



LEADERSHIP BONUS PLAN



EFFECTIVE 04/01/2018

TERMS



FIRST LEVEL LEADER: the first LEADER within any Line on your Team.

GRADUATED LEADER*: an Independent Fashion Retailer in your Line who is a First Level Leader. The First Level Leader will still count towards your Team requirements for qualifications, however their Team will no longer count.

GROUP VOLUME: the total number of Pieces Sold in a calendar month by the Independent Fashion Retailers on a Team. The total number of Pieces Sold by the first Trainer, Coach, or Mentor in each Line of your Team will count towards your Group Volume. Any Pieces Sold by the Trainer, Coach, or Mentor's Team will not count. Remember, Group Volume does not include your Personal Volume.

GROUP RETAIL SALES: the total Retail Sales dollar amount Sold in a calendar month by the Independent Fashion Retailers on a Team. The total number of Pieces Sold by the first Trainer, Coach, or Mentor in each Line of your Team will count towards your Group Volume. Any Pieces Sold by the Trainer, Coach, or Mentor's Team will not count. Remember, Group Volume does not include your Personal Volume.

INDEPENDENT FASHION RETAILER: anyone who has entered into the LuLaRoe Independent Fashion Retailer Program Application and Agreement and has been onboarded as an Independent Fashion Retailer by LuLaRoe. Sometimes an Independent Fashion Retailer may be called a Fashion Retailer or simply a Retailer.

LEADER: any onboarded Independent Fashion Retailer who has attained the rank of Trainer, Coach, or Mentor since July 2017.

LEADERSHIP LINE: begins with any First Level Leader on your Team and includes all Independent Fashion Retailers in that First Level Leader's Line.

*Based on highest achieved rank after July 1st, 2017, moving forward.

TERMS



LINE: each one of the Independent Fashion Retailers onboarded immediately underneath you and the Independent Fashion Retailers onboarded under them represents one Line on your Team.

LULAROE: LuLaRoe and/or its affiliates referred to as "LuLaRoe" herein.

PERSONAL VOLUME: the total number of Pieces Sold in a calendar month by an Independent Fashion Retailer.

PERSONALLY SPONSORED OR PERSONALLY SPONSORED INDEPENDENT FASHION RETAILER: any Independent Fashion Retailer who is listed as Sponsored by you directly who is onboarded by LuLaRoe as an Independent Fashion Retailer (can be Personally Sponsored or acquired through compression of the team of an Independent Fashion Retailer who has exited the business.)

PIECE, PIECES, OR QUALIFYING PIECES: each LuLaRoe item or product Sold by an Independent Fashion Retailer through a point of sale system approved by LuLaRoe. An individual pair of leggings Sold by an Independent Fashion Retailer is considered one-half Piece. Qualifying Pieces may be called Pieces.

RETAIL SALES: the total amount of Retail Sales made by an Independent Fashion Retailer through a point of sale system approved by LuLaRoe in a calendar month. The total of Retail Sales does not include tax or shipping.

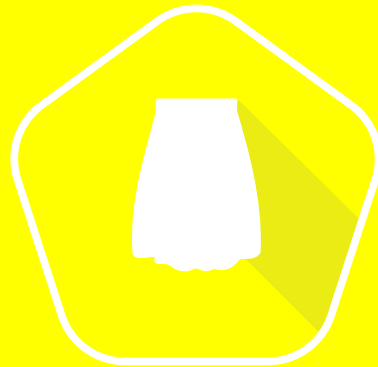
SECOND LEVEL: the first Leader located underneath a First Level Leader within any Line on your Team.

SELL OR SOLD: Pieces Sold at Retail Sales.

TEAM: all Personally Sponsored Independent Fashion Retailers and all onboarded Independent Fashion Retailers sponsored by them who are not onboarded by a graduated Leader. A Team includes all of your Lines.

WHOLESALE VALUE: the wholesale amount paid for a piece at the time of your order, not including credits or other adjustments.

