

Color Street is officially launching in Canada this summer! We know you'll have a lot of questions about this exciting expansion, so we've compiled the below information as we prepare to bring Color Street to our neighbors up north.

GENERAL

UPDATED When will we launch in Canada?

Color Street will launch in Canada on Monday, August 9 at 10:30 AM CT.

Will Color Street be available in all Canadian provinces?

Yes, we have fulfilled all requirements to be eligible to sell in all Canadian provinces.

NEW Will Color Street be spelled Colour Street in Canada?

No, Color Street and its logo are trademarked, so the spelling will not change.

Will there be a different website for Canadian customers and Stylists?

No, users will be able to select Canada as their country on the colorstreet.com website.

What will be included in the Starter Kits for new Canadian Stylists?

All Starter Kits will contain the same products and accessories for both the US and Canada. Canadian Stylists may choose to receive their marketing materials in either English or French by selecting their preferred language during enrollment.

When can Canadian customers and Stylists begin placing orders?

Canadian customers and Stylists will be able to place orders starting on Monday, August 9, as soon as we launch.

Can US Stylists sell to Canadian customers and vice versa?

Yes, the website will allow Stylists from both the US and Canada to sell to customers in both countries.

Can US Stylists recruit new Stylists in Canada and vice versa?

Yes, the website will allow Stylists from both the US and Canada to enroll new Stylists from both countries.

How will French-Canadian Stylists be supported?

During the enrollment process, Canadian Stylists will be able to choose their preferred language between English and French. The website, documents included in the Starter Kit (Road to Success booklets, Opportunity Brochure, Catalogs, etc), and other key support materials and tools will be available in French. We will also have a French-speaking Customer Service representative available.

NEW Will the Swag Store be available in Canada?

The Swag Store will not be available in Canada at launch, but swag items will be available some time in the fall.

NEW Will the Print Portal be available in Canada?

Yes, the Print Portal for Canada will be available at <https://colorstreetca.ourproshop.ca>

PRODUCTS, ORDERS, AND SHIPPING

Will there be a difference in the product catalog for Canada?

No, the same catalog will be used for both the US and Canada. Beginning with the Fall/Winter 2021 Catalog, prices will be listed in both US dollars and Canadian dollars.

What is the product pricing in Canadian dollars?

	US Dollars	Canadian Dollars
Solid Colors, Clear Art Designs	\$11 USD	\$14 CAD
Glitters	\$12 USD	\$15.25 CAD
Glitter Nail Art Designs, Nail Art Designs, Glitter-Dipped	\$13 USD	\$16.50 CAD
French Manicure	\$14 USD	\$17.75 CAD
Starter Kit	\$129 USD	\$159 CAD
eSuite Fee	\$9.95 USD	\$12.50 CAD

Will the B3G1 deal be offered in Canada?

Yes, the Buy 3, Get 1 Free special for solids, glitters, and designs be the same in both countries. The Buy 1, Get 1 French Manicure special will also be the same in both countries.

When will Canadian Starter Kits begin shipping?

Starter Kits will begin processing and shipping on Tuesday, August 10.

Will Canadian orders ship from a Canada-based warehouse?

No. Orders will ship from our New Jersey, USA location.

NEW How much will it cost to ship to Canada? How long will shipping take?

All orders will ship via FedEx and will take 1-3 business days in transit once shipped.
(Note: Orders for CFPO addresses will be shipped via USPS / Canada Post and may require additional time in transit.) Shipping for the Starter Kit will cost \$15 CAD; for all other orders, please refer to the below:

	Orders with Nail Strips Only	Orders with Nail Strips and Business Supplies
Less than 1 lb	\$10.99 CAD	\$19.99 CAD
1 lb – 1.99 lb	\$19.99 CAD	\$24.99 CAD
2 lb – 7.99 lb	\$24.99 CAD	\$24.99 CAD
8 lb & above	\$29.99 CAD	\$29.99 CAD

NEW For orders placed through the website, how is sales tax collected and remitted to the Canadian government?

Taxes (GST/HST and PST where applicable) will be collected and remitted by Color Street for website orders placed in Canada, as is done for US orders. Stylists will not be required to remit any sales tax for orders placed on the website.

NEW Will customers or Stylists be charged any additional customs fees or duties upon delivery?

No. There will be no additional fees charged at the time of delivery.

COMMISSIONS & INCENTIVES

How will the different currencies affect rebates and commissions?

For all commissions, bonuses, incentives, and rank requirements, Color Street will use the currency-neutral Personal Volume (PV) value to determine qualifications. PV will be the same across the US and Canada.

