



# *Policies & Procedures*

**Update Pages • Spring 2009**

The US Policies and Procedures have been updated to reflect current programs. The key changes are noted below:

## **February update (Posted 2/10/09)**

- P. 7 International Referral Program

# policies

# and procedures



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## SUBMITTING SHOW ORDERS

Submitting Show orders is a simple, step-by-step process. You collect payment at the Show, compile the guest and host orders, and submit the order with complete payment to The Pampered Chef®. You receive commissions twice a month (once a month if you are not on direct deposit — see information in the Your Account with The Pampered Chef® section).

## There Are Three Forms You May Use with Each Show

Your hosts will enjoy an added convenience when you submit orders via PamperedPartner® or PamperedPartner® Plus. When her shipment arrives, it will include a detailed list of each guest's order, indicating which box contains each of that guest's products. See the software for more details.

- **Sales Receipt** — Each customer completes this triplicate form. One copy is for the customer; one is for your files; and one is given to the host to distribute with guest orders.  
**You must provide each guest with an official sales receipt when her/his order is placed, because it includes legal information about consumer rights on the reverse side.**
- **Gift Certificate Order Form** — A triplicate form is needed for every Gift Certificate ordered. \*One copy is for the customer; one is for your files; and the top copy is sent to the Home Office with your order.
- **Show Order Form** — Use this form to list the host and guest orders, shipping and payment information, and Show type and date.\* Use the attached worksheet to tally the guests' orders and include it with the Show Order Form when submitting an order on paper forms. See the instructions included on the back of the form.

**\*NOTE: If you are completing your orders with PamperedPartner® or PamperedPartner® Plus software, you will not use the Show order form, and you will not need to send in a paper copy of the gift certificate order form.**

## Sales Receipt Before the Show

Stamp or write your name and contact information in the blank area.

## At the Show

Have guests write in the information in the box provided, including your **Consultant number, Show number and Show date**. (The Show number is a four-digit number beginning with 0001. Increase this number by one with each additional Show.)

## Completing the Sales Receipt

One copy is for the customer; one is for your files; and one is given to the host to distribute with guest orders.

- Write in **featured monthly product or pantry Guest Specials** in the spaces provided. Use the special product number, description and price as published in the *Consultant News* and on the Web site.
- Notice where **Pantry items** should be calculated and added into the totals. Check to see if food tax is applied in the state to which the order is being shipped.
- **Sales tax** is based on where the products are being shipped. To determine the proper sales tax rate, use the **Tax Rate Guide** on Consultant's Corner under Frequently Visited Links on the Home Page. Or, contact the Tax Information Line (630) 261-8528. For information on tax-exempt orders, see Tax-Exempt Orders in these Policies and Procedures.
- **In most states, shipping and handling is taxed.** Refer to the shipping and handling charges on the back of the sales receipt to check your state.
- Put Round-Up donations on the donation line and add into the grand total.

## Tips and Reminders

- Check the appropriate **method of payment**.
- You may have guests **make their checks payable to either you or to the host**. Ask your recruiter or Director for a suggestion.
- **For payment cards**, fill in all information in the box. Have the guest sign the sales receipt. (If you take the order over the telephone, write phone order on the signature line.) Tear off the perforated charge section before you give the receipt to your host. Include it with your order to the Home Office, unless you are transmitting the order electronically via PamperedPartner® or PamperedPartner® Plus. (See Customer Payment Cards (Credit/Debit) on the next page.)

## Special Ordering Situations

### Past Host Orders

Write the **valid past host discount number on the sales receipt** in the spaces provided. If a past host has misplaced the discount number, look it up under **Host Lookup** on Consultant's Corner under Frequently Visited Links on the Home Page.

Be sure to include the top copy of your Past Host's sales receipt when mailing orders to the Home Office. If a copy of the sales receipt must be retained for your records, please photocopy the document. For additional instructions on mailing orders for submission to the Home Office, please refer to the instructions on the Show Order form.

# policies and procedures

## Booking Benefit/Monthly Host Special

If the past host (from whom the Show was booked) wants to order the Monthly Host Special, write it on the sales receipt in the space provided. No other guest may order the Monthly Host Special. The past host may **not** apply the 10% past host discount to the Monthly Host Special.

## Direct Shipment

If a customer wants their order shipped to an address other than the host's, shipping and handling charges are applied according to the **chart on the back of the sales receipt**. In addition, the tax rate is determined by where the order is shipped.

**For direct shipments, send the top copy of the sales receipt to the Home Office with the Show order form;** the host does not receive a copy of the sales receipt because she won't be distributing that order to the guest. (Be sure to include your host's information when the Show is being shipped to the Consultant address.)

## Individual Orders

If a customer places an order **outside of a Show**, the order will be sent to the customer's address. Charge direct shipping and handling. **The top copy of the sales receipt, along with payment, should be submitted to the Home Office.** You do not include a Show order form. Payment can be by the customer's payment card (Credit/Debit) or by the Consultant's check, money order, Pampered Chef® Debit Card or Pampered Chef® credit card. (See Payment for Orders later in these Policies and Procedures.)

**(Note: See instructions in PamperedPartner® or PamperedPartner® Plus for individual orders.)**

## Customer Payment Cards (Credit/Debit)

The Pampered Chef® accepts only Visa®, MasterCard®, Discover®/Novus® and American Express® from customers and hosts for their orders.

- **If a payment slip is filled out incorrectly**, the order will be treated as unpaid until clarification of information is received. Processing and shipment of the order will also be delayed.
- **If a payment card is declined**, you will be contacted for another form of payment via e-mail or phone call. The Show will not be processed until another form of payment is made. You will have the choice of submitting alternate payment for the shortage or canceling the order and submitting a new order.  
If a payment card is declined and you have an email address, you will receive an automated email that will link you to Consultant's Corner to rectify a declined card. Please submit your new form of payment at Consultants Corner > Managing Your Business > My Shows > Resolve Declined Bank Cards.
- Only **one customer order can be charged per payment card number** submitted, except in the following situations:

- **Direct Shipment** (Example: Your customer places an order for herself and a second order to be shipped to her sister.)
- **A Friend in Need** (Example: One customer forgets her checkbook; another customer helps her out by putting both orders on her payment card.)
- **Outside Order Received After the Show** (Example: Host collects an outside order paid with a check and places the order on her payment card along with her own purchases.)

In these cases, fill out a separate sales receipt for each order; then fill in the payment card information for the **total** of these separate orders on the sales receipt belonging to the payment card holder.

## GIFT CERTIFICATES

**Pampered Chef® Gift Certificates are available starting at \$20 and then in increasing increments of \$5. Consultants should not charge the customer shipping and handling or sales tax on the purchase of gift certificates.**

Gift certificates are purchased using a special order form. Gift certificate order forms can be ordered on the supply order form. Instructions for completing the gift certificate order form are on the back side of the form.

**Attach the gift certificate order form to the Show order form when the order is submitted to the Home Office.** Gift certificates will be listed on the packing slip sent to the host, but will mail separately to the purchaser or recipient as requested.

**(Note: See instructions in PamperedPartner® or PamperedPartner® Plus for ordering gift certificates electronically.)**

The gift certificate is sent to the person indicated, with a catalog, redemption form, a personalized message from the purchaser and an envelope addressed to the Home Office to make redemption easy. Each certificate is numbered.

**Recipients of gift certificates must redeem them through the Home Office, either by mail or on the Web site. They are not redeemable at a Show, through a Consultant, through PamperedPartner® or through PamperedPartner® Plus. They may not be purchased or redeemed through the Wedding Registry. Outlet items cannot be purchased with gift certificates.** Hosts may not apply their past host discount when redeeming gift certificates. Terms and conditions are referenced on the gift certificates.

## Details

- **Shipping and handling** will be charged when the certificate is redeemed based upon the individual shipping schedule. **Sales tax** will be charged upon redemption at applicable local rates.
- Commissions and host benefits will be paid and awarded on the total amount of gift certificates purchased at a Show.

- Each gift certificate order (including host purchases of gift certificates) counts as a separate guest order.
- Hosts cannot purchase a gift certificate using their Free Product Value, at a discount or at half-price.
- Gift certificates cannot be purchased by guests using a past host discount.
- Consultants may not purchase gift certificates on a Show, but can purchase them on a personal order, applying their Consultant discount.
- The Solution Center will handle any lost or stolen certificates.

## SUBMITTING YOUR ORDERS

**IMPORTANT!** Complete your orders carefully! Unbalanced orders or other errors can cause delays in processing and shipment. **If a problem order is not resolved in time to meet month-end deadlines, the received date will be changed and the order will be processed in the following month. This will affect when you receive your commission, as well as your eligibility for promotions and incentives.**

You can submit orders one of four ways:

### 1. Electronically via PamperedPartner® or PamperedPartner® Plus software

This program, included in your kit, offers the easiest, fastest method for calculating your orders and submitting them to the Home Office. With PamperedPartner® and PamperedPartner® Plus, you can place orders electronically for Shows as well as for most business supplies.

(Refer to the tutorial included in PamperedPartner® and PamperedPartner® Plus to learn more about this program's many features.)

- To submit orders electronically, you will need a Pampered Chef® Proprietary Debit Card or a Pampered Chef® Credit Card. (See the Payment for Orders section for application information.)
- If you don't have the debit or credit card, you can print an official order form from PamperedPartner® and submit it via one of the following methods.

### 2. Via First-Class U.S. Mail

Orders must be mailed to: The Pampered Chef, Ltd.  
Attn: Solution Center  
One Pampered Chef Lane  
Addison, IL 60101-5630

### 3. Via Federal Express®

If you need to guarantee a month-end receipt date of an order, you must use **Federal Express's Priority Overnight service for delivery to:**

The Pampered Chef, Ltd.  
Attn: Solution Center  
One Pampered Chef Lane  
Addison, IL 60101-5630

The order must be sent at least **two business days** before month-end.

### 4. Via Other Overnight Couriers

If you use an overnight courier other than Federal Express®, Shows will be counted toward the month in which they are received.

**Important Note:** Once a Show has been submitted to the Home Office, no changes or cancellations can be made! Please double-check your work.

## PAYMENT FOR ORDERS

Full payment must be included before an order is processed for shipping. Four types of payment are accepted.

