



BEDROOM KANDI
BOUTIQUE PARTIES

POLICIES & PROCEDURES

Effective January 1st, 2018

TABLE OF CONTENTS

Introduction	1	38. Compliance	12
A. THE COMPANY	1	39. General Claims	12
1. Use of Company Name	1	40. Medical Claims	12
2. Confidential Information	2	41. Earnings Claims	13
3. Organizational Information	2	42. Investment Claims	13
B. CONSULTANTSHIP	2	43. Franchise/Business Opportunity Claims ...	13
4. The Consultant	2	44. Government Endorsement	13
5. Independent Contractor	2	45. Procuring Volume	13
6. Authorized Consultant	2	46. Retail Outlets	14
7. Consultant Requirement	2	47. Representing Other Direct Sales Programs ...	14
8. Consultantship Identification Number	3	48. Reporting Violations	14
9. Consultantship Name	3	49. Enforcement Procedures	15
10. Annual Renewal	4	50. Disciplinary Actions	15
11. Non-renewal	5	51. Suspensions and Terminations	15
12. Minimum Age	5	52. Non-Disparagement	16
13. Territorial Limits	5	F. ADVERTISING	17
14. Second Consultantship	5	53. Media Advertising	17
15. Spouses	5	54. Sales Materials	17
16. Consultantship Status Changes	5	55. Displays (Vendor Events)	17
17. Consultant Information	6	56. Telemarketing/Fax Broadcasting/Spamming	18
18. Selling a Consultantship	6	G. ORDERING & SHIPPING	18
19. Successors	6	57. Order Forms	18
20. Incapacitation or Incarceration	6	58. Form of Payment	18
21. Cancellation	7	59. Processing Deadline	19
22. Pay Period and Payments	7	60. Ordering Policies	19
23. Other Taxes	7	61. Credit Card Disputes	19
24. Retail Customer Complaints	8	62. Electronic Orders	19
25. Retail Customer Returns for Defects Under Warranty	8	63. Back-Orders	20
C. SPONSORSHIP	8	64. Shipping Information	20
26. Sponsor Responsibilities	8	65. Shipping Charges	20
27. Consultant Produced Tools and Training	9	66. Receiving Deliveries	20
28. Changing Your Upline Sponsor	9	67. Kit Returns	20
29. New Consultant Sign Ups.....	10	68. Return Address	21
30. Orphan Applications	10	69. Exchanges	21
31. Customer Affiliation	10	70. Lost Shipments	21
D. PURCHASE AND SALE OF PRODUCT	10	H. LEGAL ISSUES	21
32. Purchasing Products	10	71. Amendments	21
33. Resale of Products	11	72. Indemnification	21
34. Customer Age of Majority	11	73. Partial Invalidity	22
35. Taxes on Products and Sales Aids	11	74. Length of Agreement	22
36. Currency	11	75. Governing Law, Jurisdiction, and Venue	22
E. CONSULTANT ETHICS, COMPLIANCE AND ENFORCEMENT	12	76. Arbitration	22
37. Consultant Conduct	12	77. Entire Agreement	23
		78. Examples	23
		79. Corporate Contact	23

POLICIES & PROCEDURES

BEDROOM KANDI BOUTIQUE PARTIES POLICIES & PROCEDURES

Thank you for making the decision to become a Bedroom Kandi Boutique Parties Consultant. You have just made an empowering decision to become an entrepreneur by owning your home-based business. You are now a proud participant in the Direct Selling Industry, it is important to take the time to review our company's Policies & Procedures, to better familiarize yourself with how to best conduct your business. Understanding these important policies will protect you and your customers, as well as the company.

An important thing to remember is that you are in business for yourself *but not by yourself*. We are here to support you each step of the way and these Policies & Procedures will provide the guidelines for a successful venture.

If you have questions about any section of this document, please contact us:

1. Visit the Bedroom Kandi Boutique Parties web site at www.BedroomKandi.com and review the FAQ's.
2. Ask your sponsor.
3. Call Bedroom Kandi Boutique Parties Training Department at 866.678.4443 or email training@bedroomkandi.com

Bedroom Kandi Boutique Parties, hereinafter also referred to as the "Company," is a direct sales company supplying products to the consumer through Independent Consultants.

The Bedroom Kandi Boutique Parties Consultant, hereinafter also referred to as the "Consultant" or "BKBC" is the party agreeing to these terms in order to enter into business with Bedroom Kandi Boutique Parties, to be considered a Consultant once they have submitted a Consultant Application and been accepted by the Company.

Bedroom Kandi Affiliates, hereinafter also referred to as "BKAs" or "BK Affiliates" are participants in the Bedroom Kandi Boutique Parties Affiliate Program.

The Bedroom Kandi Resource Center, hereinafter also referred to as the "BKRC" is an online resource center for Bedroom Kandi Boutique Consultants.

A. THE COMPANY

1. Use of Company Name.

1.1

When using or creating any materials other than those provided by the Company, Consultants are not allowed to use the company name, trademark and logos without the written consent of the Company. This includes, but is not limited to: print advertising, business cards, websites, and domain names (i.e. CathysBedroomKandi.com, BedroomKandi4You.com, etc.).

1.2

Any promotion of the Bedroom Kandi products or income opportunity by you must always include the term "Independent Consultant." This includes, but is not limited to: corporate logo, business cards, letterhead, advertising (written or verbal), websites, telephone listings, clothing etc.

2. Confidential Information.

Information concerning a Consultant's own downline organization is proprietary information. This information shall not be used for purposes unauthorized by Bedroom Kandi Boutique Parties and shall never be disclosed to a third party or used for other businesses. Soliciting current BKBC's with information about other direct selling opportunities outside of Bedroom Kandi Boutique Parties is prohibited. There can be no cross-recruiting from one company to another.

3. Organizational Information.

All Bedroom Kandi Boutique Parties corporate-generated information (i.e. Commission reports, downline genealogies, etc.) is the property of Bedroom Kandi Boutique Parties and cannot be sold or otherwise distributed in any way without prior written permission from Bedroom Kandi Boutique Parties.

B. CONSULTANTSHIP

4. The Consultant.

A Consultant is someone who has submitted a Consultant Agreement and who has been accepted by the Company. The Company reserves the right to accept or reject anyone as an individual Consultant or co-owner of a Consultantship, however such acceptance will never be unreasonably withheld. Once an application has been accepted and a Consultantship granted, the Consultantship will be renewed annually at the discretion of the Consultant. This Consultantship will be valid upon the agreement of the Policies & Procedures of the current year.

5. Independent Contractor.

A Consultant is an independent contractor and is not an employee, agent, officer, or partner with Bedroom Kandi Boutique Parties, and is prohibited from representing him/herself as such.

6. Authorized Consultant.

6.01

Only authorized Bedroom Kandi Boutique Parties Consultants may sell Bedroom Kandi products or participate in the Bedroom Kandi Boutique Parties sales compensation programs.

6.02

Only authorized Bedroom Kandi Boutique Consultants, with a Consultant ID #, can access their own online Consultant dashboard. Sharing BKBC login information with anyone outside of the Bedroom Kandi Boutique Parties office, such as family members, friends, customers or team members is strictly prohibited. This protects the security of the Consultant, as well as the Company.

7. Consultant Requirement.

7.01

To become a Bedroom Kandi Boutique Parties Consultant one must file a Consultant Application (also herein referred to as a Consultant Agreement), purchase a Consultant Kit, pass a brief online quiz after viewing initial welcome/training videos, agree to the Policies & Procedures, complete orientation and pay the monthly admin

fee, due on the 1st day of each month. All new Consultants will receive their first full month free. Consultants must reside in the United States and have reliable transportation and access to the internet. A Consultant is responsible for setting up their own merchant account in order to accept debit and credit card payments from their home party customers. Consultants are prohibited from keeping a record of any customer's personal credit card information; this would be a violation of PCI Security Standards.

Consultants are not allowed to use customer credit cards for orders on their dashboards. If a consultant is found using a customer's card to pay for orders via the dashboard, this may result in an infraction or suspension.

