

# Independent Sales Director Agreement



Director Name: \_\_\_\_\_

Address: \_\_\_\_\_

Consultant #: \_\_\_\_\_

This Independent Sales Director Agreement ("Agreement") is made and entered into effective on the date set forth below between Director identified above ("Director") and The Pampered Chef, Ltd., an Illinois corporation ("Company"), One Pampered Chef Lane, Addison, Illinois 60101-5630. The parties agree that Director is an independent contractor who has demonstrated success in selling Pampered Chef® products, introducing others to business opportunities offered by the Company, and motivating, teaching and leading others to become successful sellers of Pampered Chef® products. In consideration of Director's contributions in developing, motivating, supporting, educating and leading the Company's sales field, the Company established a Director Program to recognize and reward the achievements of such independent contractors. In consideration of the mutual obligations set forth in this Independent Sales Director Agreement, the Director and Company agree as follows:

## A. Requirements to Promote and Maintain Directorship

1. There are two ways to become a Director, as established by the Company.
  - (a) Become a Director upon meeting the following requirements:
    - (1) Have 4 active direct Consultants, with a total of 6 active Consultants on Director's Personal Team. (A Consultant is active when the Consultant submits at least \$150 personal commissionable sales in that month);
    - (2) Submit \$750 in monthly personal commissionable sales, defined as commissionable sales from all order types; and
    - (3) Submit \$5,000 in monthly Personal Team Sales (including personal commissionable sales).
  - (b) Qualify as an Elite Seller and become a Director upon meeting the following requirements:
    - (1) Submit \$75,000 in personal commissionable sales in the past rolling 12 months; and
    - (2) Submit \$6,000 in personal commissionable sales in the current month.
2. Director will be a "qualified" Director for each month that the Director meets the requirements of Directorship in the same way that the Director promoted to Director (Section A.1.(a) or Section A.1.(b)).
3. Director loses the title of Director after 3 consecutive months of not being a "qualified" Director.
4. Director may advance Director's career by satisfying and maintaining the requirements of upper level Directorship as established by the Company.

## B. Director Awards and Privileges

1. In consideration of Director's continued contribution to the development of successful Consultants, Company agrees to provide Director with overrides, bonuses, awards and privileges, including those identified on Attachment A.
  - (a) Director shall be paid Director-level overrides and bonuses for the month in which the Director meets all the requirements of Directorship.
  - (b) "Qualified" Directors earn Director-level overrides and bonuses. If a Director does not "qualify" in the month, Director will be paid at the level at which requirements are met.
  - (c) Director does not have to be "qualified" to be eligible to receive certain awards and privileges of Directorship (not including overrides and bonuses). Such other awards and privileges are provided as long as the Director maintains the title of Directorship.
2. As a privilege of Directorship, Company agrees to provide Director with the names, addresses, telephone numbers and e-mail addresses of Consultants on Director's Personal Team and in their first and second Generation. If Director achieves and maintains Advanced Directorship or above, Company also agrees to provide Director with the same information for Consultants in the third Generation of Director's Team.

## C. Responsibilities of Directorship

1. The responsibilities of Directorship include but are not limited to the following:
  - (a) Be an "active" Consultant as defined by the Company. (At any time, the Company may, in its sole discretion grant grace of the personal sales requirement);
  - (b) Promote Company products and the independent contractor business opportunities offered by the Company;
  - (c) Develop, motivate, support, educate and recognize Team members;
  - (d) Communicate regularly with Team members in regular meetings, and by telephone and correspondence; and
  - (e) Hold monthly meetings with Team members.
2. To continue to be eligible to receive the overrides and bonuses as well as other awards and privileges of Directorship, Director shall meet or exceed the minimum requirements as established by the Company by the last business day of each month, as defined by the Company.

## D. Trademarks

1. Company grants Director the right of limited use of certain trademarks and logos used by the Company (collectively "Licensed Marks and Logos"), including The Pampered Chef®, and PamperedPartner® Plus, within written guidelines established and published by the Company.
2. Director may use the Licensed Marks and Logos in ads in local print publications, including local newspapers, as defined by the Company. Such ads must also identify the Director as an Independent Sales Director.

#### E. Independent Contractor

1. Director is an independent contractor. Director understands that Director is not an employee, agent, partner, franchisee or joint venturer with the Company. Director will not be treated as an employee of Company for federal, state or local tax purposes or otherwise.
2. Director cannot act on behalf of, represent, negotiate or conclude any contracts on behalf of the Company in any way. Director does not have any power or authority to incur any debt, obligation or liability on behalf of Company. As an independent contractor, Director agrees to assume liability for self-employment (social security), income taxes and any other filings required by law. Director agrees to abide by all federal, state and local laws relating to Director's Pampered Chef® business.
3. Director also understands and agrees that all Consultants and other Directors in the Company's sales field are also independent contractors.