### Consultant Check or Money Order

- Made payable to The Pampered Chef®.
- Write your Consultant number and Show number in the memo section of your check.
- Only checks written by a Consultant will be accepted. (The Consultant's name must be listed on the upper-left corner of the check. However, temporary checks will be accepted from new Consultants for one month following the Consultant's agreement date.)
- When you provide a check as payment, you authorize us to either use information from your check to make a one-time electronic funds transfer from your account, or to process the payment as a check transaction. When we use information from your check to make an electronic funds transfer, funds may be withdrawn from your account the same day your payment is received. In this case, you will not receive your check back from your financial institution.
- Submit one check or money order per Show.

### The Pampered Chef® Proprietary Debit Card

The Pampered Chef® Proprietary Debit Card (PC Debit Card) electronically transfers funds directly out of your account four business days after your order is received in the Home Office.

- The PC Debit Card can be used for Pampered Chef® business only. For example, you cannot use it to withdraw cash from an ATM machine; pay for food, gas, travel; etc.
- Apply for the PC Debit Card via our Web site. Look for **Debit Card Application** on Consultant's Corner under Managing Your Business.

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## The Pampered Chef® Credit Card

The Pampered Chef® Credit Card is the only credit/charge card accepted for Consultant payment.

For more information regarding The Pampered Chef® Credit Card or to apply for a card, please look for the Pampered Chef® Credit Card application on Consultant's Corner under Managing Your Business.

New Consultants may use a personal credit card for 60 days from the date the Agreement is received in the Home Office (initial Agreement date) when submitting commissionable and non-commissionable orders. Shows/orders placed using a personal credit card may be submitted via PamperedPartner® Plus or by mail.

## Order Submission Deadlines

It may be important for you to have an order credited toward a specific month's totals. The following rules apply:

### Electronically via PamperedPartner® or PamperedPartner® Plus

These orders must be submitted by midnight, CT on the **last calendar day** of the month to count for that month's commissions or incentives. The Home Office is not responsible for orders unable to be transmitted electronically for any reason. Because the end of the month is our busiest time, please allow ample time to transmit orders at that time.

### Via U.S. mail or overnight courier

These orders must be received by midnight CT on the **last business day** of the month to count for that month's commissions, bonuses or incentives.

The last business day of the month excludes weekends, published holidays and published Pampered Chef® holidays listed in the *Consultant News*.

The U.S. Postal Service, for either First-Class or Priority Mail, cannot guarantee a date when mail will be received by the Home Office. The Home Office picks up its final mail on the last business day at 4:30 p.m. CT; orders received after that will count for the next month.

### When using Federal Express®, follow these requirements to guarantee a specific receipt date:

- Ship the order(s) overnight, by Federal Express Priority Overnight service. **Send them at least two business days prior to the month-end close date.**
- Save your receipt with a clearly marked tracking number, ship date and indication of the overnight service.
- Be sure to check the pick-up times if using a drop-off box. The Home Office is not responsible for orders placed in drop-off boxes in the event of a pickup delay.

## Deadlines for Monthly Host/Guest Specials

Effective September 1, 2008, to qualify for Monthly Host/Guest Specials, Shows/orders must be received in the Home Office no later than midnight CT on the 15th of the following month. PamperedPartner® Plus users will not be able to transmit a Show that includes the previous month's Guest and Host Specials after the 15th of the following month. PamperedPartner® or mailed orders received after the deadline will be placed on hold. Any monthly specials will be removed, and you will be contacted by the Solution Center.

- **For example: A Show held in September must be received by midnight CT on October 15 to qualify for September Host/Guest Specials.**

## Deadlines for End of a Selling Season

Effective fall 2008, at the end of a selling season, Shows/orders must be received in the Home Office no later than midnight CT on the 15th of the month following the end of the season. PamperedPartner® Plus users will not be able to transmit Shows/orders past the deadline date. PamperedPartner® or mailed orders received after the deadline will be adjusted to the current season's prices. Shows/orders that include discontinued products will be refunded or exchanged and Consultant commissions adjusted.

- **For example: A Show held in February must be received by midnight CT on March 15 to receive discontinued products or end of season pricing.**

## TYPES OF SHOWS

The Pampered Chef® identifies several types of Shows. Most of your Shows will be Cooking Shows or Catalog Shows.

### Cooking Shows

To qualify as a Cooking Show, **guest sales (excluding shipping, handling, tax, and past host discount) must total a minimum of \$150.** The host's purchases do not count toward guest sales.

If the above requirement is not met, then each order will be considered an individual order, and shipping rates will be determined using the individual shipping schedule.

### Co-Hosting

Occasionally two people may want to **co-host a Cooking Show, and the guidelines are simple:**

- No more than two people can co-host.
- The two hosts must divide the Free Product Value and half-price items.
- Only one host can select the Monthly Host Special at the original Show.
- At future Shows booked, only one Booking Benefit can be claimed. Either co-host, but not both, can purchase the Monthly Host Special at each future booking held within six months.

- Each host receives the earned host discount of up to 30 percent.
- Each host receives the past 10 percent host discount.
- Catalog Shows cannot be co-hosted. An organization may not be listed as the co-host. Consultants cannot co-host a Show.

## Catalog Shows

A Catalog Show differs from a Cooking Show in that the host does not have people in her home, and therefore does not receive the \$15 Hospitality Bonus. **Otherwise, the requirements and benefits are the same. Refer to the Show planning guide for details.**

## Cooking Show Fundraisers

Cooking Show Fundraisers are usually most appropriate for organizations that have regular meetings. This might include garden and women's clubs, church groups and fraternal organizations. Other appropriate groups include your child's sports team, dance group or any other interested organization.

**This event is essentially a Cooking Show for a select group.** The chairperson for the organization's fundraiser is considered the host. However, instead of receiving free, half-price and discounted products, the organization receives a cash contribution from The Pampered Chef®.

Based on sales, a contribution of 10-15 percent is made directly to the organization.

- The contribution is based on the total guest sales before tax and shipping. All guest sales must include sales tax. There is no tax exempt status for an individual.
- If total guest sales before tax and shipping are less than \$600, the contribution is 10 percent.
- If total guest sales before tax and shipping are \$600 or more, the contribution will be 15 percent.
- An additional \$3 will be contributed for every future Show booking from the fundraiser.
- The merchandise and the fundraiser check will be shipped separately to the ship-to address.
- The fundraiser check must be payable to an organization. Checks will not be issued to an individual. We cannot send the fundraiser check to a separate address.
- You can earn 15 percent commission on Cooking Show Fundraisers, which is increased to 17 percent once you achieve \$15,000 in career sales.

## Fundraisers and the Host Program

- The organization is not eligible for host benefits.
- The chairperson is eligible to purchase one Monthly Host Special as a thank you for organizing the Show.
- No Booking Benefits are awarded from a fundraiser because the organization receives \$3 for each booking.
- However, if the fundraiser was booked from a Cooking or Catalog Show, that past host can purchase the Monthly Host Special at the Fundraiser Show.

## Special Advantages of Cooking Show Fundraisers

- Each customer can order from a wide range of useful, high-quality items. As at a regular Show, guests place orders after the demonstration.
- Fundraisers provide a more enjoyable way for club or group members to interact than the usual business meeting.
- No extra time is needed for door-to-door or special event sales.

## Consultant-hosted Shows

You may want to host your own Show from time to time. When you or a member of your household hosts your own Show, you are entitled to host benefits and commissions as follows:

- You receive **commission on guest orders only**. You will not be paid commission on items you order at the host discount.
- You are **not entitled to the Booking Benefit or a past host discount**.

In addition, please note:

- Personal orders placed on the Show do not count toward the achievement of any bonus, incentive or award.
- A recruiter or upline Director cannot be the host for a downline Consultant.

# policies and procedures

## SHIPPING INFORMATION

Shows are generally shipped within 2 days of the date received in the Home Office (not including weekends and holidays). During periods of peak order volume, such as month-end and promotional cutoffs, 2-day turnaround times may not be possible. When this occurs, every effort is made to ship in no more than 5 business days. In case of a problem with an order, Shows will be shipped once the problem is resolved.

Orders are typically processed on a first-come, first-served basis. However, occasionally orders may be delayed briefly due to temporary product shortages.

You can call our automated shipping number at **(800) 449-CHEF** for the ship date of an order, or look for **Shipment Status** on Consultant's Corner under Frequently Visited Links on the Home Page.

## PRODUCT AVAILABILITY

- Although The Pampered Chef® tries to avoid back orders, they do occur occasionally. Back-ordered item(s) will be shipped separately to the host as soon as they are available.
- Occasionally (e.g., at the end of a product's life), The Pampered Chef® may run out of a particular item. If that occurs, we may substitute a similar item of equal or greater value, or refund the cost of the item.
- If The Pampered Chef® experiences an unexpected loss of availability; a product may be placed on "Stop Sell" status. You will be notified of this so that you can let customers know that the product is currently unavailable. Shows/orders received which contain a product on "Stop Sell" will be refunded and the Consultant will be commission adjusted.

## ONLINE ORDERS

### Definition of Online Orders

Online orders include the following:

- Gift orders placed through a Wedding Registry, as well as individual orders placed directly through a Consultant's Personal Web Site (not connected with a Show). These have the order type **O**.
- Registry rewards orders redeemed by the bride/couple from their Wedding Registry. These have the order type **R**.

While online ordering provides you with the opportunity to build your businesses, the Cooking Show should always remain the core of your business. The following order types are considered "core sales":

- Cooking Shows (K)
- Fundraiser Shows (F)
- The Pampered Chef® Wedding Shower (B)
- Catalog Shows (C)

- Individual orders submitted via mail or PamperedPartner® or PamperedPartner® Plus.

To maintain focus on core sales as the foundation of your business, the following policies apply:

### • **New Consultant Qualification**

Online orders, as defined above, do not count toward qualification. New Consultants become qualified by submitting \$1,250 in personal commissionable sales or 4 Shows (of at least \$150 in guest sales each).

### • **Participation in Online Ordering**

New Consultants may sign up for a Personal Web Site immediately. However, they will not have access to individual online ordering or be able to set up Wedding Registries until they become qualified.

### • **Earning Incentive Awards**

To earn annual incentive award programs, a minimum of 50% of your points must come from core sales as defined above, Director Development and/or Recruiting.

For example, if the point requirement to earn Level 2 of an incentive trip is 40,000 points, 20,000 of those points must come from core sales as previously defined, Director Development and/or Recruiting. The remaining 20,000 points may come from online orders.

