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Please note: Schooley Mitchell Head Office, Head Office, 1073355 Ontario Limited, Schooley Mitchell, HO, and SM are used interchangeably throughout this manual.

Schooley Mitchell Head Office Contact Information

1030 Erie Street
Stratford, Ontario, Canada
N4Z 0A1

Switchboard (519) 271-6477
Toll-free (888) 311-6477

Please refer to the Company Directory in The Warehouse for an up-to-date Head Office directory.

Section A - Ethics and Mission

A1 SCOPE OF OPERATIONS MANUAL

The information contained in this Operations Manual, for the operation of a Schooley Mitchell Franchise (SM), is subject to change at the sole discretion of the Franchisor.

It is the responsibility of the Franchise to stay up to date on all changes made to the Operations Manual. As such, Franchisees should be checking Warehouse > Support & Info > Operations Manual Revisions on a monthly basis and reviewing any of the changed sections accordingly.

A2 CONFIDENTIALITY

The information contained in this Operations Manual and all other manuals, materials, computer information and other information supplied by Head Office or other Franchisees, their employees, or their subcontractors, for the operation of a Schooley Mitchell Franchise, is to be held in the strictest confidence.

Specific knowledge of the affairs of the company, customer information, customer lists, company procedures, passwords and other identifying items or marks, specific strategies, and tactics, whether introduced by Head Office or another SM Franchisee, and other information provided are all the confidential property of 1073355 Ontario Limited.

Without limiting the generality of the foregoing, all passwords, identifying items or marks, used to access any information, website, system, or other information that is the property of 1073355 Ontario Limited, is to be held in the strictest confidence. This information is not to be shared with any other person, whether a person outside of Schooley Mitchell or within Schooley Mitchell.

A3 INDEPENDENCE AND OBJECTIVITY

To ensure the principles of independence and objectivity are maintained for Schooley Mitchell, Schooley Mitchell Franchisees, partners, shareholders, or persons with any ownership or employment interest in any Schooley Mitchell Franchise, and their employees and subcontractors, shall decline the acceptance of any commission, residual, referral fee or any such payment or consideration whatsoever from any supplier of services to which SM consults.

A4 CODE OF CONDUCT FOR FRANCHISEES, EMPLOYEES & SUBCONTRACTORS

1. I will deal fairly with Clients, suppliers, fellow Franchisees, employees, subcontractors, and Head Office adhering to standards of professional courtesy and forthright conduct. I will disseminate accurate information and never intentionally disseminate false or misleading information.

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2. I will uphold the professional reputation of the Schooley Mitchell (SM) network, never intentionally injuring the stature or practice of another Franchise or Head Office. If I have evidence that another Franchisee or staff member has acted unethically, illegally, or unfairly according to this code of conduct or the Franchise Agreement, I am obligated to present the information to the Compliance Office of SM for appropriate action.

3. I will not attempt to transfer my Franchise, or any part of my Franchise, or offer employment or subcontract opportunities, to any Franchise Candidate that is a Candidate of Head Office.

4. I will not attempt to offer my services, collaborate, or to partner with a Franchise Candidate that is a candidate of Head Office.

5. I will not attempt to hire any employee of another Franchise, or Head Office, without the approval of that Franchise or Head Office.

6. I will never show favoritism or provide any inclination to any Schooley Mitchell employee that they will benefit from giving preferential treatment or favor.

7. I will never give Schooley Mitchell employees special treatment for being provided with information acquired solely by reason of the employee's employment.

8. I will never place a Schooley Mitchell employee in a position where they are under obligation to me to help me benefit from special considerations, special treatment or favors by the employee.

9. I will never have a personal and social outside relationship with any Schooley Mitchell employee which may impede their ability to act subjectively or impartially to the business relationship.

10. I understand that while it is acceptable to thank a Schooley Mitchell employee for a job well done in the form of a small gift or gift card, I must clear it with their manager first.