7.02

A Bedroom Kandi Boutique Parties Consultantship may be in the name of a business entity of any form (Corporation, LLC, partnership, etc.).

7.03

By agreeing to the online Consultant Agreement and Policies & Procedures, you have accepted the terms and conditions set forth in the Consultant Agreement, and the Policies & Procedures in its entirety.

7.04

The initial establishment of your Consultantship, and the payment of your monthly admin fee (see Section #10 below), entitles each Consultant to receive, among other things, optional online Personal Boutique, online party host leads for 2-star level or higher, regular Bedroom Kandi Boutique Parties communications, an at least monthly accounting of organizational sales volume, and the administration of all commissions, bonuses and profits due them.

8. Consultantship Identification Number.

8.01

Each Consultant must furnish Bedroom Kandi Boutique Parties with at least one of the following:

- a) A social security number (SSN) if a United States residence not operating as a Corporation (i.e. an individual, legal partnership, Limited Liability Company (LLC), etc.);
- b) An Employer Identification Number (EIN) if a Corporation registered in the United States;
- c) The appropriate government identification number used for tax purposes, if any, within the country the Consultantship is located.

8.02

Bedroom Kandi Boutique Parties will not grant more than one Consultantship per individual SSN, corporate EIN, or other government issued identification number. Such numbers will only be used for reporting purposes required of Bedroom Kandi Boutique Parties by law, and will otherwise be held strictly confidential.

8.03

Consultants will be assigned a unique Consultant Identification Number upon acceptance of their Consultant Agreement and may, at their discretion, use this ID number for public distribution (i.e. on business cards, product catalogs, etc.).

9. Consultantship Name.

In the event the Consultantship is to be recognized by any other name besides the legal name of the individual (i.e. a team, partnership, business or corporate name), Bedroom Kandi Boutique Parties management has the right to disallow such names which they feel are offensive, misleading, violative of trademark law, or in any way may negatively impact the image, reputation and/or legal standing of the company.

10. Annual Renewal.

10.01

The Consultant will renew their Consultantship annually by electronically signing and agreeing to uphold the latest version of the Bedroom Kandi Boutique Parties Policies & Procedures, which might include revisions from the previous calendar year. In order to retain your rights and privileges as a Bedroom Kandi Boutique Consultant, Bedroom Kandi Boutique Parties requires the payment of the nominal monthly admin fee.

10.02A

If you decide to opt-out of the monthly admin fee auto-payments, you will receive an invoice on the first of each month on your Consultant dashboard. If unpaid, a reminder will be sent after 2 days. If the monthly admin fee invoice remains unpaid after 7 days, the BKBC dashboard will be suspended until the invoice is paid (participation in leads rotation will also be disabled during this time). After 30+ days unpaid, you have chosen to self-terminate and you will be removed from the Bedroom Kandi Boutique Parties program during the next Consultant Sweep (details in 10.02b). If the removed Consultant has parties booked, they are required to contact the home office to get coverage for those party hosts. Upon removal, any sponsored team members will roll up one level, if it exists. If one level higher does not exist, the team members may be re-assigned to another team leader if they so choose.

10.02B

1. All Consultants are required to read and agree to the Company Policies & Procedures on a yearly basis. Consultants have 30 days to read and agree to the Revised P&P agreement through their dashboard. Consultants who have not agreed within 30 days will be swept from the program.
2. Consultants must pay their admin fee in order to stay active in the Bedroom Kandi Boutique Parties system.
 - If a Consultant misses 1 month of their admin fee payment, the Consultant will have the opportunity to pay their overdue admin fees.
 - If the Consultant does not pay admin fees for more than 1 month, but less than 4 months, the Consultant will need to email BKBC@bedroomkandi.com for an invoice for the outstanding amount to be paid in order to return to Consultant status.
 - If a Consultant has not paid invoices for admin fees for 4+ months, the Consultant will be automatically swept from the program at 6 month intervals or at the discretion of the company any time after the 4 month period has lapsed.

10.03

The Consultant must meet training requirements, including orientation, before receiving online party leads, auto-assigned team members and auto-assigned BK Affiliates from the Company. There may be additional training requirements as the Company grows and Bedroom Kandi Boutique Parties will give Consultants at least 30 days' notice to complete any new training requirements throughout the calendar year.

10.04

A self-terminated Consultant may request reinstatement to the Bedroom Kandi Boutique Parties program by emailing: BKBC@bedroomkandi.com.

Reinstatement requests must be approved by the Bedroom Kandi Boutique Parties home office. If approved, a reinstatement fee of \$100 dollars will be invoiced. The Consultant will have 7 days to pay all reinstatement fees. Admin fees will then be due on the first of each month from that point forward.

10.05

A reinstatement will have no effect on sponsorship changes. If a sponsor reaches 30+ days past due, they forfeit their team members permanently. Former team members who had been reassigned to another leader, will remain with their new team leader.

10.06

If removed from the program again for nonpayment of fees in the future, a Consultant may not be reinstated again. **Reinstatements are a one-time option.** After 6 months, a full kit repurchase and training will be required if approved by the home office.

11. Non-Renewal.

If a Consultant chooses not to renew his/her Consultant Agreement, all rights to compensation, rank, and wholesale purchases shall cease, and the Consultant's hierarchical Bedroom Kandi Boutique Parties Consultantship position shall be vacated. Any directly sponsored team members under a non-renewing Consultant will roll up one level of leadership if it exists.

12. Minimum Age.

A Consultant must be at least 18 years of age, or the age of legal contractual consent within the jurisdiction where they reside.

13. Territorial Limits.

Bedroom Kandi Boutique Parties does not recognize any exclusive territories. Therefore, Consultants are not restricted from conducting business anywhere in the countries in which Bedroom Kandi Boutique Parties operates.

14. Second Consultantship.

No individual Bedroom Kandi Boutique Parties Consultant may have a financial interest, or derive any benefit directly or indirectly from, any second or subsequent Bedroom Kandi Boutique Parties Consultantship without the expressed written permission of the Company. Example: Under no circumstance will any Consultant be allowed to manipulate the Bedroom Kandi Boutique Parties compensation plan by establishing multiple positions for the purpose of receiving matching bonuses on their own commissions.

15. Spouses.

The spouse of existing Consultants may be a co-applicant on the original Consultant Application if the Consultantship is under a business name (with an EIN) and both spouses are listed as owners under that EIN, but may not apply for, nor have, a financial interest in any other Bedroom Kandi Boutique Parties Consultantship.

16. Consultantship Status Changes.

The company reserves the right of approval of any changes in the Consultant's business name only. The Consultant may at any time, for any reason, change their Consultantship to a sole proprietor business, business partnership, corporation (of any type), or to a trust for taxes, estate planning and limited liability purposes. Bedroom Kandi Boutique Parties has no standing to disallow such legal changes and company approval is not necessary. However, the name of all parties who are financially involved, directly or indirectly, with this Consultantship, along with their past or current Consultant Identification Numbers (if applicable), must appear on the newly revised Consultant Application along with written instructions to the company authorizing this identity change signed by all parties involved. This written notification must be submitted to the Bedroom Kandi Boutique Parties home office ten (10) days in advance of the effective date of the change. Bedroom Kandi Boutique Parties has the right to disallow only those individuals who already hold current positions within the Bedroom Kandi Boutique Parties sales program, have been terminated, or who have not been inactive for less than six months, from participating in the newly revised Consultantship.

17. Consultant Information.

It is the responsibility of the Consultant to provide and update Bedroom Kandi Boutique Parties with current and accurate information about the Consultantship, including but not limited to the name(s), addresses, telephone/fax number(s) and current email address. All information changes must be submitted to the Bedroom Kandi Boutique Parties home office either in writing or via the Consultant's online profile. Changes which would impact mailings, commissions, or bonuses should be received at least ten (10) days in advance of the effective date of the change.

18. Selling a Consultantship.

18.01

A Consultant may sell, assign or transfer his or her Consultantship without approval by Bedroom Kandi Boutique Parties (it's your business). However, Bedroom Kandi Boutique Parties reserves the right to approve or deny individual participants. For example, the potential buyer must not be a currently active, or previously terminated Consultant.