To help you keep track of these requirements, the incentive calculator provides splits by sales source.

### • **Guest Specials**

Most Monthly Guest Specials will be available to those customers who attend Shows or place outside orders associated with a Show. This provides hosts with a special offering they can extend to their guests to entice them to attend. Additionally, it encourages them to solicit outside orders associated with the Show. Attending a Cooking Show is a unique experience, and should provide our guests with a unique benefit, such as "Spend \$X and receive a free product."

Some Guest Specials will be available to online orders. For example, we want to make our "Guest Special" Help Whip Cancer® products available to as many people as possible. Therefore, we will offer them online in May.

Every promotional flyer includes details on availability.

If you have questions on these policies, you may contact the Solution Center at 1-888-OUR-CHEF. Or, you can send an e-mail to [career\\_solutions@pamperedchef.com](mailto:career_solutions@pamperedchef.com).

## INCOME OPPORTUNITIES

### Income from your own sales

#### Commissionable Sales

As a Consultant, **you earn at least 20 percent commission on:**

- Cooking Show, Catalog Show and Wedding Shower sales (excluding host free, half-price items and Monthly Host Specials).
- The discounted price of items purchased by a host/wedding registrant with her 10-30 percent discount.
- Individual/online orders (not including Consultant's personal orders).

**You will receive 15 percent commission on:**

- Cooking Show Fundraisers.

**You do not receive commissions on:**

- Half-price items, Free Product Value or Monthly Host Specials sold to a current or past host.
- Merchandise purchased by you individually or when you or anyone in your household acts as the host/wedding registrant and a discount is taken.
- Past host discounts.
- Tax and shipping and handling.
- Replacement parts orders.
- Adjustments to orders.

### Increasing Your Commission Rate

The commission rate you earn each month is based on the total commissionable sales you submit that month. This means that when you increase your sales, you increase your commission rate as well.

At first you will earn from 20 to 25 percent, based on the chart below.

When you reach \$15,000 in commissionable career sales, you will receive a 2 percent commission increase (including an increase to 17 percent for fundraisers), effective the first full month after the \$15,000 is achieved. You will also receive a sterling silver whisk charm in recognition of your achievement.

\*Monthly Commissionable Sales Total    Commission %    Commission % After \$15,000 Career Sales

\$4,000 and over	25%	27%
\$2,500 – \$3,999.99	24%	26%
\$1,250 – \$2,499.99	23%	25%
\$750 – \$1,249.99	22%	24%
\$1 – \$749.99	20%	22%

\*The highest commission rate you attain for the month will apply to all commissionable sales made during that month. (For fundraiser commission rates, see the information under the Cooking Show Fundraiser heading.)

## Recruiting Guidelines and Awards

The Business Building & Leadership chapter of the Business Guide provides tips to help you recruit. Keep the following key policies in mind:

### Consultant Agreement

Be sure a new Consultant reads the back of the Independent Consultant Agreement/Kit Order Form. This is their contract.

### Guidelines

Consultants are not allowed to recruit members of their household who live at the same address.

To use host Free Product Value toward a New Consultant Kit, allow 48 hours for processing after the Show is received at Home Office, before submitting the Independent Consultant Agreement.

### Awards

You will receive 25 catalogs each time you recruit a new Consultant. This continues until you promote to Director. Other recruiting awards are available through promotions, incentive programs and advancement in level.

## INTERNATIONAL REFERRAL PROGRAM

The International Referral Program is a program which allows for the awarding of Pampered Chef® dollars to Consultants who refer a new recruit outside of their own country, in US, Canada, UK, Germany and Mexico. When the referred Consultant submits their Agreement, the referring Consultant must include their name and Consultant number on the Agreement. The referring Consultant will receive:

- \$25 Pampered Chef® dollars when the new Consultant signs and enters their Agreement
- \$100 Pampered Chef® dollars when new Consultant first reaches \$1,250 in career sales (or country equivalent)
- The referring Consultant must be active at the time of the achievement
- During the initial three month launch of a country, the \$100 award will be doubled when the new Consultant first reaches their \$1,250 career sales milestone (or country equivalent)
- Maximum benefit of \$125 Pampered Chef® dollars or \$225 (during initial three month launch)
- Effective immediately for all countries. Mexico's initial three month launch period for Consultants signed is 2/1/09 through 5/1/09.

All awards are considered taxable income and will be reflected on 1099 statements.

## CAREER-BUILDING OPPORTUNITIES

**At The Pampered Chef®, you can earn income not only from your personal sales, but also from helping others to build their own businesses.** You truly have unlimited earning potential, and you determine the pace!

As you help others to succeed in this business, you can earn a monthly override for the support you provide them.

# policies and procedures

## Future Director

Once you have **two active personally recruited Consultants**, you will promote to the level of **Future Director**. Promotions are effective the first day of the month following the month this requirement is met.

### Future Director Performance Override

Future Directors who submit \$1,250 in commissionable sales in any month will earn a **1 percent bonus on their own sales and on the sales of their personally recruited Consultants**.

## Director

The next step is to **qualify as a Director**, which means you must have:

- **at least five personally recruited, active qualified Consultants** (not on a personal sales requirement waiver)
- **at least three months of active association with The Pampered Chef®**

- **submitted a signed Independent Sales Director Agreement.**

**Promotions are effective on the first day of the month following the month all requirements are met.** The month following the day you have recruited your fifth Consultant (and have four other active Consultants), the Home Office will send you an Independent Sales Director Agreement. In order for you to promote, the agreement must be signed and returned to the Home Office. Details are in the letter accompanying the agreement. Upon promotion to Director you receive a 14-karat gold whisk charm.

Directors will receive 250 PC dollars when they promote to Director for the first time. (Consultants who have already received Pampered Chef® dollars for recruiting, but are not yet a Director, will receive the balance when they promote to Director, up to a total of 250 PC dollars).

## The Pampered Chef® Director's Unlimited Earning Opportunity

Director Level	Requirements	Commission Override	Promotional Expense Award	New Products	Professional Development Award	Merchandise Discount	Incentive Programs	Production Bonus	Additional Conferences
Director	5 active personal qualified recruits	3% personal 3% 1st Line 3% 2nd Line	\$50 a month for exhibiting at fairs	Free samples*	\$100 a year	30%	Discounted points	Based on composition of Cluster	Special Program at National Conference
Advanced Director	2 - 1st Line Directors	4% personal 4% 1st Line 3% 2nd Line	\$50 a month for exhibiting at fairs	Free samples*	\$200 a year	35%	Discounted points	Based on composition of Cluster + \$ 20	Special Program at National Conference
Senior Director	4 - 1st Line Directors	4% personal 4% 1st Line 3% 2nd Line 1% 3rd Line	\$50 a month for exhibiting at fairs	Free samples*	\$300 a year	40%	Discounted points	Based on composition of Cluster + \$ 75	Special Program at National Conference
Executive Director	8 - 1st Line Directors	4% personal 4% 1st Line 3% 2nd Line 1% 3rd Line	\$50 a month for exhibiting at fairs	Free samples*	\$400 a year	40%	Discounted points	Based on composition of Cluster + \$ 350	Executive Seminar and \$250 for National Conference expenses
Senior Executive Director	16 - 1st Line Directors	4% personal 4% 1st Line 3% 2nd Line 1.25% 3rd Line	\$50 a month for exhibiting at fairs	Free samples* plus promotion items featuring TPC logo	\$500 a year	40%	Discounted points	Based on composition of Cluster + \$ 500	Executive Seminar and \$500 for National Conference expenses
National Executive Director	16 - 1st Line Directors of which at least 4 are Advanced, 2 are Senior and 1 is an Executive Director (Leadership Structure) maintained for 2 years	4% personal 4% 1st Line 3% 2nd Line 1.25% 3rd Line and Leadership Achievement Program	\$50 a month for exhibiting at fairs	Free samples* plus promotion items featuring TPC logo	\$500 a year	40%	Discounted points	Based on composition of Cluster + \$ 500	Chairman's Circle and \$500 for both National and Leadership Summit expenses

(\*If sales requirements are met.)

Above is a summary of the requirements, along with awards and privileges, for the different Director levels. Contact your Director for more information.

After becoming a Director, you may promote to higher Director levels. Each level has its own requirements. Each level also offers additional awards and privileges, such as increased merchandise discounts, commission overrides, monthly production bonuses, discounted qualifications for the annual incentive program, and invitations to special events and seminars.

## HOW YOU ARE PAID Commission Payment

**Monthly payments of commissions, bonuses and overrides are mailed or sent for direct deposit on the eighth day of the month.** If the eighth day is a Saturday, Sunday or holiday, payments will be mailed or sent for direct deposit on the following business day.

## Direct Deposit Program

**All Consultants may have their commission checks directly deposited into their checking or savings account.** Consultants who don't enroll in direct deposit will receive their monthly commission checks in the mail. There is a \$2.00 monthly charge for this service, which will be applied as a commission adjustment each month.

**Consultants on direct deposit receive two payments each month:**

- A mid-month payment of commission on the 22<sup>nd</sup> day of the month for all Shows received between the 1<sup>st</sup> and the 15<sup>th</sup> days of the month. Commissions are paid at 20 percent mid-month. No overrides are included in this payment. If the 22<sup>nd</sup> day of the month is a Saturday, Sunday or holiday, the deposit will be made on the following business day.
- A month-end payment of commission and overrides on the eighth day of the following month, including adjustments for increased commissions earned.

**Allow up to two full business days for direct deposit funds to actually be credited to your account.** If after two full business days you have verified with your financial institution that the funds were not received, contact the Finance department at the Home Office.

Your monthly commissionable statements can be viewed online on Consultant's Corner under Managing Your Business.

## Applying for Direct Deposit

You may apply on Consultant's Corner. Look for **Direct Deposit** under Managing Your Business or call (800) 449-2433 and select the Finance option to have a form mailed to you. Completed authorization forms must be received in the Home Office by the last day of the current month to be included for the following month's transmissions.