11. I will accept only those assignments that I, in concert with the SM network of Franchisees, staff, and qualified suppliers, am qualified to undertake. I will ensure that the individuals allocated to assignments are competent, trained, and effectively managed.

12. I will confirm the objectives, scope of work, responsibilities, and fees payable for each assignment in writing, through the Service Agreement or Engagement Letter and attachments, if necessary, or other appropriate contractual documentation.

13. I will regularly review and respect the Permanent and Temporary Client Registries of Clients and prospective Clients and will never intentionally prospect another SM Franchisee's Clients without their permission.

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14. I will not solicit a client who informs me that they are/have been speaking to another Schooley Mitchell Franchise office, even if they are not on the registry. In these situations, I will thank the client, let them know that they will be served well, and then back away gracefully.

15. I will utilize the Temporary Client Registry only for prospective Clients that I am committed to pursue. If I decide not to continue to pursue a prospective Client, I will be courteous and release the prospective Client from the Temporary Client Registry.

16. I will respect the confidentiality of all Client information and other SM Franchisees' insights before, during, and after Client engagements.

17. I will put the interests of Clients first at all times within the confines of ethical behavior as defined by this Operations Manual.

18. I will always act impartially, objectively, and with integrity.

19. I will refuse any form of inducement, commission, or payment from suppliers and will instruct the supplier to pass the value on to the Client.

20. I will take responsibility for the quality of all aspects of the consulting services I provide and will comply with this Professional Code of Conduct.

A5 FRANCHISE COMPLIANCE DEPARTMENT

The Franchise Compliance Department will ensure that you operate in conjunction with this manual. Our Franchise Compliance staff will reach out to you via email or phone, should it be necessary. Ignoring any or all communication from or being abusive towards the Franchise Compliance staff will not be tolerated and will be escalated to senior management.

A6 TRANSFER OF INTEREST – OFFER OF EMPLOYMENT

1. Any purported assignment or transfer of an interest in an existing Franchise License, by operation of law or otherwise, to an existing Franchise Candidate of the Licensor, or to an existing Franchise Candidate of any of the Licensor's Franchise Development staff or subcontractors, will be null and void and will constitute a material breach of The Franchise License Agreement for which the Licensor may terminate the Franchise License Agreement without opportunity to cure.

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2. Any purported offer of employment or offer of subcontract employment to an existing or former Franchise Candidate of the Licensor, or to an existing or former Franchise Candidate of any of the Licensor's Franchise Development staff or subcontractors, will be null and void and will constitute a material breach of The Franchise License Agreement for which the Licensor may terminate the Franchise License Agreement without opportunity to cure.

3. An existing Franchise Candidate includes, without restricting the generality of the foregoing, a person or persons, which has made contact with an existing Schooley Mitchell Franchisee, or their employee or subcontractor, or other related source, with the intent to learn about the Franchise system at Schooley Mitchell as part of their due diligence process in determining their suitability and/or desirability to become a Schooley Mitchell Franchisee or Licensee. An existing or former Candidate also includes, without restricting the generality of the foregoing, any person that has contacted SM with the purpose of exploring the opportunity to become a Licensee of SM.

4. Sources of an Existing Franchise Candidate include, without restricting the generality of the foregoing, any person or persons, who makes contact in person, via telephone, email, or other means, whereby they learned about Schooley Mitchell from:
    - A Schooley Mitchell, or related, website
    - A Broker or Consultant
    - A referral to Schooley Mitchell
    - A Franchise Promotion source
    - An advertisement
    - Another promotion source for the purpose of creating interest in a Schooley Mitchell Franchise opportunity

A7 FRANCHISE CANDIDATE CALLS

From time to time, you may receive a call from a Franchise Candidate to discuss your experiences with Schooley Mitchell. In order to limit the time you will need to spend speaking to Candidates, we will issue a password to each Candidate that has reached the appropriate stage of the qualification and due diligence process. If they do not have the password it means they have not reached that stage yet and you should explain to them that there is a password required. Ask them to please call Head Office (they will have a contact there) and talk about the procedure for validation calls.