LEADERSHIP



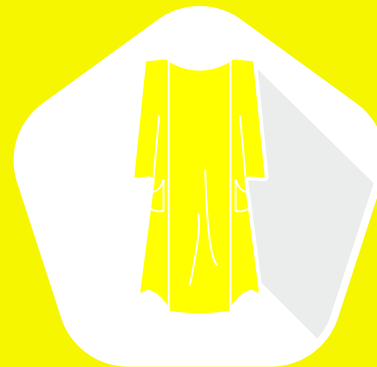
SPONSOR



TRAINER



COACH



MENTOR

SPONSOR



SPONSOR REQUIREMENTS

Before you sponsor other people into the business, you must complete 10 Pop-Up Boutiques and generate a minimum of \$10,000 in Retail Sales. *Once you have met these requirements and personally sponsored at least 1 Independent Fashion Retailer, you will achieve the rank of Sponsor.

*Aspiring Sponsors can add individuals to the Queue, but cannot achieve the rank of Sponsor until they complete the requirements above.

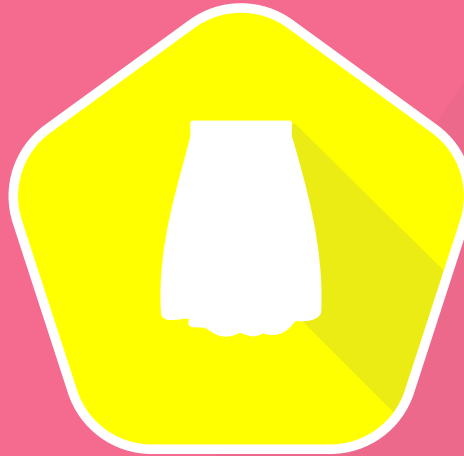
In order to receive compensation at the rank of Sponsor, the rank must be qualified for each month. The monthly Sponsor Compensation Requirements are:

- Have personal Retail Sales totaling 65 Pieces with a minimum of \$1,950 in Retail Sales for the month with an average of at least \$30 per piece sold

SPONSOR COMPENSATION

You will be eligible to earn a 5% override bonus on the Wholesale Value of the Sales of your Personally Sponsored Independent Fashion Retailer(s). Sales and bonuses will be calculated per calendar month.

SPONSOR COMPENSATION



5% OVERRIDE ON THE
WHOLESALE VALUE OF RETAIL
SALES BY ANY PERSONALLY
SPONSORED RETAILER

TRAINER



TRAINER REQUIREMENTS

As a Trainer, you must have at least 3 Personally Sponsored Independent Fashion Retailers and have a total of 10 people on your team (Team includes all downline not under a graduated leader).

In order to receive compensation at the rank of Trainer, the rank must be qualified for each month. The monthly Trainer Compensation Requirements are:

- Have personal Retail Sales totaling 125 Pieces with a minimum of \$3,750 in Retail Sales that month and;
- Have Team Retail Sales totaling 650 Pieces and a minimum of \$19,500 in Group Retail Sales that month and;
- Have a per Piece Sold average of at least \$30 in Retail Sales (Both personal and Team)

TRAINER COMPENSATION

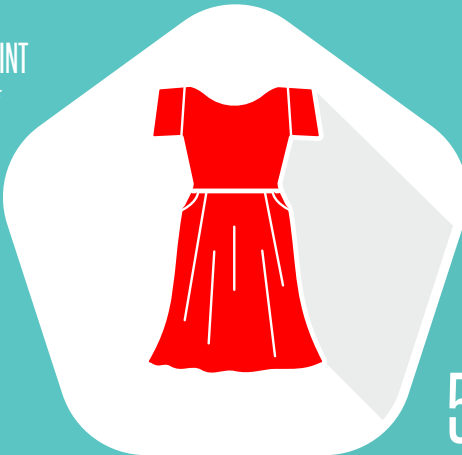
As a result of your achievement in becoming a Trainer, you will begin participating in the Leadership Pool. You will continue to be eligible to earn a 5% bonus on the wholesale value of the Retail Sales of your Personally Sponsored Independent Fashion Retailers. For any member of your Team you do not personally sponsor, you'll receive a 3% bonus on the wholesale value of their Retail Sales. This will continue while you work with them to also achieve the rank of Trainer. Once a Team member becomes a Trainer, they will graduate within your group, allowing you to train others who need your help. The 3% you were receiving on the Dollar Amount of the Group Volume will be replaced by 1% of the Dollar Amount of the Group Volume as well as 1 point in the Leadership Pool. The Trainer's Personal Volume will count toward your Group Volume, but their Group Volume will not count toward your Group Volume.