## Changing Financial Institutions or Account Information

To transfer your existing direct deposit of your commission check to another financial institution, or to a new account

number at the same financial institution, you may submit your account change online on Consultant's Corner under Managing Your Business > Direct Deposit. You may also sign and return a completed paper form to the Finance department at:

The Pampered Chef, Ltd.  
Attn: Finance Department — E-Payment Services  
One Pampered Chef Lane  
Addison, IL 60101-5630

Completed direct deposit authorization forms for account changes submitted to the Home Office between the 1<sup>st</sup> and the 15<sup>th</sup> of the current month will have the change become effective beginning with the mid-month commission payment. Changes received between the 16<sup>th</sup> and 31<sup>st</sup> of the current month will become effective beginning with the next month's commission payment. You should NOT close your old account until the first deposit has been made to your new financial institution or to your new account number.

## CONSULTANT PURCHASING OPPORTUNITIES

### Pampered Chef® Dollars (PC Dollars)

You may earn Pampered Chef® dollars through incentives offered by the Home Office or a Director. **To redeem them, you must be an active Consultant.** PC dollars are accepted on all noncommissionable orders, such as supply orders, kit enhancement orders, sample orders, personal orders and replacement part orders. They are also accepted as registration payment for National Conference and Leadership Summit. They are not accepted on commissionable orders such as Cooking Shows.

**PC dollars can be used as payment for noncommissionable orders submitted via PamperedPartner®, PamperedPartner® Plus or via paper order.**

### Supply Orders

The Supply Order form includes **a variety of items to support your business including print, audio and video training resources, and Show supplies.** Each time you submit a supply order form via mail, a new form is included with your order. **Orders can be submitted electronically through PamperedPartner®, PamperedPartner® Plus, or via paper order.**

The form is self-explanatory. Here are some additional details:

- One order per month may be made with a \$4.25 shipping charge per month
- Additional orders in a month must be calculated with the individual shipping and handling charges. (Directors pay \$4.25 shipping and handling on all supply orders.)
- No returns, exchanges or refunds can be made for paperwork/supply orders.
- Should you experience a problem with your order, contact the Solution Center.

# policies and procedures

## Paperwork Availability

Occasionally (at the end of a season) TPC may run out of a particular item. If that occurs, we may substitute a similar item or refund the cost of the item.

## Kit Enhancement

**All active Consultants can purchase products from the entire line at a 40 percent discount during kit enhancement month, which occurs each April.**

- Only one kit enhancement order is allowed per Consultant during April.
- The retail value of items ordered, before discount, cannot exceed \$500.
- Kit enhancement orders cannot be combined with any other order.
- Only one quantity of any item may be purchased during kit enhancement month.
- Guest and Host Specials may not be ordered on a kit enhancement order.
- Gift Certificates may not be ordered on a kit enhancement order.

**Note: New Consultants are allowed an additional kit enhancement month in their 4th full month.** (If your New Consultant Kit enhancement month would be April, it will be assigned to May instead.)

To place a Kit enhancement order:

- Orders can be submitted via PamperedPartner® Plus or you may send a sales receipt with payment to the Home Office.
- Fill out a sales receipt, and total the retail amount.
- Deduct the 40 percent discount from the product total only (before sales tax/shipping and handling).
- Add \$4.25 shipping and handling.
- Calculate sales tax on the discounted amount (plus shipping and handling, if applicable in your state).
- Check the Kit Enhancement box on the form.

Payment may be by Consultant's personal check, money order, Pampered Chef® Dollars, The Pampered Chef® Credit Card or The Pampered Chef® Proprietary Debit Card.

## 200<sup>th</sup> Cooking Show

Once you have submitted 200 Cooking Shows, you can order one new set of New Consultant Kit products to replace samples that have become worn. You will receive information on this when you reach the 200 Show milestone.

## Personal Orders

**Active Consultants and Future Directors may purchase products for personal use at a 20 percent discount (22 percent after reaching \$15,000 in commissionable career sales).**

To place a personal order:

- Fill out a sales receipt and total the retail amount.

- Multiply the total by your discount of 20 or 22 percent. List that total (your discount) in the past host discount box.
- Add \$4.25 shipping and handling for the first personal order in a month.
- Additional personal orders in the same month must pay shipping according to the direct-shipping chart. (Directors pay \$4.25 shipping and handling on all personal orders.)
- Calculate sales tax on the discounted amount (plus shipping and handling, if applicable in your state).
- Check the Personal Order box on the form.
- Orders can be submitted via PamperedPartner®, PamperedPartner® Plus or you may send the sales receipt with payment to the Home Office.

Payment may be by Consultant's personal check, money order, Pampered Chef® Dollars, The Pampered Chef® Credit Card or The Pampered Chef® Proprietary Debit Card.

**No commission or incentive points are awarded on these orders.**

**New Consultant Reward bonuses and Consultant Promotions/ Incentives are not earned on personal orders.**

**Consultants may not place personal orders on a Show order.**

**Directors and above receive a greater discount; see chart on page 8.**

## Early Purchase of Guest Specials

**In order to have a sample to demonstrate, Consultants can purchase most Guest Specials (but not Host Specials) the month prior to the promotion (as well as the month of the promotion) on a personal order. See the monthly promotions flyer for specific details. Guest Specials are assigned a unique order number for the month of the promotion.**

To order a Guest Special on a personal order:

- Fill out a sales receipt, checking the box for a personal order. Write in the Guest Special in the designated area; you must use the assigned Guest Special product number.
- In the month prior to the promotion, only one early Guest Special can be purchased.
- **If the Guest Special has specific purchase requirements, the Consultant must meet the requirements after the discount has been taken to take advantage of the special.**
- Example: Spend \$60 and receive the Ice Cream Dipper free! If the Consultant wants a free Ice Cream Dipper, she or he must spend \$60 (after the personal discount) to receive the item free.
  - NOTE: In the example above, if the Consultant simply wants a sample of the Ice Cream Dipper, we recommend that she or he order it using the regular product number and purchase it at the normal personal discount.

## Personal Inventory

Although it is not required, you may choose to carry a small amount of inventory occasionally when exhibiting at a fair or for other special purposes. **Personal inventory orders must be placed separately from any other order, via paper only.**

To order items for personal inventory:

- Use a sales receipt, and write Personal Inventory Order at the top.
- You must order at least six of an item.
- Follow steps from Personal Orders section.
- Because you will be reselling these items, calculate the appropriate sales tax on the total of the retail order **BEFORE THE DISCOUNT.**
- Determine shipping charges from the individual shipping schedule on the back of the sales receipt.

Please note:

- No commission will be paid on personal inventory purchases.
- Merchandise is nonrefundable, except upon termination of the Independent Consultant Agreement. See your agreement for details.

**Note: Different shipping charges apply for Consultant orders shipped outside of the 48 contiguous states. Please see pg. 15 for details.**

## YOUR ACCOUNT WITH THE PAMPERED CHEF® Commission Adjustments

This allows the Home Office to make corrections to orders without delaying the shipment of your customers' products or issuance of your commission checks.

- Commission adjustments under \$10 are done automatically.
- In case of a commission adjustment between \$10 and \$20 the Consultants will be contacted for approval (except at month end).

## How Commission Adjustments Work

- Show totals will be adjusted, and your commission check will reflect the corrected amount. Commissionable sales will also be adjusted.
- A deduction will be made as a line item on your commission statement if the adjustment requires additional funds to be paid to The Pampered Chef®.
- Commission adjustments may total up to \$20 per order. When errors require corrections that exceed the \$20 maximum per Show:
  - ◆ The order processing procedure will stop, and we will notify you as soon as possible by phone or e-mail.
  - ◆ The order will be held until a response with the correction is received.

- ◆ The received date will be changed.
  - ◆ The order will be processed in the date/month that the correction was received in the Home Office.
  - ◆ Order corrections will not be processed ahead of other orders.
  - ◆ If we are unable to contact you, your Director will be notified of the correction required and may give authorization to process.
- If the error on an order causes a \$20 or more overpayment by the host, a guest or you, a refund will be mailed to you. The balance of the order will be shipped separately to the requested address. **This type of error delays order processing and shipment.**
  - If the error on an order causes less than a \$20 overpayment by the host, a guest or you, the amount will be added and appear on your next commission statement. **This type of error delays order processing.**

Please note:

- If an entire Show or Individual Order is returned, commissions will be reversed and the commissionable sales total will be adjusted. In addition, points toward incentives or credit toward promotions or bonuses will be deducted.
- The Pampered Chef® is not responsible for any loss of incentives or awards, Director promotion/maintenance requirements or Consultant activity status that might occur as a result of the adjustment.

## Returned Checks and Debit Card Transactions

Checks and Pampered Chef® Proprietary Debit Card transactions returned to The Pampered Chef's bank due to Nonsufficient Funds (NSF) or any other reason, including account closed, stop payment, etc., will be handled as follows:

- Returned Checks — Our bank will try to submit your returned (NSF) check a second time to your account. In some situations, our bank can present your check only one time.
- Returned Debit Card Transactions — Our bank will try to submit your returned (NSF) debit card transaction a second time to your account. In some situations, our bank can present your debit card transaction only one time.

After unsuccessful resubmission by our bank, you will be notified via letter or e-mail from the Home Office that your check and/or debit card transaction was returned to us by your bank. The following will also occur:

- You will be charged a \$20 bank return fee by The Pampered Chef® for each returned item.
- Commissions will be applied to any outstanding balance.
- Future orders submitted without proper payment could be placed on hold for 10 business days. This could affect your commission overrides and/or your active/inactive status.

# policies and procedures

## Money Order Only Status

If you issue two returned checks and/or debit card transactions within a two-month period, you will be required to submit all orders, paid by money order, cashier's check or Pampered Chef® Credit Card, for at least six months. You will be notified through letter or e-mail when you are placed on a money-order only status.

## Demonstrator's Liability Insurance

Starting the month in which the Independent Consultant Agreement is received and for each month thereafter, \$2.00 is deducted from a Consultant's commission to cover demonstrator liability insurance regardless of the Consultant's status. Deductions for periods of inactivity are taken upon reactivation.

## SOLUTION CENTER PROCEDURES

The Pampered Chef® wants every customer to be a satisfied customer. You are the connection between the customer and the company, so when a customer contacts you, be sure to:

- Listen to the situation.
- Explain our guidelines that apply.
- Always verify that the adjustment is within our guarantee guidelines.
  - Pre-paid shipment arrangements are available within 30 days of shipment when a product return is necessary.
  - Shipment on returns over 30 days is at the customer's expense.
- Proof of purchase should be confirmed by checking that your customer has her or his original sales receipt.
- Product Adjustments not involving financial transactions can be serviced automatically on Consultant's Corner under Frequently Visited Links on the Home Page or you may e-mail or call the Solution Center at the Home Office.
- A reference number will be authorized and given for all approved requests. This reference number must be included and written on the outside of the carton on all requests including returns, exchanges and refunds. **Do not include any product that was not on the request.**
- All approved requests that include a refund or exchange will be required to be returned with a reference number, the merchandise and the original sales receipt.
- Keep your confirmation information or log details regarding your phone conversations.