#### F. Confidentiality

1. Director acknowledges that Company has provided Director and Director has received from the Company special training and knowledge and the Company has given Director access to trade secrets and other valuable information which is confidential and proprietary in nature (which includes, but is not limited to, the name, address and/or other contact information of any sales field member and/or any information relating to the recruiting or sales results of any sales field member). Director understands and confirms that all such trade secrets and other valuable information constitute the exclusive property of the Company. During the term of this Agreement and for two years after termination of this Agreement, Director shall hold in strict confidence and shall not, directly or indirectly, disclose or reveal to any person or use for the personal benefit of Director or anyone else any trade secrets and other confidential or proprietary information of any kind that has been obtained by or disclosed to Director as a result of Director's position in the Company's independent contractor sales field.

#### G. Term and Termination

1. This Agreement shall be effective for 12 months from the date of Acceptance and is automatically renewed for additional terms of one year. The Agreement is accepted by Company upon Company's receipt of the signed Agreement in Addison, Illinois.
2. This Agreement automatically terminates without notice at the end of the third consecutive month in which the Director fails to meet the requirements set out in Section A.1. and does not "qualify" as a Director.
3. Either party may terminate this Agreement for any reason upon 30 days written notice to the other.
4. This Agreement may be terminated by either party effective immediately for breach.

#### H. Conflict of Interest

1. In consideration of the receipt of the awards and privileges of Directorship, Director shall not become a member of the sales field of, provide speaking or consulting services for, or become an employee of any other direct-selling company. Director shall also not sell any merchandise created by Director, personally, or by any other person, or sell any services offered by Director, or by any other person, at any Team meeting or other Company-sponsored event, or as part of Director's business.

#### I. Nonsolicitation

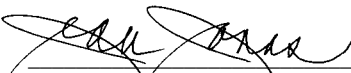
1. Director agrees that Director has received valuable consideration from the Company in the form of specialized training and sales management training in connection with the Director's business opportunity with the Company. Director also acknowledges the receipt of valuable publicity, goodwill and promotional support from the Company to enhance Director's business success. In consideration of the awards, rights and privileges contained in this Agreement, Director agrees that, beginning as of the date of this Agreement and continuing for two years after the effective termination date of this Agreement, Director (a) will not engage, directly or indirectly in soliciting, inducing or recruiting any person whom Director knows or has reason to believe is then under contract as a member of Company's independent contractor sales field to sell products or services other than those sold by Company or to terminate their business relationship with the Company whether such solicitation or inducement is for Director's own benefit or that of others; and (b) will not use, or knowingly permit any other person to use any names, mailing lists or other information which Director has obtained during Director's association with the Company for recruiting, or for promotion of the sale of any other company's products or services.

#### J. Miscellaneous

1. This Agreement incorporates the terms and conditions of the most current Consultant Agreement.
2. Director may not assign or otherwise transfer this Agreement or any right or interest relating thereto.
3. Failure of either party to enforce rights under this Agreement shall not constitute a waiver of such rights. The finding by any court of competent jurisdiction that any provision of this Agreement or part thereof is unenforceable shall not affect the enforceability of the remaining provisions of this Agreement.
4. This Agreement is not subject to alteration, modification or change, except in writing issued by an authorized Company representative and the Company shall give Director 60 days prior written notice of such changes. The Agreement shall not be deemed to be changed, modified or altered by reason of any advice, suggestions, guides or sales aids furnished by the Company to Director.
5. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, both written and oral.
6. This Agreement shall be governed by, construed and enforced according to the laws of the State of Illinois without regard to the principles of conflicts of laws. In the event of any action or proceeding arising out of or relating to this Agreement, the parties agree that jurisdiction and venue shall only be proper in either the federal court located in the Eastern Division of the Northern District of Illinois, or in any Illinois state court located within DuPage County, Illinois.

The Pampered Chef, Ltd.