18.02

Bedroom Kandi Boutique Parties must be fully informed of all pertinent details, including (but not limited to) the full name, address, phone number and SSN of the buyer(s), at least fifteen (15) business days in advance of the transfer of ownership. This written notification must be signed and notarized by the selling (departing) Consultant and must be accompanied by a new Consultant Agreement signed by the buying (incoming) Consultant.

18.03

A Consultant who sells his/her Consultantship shall not be eligible to reapply as a Bedroom Kandi Boutique Parties Consultant for a period of 180 days.

19. Successors.

Upon the death of the Consultant, Consultant's rights, compensation and responsibilities shall pass to the Consultant's heirs, upon written notification to the Bedroom Kandi Boutique Parties home office. The successor(s) must fulfill the responsibilities of the Consultant. Per section 4 above, Bedroom Kandi Boutique Parties has the right of approval of all new individuals participating, whether by voluntary application or inheritance, in the Bedroom Kandi Boutique Parties sales program. No reasonable applicant will be withheld.

20. Incapacitation or Incarceration.

20.01

In the event the Consultant becomes mentally and/or physically incapacitated and unable to perform their duties per their Consultant Agreement, they may elect to continue the operation of their Bedroom Kandi Boutique Parties business using a proxy. Their proxy must be identified to the Company in advance of their installment. Bedroom Kandi Boutique Parties has the right to disallow only those individuals who already hold current positions within the Bedroom Kandi Boutique Parties sales program, have been terminated, or who have been inactive for less than six months, from participating as a proxy for any Consultantship.

20.02

An incapacitated Consultant, or their proxy, may elect to sell or assign their Consultantship per Section 18 above.

20.03

If Power of Attorney is granted to anyone who assumes control of the affairs of any Consultant, that person will act as proxy for that Consultantship. If Power of Attorney is granted to anyone who is not eligible to assume the role of proxy, per 20.01 above, another proxy must be assigned.

20.04

In the event the Consultant is convicted of a crime and incarcerated for any period of time, their Consultantship will continue to operate under all rules and policies as agreed to by the Consultant. All rules and qualifications within the Bedroom Kandi Boutique Parties compensation plan will continue to be enforced.

20.05

An incarcerated Consultant may elect to sell or assign their Consultantship.

21. Cancellation.

The Consultant Agreement (Consultantship) may be canceled at any time, for any reason, by a Consultant upon notarized notification to the Company by registered mail. This is to prevent fraudulent cancellations. If a Consultant cancels their Consultantship, their directly sponsored team members will roll-up one level of leadership if it exists.

22. Pay Period and Payments.

22.01

Commissions and other bonuses are based on a calendar month. Orders must be entered and received by 12:00 AM Midnight EST on the last day of the month, and invoices paid to Bedroom Kandi Boutique Parties by 12:00 AM Midnight EST on the fourth day of the next month, to be credited to the previous month's sales totals and pay cycle. Checks or digital downloads will be processed or mailed by the 15th of each month for the previous month's bonus and commission amounts.

22.02

Bedroom Kandi Boutique Parties will track your sales volume and that of your entire downline, and monthly commission and bonus payments will be sent by check directly to the address specified by the Consultant, or as a digital download to the Consultant's pre-paid card. The Consultant will allow fifteen (15) days from the conclusion of the monthly pay period for commission checks to arrive. In the event that you have not received your commissions after this amount of time, or the commissions are not what you expected them to be, please consult your online back office account first, then -- if necessary -- notify the Bedroom Kandi Boutique Parties home office. Replacement payments will be issued after the required investigative procedures are completed.

22.03

Commission checks left uncashed for more than 180 days will not be honored. If a replacement check is later requested an additional processing fee of \$30.00 will be charged to reissue a replacement payment.

22.04

Consultants are responsible for keeping their dashboard updated with the correct and complete mailing address for incentive checks. If the information is not stored in the Consultant's dashboard correctly after receiving reminder notifications to update it, the Consultant forfeits any incentive payments due for the time period when information was missing or inaccurate.

23. Other Taxes.

Bedroom Kandi Boutique Parties does not deduct any taxes from the commission payments it sends

Consultants. As Independent Contractors you are responsible for paying the appropriate income taxes (if any). On or before established dates each year, the company provides the Consultant and, if applicable, the appropriate governmental agency, a form which reflects the total paid to the Consultant by the Company during the previous year (all United States based Consultants who have received commission checks totaling \$600 or more and/or with over \$5,000 in direct retail sales volume will be issued a Form 1099-MISC).

24. Retail Customer Complaints.

24.01

Consultants shall promptly and courteously investigate any and all retail customer complaints, and shall take appropriate action to remedy all such complaints. A Consultant will reply to all e-mails or phone messages from the complainant, or the Bedroom Kandi Boutique Parties Home Office, within 48 hours.

24.02

When a customer complaint is received by the corporate office, Bedroom Kandi Boutique Parties will investigate and take any and all appropriate action to resolve the matter quickly.

25. Retail Customer Returns for Defects Under Warranty.

25.01

All retail customers shall receive a replacement product for any defective products still under warranty per the manufacturer's return policy i.e. Warranty against defects or workmanship. A Consultant shall honor the Bedroom Kandi Boutique Parties Retail Customer exchange policy by courteously and promptly informing the Customer of the appropriate product return exchange procedures.

25.02

In the event product is returned for a replacement directly to you by a Retail Customer in such a way that prevents you from explaining the proper return process (e.g. by mail), you will proceed to return the product to the Company on behalf of the Customer per the proper return procedures.

25.03

In the event that a product has been sold from a Consultant's inventory and a warranty claim needs to be made, it is the Consultants responsibility to contact the corporate office to begin the return procedures.

C. SPONSORSHIP

26. Sponsor Responsibilities.

26.01

Team leaders are required to complete basic leadership training calls listed in the Leadership section of the BKRC within 14 business days of sponsoring their first team member. This training must be renewed annually. It is strongly recommended that sponsors have consistent weekly communication with their team members, for team support, training and morale in order to achieve the best team results.

26.02

Sponsoring Consultants are expected to serve, motivate, train and otherwise assist those whom they sponsor. Sponsors have the ongoing responsibility to provide leadership, support Bedroom Kandi Boutique Parties' policies and programs, and to promote the Bedroom Kandi Boutique Parties opportunity and products.

Consultants should be able to provide evidence of ongoing fulfillment of these expectations to Bedroom Kandi Boutique Parties if requested.

26.03

Consultants are expected to ensure awareness of, and compliance with, all Bedroom Kandi Boutique Parties and governmental regulations for those Consultants within their organization. A sponsor who becomes aware of any violations of these policies must promptly bring them to the attention of Bedroom Kandi Boutique Parties' Compliance Department. Failure to do so is a violation of this policy. Giving false or misleading information about our Bedroom Kandi Boutique Parties program for the purpose of recruiting a new team member to join our company is prohibited and could result in disciplinary action, termination, or loss of team.

26.04

Consultants will receive free auto-assigned team members (who joined Bedroom Kandi Boutique Parties without a sponsor) in rotation from Bedroom Kandi Boutique Parties' automated system when the following criteria is met:

- a) Consultant has \$500+ in PRV in the current or previous month.
- b) Consultant is infraction free for 6 months
- c) Consultant is Silver Level or higher
- d) Consultant completed the most recent Recorded Orientation.
- e) Consultant completed the required basic leadership calls in the BKRC.

This criteria may change at the Company's discretion. The same criteria will be used to receive free auto-assigned BK Affiliates who joined the BKA program without a sponsor. There are two separate rotations, one for auto-assigned BKBCs and one for the auto-assigned BK Affiliates.

27. Consultant Produced Tools and Training.

Bedroom Kandi Boutique Parties has conducted a great deal of research and testing in the development of their marketing tools and training systems. Therefore, Consultants are prohibited from producing their own marketing tools, sales aids, and training materials without the expressed written permission of the Company, as per the Company's discretion. Consultants must submit proofs of any self-made materials to the Bedroom Kandi Boutique Parties home office for approval before use.