The reason for this process is so they are more knowledgeable and can have more meaningful and effective calls with you.

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You will not have to spend time with people that are not properly prepared.

If they do not have a contact at Head Office, then they are not going through the proper channels, and you should not waste your time speaking with them. If they are interested, please refer them to the Franchise Development team instead.

A8 OUR MISSION

To be known as the cost reduction experts, optimizing our Clients' businesses by delivering independent, objective, and professional consulting experiences.

A9 CORE VALUES

We believe in and are committed to:

- Disciplined and Profitable Growth
- The Evolving System
- Our People
- Fostering an Environment of Optimism, Passion, and Enthusiasm

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Section B – Setting Up Your Franchise

B1 IDENTIFICATION

Your business operates under the name of Schooley Mitchell. With the exception of the instructions indicated below, you always refer to your business as Schooley Mitchell. There are no embellishments attached to your name, such as "of Chicago". Pre-printed information on checks/cheques is the only place where embellishments appear and this is for legal reasons. All other correspondence, whether verbal, written, or electronic, will refer to your business only as Schooley Mitchell.

For legal reasons, you are required to identify yourself by your proper legal name on all contracts and invoices (See Section B3 Registration). In the case of an individual (sole proprietorship), the proper legal name will be the legal name of that individual. In the case of a partnership or corporation, the legal name will be the legal name of the corporation or partnership. Schooley Mitchell is not the legal name of any Franchisee, but it is the way you identify yourself to the public.

A business that from time to time identifies itself to the public by a name other than its proper legal name (except on contracts or invoices, where its full legal name is required), must register that assumed or dba (doing business as) name with the appropriate Government Agency (See Section B3 Registration). This registration must be completed within 30 days of completing initial training. Failure to do so will result in a service fee of $100.00 per month until registration is completed.

Urban Center Identification

The location of your Franchise can be identified in one of two ways to facilitate searches by prospective Clients on the Internet site or by colleagues in The Warehouse.

a) The actual town or city is listed as the location of your consulting office. This is the default identification unless Head Office is specifically requested to change the listing.

For example: Crystal Lake, Illinois would be listed as such.

b) The name of a major, highly recognized, urban center within your footprint is used to identify the location of your consulting office. Your actual address is used in the listing. For example, Crystal Lake, Illinois could be listed under Chicago.

CRYSTAL LAKE, ILLINOIS Joe Smith 123 Any Street Crystal Lake, Illinois 12345	or	CHICAGO, ILLINOIS Joe Smith 123 Any Street Crystal Lake, Illinois 12345

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Business Cards

To maintain a high level of consistency within the Franchise system, the standard business card title will be one of the following:

- **Strategic-Partner**
- **Optimization Specialist**
- **Business Optimization Specialist**

The title "Strategic-Partner" is for Franchisees only. Employees or subcontractors must select one of the other two titles. The term Strategic-Partner must be hyphenated to indicate a relationship that is not one of actual Partnership.

The address shown on a subcontractor/employee's business cards will be the main office address of the franchise.

If a Schooley Mitchell subcontractor elects not to list the Franchisee's business number on their business card, they must list a dedicated business phone number, separate from their home or personal cell phone, for Schooley Mitchell business. This phone number must have a voice mailbox capable of accepting messages when the line is in use.

A virtual phone number that can be set up via a web interface to ring on any voice device (ie. cell phone) is an acceptable alternative to an actual business landline.

Email

Email addresses will be in the format firstname.lastname@schooleymitchell.com unless it is not unique within our system, in which case Head Office will assign another variation. This email address must be used for the day-to-day operations of the Franchise.

Email addresses that could be applied to multiple SM Franchisees (i.e. chicago@schooleymitchell.com) will not be issued. All email addresses must have a unique prefix or suffix to differentiate an email address from another and may not include cities or states/provinces or other geographic regions. An email address using this unique prefix or suffix must be approved and issued at the discretion of Head Office.