Commissions will be calculated based on PV and then adjusted using the exchange rate to determine the dollar amount for payout. (Please note that Color Street's exchange rate for Canadian currency is subject to change.) See below for an example.

The purchase of one set of *Tokyo Lights* earns a Stylist 12 PV. PV is currency-neutral, so this PV amount is the same across the US and Canada.

To calculate the base retail commission (25%), we would first calculate 25% of 12 PV, which is 3. This first step is the same for both countries.

- The exchange rate for USD is 1:1, so this equals a \$3 USD commission payout for US Stylists.
- The Color Street exchange rate for Canadian dollars is 1:1.27, so this equals a \$3.81 CAD commission payout (3 multiplied by 1.27) for Canadian Stylists.

How will ranks, incentive awards, and bonuses be calculated?

Color Street will use the currency-neutral Personal Volume (PV) value to determine the qualifications for all rank requirements, awards, and bonuses such as Jump Start and Circle of Excellence. PV will be the same across the US and Canada.

NEW Will Stylists in Canada be paid using the Pay Portal? Will the Color Street debit card be available in Canada?

Stylists in Canada will be paid through the Pay Portal and will be able to transfer funds to a bank account or PayPal account. Color Street debit cards will not be available in Canada at launch, but will be made available in the future, tentatively in early fall.

NEW Will T4A tax slips be prepared and provided by Color Street?

As with the 1099 form issued in the US for Stylists who record an income of \$600 USD or more in a calendar year, Color Street will provide a T4A slip when a Canadian Stylist's calendar year commissions exceed \$500 CAD. The T4A will be available electronically via the Pay Portal.

How will the Host Rewards Program work?

Non-Stylist incentives, such as the Host Rewards Program, are based on retail sales – so each country will have different values to reach. The Nail Bar sales requirements will be determined based on the Host's location.

	US Dollars	Canadian Dollars
Nail Bar Sales for 10% Host Credit & 1 half-price item	\$150–299 USD	\$190–379 CAD
Nail Bar Sales for 15% Host Credit & 3 half-price items	\$300–599 USD	\$380–759 CAD
Nail Bar Sales for 20% Host Credit & 6 half-price items	\$600–999 USD	\$760–1,269 CAD
Nail Bar Sales for 25% Host Credit & 9 half-price items	\$1,000+ USD	\$1,270+ CAD

The Booking Credit program will work the same way as it does in the US. The Booking Credit amount will be \$32 CAD.

POLICIES

I am excited to market Color Street in Canada. Are there any limitations?

Please follow our current marketing guidelines in the Policies and Procedures, and note that Canada has Anti-Spam Legislation (similar to the CAN-SPAM Act in the US) to consider.

The Canadian Anti-Spam Legislation regulates the types of electronic messaging that can be sent (and under what circumstances) in order to reduce the harmful effects of spam and related threats. Canada's Competition Bureau and the Office of Privacy Commissioner work

together to enforce the legislation.

There are three key requirements:

1. Consent of the recipient to receive the electronic message and proof of that consent.
2. Disclosure in every electronic message of the identity and contact information of the sender.
3. Inclusion within every electronic message of a readily accessible unsubscribe mechanism.

Essentially, CASL's intent is to prevent businesses from sending spam, malware, spyware, phishing, or fraudulent information to the Canadian public through Commercial Electronic Messages (CEMs). This includes all forms of electronic messaging, including but not limited to emails, texts, facsimiles, and direct messages sent through social media.

UPDATED In the US, we need to include the Income Disclosure when promoting our business.

What about in Canada?

The Competition Bureau has stated that participants must provide fair, reasonable, and timely disclosure of the compensation achieved by typical participants. Stylists must include the following Typical Participant Earning (TPE) statement when promoting any business opportunity in Canada:

There are no guarantees regarding income. A Participant, for the purposes of this estimate, includes all Participants who make a sale of Color Street products within a one-year period. Color Street's estimate of what the typical participant is likely to earn is between \$0 and \$99 CAD per year. This 'typical' figure is representative of the smallest range of compensation expected to be earned by over 50% of all Participants in the plan. This estimate is subject to change after the first six months of our operation in Canada and will be updated annually thereafter.

May I, a US Stylist, sell from my stock of inventory to Canadian customers or Hosts?

No, Stylists may only sell through their replicated website. This also applies for anyone in Canada who wishes to sell into the US.

Will there be differences in the Stylist Agreement or the Policies and Procedures for Canada?

Yes. Canadian documents require language and terms that will differ from the US documents.