28. Changing Your Upline Sponsor.

All Bedroom Kandi Consultants have the right to sponsor others to become Consultants. To protect the integrity of the Bedroom Kandi Empowerment Plan and safeguard the hard work of all independent Consultants, Bedroom Kandi does not encourage sponsor change requests. Maintaining the integrity of sponsorship is critical to the success of every Consultant. As a general rule, you are responsible for your own success as a Consultant. Additionally, the Bedroom Kandi organization is structured to give you access to multiple layers of support from your upline and corporate team, making a difficult or less responsive sponsor a less significant hurdle to your success. Changing sponsors is allowed only under the following two conditions:

- a) You may change your sponsor with written and notarized approval from your sponsor lineage, 3 levels up. Your existing team members in your downline will be forfeited and rolled up to the sponsor you were under at the time the change request was made.
- b) You may change your sponsor only by formally self-terminating from the program (per Section B.21 above) and waiting 180 days to rejoin with a new Consultantship, under a new sponsor. Any downline team members will be forfeited and rolled up to the sponsor you were previously under at the time of self-termination.

Notarized letters must be received at the Bedroom Kandi Boutique Parties corporate office within 15 days of the original change request before any changes will be approved.

29. New Consultant Sign Ups.

29.01A

Occasionally, two sponsors may contact the same prospect resulting in a dispute over sponsoring rights. Bedroom Kandi Boutique Parties will not mediate such disputes, and will recognize the Consultant whose name appears on the new Consultant Application.

If two applications are submitted, the one received first will be recognized. Every new Consultant has the right to choose his or her sponsor and the choice should be made carefully due to the fact that changing sponsors is generally discouraged, except in rare cases where leadership infractions have occurred. Changing sponsors require other criteria be met, see Section 28.

29.01B

Auto-assigned Consultants and their teams have 15 days to request a new sponsor if there proves to be a documented lack of support or incompatibility. These changes require corporate approval and a written, notarized request from the Consultant before the end of the first 15 days. **This is the only scenario in which a Consultant may change their sponsor and retain their team members.**

29.02

In cases involving unethical sponsoring or infractionable behavior (refer to the Sponsor Expectation section of the BKRC under the Leadership tab), a Consultant may ask that the Corporate Office evaluate the situation. Each situation will be considered on a case-by-case basis. If the sponsor change is approved, the Consultant will be removed from their current sponsor and rolled up to the sponsor above their current sponsor's level.

The BK Corporate Office reserves the right to reject sponsor changes in order to maintain a NO POACHING culture and environment.

30. Orphan Applications.

No Consultant Application will be accepted that does not include a sponsoring Consultant's Identification Number. Should an "Orphan" application be received, Bedroom Kandi Boutique Parties' support staff will make every effort to determine who referred the prospect including, but not limited to, contacting the prospect and inquiring directly. In the event that there was no referring Consultant, the prospect will be assigned to an active Consultant who meets the leadership criteria set to receive auto-assigned team members.

31. Customer Affiliation.

Retail Customers are not bound to any particular Consultant, and may purchase Bedroom Kandi products from any Consultant whom they choose to do business with.

D. PURCHASE AND SALE OF PRODUCT

32. Purchasing Products.

Consultants must purchase all of their Bedroom Kandi products, literature, sales tools, Consultant manuals, technology services etc., directly from Bedroom Kandi Boutique Parties or an approved vendor.

33. Resale of Products.

33.01

Consultants have the option of utilizing the Company's drop-shipping program, to ship your customer order directly to them. This saves you the responsibility of carry stock. Consultants are approved to carry product inventory, but must ship or deliver the products directly to the customers immediately upon sale.

33.02

In the event that a product has been sold from a Consultant's inventory and a warranty claim needs to be made, it is the Consultants responsibility to contact the corporate office to begin the return procedures.

34. Customer Age of Majority.

34.01

Consultants are prohibited from presenting or selling Bedroom Kandi Boutique Parties merchandise to minors. Consultants shall only allow those who are of the Age of Majority (i.e. age of legal adulthood) in their state to be present at any in-home party, or any other type of sales event. Age of Majority is 18 in all U.S. states except: Alabama (19), Nebraska (19), and Mississippi (21).

34.02

Age of Majority may change from time to time in various states. It is the Consultant's responsibility to know the Age of Majority in their state at all times.

35. Taxes on Product and Sales Aids.

35.01

Where taxes are applicable, Bedroom Kandi Boutique Parties collects those taxes from the Consultant when the Consultant orders product and sales aids. The taxes paid by the Consultant to the Company are based on the suggested retail price of all resalable products. Bedroom Kandi Boutique Parties pays the taxes to the appropriate authorities, (except in the states of Alaska and Puerto Rico) and the Consultant is responsible for collecting the sales tax for each order from their paying customer at the time the retail sales order is taken.

35.02

Virtually all network marketing companies apply sales taxes (when applicable) on the suggested retail cost. This is done because the primary purpose of your product purchases should be for resale. If you are charged sales tax on the wholesale amount (or not at all), and then you mark up and resell the products at retail and collect sales tax from your customer at retail, you essentially make a profit on the sales tax and it must be reported to all applicable local, state and federal agencies. Bedroom Kandi Boutique Parties will charge the Consultant sales taxes based on applicable state and local sales tax rates and remit these taxes on behalf of the Consultant.

36. Currency.

All orders are processed in USD (United States Dollars) Currency.

E. CONSULTANT ETHICS, COMPLIANCE AND ENFORCEMENT

37. Consultant Conduct.

37.01

Consultants agree to conduct themselves with the highest ethical, professional, and business standards. Consultants agree to refrain from any conduct which may be harmful to Bedroom Kandi Boutique Parties' reputation or to the marketing of Bedroom Kandi Boutique Parties products or income opportunity. Consultants found to be engaged in deceptive, unethical, discourteous, misleading, coercive, illegal or immoral conduct may be subject to disciplinary action including suspension and/or termination of their Consultantship.

37.02

Charging hosts to hold Bedroom Kandi parties is not permitted.

37.03

Consultants are not allowed to demonstrate BK massagers on their customers. If customers ask to test the power of the vibration of a massager, customers must test it on themselves, and we strongly advise using non-sexual body parts such as the tip of the nose or the palm of the hand. Any demos performed with the participation of any party guest should be done so with the expressed verbal consent of the guest.

38. Compliance.

It is mandatory that all Policies & Procedures be complied with. These regulations have been established to protect the rights of the Company, the Consultant, and the Consultant's customers. Bedroom Kandi Boutique Parties will always strive to be a fair and friendly company. However, actions that may be harmful to the welfare of our company, employees, customers, and most importantly our Consultants, are considered very serious and will be addressed accordingly.

- a) Consultants are required to respond to any form of communication from our corporate office within 48 hours including phone messages or emails.

39. General Claims.

39.01

Bedroom Kandi Boutique Parties Independent Consultants will not make any claims, statements, representations, or warranties, either verbal or written, regarding Bedroom Kandi Boutique Parties products, income opportunity, company management, or support services, other than those contained in current Bedroom Kandi Boutique Parties produced or approved materials. If there is ever any doubt about what you may or may not say, please contact Bedroom Kandi Boutique Parties' corporate office for guidance.

39.02

Bedroom Kandi Boutique Parties Consultants must always be candid and forthright about the nature of the Bedroom Kandi Boutique Parties products and income opportunity. When inviting prospective customers to home sales parties, or any type of event where Bedroom Kandi Boutique Parties products will be discussed, Consultants should always make clear that some products being presented are of a sexual nature and that attendance is restricted to adults only.

40. Medical Claims.

No claims as to any therapeutic or curative effect of Bedroom Kandi products may be made except for those approved by the Company or as contained in official Bedroom Kandi Boutique Parties literature. Consultants

may not make medicinal claims that relate to the treatment, prevention, mitigation, or cure of disease. This prohibition includes claims made as part of a personal testimonial. In particular, the suggestion or insinuation that any physician prescribed medication may be discontinued in lieu of a Bedroom Kandi product will be considered an egregious violation of this policy. If the Consultant wishes, he or she can recommend that the customer consult with his/her physician prior to using any Bedroom Kandi products.