## Contacting the Solution Center

You can contact the Solution Center any of three ways:

### 1. Internet:

Web site: [www.pamperedchef.com](http://www.pamperedchef.com). Please allow up to one business day for a response. Look for **Product Adjustment** under Frequently Visited Links on Consultant's Corner to quickly complete the six-step self-service application. A reference number will be provided to complete your request.

### 2. E-mail:

English: [solution\\_center@pamperedchef.com](mailto:solution_center@pamperedchef.com) or Spanish: [pcexito@pamperedchef.com](mailto:pcexito@pamperedchef.com). Please provide the following information:

- Show number
- Customer's or host's name, address, phone number
- Reason for adjustment
- Product to be returned
- End result desired (replacement/exchange\*/refund\*)
- Address for 30-day courtesy FedEx pickup or U.S. Postal Service return label (Consultant, host or customer address), if applicable.
- Confirmation of the request will be provided within three business days including an approved reference number and/or additional information needed to process the request.

\*All exchanges and refunds require a proof of purchase. Be sure to include the original sales receipt when returning product.

### 3. Phone:

Call from 7 a.m. to 11 p.m. Monday through Friday CT.

English #: 1-888-OUR-CHEF  
(687-2433)

Spanish #: 1-888-PC EXITO  
(723-9486)

APO #: 1-630-261-8946  
(outside the continental United States)

Be prepared to:

- Give your name, Consultant number and Show number.
- Provide the appropriate adjustment information.
- Confirm any necessary follow-up.
- Retain the approved reference number for all future references and shipments since this is your authorization.
- Keep a log to record the name of the representative who helped you, date, time of call and reference number.

## Understand Our Product Guarantees

The Pampered Chef® supports our customers by offering products with guarantees and by adjusting orders when appropriate. Consultants are responsible for properly communicating these policies to customers.

Please refer to the sales receipt for product guarantee information or call the lifetime guarantee number at (800) 808-5395.

### Lifetime Guarantee

For our products with a lifetime guarantee, the guarantee applies to the original purchaser (or gift recipient). The guarantee covers any manufacturing defects under normal home use. Of course, lifetime guarantees do not cover normal wear and tear, or misuse of a product. Refer to the sales receipt for lifetime guarantee information.

## Adjustment/Return Procedures Courtesy Pickup Within the First 30 Days from the Show Ship Date

During this time period, your host should contact you regarding any error or other problems. We will arrange for a U.S. Postal Service mailing label to be sent to the Consultant, host or customer address, or for FedEx pre-paid shipping arrangements, when applicable. A reference number must be obtained for all requests to be honored. This number is your authorization.

Once a reference number is received, the item should be properly packaged for shipping. All exchanges and refunds must be returned with the original copy of the sales receipt enclosed. The receipt will be returned. Instruct your customers to write the reference number on the outside of the carton.

### Beyond the First 30 Days from the Show Ship Date

If an adjustment is requested after this timeframe, you can offer to contact the Solution Center to obtain an approved reference number. Return the original sales receipt (when a refund or exchange is desired) with the merchandise and the pre-approved reference number, or have the customer handle the return. Be sure the mailing receipt is saved for return verification.

All sharp and pointed items must be securely packaged in the original case or protective sleeve. If this protection is not available, sufficiently pack the items so that sharp points or edges do not cut through packaging during shipment.

## Types of Adjustments

### Missing Product

- Verify that the item was submitted on the original order.
- Verify that the missing item was indicated as shipped on the packing list.
- The Solution Center can process an adjustment to an order for products up to \$20. However, adjustments for items that are inadvertently left off the order, for whatever reason, are not commissionable, nor do they affect Show totals, bonuses, etc.
- Verify the product number and description of the item.
- Verify that nothing extra was received.
- Determine the ship-to address for the missing item (host or customer address).
- Use our Product Adjustment online application (look for **Product Adjustment** under Frequently Visited Links on Consultant's Corner), call the Solution Center or e-mail us at [solution\\_center@pamperedchef.com](mailto:solution_center@pamperedchef.com).
- Always retain the reference number since this is your authorization.
- If there are any changes to the adjustment after the original request (address, product, etc.), notify the Solution Center to ensure accurate shipping.

### To request that a missing shipment be traced:

- You can track your Shows and adjustments on Consultant's Corner. Click on Shipment Status under Frequently Visited Links.
- Be sure to document all missing items on a phone log before contacting the Solution Center. This will ensure that the appropriate follow-up can be taken.
- E-mail or call the Solution Center to request a tracer. (Be sure to have the Show number, correct shipping address and the recipient's phone number.)
- The shipper must issue a claim number, which may take up to seven business days, for us to confirm.

### Extra Product

- Verify if the item received is on the packing list. (The Solution Center will need to know this information when processing the adjustment).
- Verify the product number and description of the item received.
- Provide Consultant or host address for the incorrect item(s) to be returned.
- Use our **Product Adjustment** online application (on Consultant's Corner under Frequently Visited Links), call the Solution Center, or e-mail us at [solution\\_center@pamperedchef.com](mailto:solution_center@pamperedchef.com) to report the request.
- Always retain the reference number (this is your authorization) and print this number on the outside carton of the merchandise being returned.
- If there are any changes to the adjustment after the original request (address, product, etc.), notify the Solution Center to ensure accurate return processing.

# policies and procedures

## Damaged Product/Replacements

- Verify that the item is within the guarantee guideline for replacement.
- Verify the product number and description of the damaged item.
- Obtain the address for the damaged item(s) to be returned, when applicable.
- Use our **Product Adjustment** online application (on Consultant's Corner under Frequently Visited Links) or e-mail us at [solution\\_center@pamperedchef.com](mailto:solution_center@pamperedchef.com). If applicable, we will issue a prepaid U.S. Postal Service return label or Fed Ex prepaid arrangements.
- Always retain the reference number (this is your authorization) and print this number on the outside carton of the merchandise being returned.
- If there are any changes to the adjustment after the original request (address, product, etc.), notify the Solution Center to ensure accurate shipping.

## For Exchanges

- Verify that the item is within the stated **one-year** exchange guarantee.
- Call the Solution Center or email us at [solution\\_center@pamperedchef.com](mailto:solution_center@pamperedchef.com). If applicable, we will issue prepaid FedEx shipping arrangements or U.S. Postal Service return label for return within 30 days from the shipment of the original order.
- Always retain the reference number (this is your authorization), and print this number on the outside carton of the merchandise being exchanged.
- Write in the reference number on the back of the original sales receipt.
- Securely pack merchandise and original sales receipt in the box.
- If there are any changes to the adjustment after the original request (address, product, etc.), notify the Solution Center to ensure accurate shipping.

## For Refunds

- Verify that the item is within our stated **one-year** refund policy.
- Call the Solution Center or email us at [solution\\_center@pamperedchef.com](mailto:solution_center@pamperedchef.com). If applicable, we will issue prepaid FedEx shipping arrangements or U.S. Postal Service return label for return within 30 days from the shipment of the original order.
- Always retain the reference number (this is your authorization) and print this number on the outside carton of the merchandise.
- Write in the reference number on the back of the original sales receipt.
- Securely pack merchandise and original sales receipt in box. The original receipt will be returned to the customer with the refund check unless otherwise indicated.
- If there are any changes to the adjustment after the original request (address, product, etc.), notify the Solution Center to ensure accurate mailing.

## “Restyled” Products

As we continually evaluate each product's performance, enhancements may be made. This does not mean the original product is inferior or does not work according to the Use and Care instructions.

**A product that does not perform according to our guarantee will be replaced with the same product ordered — not with a later, restyled model.** In some cases, replacements of a preceding product with an enhanced product will be made based on guarantee and inventory levels. If actual product replacement cannot be made due to unavailability, The Pampered Chef® may, in its discretion, offer comparable product replacement or credit toward future product purchases.

## Adjustments for Consultant's Products

Our product guarantee also applies to all items you receive in a kit, bonus, sample or personal order. If you experience a problem with your merchandise within the guarantee and beyond the first 30 days, follow these steps:

### Kit Items, Bonus, New Product Samples, Kit Enhancements and Personal Orders

- Identify the order on which you want to request an adjustment.
- Use our **Product Adjustment** online application (on Consultant's Corner under Frequently Visited Links), call the Solution Center or email us at [solution\\_center@pamperedchef.com](mailto:solution_center@pamperedchef.com).
- Always retain the reference number (this is your authorization) and return the damaged or defective merchandise to The Pampered Chef® with the reference number written on the outside of the carton.
- If the item is from a Kit Enhancement or Personal Order, a replacement will be shipped upon receipt of the merchandise.
- If the item is from your New Consultant Kit, Bonus kit or new product sample, the Solution Center will request that a replacement be sent right away, while the adjustment is being processed.

### Large Quantity Orders/Commercial Orders

From time to time, a customer may want to purchase a large quantity (more than 50) of a single item from our line. Or, a customer may want to purchase Pampered Chef® products for commercial use, such as in commercial kitchens (restaurants, institutions, etc.) as gifts to customers (real estate agents, car dealers, etc.). Should you encounter such an opportunity, contact the Solution Center for guidelines.

## Order Submission for Consultants Outside the 48 Contiguous States

Consultants residing outside the continental United States may submit their orders via fax (630) 261-8579. This applies to Consultants with APO addresses and Consultants who live in Puerto Rico, Guam, US Virgin Islands, US territories, Hawaii and Alaska.

When faxing an order, include a cover sheet with the following information:

- Your name and Consultant number.
- The Show number(s) and date(s).
- The country and country code from which you are faxing.
- A phone number where you may be reached.
- The number of Shows you are transmitting and the number of pages you are transmitting. (Please number each page at the top.)
- Your Pampered Chef® Proprietary Debit Card number, which is the only acceptable payment for faxed orders.

Orders sent in by fax must be received in the Home Office by midnight CT on the last business day of the month to count for that month. The Home Office is not responsible for faxed orders unable to be transmitted or received for any reason.