All Schooley Mitchell business must be transacted exclusively via your assigned Schooley Mitchell email address. Email correspondence with any Schooley Mitchell Client or prospect via any other email address is strictly prohibited.

The only approved fonts for emails being sent via your Schooley Mitchell email address are Aptos, Calibri or Helvetica.

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B2 FRANCHISE FOOTPRINT

The footprint of each franchise location defines the area in which the Franchisee, any employees, and any subcontract employees, must reside. In addition, the location of an SM office must be within the footprint. The Franchise footprint may be discussed during the due diligence process prior to the award of the Franchise. In all cases, the footprint is to be set at the sole discretion of the Franchisor.

From time to time, Head Office will adjust or clarify a footprint.

SM Franchisees are not restricted from obtaining Clients outside their footprint. However, certain activities must be kept within the Franchise footprint, including sales and marketing strategies that include telemarketing, networking via business referral organizations, public advertising, mailing programs – whether by email, courier, or regular mail – and other large volume strategies. It is required that these types of strategies be kept within the footprint of the Franchise and not used to solicit business on a large scale in another footprint.

The intention of the open marketplace is to allow for the development of Client opportunities regardless of geography because a Franchisee receives a referral to an opportunity in another footprint, or has contacts in another footprint, or deals with an association or buying group that includes members in other footprints or has experience in a specific vertical that would make common sense to pursue in other geographical areas.

However, it is not intended to allow for mass sales and marketing strategies in other footprints. Please refer to Section K to understand the limits on email and text messaging campaigns.

The Franchisor at its sole discretion will determine whether a specific activity is restricted under this section or whether it will be allowed.

B3 REGISTRATION

Legal Name

Your business will be structured as a Sole Proprietorship, Partnership, or an Incorporated entity. This name will appear on your checks/cheques and contracts– in small print. For example,

- The legal name for Franchisee Judy Jones as a sole proprietor is Judy Jones
- The legal name for Franchisee Judy Jones and Steve Smith as partners could be Jones and Smith
- The legal name for Franchisee Judy Jones as an incorporated entity could be Jones Cost Reduction Consulting Inc.

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Incorporation or Limited Liability Company

A decision to incorporate should be made in consultation with your lawyer and/or accountant. If an LLC, Inc., Ltd., or Corp is to be used as the legal entity, it is required to be set up to operate only the Schooley Mitchell business. If an existing corporation, LLC, Inc., Ltd., or Corp is being used, it can be used after the letters patent have been amended to reflect the ability to operate only the Schooley Mitchell business.

"Doing Business As" Name

Your business must be registered with the appropriate state or provincial body to do business under a 'doing business as', 'assumed' or 'operating as' name. A DBA can be referred to in different states and provinces as DBA, assumed name, fictitious name, trade name, operating as, etc. The format is standardized on the following:

Schooley Mitchell of "Your City" – "Your Last Name"

For example: Joe Smith has a SM franchise in Stratford, Ontario; his DBA should be registered as:

Schooley Mitchell of Stratford – Smith

Note: DBAs are not required to be registered in the U.S. States of Kansas, New Mexico or South Carolina.

DBAs in Alabama – the State of Alabama requires three specimens displaying the name/mark in use must be submitted with the application. Some acceptable mark specimens are business cards, brochures, flyers, labels, decals, tags and newspaper advertisements. A support request will need to be submitted through the Support Portal in the Warehouse to have these created.

This format allows you to register Schooley Mitchell as the name under which you do business in public, yet also provides for your registration to be unique rather than the same as another Schooley Mitchell Franchise. However, as stated in Section B1, you only identify yourself to the public as Schooley Mitchell.

Registration

The state and provincial registries can be found by performing an Internet search for your state or province. Register your business with corporate tax, sales tax, and payroll deduction agencies, where applicable.