41. Earnings Claims.

False or misleading representations of earnings or potential earnings is strictly prohibited. Whenever earnings examples are included in advertising or verbally, the Consultant must include the following income disclaimer: "Actual earnings will vary significantly between Consultants. This is only a hypothetical example to illustrate the mechanics of the Bedroom Kandi Boutique Parties compensation plan. Individual earnings as a Bedroom Kandi Boutique Parties Consultant depend upon the individual effort of that Consultant."

42. Investment Claims.

It is strictly forbidden for any Consultant to refer to, or imply that, the Bedroom Kandi Boutique Parties income opportunity is, or requires a, financial "investment". Although Consultants may discuss or describe the "residual income" opportunity provided by Bedroom Kandi Boutique Parties' network marketing program, it is a violation of this policy to suggest, directly or indirectly, that such income is "effortless", involves little or no work, is created primarily or solely by the effort of others, or any other such language that implies the absence of work, training and perseverance in the initial creation of such "residual income".

43. Franchise/Business Opportunity Claims.

It is strictly forbidden for any Consultant to refer to, or imply that, the Bedroom Kandi Boutique Parties income opportunity is, or is similar to, a "franchise". It is also strongly advised that Consultants refrain from using the term "Business Opportunity" when describing Bedroom Kandi Boutique Parties' network marketing program. The suggested alternative is "Income Opportunity". Although "Business Opportunity" is a common term used to describe a network marketing program, and thus greater discretion will be applied by Bedroom Kandi Boutique Parties when enforcing this policy regarding this term, under no circumstances should the term "franchise" be used within any context. Certain state and federal agencies within the United States, including the Federal Trade Commission, make a distinction when applying certain regulations and laws to "Franchise" and "Business" opportunities that do not otherwise apply to network marketing programs. It is the Consultant's responsibility to maintain this distinction.

44. Government Endorsement.

International, Federal and State regulatory agencies do not approve or endorse direct selling programs. Therefore, Consultant's may not represent or imply, directly or indirectly, that the Bedroom Kandi Boutique Parties program has been approved or endorsed by any governmental agency.

45. Procuring Volume.

Consultants may not purchase Bedroom Kandiproducts through any Consultantship other than their own, nor may they purchase product for the primary purpose of artificially meeting sales volume quotas, sales level advancements, or contest qualifications.

46. Retail Outlets.

46.01

Consultants are prohibited from displaying or selling Bedroom Kandi products in any retail outlet. However, Consultants may display Company-approved marketing material promoting Bedroom Kandi products and income opportunity within appropriate retail establishments, with the expressed written permission of the owner or manager of said space.

46.02

Consultants are strictly prohibited from selling Bedroom Kandi products to any person who will then resell those products through or to a retail establishment.

46.03

Consultants are prohibited from selling Bedroom Kandi products on any online E-Commerce source other than their BK Consultant web page provided by Bedroom Kandi Boutique Parties. Under no circumstances may Bedroom Kandi products be sold through online social, advertising and auction sites including, but not limited to, Facebook, Craigslist, eBay and Amazon respectively.

47. Representing Other Direct Sales Programs.

47.01

Bedroom Kandi Boutique Parties strongly discourages the practice of working within more than one network marketing company within the same industry. However, the Company recognizes the Independent Contractor status of its Consultants and that this is your business decision. Therefore, there is no general prohibition against having a Consultantship with another network marketing, affiliate, or commissioned sales program (all of which are hereafter referred to as "Sales Program(s)"). However, the following specific practices are prohibited:

- a) Promoting or selling the opportunity or products of any other Sales Program(s) to any Bedroom Kandi Boutique Party Consultant, host or customer or;
- b) Co-mingling the products or services of another Sales Program(s) with Bedroom Kandi Boutique Parties products during in-home parties, meetings, trade shows, fairs, or in any other venue, media or situation;
- c) Offering any type of contact information connected to any Bedroom Kandi Boutique Parties Consultant to another party with the intent of having the other party solicit that Consultant to consider any product or income opportunity unrelated to Bedroom Kandi Boutique Parties;
- d) Publicly or privately state, by any written or verbal means, that the products or income opportunity of the other Sales Program(s) is superior to Bedroom Kandi Boutique Parties' products or income opportunity.

47.02

Sponsoring represents an important commitment of time and money. Bedroom Kandi Boutique Parties feels that those valuable relationships should be protected. Furthermore, it is Bedroom Kandi Boutique Parties' fiduciary responsibility to protect the integrity of every Consultant's sales organization. Therefore, cross-sponsoring between Sales Programs offering competing products is **universally prohibited**.

The spirit and intent of this section is designed to protect your rights to openly promote complementary and beneficial secondary Sales Programs to those you have sponsored (such as lead suppliers, generic training, communication services, etc.) as well as to support the products and services of other non-competing network marketing programs (which Bedroom Kandi Boutique Parties encourages).

48. Reporting Violations.

Every Consultant has the duty and responsibility to investigate and report any and all violations of the Policies & Procedures to the Bedroom Kandi Boutique Parties home office. However, such reports will carry little weight if

submitted anonymously. Any allegation of policy violations must be sourced and verified. Intentionally filing false or misleading violation reports are in itself a severe policy violation.

49. Enforcement Procedures.

49.01

Bedroom Kandi Boutique Parties will never arbitrarily or unfairly enforce its policies. However, since infractions may potentially jeopardize the orderly operation of the Company as well as its legal standing and reputation, the Company must occasionally be prepared to take firm action. Bedroom Kandi Boutique Parties will fully investigate any alleged policy violations, including the defense of the accused party, before any formal action is taken.

Utmost care will be taken to ensure that the complaint is accurate. The Company considers all complaint information to be strictly confidential.

49.02

Upon learning of a violation, a Consultant should inform the violator of the pertinent section of the Bedroom Kandi Boutique Parties Policies & Procedures and/or Consultant Agreement. The matter should be discussed calmly and professionally. Point out the basis of that particular policy. Be sure the alleged violator knows how their conduct was a violation of the policy and what the appropriate conduct is. Most violations are due to a lack of information and educating the offender usually settles the matter.

49.03

Unless the infraction was serious in nature (e.g. involves potentially illegal activity), if the violator understands the policy and agrees to comply, it is not necessary to inform the Company of the violation.

49.04

If the alleged violator refuses to cooperate, then the Consultant should send a letter to the Bedroom Kandi Boutique Parties home office stating the nature of the violation along with the details (i.e. names, addresses, telephone numbers of all persons involved, dates, times, location, etc.). The letter must be signed by the Consultant(s) reporting the violation(s). The source of this information will be held confidential, unless revelation is required by law.

49.05

When the complaint is received by Bedroom Kandi Boutique Parties, all parties will be afforded the opportunity to be heard, either through correspondence or in person. Evidence may be presented and a decision will be rendered after all relevant facts have been reviewed. Once a decision is reached, all parties will be notified.

49.06

If you receive an infraction, and then remain infraction free for a full year, you will have the opportunity to receive leads again.

50. Disciplinary Actions.

In the event that a Consultant has violated any of the provisions within the Consultant Agreement, the Policies & Procedures Manual, or any applicable Local, State or Federal laws, or in any way compromises the integrity of Bedroom Kandi Boutique Parties, the Company may elect to suspend or terminate, at its sole discretion, the offending Consultant.

51. Suspensions and Terminations.

51.01

The Company will send the Consultant an official notice of suspension or termination by registered US mail, or

whatever delivery confirmation method is available in the offending Consultant's country, to the address on file. Copies of this notification may also be sent by fax or email, if available. This notification will include the basis for the action and length of the suspension (if applicable).

51.02

The Consultant will have thirty (30) days from the date of mailing in which to appeal the suspension or termination. The Consultant's appeal must be received by the Bedroom Kandi Boutique Parties home office within the 30 day period. If the appeal is not received within the 30 day period, the suspension or termination will stand and is final.