*As long as you continue to qualify as a Trainer or above, you will receive a 1% bonus on the Dollar Amount of that graduated Trainer's Group Volume and 1 point in the Leadership Pool for that Trainer. If one of your graduates who have reached Trainer or Coach for that month has one of their Team members graduate to Trainer or Coach, bonuses are not eligible on that second level Leader's Team's total Retail Sales.

TRAINER COMPENSATION



1 LEADERSHIP POOL POINT FOR YOURSELF*



5% OF THE WHOLESAL VALUE OF THE RETAIL SALES OF YOUR PERSONALLY SPONSORED INDEPENDENT FASHION RETAILERS

1 LEADERSHIP POOL POINT FOR EACH 1ST LEVEL LEADER*

3% OF THE WHOLESAL VALUE OF THE RETAIL SALES OF ANY INDEPENDENT FASHION RETAILER NOT PERSONALLY SPONSORED ON YOUR TEAM WHO IS NOT UNDER A GRADUATED LEADER ON YOUR TEAM



*See page 15



COACH REQUIREMENTS

As a Coach, you must have at least 3 Personally Sponsored Independent Fashion Retailers, have a total of 10 people on your Team (Team includes all downline not under a graduated leader), and additionally have at least 3 First Level Leaders.

The Personal Volume of your First Level Leaders will count toward your Group Volume but no other Personal Volume from their group will count toward your Group Volume.

In order to receive compensation at the rank of Coach, the rank must be qualified for each month. The monthly Coach Compensation Requirements are:

- Have Personal Retail Sales totaling 150 Pieces with a minimum \$4,500 in Retail Sales and;
- Have Team Retail Sales totaling 850 Pieces with a minimum \$25,500 in Group Retail Sales and;
- Have a per Piece Sold average of at least \$30 in Retail Sales (Both Personal and Team)

COACH COMPENSATION

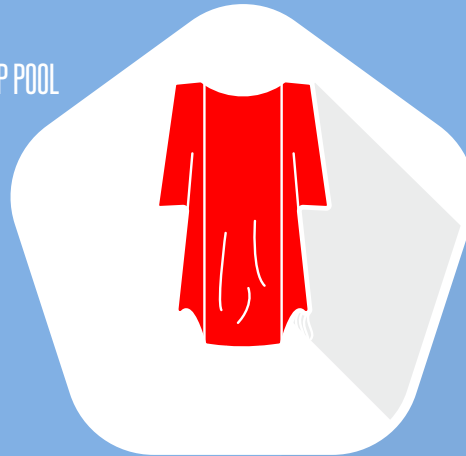
In addition to the Trainer Leadership Bonus, you will be eligible to earn 1% of the Wholesale Value of any Second Level Leader's Group Retail Sales. You will also be eligible for additional points in the Leadership Pool. As a Coach, you receive 2 points in the Leadership Pool for yourself, with an additional 1 point for each First Level Leader and 2 points for each Second Level Leader on your Team.

COACH COMPENSATION



IN ADDITION TO THE TRAINER BONUS (PAGE 8), YOU WILL RECEIVE THE FOLLOWING AS A COACH:

1 ADDITIONAL LEADERSHIP POOL POINT FOR YOURSELF*

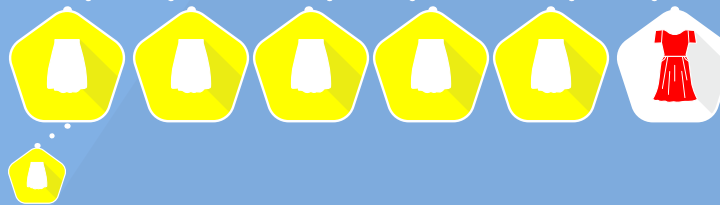


1% OF THE WHOLESALE VALUE OF ANY 2ND LEVEL LEADER'S GROUP RETAIL SALES

1 LEADERSHIP POOL POINT* FOR EACH 1ST LEVEL LEADER



2 LEADERSHIP POOL POINTS* FOR EACH 2ND LEVEL LEADER



1% OF DOLLAR AMOUNT OF ANY 2ND LEVEL GRADUATE LEADER

*See page 15



MENTOR REQUIREMENTS

As a Mentor, you must meet the requirements of a Coach, have at least 3 Leadership Lines with Coaches or above, and 3 additional Leadership Lines.

In order to receive compensation at the rank of Mentor, the rank must be qualified for each month. The monthly Mentor Compensation Requirements are:

- All Coach Requirements and;
- Have at least 6 Leadership Legs
 - At least 3 must have a Coach or above in the leg (Does not have to be First Level)

