus, the Stylist must have a Business Title and Paid-As Title of Managing Partner or higher. The Generation 0 Bonus is paid on the Stylist's entire downline organization up to the next Business Title Managing Partner or higher.

Generation 1 Bonus

To receive the Generation 1 Bonus, the Stylist must have a Business Title and Paid-As Title of Senior Managing Partner or higher.

Generation 2 Bonus

To receive the Generation 2 Bonus, the Stylist must have a Business Title and Paid-As Title of Executive Partner or higher.

Generation 3 Bonus

To receive the Generation 3 Bonus, the Stylist must have a Business Title and Paid-As Title of Senior Executive Partner or higher.

Policies / Procedures

Resignation

Stylists may resign from the business upon specific request at any time by providing written notice to the Company. A Stylist is deemed to have voluntarily resigned by failing to complete the requirements for maintaining Enrolled Stylist status. Here, the Stylist has a 60-day grace period to regain Enrolled Status by meeting both the annual renewal fee and continuing education requirements.

Termination

A Stylist may be canceled upon termination of the Stylist Agreement. The Company (J.Hilburn, Inc.) reserves the right to terminate the Stylist Agreement at any time by providing written notice. No promises or assurances are made to the Stylist that the relationship with J.Hilburn will continue for any particular or specified period or term.

Business Title Reset

All Stylists must be Paid-As their Business Title at least once within the trailing 12-month period to maintain their Business Title. If a Stylist is not Paid-As their Business Title during this time, then their Business Title will reset to match their highest Paid-As Title in the last 12 months. Business Title Reset is used for recognition purposes only.

Commission Payout Frequency

Commissions are calculated according to calendar months and paid out on a monthly basis. Commissions for a given month are direct deposited by the 15th day of the following month.

Order Submission Deadline

All orders must be submitted by 11:59 PM ET on the final day of the given month to be included in that month's commissions calculations.

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