51.03

Bedroom Kandi Boutique Parties management will carefully review the Consultant's written appeal and, if appropriate, conduct a follow-up conversation. Bedroom Kandi Boutique Parties management may, at its discretion, request a review of the suspension or termination by the Consultant Advisory Council (CAC) for additional guidance.

The Company will then render its final decision and notify the Consultant by email or Priority Mail.

51.04

During the time of the initial investigation, but prior to any formal suspension or termination, the Consultant will retain all rights as an active Consultant in good standing. Bedroom Kandi Boutique Parties follows the policy of "innocent until proven guilty."

51.05

While under suspension, or following termination, the Consultant agrees to immediately cease representing himself/ herself as a Bedroom Kandi Boutique Parties Consultant, may not directly or indirectly contact current Consultants, may not attend Consultant meetings or Company events, may not attend or host in-house parties, and may not enroll new Consultants nor sell Bedroom Kandi Boutique Parties products. No financial compensation of any kind will be paid or accrued to the Consultant during suspension or after date of termination. No additional sales volume will be accrued within the Bedroom Kandi Boutique Parties compensation program during the suspension period.

51.06

In the event that a Consultant resigns, is suspended, or is terminated, Bedroom Kandi Boutique Parties maintains the right to hold any forthcoming commissions or bonus generated during the current commission month (the month in which the resignation, suspension or termination formally begins). Under no other circumstance will commissions or bonuses be withheld.

51.07

Terminated Consultants are not eligible for future application as a Bedroom Kandi Boutique Parties Consultant.

52. Non-Disparagement

52.01

Negative comments and remarks made by Consultants about the Company, its management, products, or compensation plan serve no purpose other than to diminish the confidence and enthusiasm of other Bedroom Kandi Boutique Parties Consultants. For this reason, and to set the proper example for their sales organization, Consultants must not disparage Bedroom Kandi Boutique Parties, its directors, officers, or employees, other Consultants, or Bedroom Kandi Boutique Parties' products and compensation plan to anyone other than Bedroom Kandi Boutique Parties' Consultant Support personnel, or Bedroom Kandi Boutique Parties senior management.

52.02

There are several avenues to formally express constructive criticisms, concerns, or complaints to Bedroom Kandi Boutique Parties support and/or management. Consultants are encouraged to take advantage of these communication devices and the Company welcomes such input.

52.03

Consultants should not, either verbally or in writing, disparage any competing network marketing program, its products, management or compensation plan, by name. For the purpose of this section, “disparage” is defined as: To speak of in a slighting or disrespectful way, or to belittle. Bedroom Kandi Boutique Parties does not condone gratuitous “competition bashing.” This section is not meant to discourage or prevent a professional, candid discussion of specific advantages and benefits offered by Bedroom Kandi Boutique Parties compared to other network marketing programs, nor does it prohibit or discourage the revelation of alleged advantages posed by competing programs when those advantages are verifiably false, misleading or overstated. Bedroom Kandi Boutique Parties recognizes your right to defend yourself against competitor “hype”, and to fairly and accurately contrast and compare various aspects of the Bedroom Kandi Boutique Parties program to that of specific competitors. This is all part of a healthy, competitive environment. However, you must never attempt to position Bedroom Kandi Boutique Parties as having the “best” opportunity or products by tearing down other competitors.

F. ADVERTISING

53. Media Advertising.

53.01

All advertising including, but not limited to, flyers, press releases, promotional statements made on telephone answering machines or voice mail, direct mailing pieces, radio, TV, or newspaper advertising copy, or promotional statements made on internet message boards or websites, must be approved by the Bedroom Kandi Boutique Parties home office before being disseminated or published.

53.02

Bedroom Kandi Boutique Parties Consultants may not represent Bedroom Kandi Boutique Parties in the media (in advertising, news or special interest features or in any other category) without the express written consent of Bedroom Kandi Boutique Parties. All media inquiries are to be referred immediately to the Bedroom Kandi Boutique Parties home office.

54. Sales Materials.

All sales, promotional and advertising materials must be approved in writing or supplied by Bedroom Kandi Boutique Parties (see section #27: Consultant Produced Tools and Training).

55. Displays. (Vendor Events)

55.01

Bedroom Kandi Boutique Parties Consultants may display the Bedroom Kandi Boutique Parties products and income opportunity at trade shows, expos, and similar exhibitions for the purpose of attracting potential Consultants and selling products. Participation in any such event must receive prior written approval, before signing a contract or paying for booth space, from the Bedroom Kandi Boutique Parties home office.

An Event Registration Form can be found in the BKRC and must be submitted to the Bedroom Kandi Boutique Parties home office at least 30 days prior to participation in an event for approval. The Company will email an approval/denial to the Consultant within 2 business days of receiving a completed Event Registration Approval form. If you do not receive an approval/denial by email within 2 business days, please contact the home office for confirmation that your request was received.

55.02

Consultants are prohibited from setting up exhibits in shopping malls, at farmers' markets or at flea markets, or any other such venue where minors may be in attendance.

56. Telemarketing/Fax Broadcasting/Spamming.

56.01

Consultants may not use or transmit unsolicited faxes, unsolicited email, or "spamming" relative to the operation of their Bedroom Kandi Boutique Parties business. The terms "unsolicited faxes" and "unsolicited email" mean the transmission via telephone facsimile or electronic mail of any material promoting Bedroom Kandi Boutique Parties, its products, its income opportunity, or any other aspect of the Company. The only exceptions are faxes or emails to:

- a) any adult person with that person's prior express invitation or permission; or
- b) any adult person with whom the Consultant has an established business or personal relationship.

56.02

Telemarketing calls may only be made to:

- a) any adult person with that person's prior express invitation or permission; or
- b) any adult person with whom the Consultant has an established business or personal relationship; or
- c) any adult person residing in the United States that the Consultant is certain is not on the Federal Do Not Call Registry.

56.03

Telemarketing laws differ from country to country and from state to state. There are various penalties (some severe) imposed by regulators for violation of these laws. It is the Consultant's responsibility to understand the laws of their land as they relate to all forms of marketing which they intend to use. For example, it is the Consultant's responsibility to verify that any lead supply source has "scrubbed" (omitted) from their lead lists for sale all those who reside in the United States and are on the Do Not Call Registry, as mandated by the U.S. Federal Trade Commission.

G. ORDERING & SHIPPING

57. Order Forms.

Bedroom Kandi Boutique Parties products and sales aids must be ordered using an official Bedroom Kandi Boutique Parties order form via the online ordering system.

58. Form of Payment.

58.01

Invoices must be paid in full before orders will ship. Accepted Methods of Payment are Credit/Debit Card (Visa, MasterCard, American Express, Discover). Bedroom Kandi Boutique Parties does not ship orders on a C.O.D. (cash on delivery) basis.

59. Processing Deadline.

59.01

All sales orders must be entered into the Consultant dashboard, and invoices paid in full, within 3 business days of receiving payment from a customer. There are no exceptions to this policy.

59.02

Any invoices owed to the corporate office, including but not limited to, reship fees and real-time shipping rates must be paid within 30 days.

60. Ordering Policies.

On internet orders where a credit card is used, only the owner or spouse of the owner of the credit card may place the order. Each order can only stipulate one shipping address (orders can not be split). Cash payments via normal mail will not be accepted. Bedroom Kandi Boutique Parties does not assume responsibility in the event that cash is lost or stolen if this is done.

61. Credit Card Disputes.

61.01

The ability to accept payment by credit card is a privilege and one Bedroom Kandi Boutique Parties takes very seriously. Unnecessary, avoidable or frivolous credit card chargebacks can seriously jeopardize the Company's ability to accept such payments. Therefore, if any dispute or question should arise regarding a charge to a Consultant's credit card, Bedroom Kandi Boutique Parties requires the Consultant to immediately contact the Bedroom Kandi Boutique Parties home office before any other action is taken. The Consultant must allow Bedroom Kandi Boutique Parties thirty (30) full days to make all reasonable effort to investigate and resolve the issue before initiating a formal credit card chargeback request with your credit card supplier or bank. Consultants who take such action without first contacting the Company and allowing Bedroom Kandi Boutique Parties to resolve the issue, or within the 30 day resolution period, will be subject to suspension.