Proof of Registration

Proof of registration must be provided to Head Office of legal name, DBA, and, if an existing corporation, LLC, Inc., Ltd., etc., is being used, proof that it is set up to only operate the Schooley Mitchell business. Copies of all documents used to register your legal business name and DBA are to be provided to the Compliance Department at Head Office at compliance@schooleymitchell.com. Failure to do so will result in a non-compliance fee of $50.00.

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B4 BANKING

Bank Account

A bank account must be opened in the name of the corporation or the legal name. It will further record that it is "doing business as/DBA Schooley Mitchell of "Your City" – "Your Last Name"". This account must be opened within 60 days of completing initial training and meet all prior stated criteria. If your bank statements don't show your legal name and full DBA, we require you to provide a letter from your bank confirming how the legal name and DBA are showing in their banking system. Failure to do so will result in a service fee of $100.00 per month until the account has been opened and meets all criteria. All Schooley Mitchell banking transactions must be conducted from this account, including your monthly royalty, ad fund fees, system fee and any other monthly payments due to Schooley Mitchell.

e.g. Don Smith LLC dba Schooley Mitchell of Chicago – Smith

Checks/Cheques

The following information and format should be displayed on checks/cheques. Please follow the requirements of your bank (who may not require this much detail) since they are ultimately responsible for the transactions involving your checks/cheques.

Upper portion of the check/cheque:

"Your Corporate Name" dba Schooley Mitchell of "Your City" – "Your Last Name"

For a sole proprietorship or partnership:

"Your Legal Name" (i.e. Judy Jones Consulting or Judy Jones and Steve Smith Consulting) dba Schooley Mitchell of "Your City" – "Your Last Name(s)"

LOOP Banking

We use LOOP banking to process payments for all invoices owing to Head Office. After a Franchisee's monthly reporting has been completed, they will receive one LOOP request for all invoices due each month. LOOP must be set up by a Franchisee once their business bank account has been opened. This must be done within sixty (60) days of completing initial training. Failure to do so will result in a service fee of $50.00 per month until LOOP has been set up. To set up LOOP you will need to reach out Keisha Bentley (keisha.bentley@schooleymitchell.com) for the details and instructions to get LOOP set up.

LOOP is similar to PayPal. LOOP will send a transaction request for a payment due. This request must be authorized prior to the Franchisees respective due date each month. If a LOOP payment is not authorized by the due date, a non-compliance fee of $50.00 USD for the first day and $10.00 USD every day until the payment is authorized will be incurred.

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B5 EQUIPMENT AND SERVICES

1. A desktop or laptop computer (PC or Mac) with a current version of their respective operating systems.

2. The latest Microsoft Office package. This should include Word, Excel, Outlook, and Power Point. Microsoft Outlook is the only email Client we support. Outlook interfaces with custom software developed specifically for Schooley Mitchell.

   It is a mandatory requirement for all franchisees/subcontractors/employees to set up two-factor authentication for their Microsoft accounts. Two-factor authentication is a security process that requires two forms of identification to log into an account, providing an extra layer of security beyond a password.

3. The latest version of Mozilla Firefox. We develop software to interface with this web browser only.

4. Anti-virus software.

5. A good quality laser printer. A color laser printer is recommended.

6. A scanner for electronic transfer of signed documents. Electronic documents should be submitted in PDF format.

7. A subscription to QuickBooks Online. All future development in the Warehouse related to invoicing will be designed to integrate with QuickBooks Online only.

8. A dedicated business phone number, separate from your home or personal cell phone, for Schooley Mitchell business. This phone number must have a voice mailbox capable of accepting messages when the line is in use.

   A virtual phone number that can be set-up via a web interface to ring on any voice device (ie. cell phone) is an acceptable alternative to an actual business landline.

   The phone number that is used for the landline or virtual line must be used for Schooley Mitchell business only. It will be the public phone number used in any business, internet, or any other listings or directory, where the general public may come across the number. Each office should have one main line.