  
Marla C. Gottschalk  
Chief Executive Officer

  
Jean Jonas  
Senior Vice President, Sales

Director: \_\_\_\_\_

Date: \_\_\_\_\_

# ATTACHMENT A TO INDEPENDENT SALES DIRECTOR AGREEMENT

## DIRECTOR MONTHLY OVERRIDES, BONUSES AND REQUIREMENTS

<p><b><u>Director</u></b>  <b><i>Overrides and Bonuses:</i></b>  - 3% override on Personal Team sales  - 3% override on 1st Generation  - 30 PC Dollars Recruiting Bonus  - \$10 Activity Bonus per active Consultant  <b><i>Requirements:</i></b>  - 4 active direct Consultants, with a total of 6 active Consultants on Personal Team  - \$750 personal sales  - \$5,000 Personal Team sales  - <b>Elite Sellers</b> - \$75,000 personal sales in past rolling 12 months and \$6,000 personal sales</p>	<p><b><u>Advanced Director</u></b>  <b><i>Overrides and Bonuses:</i></b>  - 4% override on Personal Team sales  - 4% override on 1st Generation  - 3% override on 2nd Generation Directors  - ½% override on 2nd Generation Teams  - 30 PC Dollars Recruiting Bonus  - \$10 Activity Bonus per active Consultant  - \$100 bonus for each qualified 2nd Generation Director, up to maximum of \$300 monthly  <b><i>Requirements:</i></b>  - 1 - qualified 1st Generation Director  - 4 active direct Consultants, with a total of 6 active Consultants on Personal Team  - \$750 personal sales  - \$5,000 Personal Team sales  - \$12,000 Organizational Sales</p>	<p><b><u>Senior Director</u></b>  <b><i>Overrides and Bonuses:</i></b>  - 4% override on Personal Team sales  - 4% override on 1st Generation  - 3% override on 2nd Generation Directors  - 1% override on 2nd Generation Teams  - 30 PC Dollars Recruiting Bonus  - \$10 Activity Bonus per active Consultant  - \$100 bonus for each qualified 2nd Generation Director, up to a maximum of \$300 monthly  <b><i>Requirements:</i></b>  - 3 - qualified 1st Generation Directors/  1 - qualified 2nd Generation Director  - 4 active direct Consultants, with a total of 6 active Consultants on Personal Team  - \$750 personal sales  - \$5,000 Personal Team sales  - \$24,000 Organizational Sales</p>
<p><b><u>Executive Director</u></b>  <b><i>Overrides and Bonuses:</i></b>  - 4% override on Personal Team sales  - 4% override on 1st Generation  - 3% override on 2nd Generation Directors  - 1% override on 2nd Generation Teams  - ½% override on 3rd Generation  - 30 PC Dollars Recruiting Bonus  - \$10 Activity Bonus per active Consultant  - \$500 Car Allowance  <b><i>Requirements:</i></b>  - 6 - qualified 1st Generation Directors/  2 - qualified 2nd Generation Directors  - 4 active direct Consultants, with a total of 6 active Consultants on Personal Team  - \$750 personal sales  - \$5,000 Personal Team sales  - \$48,000 Organizational Sales  - “Paid As” Executive Director for 2 consecutive months (required to promote)</p>	<p><b><u>Senior Executive Director</u></b>  <b><i>Overrides and Bonuses:</i></b>  - 4% override on Personal Team sales  - 4% override on 1st Generation  - 3% override on 2nd Generation Directors  - 1¼% override on 2nd Generation Teams  - ½% override on 3rd Generation  - 30 PC Dollars Recruiting Bonus  - \$10 Activity Bonus per active Consultant  - \$700 Car Allowance  <b><i>Requirements:</i></b>  - 10 - qualified 1st Generation Directors/  6 - qualified 2nd Generation Directors/  2 - qualified 3rd Generation Directors  - 4 active direct Consultants, with a total of 6 active Consultants on Personal Team  - \$750 personal sales  - \$5,000 Personal Team sales  - \$100,000 Organizational Sales  - “Paid As” Senior Executive Director for 3 consecutive months (required to promote)</p>	<p><b><u>National Executive Director</u></b>  <b><i>Overrides and Bonuses:</i></b>  - 4% override on Personal Team sales  - 4% override on 1st Generation  - 3% override on 2nd Generation Directors  - 1½% override on 2nd Generation Teams  - ½% override on 3rd Generation  - 30 PC Dollars Recruiting Bonus  - \$10 Activity Bonus per active Consultant  - \$900 Car Allowance  <b><i>Requirements:</i></b>  - 15 - qualified 1st Generation Directors/  10 - qualified 2nd Generation Directors/  5 - qualified 3rd Generation Directors  - 4 active direct Consultants, with a total of 6 active Consultants on Personal Team  - \$500 personal sales  - \$5,000 Personal Team sales  - \$200,000 Organizational Sales  - “Paid As” National Executive Director for 3 consecutive months (required to promote)</p>

### Key:

**Personal sales** = commissionable sales

**Recruiting Bonus** is paid on personal recruits who reach \$1,250 in sales within their first 90 days

**2nd Generation Director override** is paid on 2nd Generation Directors who have monthly personal sales of \$750 or higher

**Activity Bonus** is paid on active Consultants, Senior Consultants and Team Leaders in the Personal Team

**Organizational sales** are commissionable sales through the 3rd Generation (even if Director does not receive overrides on all generations)

### Elite Seller Bonus

To qualify as an Elite Seller, you must have \$75,000 in personal commissionable sales in the past rolling 12 months and \$6,000 in personal commissionable sales in the current month. As an Elite Seller, you will earn an additional 2% commission on your personal sales for that month. You will also qualify as a Director that month and are eligible for Director privileges and awards.