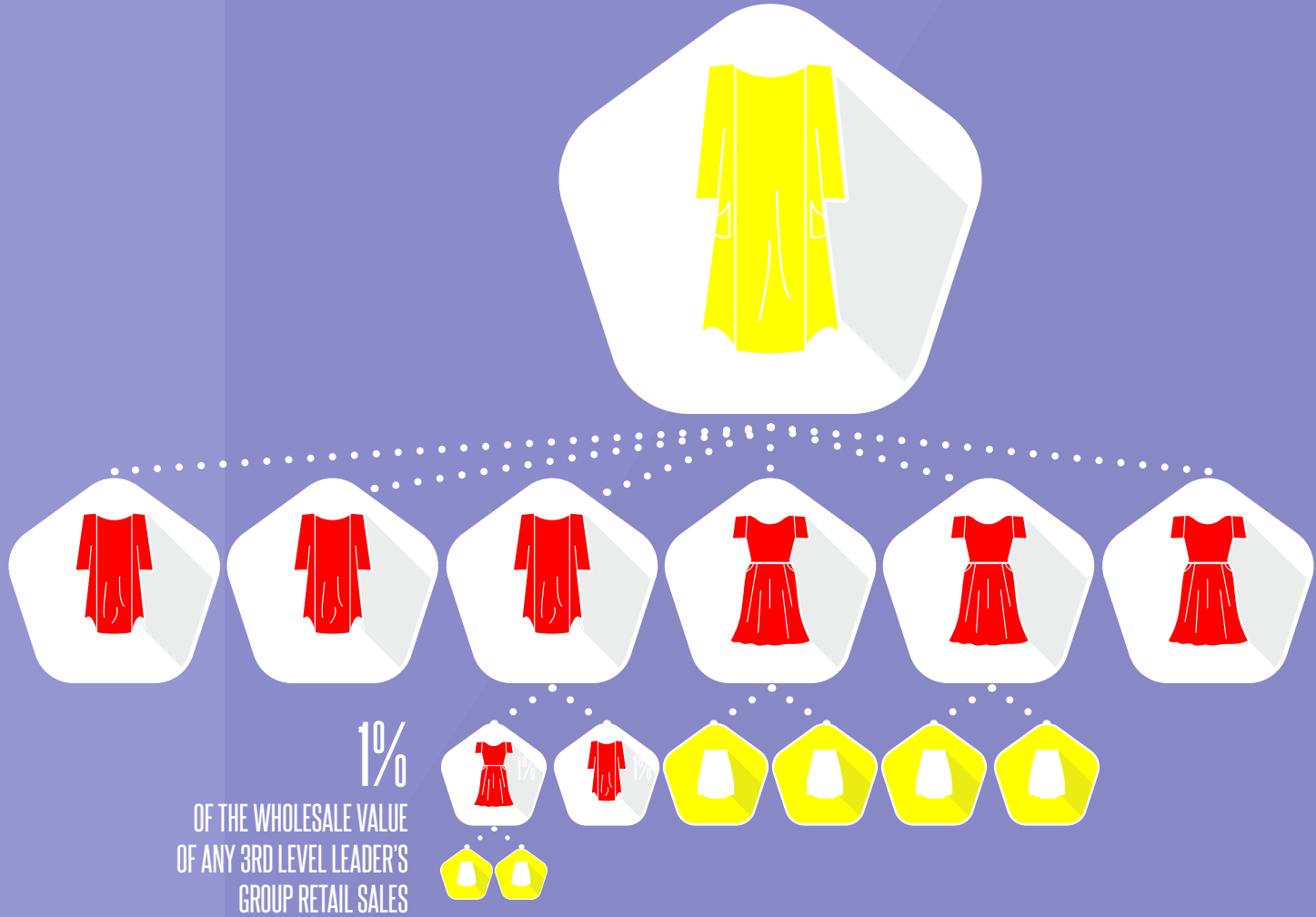
MENTOR COMPENSATION

In addition to the Coach Bonus, you will be eligible to earn 1% of the wholesale value of any 3rd Level Leader's Group Retail Sales.

MENTOR COMPENSATION



IN ADDITION TO THE TRAINER BONUS (PAGE 8) AND COACH BONUS (PAGE 10),
YOU WILL RECEIVE THE FOLLOWING AS A MENTOR:

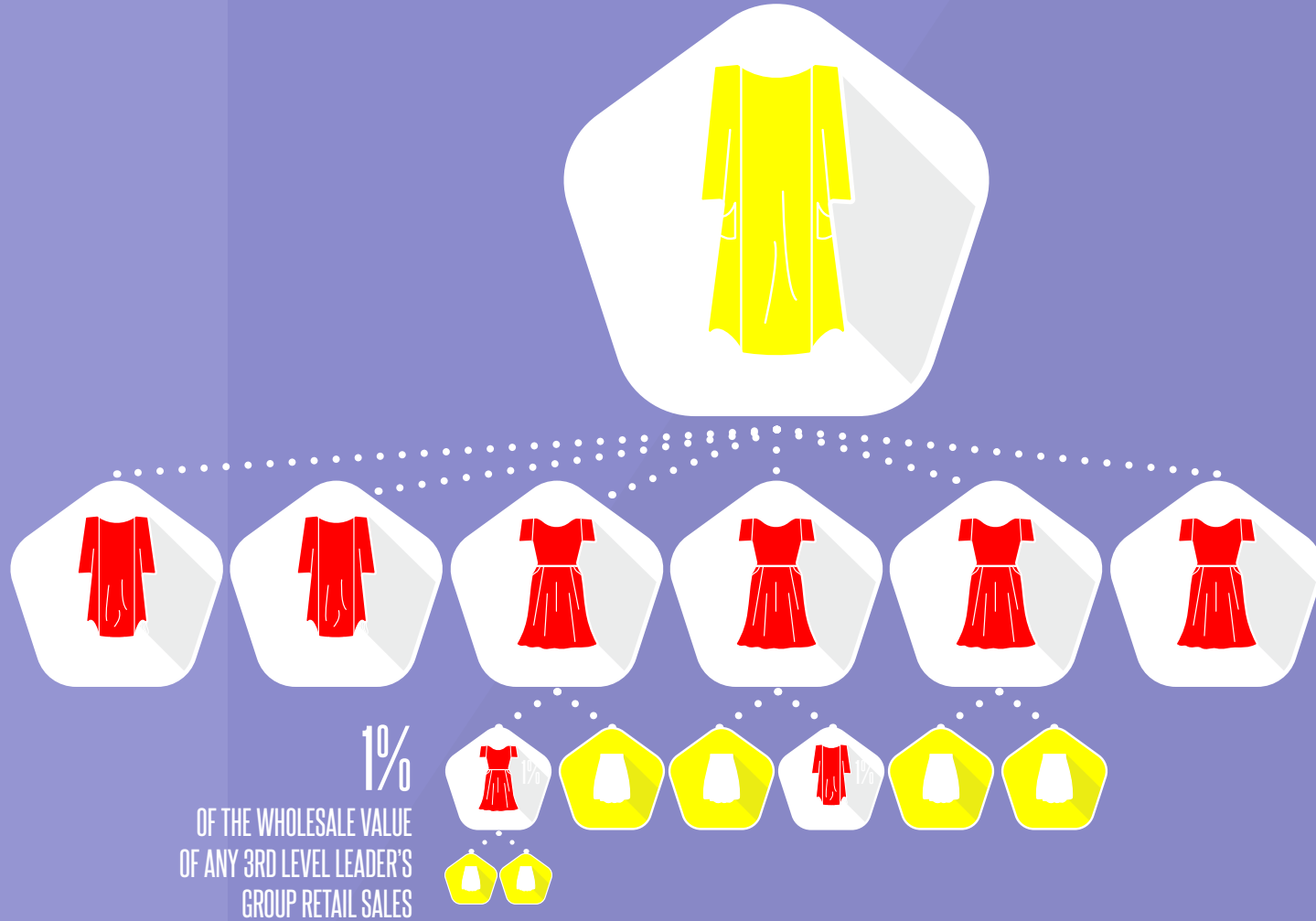


*See page 15

MENTOR ALTERNATE QUALIFIER COMPENSATION

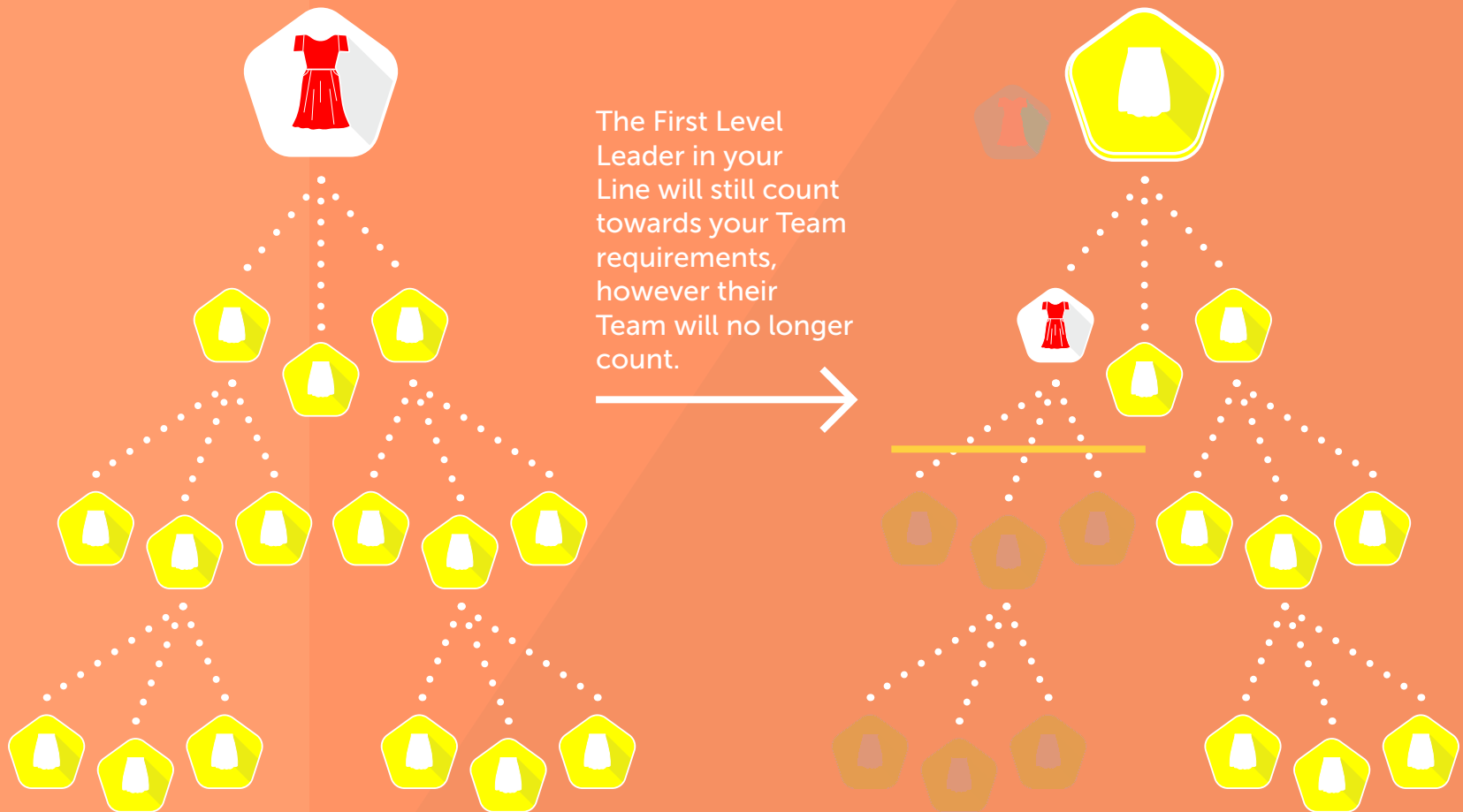


IN ADDITION TO THE TRAINER BONUS (PAGE 8) AND COACH BONUS (PAGE 10),
YOU WILL RECEIVE THE FOLLOWING AS A MENTOR:



*See page 15

GRADUATION PROCESS



FAST START PROGRAM



90 DAY FAST START BONUS

This will be available to any Independent Fashion Retailer who started their business after April 1, 2017.

To be eligible to receive this one-time bonus, a new Independent Fashion Retailer will need to sell at least 175 pieces a month with a minimum of \$5,250 in Retail Sales for each of their first 3 months in business.

- The new Independent Fashion Retailer will receive a free 50 piece order.
- The Sponsor of the Independent Fashion Retailer will receive a one-time \$500 Bonus for any new Independent Fashion Retailers that qualify.

FAST START PROGRAM



CRUISE FAST START BONUS

Available for any Independent Fashion Retailer who started their business after December 1, 2016.

To be eligible to receive this bonus, a new Independent Fashion Retailer will need to Cruise Qualify each of their first 6 months:

- The new Independent Fashion Retailer will receive a \$2,000 Cruise Cash Bonus when they attend the cruise for which they qualified.
- The Sponsor of the Independent Fashion Retailer will receive a \$1,000 Cruise Cash Bonus for any new Independent Fashion Retailer that qualifies, if they are also cruise qualified.

Special Note: Your new Independent Fashion Retailer must Cruise Qualify their first 6 consecutive months, otherwise you both will forfeit this incentive.

BONUS, EARNINGS, AND INCOME DISCLAIMER