9. High speed internet access.

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B6 TELEPHONE ANSWERING, EMAIL SIGNATURES & HEADSHOTS

Telephone Answering

Your Schooley Mitchell business line must be answered using the following salutation: Schooley Mitchell.

The business line must have voice messaging by which callers can leave a message when the line is unavailable.

A sample message would be:

"Hello, you have reached the office of Schooley Mitchell.
We are currently on another call or out of the office,
but please leave a detailed message and we will return your
call as soon as possible.

Thank you and have a great day."

Schooley Mitchell must be used in this message; you must not use any other business name.

Email Signature

Franchisees/employees/subcontractors are required to use the Schooley Mitchell email template provided by Head Office for business-related email correspondence. Any changes to the email signature (eg. association logos, links) must be approved by Head Office prior to use.

Headshots

Franchisees/employees/subcontractors are required to provide a professional, in-focus photo in .TIF, .PNG or .JPG format. The file size should be 2-5MB. The subject should be well lit, in business attire, and the photo should be taken against a solid color background. There should be no filters added or edits made to the photos, as the graphic team will edit the photo to make it look as good as possible and bring it to company standards. The background will be removed in favor of solid white.

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Section C – Accounting and Reporting

C1 ACCOUNTING POLICIES

Franchise Audit Procedures

Audit procedures to track billings and collections apply to all Franchisees and are implemented to ensure that royalty and production income is reported properly on Head Office financial statements. The procedure follows the filing requirements in Sections C2 & C3 of the Franchise Operations Manual. In addition, basic audit procedures will confirm amounts and transactions.

1. Confirmation of balances from your Permanent Clients. This includes past transactions, billings and payments made to Schooley Mitchell, each Franchisee and/or their Corporation for all services rendered.

2. Confirmation of bank account balances and transactions for all bank accounts for the business including accounts in the name of Schooley Mitchell and the corporation that operates the Franchise.

3. Customized Legal Representation Letter from each Franchisee confirming;

   a) that all transactions are recorded

   b) the name(s) of financial institution(s) for all bank accounts

   c) that all income related to expense reduction consulting and/or Franchise activities has been reported to the IRS or CRA

   d) the actual amount reported to the IRS or CRA

   e) that all income related to SM business has been reported to Head Office.

4. Other audit procedures deemed necessary and/or recommended by our Auditors. From time to time, some procedures will be performed by our appointed auditors, rather than by Head Office directly. In these situations, Head Office will advise the name of both the company and the individual and will provide signed documentation authorizing them as our agent.

   These procedures are normal in daily business, expected and accepted by your Clients and financial institutions. They provide a better control system for us to grow in the manner that we expect with a minimum of wasted resources.

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C2 SCHEDULE FOR SUBMITTING REPORTS AND FINANCIAL INFORMATION

Monthly Reporting

Due to the volume of monthly reports that need to be reviewed for accuracy, we stagger the monthly reporting deadlines. Monthly reporting is to be completed every month starting on the 1st and submitted by one of the following reporting due dates which has already been assigned to your franchise:

1. Reports due no later than 12pm ET on the 4th
2. Reports due no later than 12pm ET on the 6th
3. Reports due no later than 12pm ET on the 8th
4. Reports due no later than 12pm ET on the10th

Monthly reporting needs to include:

a. Copy of your business bank statement for the reporting period

b. Collections and billing spreadsheet for the reporting period

c. Copies of all invoices issued for the reporting period

d. Any unfiled Value Reports for the reporting period

e. The Executive Summary/Savings Options Matrix page of any value reports that have been accepted by the Client during the reporting period.

f. Client Reporting for the reporting period must be completed to reflect all Client billings and collections for which Head Office did the production and issued a post audit.

A $50.00 late filing fee will be charged for each component of the Monthly Reporting that is not filed and finalized by your assigned due date. This includes the bank statement, the billings and collections spreadsheet, Value Reports, invoices issued to Clients, accepted Value Report signoffs, and the Client Report.