## OTHER PRIVILEGES AND AWARDS BASED ON TITLE

### 1. Product Discount

All Directors are eligible to receive a discount on Pampered Chef® product purchases for personal and business use.

### 2. Annual Professional Development Award

All Directors are eligible to receive the award for documented costs incurred by Directors in connection with approved business and skills training.

	Product Discount	Annual Professional Development Award
Director	30%	\$100
Advanced Director	35%	\$200
Senior Director	40%	\$200
Executive Director	40%	\$300
Senior Executive Director	40%	\$300
National Executive Director	40%	\$300

### 3. Product Samples

Directors through Executive Directors can earn a selection of new product samples each season. You must be a Director at the time the samples are shipped. (If you take a grace month during the qualifying period, you must sell at least \$1,250 in each of the other three qualifying months to receive new product samples.)

Senior Executive Directors and National Executive Directors are awarded a selection of new product samples with no minimum sales requirement.

Newly-promoted Directors can earn a selection of new product samples.

### 4. Travel Award

Advanced Directors and above can receive reimbursement up to \$500 to offset travel expenses to 1st Generation Directors. This Travel Award is available to reimburse travel once a year to 1st Generation Directors who reside more than 100 miles away. Eligible expenses include transportation, meals and hotel.

### Reverse Travel Award

Senior Executive Directors and National Executive Directors may choose to bring a 1st Generation Director to his or her city, rather than making an annual downline visit. When the 1st Generation Director lives more than 100 miles away, up to \$500 can be reimbursed to offset the 1st Generation Director's travel expenses.

### 5. Home Office Leads

Team Leaders and above can receive Home Office leads. To participate in the lead system, Team Leaders and above must have an e-mail address on file with the Home Office.

	Requirements for Product Samples	Requirements for Travel	Requirements for Home Office Leads
<b>Director</b>	\$1,250 or more in monthly personal commissionable sales in three of the four months before the sample packages are issued		An e-mail address on file with the Home Office, \$1,250 in monthly personal commissionable sales in three of the last four months (not including the current month), and one new personal recruit in the same time period
<b>Advanced Director Senior Director</b>	\$1,250 or more in monthly personal commissionable sales in three of the four months before the sample packages are issued	\$1,250 in monthly personal commissionable sales in three of the four months prior to travel and one new personal recruit in the same time period	An e-mail address on file with the Home Office, \$1,250 in monthly personal commissionable sales in three of the last four months (not including the current month), and one new personal recruit in the same time period
<b>Executive Director</b>	\$1,250 or more in monthly personal commissionable sales in three of the four months before the sample packages are issued	\$1,250 in monthly personal commissionable sales in three of the four months prior to travel and one new personal recruit in the same time period	An e-mail address on file with the Home Office, \$1,250 in monthly personal commissionable sales in three of the last four months (not including the current month), and one new personal recruit in the same time period
<b>Senior Executive Director</b>	Privilege of title	Must have met their annual personal sales requirement of \$9,000 in the prior year	Must have met their annual personal sales requirement of \$9,000 in the prior year
<b>National Executive Director</b>	Privilege of title	Must have met their annual personal sales requirement of \$6,000 in the prior year	Must have met their annual personal sales requirement of \$6,000 in the prior year

### 6. Personal Web Sites

Executive Directors and above receive a free annual subscription for a Pampered Chef® Personal Web Site. You must be an Executive Director or above at the time your Web site renewal is due in order to receive this benefit.

### 7. Consultant Connection Premium Tools

Executive Directors and above receive a free annual subscription to Consultant Connection Premium Tools. You must be an Executive Director or above at the time your subscription renewal is due in order to receive this benefit.

### 8. Ad Generator Subscription

Executive Directors and above receive a free subscription to the Ad Generator service available through Merrill Corporation.

### 9. National Conference

Executive Directors receive free registration for National Conference plus \$250 to offset expenses related to attending and participating in National Conference.

Senior Executive Directors and National Executive Directors receive free registration for National Conference, plus \$500 to offset expenses related to attending and participating in National Conference.