61.02

All Consultants should be aware that complaints made against Bedroom Kandi Boutique Parties filed with any other dispute resolution entity including, but not limited to, the Better Business Bureau, a local, state, province or country regulatory or legal agency (e.g. a state's Attorney General's office in the United States), without first contacting the Company and allowing Bedroom Kandi Boutique Parties to resolve the issue, or within the 30 day resolution period, will be subject to suspension.

61.03

Any dispute or criticisms related to any aspect of Bedroom Kandi Boutique Parties, directly or indirectly, posted to any dispute publicizing website or message board, will be considered a violation of the Non-Disparagement clause (Section 54) of these Policies and subject the Consultant to suspension or termination.

61.04

If you have a complaint or dispute related to charges please use the Contact Us form in the BKRC to reach the Finance Department, or secondarily, contact Consultant Support at [866.678.4443](tel:866.678.4443), or by email to BKBC@bedroomkandi.com.

62. Electronic Orders.

When placing orders by internet, you must receive an Order Confirmation Number upon approval of your order.

If you fail to receive such confirmation, or the transaction does not complete for any reason, do not resubmit the order again. Instead, wait thirty (30) minutes, then either call the Bedroom Kandi Boutique Parties order department or check your “See Orders” page within your back office to verify the status of the order.

63. Back-Orders.

In the event that an item is temporarily out of stock, Consultants will be notified by email from the Bedroom Kandi Boutique Parties office and it will be posted in the Dashboard. There will be no backorders on out of stock items.

64. Shipping Information.

64.01

Bedroom Kandi Boutique Parties will ship your order via the best carrier with tracking. Consultants residing within the 48 contiguous states should allow (but not expect) up to 10 days from the date of order before contacting the Bedroom Kandi Boutique Parties home office to locate the order. Multiple parcel shipments may arrive on separate days.

Allow up to two (2) days after the first parcel arrives before contacting Bedroom Kandi Boutique Parties to locate the second parcel.

64.02

Bedroom Kandi Boutique Parties requires that all orders have a complete shipping address. All orders must have a contact name (and business name if applicable). Any incomplete or inaccurate address will delay or prevent delivery of the shipment and may result in additional shipping charges.

65. Shipping Charges.

All shipping charges are indicated on the official Bedroom Kandi Boutique Parties order form. Minimum charges may apply. These charges are paid by the purchaser.

66. Receiving Deliveries.

Should a Consultant or Customer make arrangements with the delivery company to leave the package(s) on their property without a person present to accept it, or agree to such delivery, Bedroom Kandi Boutique Parties will not be held responsible for any damage or theft that may occur. Should damage or theft occur, it will be the sole responsibility of the Consultant or Customer to file a claim directly with the shipping company or their property insurance company.

67. Kit Returns.

Kit returns will be accepted within 30 days of kit purchase.
The following requirements apply in order to receive a refund:

- 1) an RA number must be issued prior to any return,
- 2) a 10% restocking fee will be charged and
- 3) the kit must be unopened with all products in saleable condition.

68. Return Address.

Returned kits must be shipped with a tracking number, at the Consultant's expense, to:
Suki, LLC c/o Bedroom Kandi Boutique Parties
22 Marin Way, Unit 2A, Stratham NH 03885.

69. Exchanges.

Product exchanges will be considered on a case-by-case basis and accepted at the sole discretion of the Company.

70. Lost Shipments.

If fifteen (15) days have elapsed since ordering and you have not received your shipment, contact the Bedroom Kandi Boutique Parties home office for assistance. Consultants have twenty (20) days from the date on the invoice to report any undelivered parcels. After 20 days from the date on the invoice the order will be considered delivered in full.

H. LEGAL ISSUES

71. Amendments.

71.01

Bedroom Kandi Boutique Parties will make every effort to notify Consultants of any and all significant changes to the Bedroom Kandi Boutique Parties Policies & Procedures as much in advance of such changes as is possible. Bedroom Kandi Boutique Parties further commits to utilizing the Consultant Advisory Council (CAC) and various other Consultant feedback systems when considering significant changes to the Bedroom Kandi Boutique Parties Program.

71.02

Bedroom Kandi Boutique Parties reserves the right, at its sole discretion and when absolutely necessary, to make amendments to Company policies, the Consultant Agreement, product pricing, or the marketing and compensation plans without prior notification. By signing the Consultant Agreement, the Consultant agrees to abide by any such amendments.

71.03

The Consultant has the right to negotiate any part of their Consultant Agreement and these Policies & Procedures. All such negotiations must take place before either document is signed by the Consultant. Addendums, deletions or revisions to the Consultant Agreement and/or Policies & Procedures must be mutually agreed to by both parties (the Consultant and the Company) in writing, or by electronic signature online when available.

72. Indemnification.

72.01

Consultants are fully responsible for all of their verbal or written statements regarding Bedroom Kandi Boutique Parties products, services, and compensation plan that are not expressly contained in official company material. As such, Bedroom Kandi Boutique Parties Consultants agree to indemnify Bedroom Kandi Boutique Parties, and its directors, officers, agents, and employees, and hold them harmless from any and all claims, damages, or liability.

This includes, but is not limited to, judgments, civil penalties, refunds, legal fees, court costs, damages or lost business incurred by Bedroom Kandi Boutique Parties as a result of the Consultant's unauthorized representations or actions. This provision shall survive the termination of the Consultant Agreement.

72.02

Bedroom Kandi Boutique Parties is responsible for all verbal or written statements regarding Bedroom Kandi Boutique Parties products, services, and compensation plan which are expressly contained in official company material, or which has been properly submitted to Bedroom Kandi Boutique Parties for review and approval, and such approval has been granted. As such, Bedroom Kandi Boutique Parties agrees to indemnify Bedroom Kandi Boutique Parties Consultants, and hold them harmless from any and all claims, damages, or liability that may arise from their use of such Company produced and/or approved materials. This includes, but is not limited to, judgments, civil penalties, refunds, legal fees, court costs, damages or lost business incurred by Bedroom Kandi Boutique Parties Consultants as a result of the Consultant's use of such authorized material. This provision shall not survive the termination of the Consultant Agreement.

73. Partial Invalidity.

If any portion of these Policies & Procedures or the Consultant Agreement is declared invalid by a court of competent jurisdiction, all other parts shall remain in full force and effect.

74. Length of Agreement.

All policies agreed to within the Consultant Agreement and the Policies & Procedures transcend and survives the date of termination or resignation for a period of one (1) year, unless otherwise stated.

75. Governing Law, Jurisdiction and Venue.

These Policies & Procedures, the Compensation Plan, and the Consultant Agreement are governed by the laws of the state of New Hampshire, unless the laws of the State or Province in which a Consultant resides expressly require the application of its laws. The parties agree the proper jurisdiction and venue of any matter not subject to arbitration shall be in any court of competent jurisdiction within the state of New Hampshire unless the laws of the state in which a Consultant resides expressly require the application of its laws, in which case that state's laws shall govern all issues related to jurisdiction and venue. The Consultant Agreement shall be binding upon the successors and assigns of both parties.

76. Arbitration

76.01

Any controversy or claim relating to these Policies & Procedures, the Compensation Plan, or the Consultant Agreement or any breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. If a Consultant wishes to bring an action against Bedroom Kandi Boutique Parties for any act or omission relating to the Consultant Agreement, such action must be brought within 90 full days from the date of the alleged conduct giving rise to the cause of action. Failure to bring such action within 90 full days shall bar all claims by Consultant against Bedroom Kandi Boutique Parties for such act or omission. Consultant waives all claims that any other statute of limitation applies to. Consultants waive all rights to trial by jury or to any court.

76.02

All arbitration proceedings shall be held in state of New Hampshire unless the laws of the state or province in which a Consultant resides expressly require the application of its laws, in which case the arbitration shall be held in the capital of that state. The parties shall be entitled to all discovery rights allowed under the Federal Rules of Civil Procedure.