Quarterly

Profit and loss statement for the quarters ending March 31, June 30, September 30 and December 31. These statements are due three months after quarter end.

Annual

Year-End Financial Statement. Your financial statement must be prepared by a public accountant and is due six months following year-end.

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C3 MONTHLY PAYMENTS

Royalties, Annual Conference fees, advertising fees, Head Office production fees, supplies and clothing purchases, training fees, and other payments due to Head Office will be paid once per month, including applicable taxes. Payments are due as follows:

1. If you report on the 4th, your payment is due on the 7th
2. If you report on the 6th, your payment is due on the 9th
3. If you report on the 8th, your payment is due on the 11th
4. If you report on the 10th, your payment is due on the 13th

If your due date falls on a Saturday or Sunday, the payment will be due on the Friday before. Supplies, clothing, and materials charges may be withdrawn as they are incurred. Supplies, clothing, and materials will be invoiced at the time of shipping.

Monthly Reporting is required from all Franchisees each month by their respective due date to determine the amount of royalties, marketing & ad fund fees, production fees, and other fees to be paid, as well as to provide appropriate information to Head Office for the preparation of company reports. Upon receipt, Head Office will verify the amount due from each Franchisee and invoice each Franchisee accordingly.

Each Franchise will be invoiced a system access fee of $120.00 each month for access to all Schooley Mitchell systems including The Warehouse, email, individual Franchisee Splash Pages, individual Schooley Mitchell Social Media pages/sites, etc.

A monthly payment of approximately $200.00 USD per conference attendee will be invoiced to facilitate payment for the all-inclusive annual conference.

All Franchise Employees and Subcontractors will have a Schooley Mitchell email address. The cost to the Franchise for each Franchise Employee and Subcontractor, which includes access to The Warehouse and an email address will be $10.00 per month.

Franchisees will be provided with a minimum of two days' notice to review all invoices prior to payment. Any discrepancies should be reported to Head Office so the correct payment can be made at the scheduled time.

Each Franchisee's appropriate banking information will be set up with the Franchisor's bank. The Franchisee will be required to approve the payment to the Franchisor a minimum of one day prior to the due date of the payment to the Franchisor each month.

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It will be the responsibility of the Franchisee to provide notice if you will be unavailable to provide approval on the appropriate date. An invoice, estimated or otherwise, will be issued upon such notice, for the Franchisee to provide an early approval for the appropriate payment date.

Service Charges

If appropriate information and approvals are not received on time, the Franchisor incurs additional labor charges, follow-up time, adjustments to cash management, and internal report adjustments, as well as bank charges. The following service charges will be levied to Franchisees for late or inappropriate filing:

Franchisees will be invoiced a $50.00 late filing service fee when their Monthly Reporting is not filed and finalized each month by their respective due date.

Franchisees that do not authorize their LOOP monthly payment on the due date required will be invoiced a service fee of $50.00 USD plus $10.00 USD for each day that the payment is not approved past the due date.

Franchisees will be invoiced a $75.00 USD fee due to insufficient funds or other late payments. Overdue amounts will be charged interest at the Franchisor's Prime Rate of interest plus two percent (2%).

C4 INVOICING CLIENTS

Guidelines for creating an invoice are as follows.

- Each invoice should appear in Schooley Mitchell format:
  - Approved Schooley Mitchell logo
  - Invoice number
  - Invoice date
  - Invoice must include proper business registration information in accordance with our legal obligations (see Section B1 Identification).
  - The word 'invoice' is to be prominently displayed at the top of the page.
  - Correct Franchise address & phone number
  - Detailed description of what is being invoiced
  - A note indicating that all payments received from Clients should be made payable to Schooley Mitchell. Your bank account will be registered as Schooley Mitchell of "Your City" – "Your Last Name".
- See appendix 1 for an example of an approved Schooley Mitchell invoice template

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Section D – Schooley Mitchell Hiring and Training Requirements

D1 FRANCHISEE INITIAL TRAINING PROGRAM

Each franchisee is required to attend the initial virtual training program live and complete all applicable testing within the first two months of operation, unless otherwise approved by Head Office. The cost of this training is included in the Franchise Fee.