## Shipping Charges for Alaska, Puerto Rico, Hawaii, US Virgin Islands, Guam, American Samoa and US Territories

The following shipping and handling charges apply in the above-designated areas:

### Orders for customers and hosts:

- For Cooking Show guest orders shipped to a host, the charge is 15 percent of their product amount plus \$2.00.
- For host (and co-host) orders shipped to the host, no shipping charge is applied.
- For any orders (Show orders or individual orders) shipped to an address other than the host's, use the direct shipping schedule on the back of the sales receipt.

### Orders for Consultants:

One order per month for supply, kit enhancement, personal order, supply booster, or new sample products is subject to a \$6.25 shipping and handling charge. Additional orders in a month must be calculated using the direct shipping schedule. (Directors pay \$6.25 shipping and handling on all Consultant orders.)

Orders to Puerto Rico, US Virgin Islands, Guam and other US Territories are shipped via U.S. Postal Service Priority Mail.

## Sales Tax and Business Licensing

Consultants are responsible for collecting the appropriate rate of sales tax based on the ship-to address of the order. Typically, this is the host address. All Consultants are

responsible for complying with any local business licensing requirements.

## Tax-Exempt Orders

If a sales tax-exempt organization is purchasing products, follow these steps:

- List the organization on the sales receipt and Show order form as the person purchasing.
- Attach a copy of the organizations' tax-exempt certification or letter issued by the State Taxing Authority, confirming their tax-exempt status. The tax-exempt number alone is not sufficient.
- Write 0% and \$0.00 in the sales tax blank.
- Apply the direct shipping charges as indicated on the back of the sales receipt.

**Note: For Fundraisers, individual members of an organization may not claim tax-exempt status. All individuals must pay sales tax.**

## Tax on Native American Reservation Orders

States that have Indian reservations give all the members of the tribe identification showing they are a member of a Native American tribe. To be exempt from sales tax, the person ordering products must be a member of an Indian tribe and the products must be shipped to an Indian reservation. To verify this information, a Native American Purchase form must be attached to each order placed. If no form is attached, sales tax will be deducted from your commission. This form may be printed from our web site at [www.pamperedchef.com](http://www.pamperedchef.com) under Tax Information.

If no identification is available and/or the order is shipped somewhere other than the reservation, sales tax must be added to the order.

## CONSULTANT STATUS

### Active Status

**To remain active, you must submit at least \$200 in commissionable sales in every consecutive two-month period (current and previous).**

As an active Consultant, you are entitled to:

- Receive information and mailings from the company
- A merchandise discount on orders for personal use
- Purchase samples and supplies
- *PC Newswire* — weekly e-mail communication from the company. (If you don't register an e-mail address with Home Office, you may request a print version of *PC Newswire* for a \$4.00 monthly charge, applied as a commission adjustment. Contact the Solution Center to make this request.)

## Inactive Status

After any two consecutive months of commissionable sales totaling less than \$200, your status becomes “inactive.” An inactive Consultant loses the privileges listed previously under “Active Status;” however, they retain access to Consultant’s Corner for twelve months and can place Supply orders (excluding product) and submit Shows.

**In addition, inactive Consultants forfeit the following:**

- **Career sales credited to them.** They will revert to \$0 in career sales, which means their commission rate will be 20 percent upon reactivation.
- **Personal recruits.** They will be assigned to your recruiter and will not be reassigned to you upon reactivation.
- **Wedding Registry.** If you become inactive, your current wedding registries will be re-assigned to your Director. This will occur one month after the month in which you become inactive. For example, if you become inactive on April 1, registries will be re-assigned on May 1.

**Consultant Resignation.** If you wish to resign, please send a written letter of resignation to the Home Office and to your Director. Once resigned, you will lose the same benefits as outlined under Inactive Status. Resignation dates are effective on the first business day of the month.

**New Consultant Rewards Program** – A new Consultant remains active throughout their first 90-day period. Inactivity will occur the first day of the first full month following the 90-day period if less than \$200 in commissionable sales has been received in the two previous months.

- Robert is in the New Consultant Rewards Program. His 90-day end date is April 24. Robert must submit a minimum of \$200 in commissionable sales in March and April combined or he will be inactive May 1.

## Reactivation

When an inactive Consultant wishes to reactivate and sell again, the following guidelines apply:

### After 1 - 11 Months of Inactivity\*

Submit \$200 in commissionable sales in one month.

\*Liability insurance will accumulate while inactive and be deducted from the commission check.

### After 12 or More Months of Inactivity

At this point, a Consultant must submit a new Independent Consultant Agreement and pay the new kit fee plus sales tax. A new Consultant number will be assigned. The Consultant is eligible for the New Consultant Rewards program. The new Consultant can be recruited by the original recruiter or by any other Consultant or Director.

NOTE: Consultants may submit orders while inactive. However, orders of less than \$200 in commissionable sales do not qualify a Consultant to become reactivated.

## Request for Personal Sales Requirement Waiver

A request for waiver of the personal sales requirement (\$200 in any consecutive two-month period) may be granted for up to three months for the following reasons:

- Medical
- Relocation to a new permanent residence more than 100 miles away
- Family/personal crisis
- Disaster (tornado, flood, fire, etc.)

Only Consultants who have already submitted commissionable sales or recruited a new Consultant are eligible. Consultants must submit their own waiver requests.

Submit a written request or e-mail to the Home Office by midnight CT on the last business day of the second month (the last calendar day if submitted electronically) totaling less than \$200 in commissionable sales.

The last business day of the month excludes weekends, published holidays and published Pampered Chef® holidays listed in the *Consultant News*.

Generally, the personal sales requirement will be waived for up to three months within any 12-month period. Consultants must submit \$200 in commissionable sales in the month following a waiver.

If you sell \$200 in any month during the waiver period and wish to discontinue the waiver status, you must notify the Solution Center department in writing prior to the last business day of the month (the last calendar day if submitted electronically) in which the sales are submitted.

All requests will be reviewed and approved at the sole discretion of the Home Office.

A waiver of personal sales requirement waives the \$200 minimum sales requirement to maintain active status. It also waives a Director’s requirement of \$750 in personal sales to receive monthly overrides or to avoid a relinquishment month. It does not waive a Future Director’s requirement of \$1,250 to receive a bonus on personal sales and personal recruits’ sales.

## Retroactive Personal Sales Requirement Waiver

Consultants who realize after a month’s end that they did not meet the minimum sales requirements may be eligible to take a retroactive personal sales requirement waiver. However, Consultants are not eligible for a retroactive waiver if they have already used three months of a waiver in the previous 12-month period.

To be considered, requests for retroactive waivers must be submitted in writing to the Solution Center and received by midnight CT no later than the 20<sup>th</sup> day of the following month. If the 20<sup>th</sup> falls on a nonbusiness day, requests must be received on the next business day. A \$25 processing fee is applied for this retroactive waiver.

## Natural Disaster Program

Consultants residing in FEMA-declared (Federal Emergency Management Agency) disaster areas are eligible to apply for consideration for the following circumstances:

- **A make-up month can be requested to earn the Consultant sales and/or recruiting promotion that was in effect the month of the disaster.** The make-up month will be the third month after the disaster occurs. For example, if the disaster occurred in September, the make-up month would be December.
- **A one-month waiver of personal sales requirement can be requested,** for either the month the disaster occurred or the month following. This special waiver will not be counted against the normal waiver time allowed within any twelve-month period.
- **A one-month extension of the New Consultant Rewards Program can be requested.** Should a natural disaster occur within the first 30 days of the New Consultant Rewards Program the 30 and the 90-day end dates will each be extended an additional thirty days. Should a natural disaster occur between the 31st and 90th day, the 90-day end date will be extended an additional thirty days.

### **Disaster Occurs within the first 30 days - Example:**

A New Consultant's 30-day end date is February 27; the 90-day end date is April 30 (since April 28 falls on a weekend). A disaster occurs on February 10. If approved, the new 30-day end date will be March 29. The 90-day period will be extended to May 30.

### **Disaster Occurs between the 31st and the 90th day - Example:**

A New Consultant's 30-day end date is February 27; the 90-day end date is April 30 (since April 28 falls on a weekend). A disaster occurs on April 6. If approved, the 30-day end date remains February 27. The 90-day period will be extended to May 30.

- **A one-month extension can be requested for the repromotion, relinquishment cycles, and the new Director training period for Directors who live in the FEMA-declared disaster area.** Director overrides will not be paid during the extension, since they are not paid during a normal repromotion, relinquishment or training month.

**Note:** The guidelines do not apply to upper level Director travel requirements, Director overrides, inactivity, host promotions, guest specials, Top Performance Cluster and annual incentive programs. If a Consultant earned a promotion (such as a Consultant Special, etc.) in the original month it was offered, he/she is not eligible to earn it again as part of the natural disaster program.

Requests for consideration under the Natural Disaster program must be made in writing to the Solution Center by the last **business** day of the month (last **calendar** day if submitted electronically) following the month the disaster was declared. (Example: the disaster occurs on September 20 and FEMA declares it on October 5, Consultant has until the last business day of November to submit a request.)

Proof of residency in a FEMA-declared county must accompany the request.

Approval (or denial) of the request will be provided in writing.

## AWARDS PROGRAM Top Performance Cluster

Consultants and Directors who achieve Top Performance Cluster will receive a very special piece of jewelry. **First-time achievers have a choice of two ring styles.** The first ring features 7 square cut rubies in an elegant 14-karat white or yellow gold setting. The second style features 12 rubies in an elegant 14-karat white or yellow gold setting. Each year achievers meet the Top Performance Cluster requirements, a diamond will be added to the setting.

**Once the complete setting of diamonds is reached, achievers will have a choice of two bracelets.** The first bracelet is a women's style in 14-karat yellow or white gold, set with three diamonds. Every year after that, when Top Performance Cluster is achieved, two more diamonds are added to complete the bracelet. In the 10th year of achievement, three diamonds are added to complete the setting.

The second bracelet is a handsome brushed stainless steel, detailed in 14-karat gold. Each subsequent year when Top Performance Cluster is achieved, through the 10<sup>th</sup> year of achievement, a diamond will be added to complete the setting.

Once Top Performance Cluster achievers have earned the complete setting of diamonds in their bracelet, they **can then move on to earn one of two additional pieces of jewelry** exclusively designed for The Pampered Chef®.