LuLaRoe makes every effort to ensure the products and potential for success of Independent Fashion Retailers are accurately represented. Bonus, earnings, and income statements made by LuLaRoe and Independent Fashion Retailers are estimates based on reasonable experience, but are subject to the limitations below.

The potential bonuses (and earnings and income, if any) referenced in the LuLaRoe Leadership Bonus Plan are not necessarily representative of the bonuses (or earnings or income), if any, that you can or will earn as an Independent Fashion Retailer either through sales of LuLaRoe products or participation in the LuLaRoe Leadership Bonus Plan.

Testimonials and examples, if any, are exceptional results, which do not apply to the average Independent Fashion Retailer, and are not intended to represent or guarantee that you will achieve the same or similar results. LuLaRoe does not represent that the bonuses and success of exceptional Independent Fashion Retailers can be duplicated in the future by you or anyone else.

Testimonials and examples, if any, do not include the actual profit made by Independent Fashion Retailers. The figures referenced in the LuLaRoe Leadership Bonus Plan should not be considered as guarantees or projections of your actual bonuses (or earnings, income or possible profits, if any). Any representation or guarantee of bonuses (or earnings, income or possible profits, if any) would be misleading. Success results only from your successful sales efforts, which require hard work, dedication, diligence, leadership, and perseverance.

As with any business, your results will vary. In addition to the factors above, your success will be influenced by your individual capacity, business experience, expertise, and motivation.