No other aspects of the Federal Rules of Civil Procedure shall be applicable to an arbitration. There shall be one arbitrator, an attorney at law, who shall have expertise in business law transactions with a thorough understanding of the direct selling industry, selected from the panel which the American Arbitration Panel provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitrate shall survive any termination or expiration of the Consultant Agreement. Nothing in the Consultant Agreement shall prevent Bedroom Kandi Boutique Parties from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction or other relief available to safeguard and protect Bedroom Kandi Boutique Parties' interest prior to, during or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

76.03

The intent of this section is to significantly reduce the cost of any legal proceeding to both parties as well as to increase the speed in which it proceeds.

77. Entire Agreement.

The Consultant Manual, Consultant Agreement, the Policies & Procedures, and all forms, applications and other related documents mentioned herein are incorporated into the Consultant Agreement and constitute the entire agreement of the parties.

78. Examples.

All examples provided within the Consultant Manual, Consultant Agreement, and the Policies & Procedures, are not meant to be all inclusive and are provided for clarification purposes only.

79. Corporate Contact.

All Policies herein that require "in writing" notification to Bedroom Kandi Boutique Parties should be sent to:

Bedroom Kandi Boutique Parties
45 Lafayette Road #332
North Hampton, NH 03862

Verbal notification should be directed to [866.678.4443](tel:866.678.4443).

Running list of P & P Changes for 2018

Intro:

Definition of terms for BKBP, BKBCs, BKAs, and the BKRC.

Footer:

Use the new footer with the Lafayette Rd address

Page 1, numbered section, change to:

3. Call Bedroom Kandi Boutique Parties Training Department at 866.678.4443 or email training@bedroomkandi.com.

Section 7.01, remove:

“or the US territory of Puerto Rico”

Section 10.02, change to:

10.02a If you decide to opt-out of the monthly admin fee auto-payments, you will receive an invoice on the first of each month. If unpaid, a reminder will be sent after 2 days. If the monthly fee invoice remains unpaid after 7 days, the BKBC dashboard will be suspended until the invoice is paid (leads get turned off). After 30+ days unpaid, you have chosen to self-terminate and you will be removed from the BKBP program during the next Consultant Sweep (details in 10.02b). If the removed Consultant has parties booked, they are required to contact the home office to get coverage for those party hosts. Upon removal, any sponsored team members will roll up one level, if it exists. If one level higher does not exist, the team members may be re-assigned to another team leader if they so choose.

10.02b Consultant Program Sweep

1. All consultants are requested to read and agree to the company Policies & Procedures on a yearly basis. Consultants have 30 days to read and mark agreed to the Revised P&P agreement through dashboard acknowledgment. Consultants who have not within 30 days will be swept from the program.
2. Consultants must pay their monthly admin fee in order to stay active in the BKBP system.
 - If a consultant misses 1 month of their admin fee payment, the consultant will have the opportunity to pay their overdue admin fees.
 - If the consultant does not pay admin fees for more than 1 month, but less than 4 months, the consultant will need to email BKBC@bedroomkandi.com for an invoice for the outstanding amount to be paid in order to return to Consultant Status.
 - If a consultant has not paid invoices for admin fees for 4+ months, the consultant will be automatically swept from the program at 6 month intervals or at the discretion of the company at any time after the 4 month period has lapsed.

Section 10.04, change to:

“A self-terminated consultant may request reinstatement to the BKBP program by emailing: BKBC@bedroomkandi.com.”

Section 26.01, change to:

“Team leaders are required to complete basic leadership training calls listed in the Leadership section of the BKRC within 14 business days of sponsoring their first team member. This training must be renewed annually. It is strongly recommended that sponsors have consistent weekly communication with their team members, for team support, training and morale for best team results.”

Section 26.04, change to:

“Consultants will receive free auto-assigned team members (who joined BKBP without a sponsor) in rotation from BKBP’s automated system when the following criteria is met: a) Consultant has \$500+ in PRV in the current or previous month. b) Consultant is infraction free for 6 months c) Consultant is Silver Level or higher d) Consultant completed the most recent Recorded Orientation. e) Consultant completed the required basic leadership calls in the BKRC. This criteria may change at Corporate’s discretion.”

28. Changing Sponsors, change to:

“Changing Your Upline Sponsor: All Bedroom Kandi Consultants have the right to sponsor others to become Consultants. To protect the integrity of the Bedroom Kandi Empowerment Plan and safeguard the hard work of all independent Consultants, Bedroom Kandi does not encourage sponsor change requests. Maintaining the integrity of sponsorship is critical for the success of every Consultant. As a general rule,

you are responsible for your own success as a Consultant. Additionally, the Bedroom Kandi organization is structured to give you access to multiple layers of support from your upline and corporate team, making a difficult or less responsive sponsor a less significant hurdle to your success. Changing sponsors is allowed only under the following two conditions:

- a) You may change your sponsor with written and notarized approval from your sponsor lineage, 3 levels up. Your existing team members in your downline will be forfeited and rolled up to the sponsor you were under at the time the change request was made.
- b) You may change your sponsor only by formally self-terminating from the program (per Section B.21 above) and waiting 180 days to rejoin with a new Consultantship, under a new sponsor. Any downline team members will be forfeited and rolled up to the sponsor you were previously under at the time of self-termination.

Notarized letters must be received at the Bedroom Kandi Boutique Parties corporate office within 15 days of the request before any changes will be approved.”

29. Sponsor Disputes, change to:

“New Consultant Sign Ups

29.01a

Occasionally, two sponsors may contact the same prospect resulting in a dispute over sponsoring rights. Bedroom Kandi Boutique Parties will not mediate such disputes, and will recognize the Consultant whose name appears on the new Consultant Application.

If two applications are submitted, the one received first will be recognized. Every new Consultant has the right to choose his or her sponsor and the choice should be made carefully due to the fact that changing sponsors is generally discouraged, except in rare cases where leadership infractions have occurred.

Changing sponsors require other criteria be met, see Section 28.

29.01b

Auto-assigned Consultants and their teams have 15 days to request a new sponsor if there proves to be a documented lack of support or incompatibility. These changes require corporate approval and a written, notarized request from the Consultant before the end of the first 15 days. This is the only scenario in which a Consultant may change their sponsor and retain their team members.

29.02

In cases involving unethical sponsoring or infractionable behavior (refer to the Sponsor Expectation section of the BKRC under the Leadership tab), a Consultant may ask that the Corporate Office evaluate the situation. Each situation will be considered on a case-by-case basis. If the sponsor change is approved, the Consultant will be removed from their current sponsor and rolled up to the sponsor above their current sponsor’s level.

The BK Corporate Office reserves the right to reject sponsor changes in order to maintain a NO POACHING culture and environment.”

37. Consultant Conduct, change to:

“37.01 Consultants agree to conduct themselves with the highest ethical, professional, and business standards. Consultants agree to refrain from any conduct which may be harmful to Bedroom Kandi Boutique Parties’ reputation or to the marketing of Bedroom Kandi Boutique Parties products or income opportunity. Consultants found to be engaged in deceptive, unethical, discourteous, misleading, coercive, illegal or immoral conduct may be subject to disciplinary action including suspension and/or termination of their Consultantship.

37.02 Charging hosts to hold Bedroom Kandi parties is not permitted.

37.03 Consultants are not allowed to demonstrate BK massagers on their customers. If customers ask test the power of the vibration of a massager, customers must test it on themselves, and we strongly advise using non-sexual body parts such as the tip of your nose or the palm of your hand. Any demos performed with the participation of any party guest, should be done so with the expressed verbal consent of the guest.”

Add 49.06:

“If you receive an infraction, and then remain infraction free for a full year, you will have the opportunity to receive leads again.”

Section 61.04, change to:

“If you have a complaint or dispute related to charges please use the Contact Us form in the BKRC to reach the Finance Department, or secondarily, contact Consultant Support at 866.678.4443, or by email to BKBC@bedroomkandi.com.”