- **An Omega-style necklace available in yellow or white gold.** The necklace is made of 14-karat gold with a Pampered Chef® hat charm attached at the clasp and a pendant slide set with pavé diamonds. For each subsequent year that Top Performance Cluster is achieved, through the seventh year of achievement, two pendant slides set with pavé diamonds will be added to complete the setting.
- **A yellow or white gold ring** that features a black onyx and diamond center with a diamond trillion set on each side. For each subsequent year that Top Performance Cluster is achieved, through the seventh year of achievement, two diamonds encircling the black onyx will be added to the ring to complete the setting.

Top Performance Cluster achievers are recognized on stage at our National Conference held in July each year.

Top Performance Cluster achievers who earn and attend the premier awards trip will receive an added bonus on the annual incentive program. The bonus will be determined by the Company separately for each annual incentive program. Top performers also receive a \$360 deposit of Pampered Chef® dollars to be used as payment on all noncommission orders and receive a set of specially monogrammed logo business cards.

## 2008-2009 Top Performance Cluster Rules and Guidelines

Requirements for Top Performance Cluster for the awards period of June 1, 2008 through May 31, 2009 are as follows:

### Personal Recruits

15 personal, qualified recruits

A personal recruit is someone you have personally recruited and who has qualified between June 1, 2008, and May 31, 2009. Any recruit who becomes inactive before qualifying will not count toward the award.

### Personal Sales

\$55,000 in commissionable sales

### Developing Directors

Three first line Directors promoted and maintained during the awards period — June 1, 2008 through May 1, 2009.

You must be the first line Director at the time of promotion to receive credit for the promoting Director.

Director level repromotes count for the current awards period only if they were not a Director at the end of the previous award period.

### Balanced Business

\$45,000 in commissionable sales; 12 personal, qualified recruits; and one Director promoted and maintained during the award period.

### First Line Cluster Sales

\$350,000 in commissionable sales from first line Cluster (includes personal sales).

You must show an increase over the previous year's total, unless you've achieved Developing Directors in the current or prior Top Performance Cluster year. In this case, you do not need to show an increase in First Line Cluster Sales.

OR

Be among the top 20 achievers in First Line Cluster Sales, regardless of whether an increase over the prior year is achieved.

### Overall Cluster Sales (for Senior Directors and above)

\$1,000,000 in commissionable sales from first, second and third line Cluster (includes personal sales).

You must show an increase over the previous year's total.

OR

Be among the top 20 achievers in Overall Cluster Sales, regardless of the increase.

### Note:

- To earn in any category, you must have also submitted a minimum of \$15,000 in personal commissionable sales during the awards period and must be a Consultant in good standing.
- Top Performance Cluster requirements vary from year to year.
- To earn the 2008-2009 and beyond Top Performance Cluster, Circle of Honor and President's Award programs, a minimum of 50% of any sales requirement must come from Cooking Shows, Catalog Shows, individual orders (excluding online orders), Fundraiser Shows or Wedding Shows. If the award is based on Cluster sales, then 50% of Cluster sales must come from Cooking Shows, Catalog Shows, individual orders (excluding online orders), Fundraiser Shows or Wedding Shows.

## President's Award

Top achievers in the following Top Performance Cluster categories: Personal Recruits, Personal Sales, Developing Directors, First Line Cluster Sales and Overall Cluster Sales, receive the esteemed President's Award and are invited to attend the Chief Executive's Celebration of Excellence reception at National Conference. The Celebration of Excellence reception honors President's Award recipients, Top Performance Cluster Five and Six category achievers and National Executive Directors.

## Circle of Honor

The top performers in the categories of Personal Sales, Personal Recruits, Developing Directors, First Line Cluster Sales and Overall Cluster Sales are recognized at National Conference and inducted into the prestigious Circle of Honor. This honor is independent of Top Performance Cluster achievement.

## CAREER CLUB

A special luncheon is held at National Conference for Career Club achievers. These awards are based on career commissionable sales and career qualified recruits, ending with the Top Performance Cluster awards period. Achievers also receive a pin signifying their Career Club level.

The levels awarded for career commissionable sales are \$50,000, \$100,000, and every additional \$100,000.

The levels awarded for career qualified recruits are 25, 50 and each subsequent 25 qualified recruits.

## ADVERTISING AND PUBLICITY POLICIES

As a Consultant with The Pampered Chef®, you build your business primarily by holding Cooking Shows and sharing the opportunity. There are times, however, when promotional activities via advertising and public relations can be of great value. While these actions help to grow your business, the following provides you with ideas and guidelines for advertising and publicity.

**NOTE:** All Pampered Chef® business, advertising, publicity and sales activities are limited to the US. Please do not promote your business outside the US. Also, under no circumstances are Consultants allowed to barter or exchange products for any type of advertisement or publicity.

**To maintain consistency and to promote the image The Pampered Chef® wants to project, it is important to adhere to the following policies.** Therefore, it's also important to understand how to appropriately represent yourself and the proper ways to use The Pampered Chef® logos and trademarks.

If you have questions about title identification, logo and trademark usage, copyrighted materials or advertising, please contact the Solution Center at 1-888-OUR-CHEF.

## Your Title/Identification

Always clearly identify yourself as an Independent Consultant for The Pampered Chef®, rather than as the company or one of its employees.

Use your full name, and Independent Consultant or Independent Sales Director (or appropriate title) for The Pampered Chef®.

### Example:

Mary Smith

Independent Sales Director for The Pampered Chef®

The same policy applies when answering the phone or recording an answering machine or voicemail greeting.

Except as otherwise provided in these policies, it is inappropriate to use The Pampered Chef® corporate name, the tagline, any trademark used by the Company or any derivation of such, for instance, “pampe,” “pampered,” “chef,” “discover,” “in you,” etc. as part of an e-mail address or domain name.

## Logo and Other Trademark Usage

### The Pampered Chef® Logo:

All Consultants can use the Pampered Chef® logo in print advertising, on flyers, as part of e-mail signatures and in e-newsletters. The Pampered Chef® logo must be utilized in one of the two Home Office approved formats for advertising and publicity as set forth below; as long as you include your name and proper title (see above). The logo is available for download from Consultant’s Corner. Click on Promoting Your Business >Online Order Policies and then click on View Advertising/Publicity Policies. The logo may not be altered in any way. You may not use the Chef’s hat icon alone. If you are utilizing the logo in any other format, it must be replaced with one of the approved formats below.



**The best way to protect our trademarks is to use the promotional flyers the Home Office produces and makes available in *Consultant News* and in downloadable format on Consultant’s Corner, as well as the marketing materials available through our licensed merchandise vendors.** Other examples of trademarks include product names like Chillzanne®, Woven Selections™, Simple Additions®, The Grate Container®, Egg Slicer Plus®, etc. You must use the proper trademark symbol, TM or ®, if you use trademarked names in materials you produce.

## Approved Vendors:

Do not give the logo, tagline or other trademarks to outside vendors for use on items such as personal checks, business cards, promotional merchandise, etc. The following licensed merchandise vendor is the only **authorized** vendor to make and sell business supplies and promotional items that feature The Pampered Chef® logo and trademarks.

Take a look at the selection of Pampered Chef® products this vendor has to offer.

- **Merrill Corporation** — Enter their web site through Consultant’s Corner, by clicking Promoting Your Business, Licensed Merchandise Vendors and then Merrill Corporation.

## Copyrighted Materials

### Consultants and Above

The “©” symbol indicates copyrighted materials. Other than in communications with Show hosts or guests, the catalog, postcard invitations, newsletters, recipes, etc., or anything bearing the “©” symbol should not be reproduced in whole or in part.

Do not sell or provide copyrighted materials to any non-licensed vendors.

Do not write “all rights reserved” on anything that bears The Pampered Chef® name, trademarks or logos. This includes printed or electronic materials like newsletters or flyers.

## Advertising

**You advertise your business when you pay for a mention or space for an ad in a newspaper, magazine, or event program.** Because you pay for the mention/space, you have control over what’s said and shown about your business. As a general rule, your advertising will be more successful when placed in smaller community papers, shopping news, church or school bulletins, and specialty newspapers or local magazines in your area that are primarily targeted at women. Additionally, it can take at least three exposures to an advertisement before it has consumer impact.

Please review the following advertising guidelines closely as they vary depending on Consultant level. To ensure your advertisement follows the appropriate guidelines, you can e-mail your ad to [career\\_solutions@pamperedchef.com](mailto:career_solutions@pamperedchef.com). If you have additional questions, please contact the Solution Center at 1-888-OUR-CHEF (2433).

## Telephone Listing and Directory Advertising

### Executive Directors and Above

Telephone Listing and Directory Advertising is reserved for Executive Directors and above. Only Executive Directors and above may list or advertise their business in the Yellow Pages or Business Section of the White Pages under The Pampered Chef®. In the Yellow Pages, you must list in the Kitchen Tools, Kitchen Items or very similar section. In all instances, the listing must include your full name and title (Independent Executive Director or appropriate title).

### Example:

The Pampered Chef®  
Mary Smith  
Independent Executive Director  
(123) 456-7890  
www.pamperedchef.biz/marysmith

## Advertising: Newspapers and Magazines

### Consultants and Above

Consultants may place paid advertisements in local, community and national newspapers; town newsletters; Chambers of Commerce or other business organizations' publications; school, church or county fair programs, flyers, etc.; and in local and national magazines.

In all advertisements, identify yourself as an Independent Consultant rather than as the company or one of its employees. See Title/Identification guidelines.

If you are providing information to a newspaper or magazine for possible (i.e., unpaid for) coverage or inclusion in a story, refer to the separate policy on publicity.

## Advertising: Radio

### Advanced Directors and Above

Advanced Directors and above may pay for radio advertisements. However, Consultant Career Solutions must first approve what will be said and the station(s) on which it will air.

### Consultants, Future Directors and Directors

Consultants, Future Directors and Directors may not advertise or promote their business on the radio. The only exception is when radio advertising is included in a registration or booth fee for a bridal fair, home expo or similar event.

It is not allowed to provide information to a radio station for possible (i.e., unpaid for) coverage or inclusion in an interview or story. Refer to the separate policy on publicity.

## Advertising: Television

Television advertising of any kind is not permitted for any Consultant. This includes cable access channels that have community billboards.

## Publicity

**You publicize your business when you invite a representative from the media to write about your business.** For example, you might invite a local newspaper reporter to write about your business or your fundraising activity, or you might submit a story for publication. With publicity, any coverage you receive is free to you, and the reporter/publication controls what's said and shown.

Please review the following publicity guidelines closely as they vary depending on Consultant level. If you have questions about the following publicity policies, contact Corporate Communications at [media\\_inquiries@pamperedchef.com](mailto:media_inquiries@pamperedchef.com) or call (630) 792-8160.

## Publicity: Newspapers

### Consultants and Above

You may submit story ideas and press releases to your local community newspapers. With prior written approval from the Corporate Communications Department, you may also submit a recipe for publication in your local newspapers.

### **The Home Office reserves the right to contact the top 100 newspapers in the US on behalf of all of our Consultants.**

If you live in a large metropolitan area, your newspaper is likely to be included in the top 100 newspaper lists. A detailed list of the top 100 newspapers is available on Consultant's Corner under Promoting Your Business, Advertising and Publicity Guidelines and Top 100. If you are not sure if the newspaper is a top 100 newspaper, please contact the Corporate Communications Department for clarification. Contacting any reporter from the top 100 newspapers could jeopardize future coverage and relationships that the Home Office has in progress.

If contacted by a Top 100 newspaper, you must forward the lead to the Corporate Communications Department at [media\\_inquiries@pamperedchef.com](mailto:media_inquiries@pamperedchef.com) for a response or call (630) 792-8160.

*If you are placing a paid advertisement with a newspaper, please refer to separate policies on advertising.*

## Publicity: Magazines, Radio, Television, Web Sites

### Consultants and Above

If contacted by a national magazine, web site, any radio station or any television station, Consultants must immediately alert the Corporate Communications Department for counsel on how to proceed. Contact the Corporate Communications Department via e-mail at [media\\_inquiries@pamperedchef.com](mailto:media_inquiries@pamperedchef.com) or phone at (630) 792-8160 and assistance will be provided within 24 hours. The Home Office will ensure the media request is legitimate and in the best interest of The Pampered Chef® and all Consultants.

*See separate policies on magazine, radio and television advertising.*

## Internet/Web: Personal Web Sites

### Consultants and Above

Consultants and Directors of all levels may promote their businesses by subscribing to a Personal Web Site through Consultant's Corner. Personal Web Site domain names begin with [www.pamperedchef.biz](http://www.pamperedchef.biz).

You can list your personal [www.pamperedchef.biz](http://www.pamperedchef.biz) Web site address in your personal e-mail correspondence, on business cards, checks, stationery and other similar materials. You can also list your personal [www.pamperedchef.biz](http://www.pamperedchef.biz) site in print advertising and publicity as long as you act in accordance with all other guidelines.

New Consultants are eligible for a free Personal Web Site for 90 days when they qualify within their first 90 days, and their qualification date is August 1, 2007 and forward. The redemption period for the free subscription will expire 30 days from the qualification date. Consultants are reminded by Home Office when the Consultant has qualified and the subscription is available for redemption.

## Internet/Web: Personal Web Site Addresses/Names

It's important that Consultants represent themselves as independent sales people and in no way imply they represent The Pampered Chef® corporate office. Therefore, new Personal Web Site subscribers must include their first and/or last name in their Personal Web Site address. For example, [www.pamperedchef.biz/susieglutz](http://www.pamperedchef.biz/susieglutz).

The part of the .biz address you customize may not include The Pampered Chef® corporate name, the tagline, any trademark used by the company or any derivation of such, for instance, the words "pamper," "pampered," "chef," "discover," "in you," etc.

Consultants signing up for a new Personal Web Site will see these guidelines in message form on Consultant's Corner. They will be programmed into our system for automatic enforcement.

Consultants may not represent themselves as The Pampered Chef® company in their personal Web Site. biz address.

Those Consultants in violation will be contacted to change their Personal Web Site name.

## Internet/Web: Links to Your Pampered Chef® Personal Web Site

**Consultants of every level are prohibited from linking to their Pampered Chef® Personal Web Sites. This includes both sponsored links and banner ads that you pay for, as well as non-sponsored links that you don't pay for.** For instance, if a friend posts a link on their family's Web site to your Personal Web Site, you would be in violation of this policy. Additionally, any other form of advertising on the Web is prohibited.

There are only two very specific exceptions to the linking policy.

The first pertains to Fundraiser Shows. If you have a Fundraiser with an organization that wishes to post a link to your Personal Web Site on their Web site, you may do so only with prior written approval from Consultant Career Solutions. Fundraiser links may only be active for 60 days. All other linking to your Personal Web Site is strictly prohibited.

The second exception pertains to personal electronic communications. You may continue to include your Personal Web Site address as part of your contact information or signature on e-invitations, any e-mails that are currently available through your Personal Web Site and your personal e-mails to your customers. These communications may link to your Personal Web Site. This also includes any electronic mail pieces that may be developed by our new licensed merchandise vendor.

The ban on linking also prohibits the following:

- Listing or linking your Personal Web Site in Internet directories or search engines, such as Google or Yahoo.
- Purchasing or using a separate domain name to re-direct visitors to your Personal Web Site.
- Linking to Consultant's Corner from any Web site.
- Linking to The Pampered Chef® corporate Web site from any Web site.

It is your sole responsibility to ensure that your Personal Web Site is not linked to any other Web site that violates these policies.

## Internet/Web: Use of Non-Pampered Chef® Web Sites

**Only Executives and above may purchase a separate domain name and develop a Web site outside of their Pampered Chef® Personal Web Site for the sole purpose of training and recognizing their downline. See Benefits and Privileges for Executives and Above, and the related policies below.**

## Internet/Web: Use of Photos on Your Personal Web Site

You may use any photos the Home Office has posted in the Personal Web Site gallery and a professional-looking portrait of yourself, such as the ones taken for free by Merrill Corporation at Conferences.

We strongly advise that you not post family or Cluster photos on the Web due to possible misuse by others. For self-protection, anyone who posts photos of people on their Web sites should have a release signed by those pictured, which states they're allowed to do so.

## Internet/Web: Use of Recipes & Recipe Photos on Your Personal Web Site

We're working on how to best populate the Personal Web Site gallery, and serve Consultants' needs and desires to post recipes and recipe photos on their Personal Web Sites. In the meantime, we strongly encourage you to use only those recipes and photos already posted on Consultant's Corner.

Our recipes and their photos are considered Pampered Chef's intellectual property, along with any other photos we take, product descriptions, trademarks, logos, etc. We have to place limits on what intellectual property Consultants are allowed to use and where, in order to protect the value of these assets. If we allow Consultants to use these assets however they see fit, we will not be able to enforce our rights against those who misuse them, for instance those who sell on eBay.

## Internet/Web: Additional Guidelines

### Consultants and Above

Other than signing up for a Pampered Chef® Personal Web Site or approved vendor sites, do not list the company name when filling out personal profiles on the Internet.

You may not purchase lists for e-mail marketing purposes. Spamming is not allowed.

You may not sell any Pampered Chef® products — current or discontinued — through online auction houses (like eBay.com) or on any Web site other than your Pampered Chef® Personal Web Site.

You may set up a chat room or e-mail newsgroup ONLY to communicate solely with other Pampered Chef® Consultants about the business. Please do not mention, advertise or promote your Pampered Chef® business on any chat rooms, other than those created for communicating with other Consultants.

Other than through your Pampered Chef® Personal Web

Site, you may not promote or advertise your business on any other Web site, Internet directory, search engine, etc. There are three very specific exceptions:

- Executive Directors and above may develop their own Web site to train their downlines. Executive Directors may not link to their Personal Web Site from their training site.
- If you have a Fundraiser with an organization that wishes to post a link to your Personal Web Site on their Web site, you may do so only with prior written approval from Consultant Career Solutions. Fundraiser links may only be active for 60 days. All other linking to your Personal Web Site is strictly prohibited.
- If a bridal fair, home expo or similar event sponsor offers you space on the sponsor's Web site as part of your registration fee, you may list your name, appropriate Pampered Chef® title, which must include the word "Independent," your phone number and personal e-mail address. You may **not** include your Personal Web Site address anywhere on a sponsor's Web site. Your contact information must be removed when the fair is over.

## Internet/Web: Benefits and Privileges

### Executive Directors and Above

Executive Directors and above receive free Personal Web Site subscriptions.

Executive Directors and above may continue to have another Web site with a separate domain name for the sole purpose of training and recognizing their downline.

As with Personal Web Site names, domain names cannot include The Pampered Chef® corporate name, the tagline, any trademark used by the company or any derivation of such, for instance, the words "pampered," "pamper," "chef," "discover," "in you," etc.

On the site itself, The Pampered Chef® may be mentioned, but the company logo or tagline may not be used, and products may not be sold from the site. If you mention The Pampered Chef®, you may only do it in the same font that you use for your text. You may not use it in a headline or create a new logo with a special typeface or font. You must identify yourself as an Independent Executive Director for The Pampered Chef®.

Executive Directors may not link to their Personal Web Site from their training site.

An Executive Director who is interested in having his or her own site with a separate domain name must have the domain name pre-approved, in writing, by Consultant Career Solutions prior to deployment of the Web site. And of course, as The Pampered Chef® corporate office, we reserve the right to monitor any Web site.

## Internet/Web: Policy Enforcement

The Home Office will randomly audit links to Personal Web Sites to ensure these guidelines are being followed. If you wish to report a violation, please e-mail Consultant Career Solutions at [career\\_solutions@pamperedchef.com](mailto:career_solutions@pamperedchef.com).

Anyone in violation of any communications policy will be notified via phone and e-mail that they must correct the violation. Additionally, their upline Director will be notified. If the Consultant fails to comply within the time specified by Consultant Career Solutions, action will be taken.

After the first failure to comply, the individual ordering option on their Personal Web Site will be disabled.

After the second failure to comply, their individual ordering option will be permanently disabled.

Finally, after the third failure to comply, the Consultant's Personal Web Site will be permanently disabled.

There are also penalties for repeat violations, even if the person complies each time they are contacted. If a person commits three violations, individual ordering will be permanently disabled on their site.

## Additional Guidelines

### Consultants and Above

- Consultants and above are prohibited from partnering with, holding Fundraisers for, or otherwise promoting their business through political organizations, cause-related organizations (outside of our current charitable giving partners) or any group the Home Office deems to be inconsistent with The Pampered Chef's brand image and reputation.