All franchisees are required to sign the Marketing and Communications Compliance Agreement within three days of receiving the document.

Each franchisee is also required to attend, within the first four months of operation, all subsequent virtual post-training webinars.

Recording devices/AI notetakers are not permitted to record training webinars. All AI plug-ins will be removed from the webinars by the Trainer.

D2 EMPLOYEE/SUBCONTRACTOR HIRING AND TRAINING GUIDELINES

Employees/subcontractors must live and have their office within the Franchise Footprint, unless specified otherwise. A move of an employee/subcontractor's home or office must be approved by Head Office before they continue work on behalf of a Franchise.

It is the responsibility of the franchisee to notify Head Office of all employees/subcontractors within their employ or control. All employees/subcontractors must be approved by Head Office.

Head Office requires all employees/subcontractors to be approved and boarded a minimum of **two weeks** (10 business days) prior to the training course the employee/subcontractor is to attend. Registrations received after the deadline will automatically be considered for the next training date. A request for a training session should be noted in the "Notes/Instructions" section on the Employee Information form in the Warehouse Employee Portal when submitting the employee information and signed documents.

When hiring an employee/subcontractor, a franchisee must:

1. Be clear to the prospective employee/subcontractor that Head Office approval is required before any assumptions can be made that they are hired.

2. Provide a copy of a current resume for all prospective employees/subcontractors to Head Office.

3. Provide a copy of the employee/subcontractor's valid driver's license or some other proof that they reside within the Franchise's footprint to Head Office.

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4. Ensure that the appropriate employment documents, based on their role, are signed, and submitted to Head Office prior to the employee/subcontractor commencing training and work, as follows:

   I. Sales Subcontractor:

   a. Non-Disclosure Agreement;
   b. Non-Competition Agreement;
   c. Employee Acknowledgement Statement; and
   d. Franchisee Acknowledgement of Responsibility Form (to be completed by the Franchisee)

   II. Admin Employee/Subcontractor

   a. Non-Disclosure Agreement;
   b. Employee Acknowledgement; and
   c. Franchisee Acknowledgement of Responsibility Form (to be completed by the Franchisee)

   III. Telemarketing Employee/Subcontractor

   a. Non-Disclosure Agreement; and
   b. Franchisee Acknowledgement of Responsibility Form (to be completed by the Franchisee)

   These documents can be found in The Warehouse >Libraries >Admin Library >Admin Forms & Documents.

5. Ensure that the employee/subcontractor attends the appropriate initial virtual training and completes applicable testing within the timeline set out below for each role. Failure to complete training and applicable testing within the set time will result in the subcontractor/employee having their Warehouse and email access suspended, which access will remain suspended until all training requirements are met.

6. Ensure, if the role of the subcontractor changes, to advise the Franchise Compliance Coordinator and the Training and Education Department of the change and get the appropriate documents signed, as well as get the subcontractor enrolled in the required training for the new role.

   Within the first 12 months of operating your SM Franchise, the charge will be nil for training employees/subcontractors (up to three). After this period, the cost of training will be $600.00USD per employee/subcontractor.

Sales and Marketing Employee/Subcontractors

All employees/subcontractors involved in sales, marketing, or production activities, prior to commencing work, must:

- Attend the full curriculum of initial training and complete subsequent testing;
- Sign the Marketing and Communications Compliance Agreement, within three days of receipt; and
- Attend all post-training webinars.

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All training must be completed within the first two months of commencing work, with the exception of the post training webinars, which need to be completed within the first four months. Failure to complete training and applicable testing within the set time will result in the subcontractor/employee having their Warehouse and email access suspended, which access will remain suspended until all training requirements are met.

Admin Employee/Subcontractors

The admin role cannot include any sales or marketing work. It is limited to administrative functions only.

Admin employees/subcontractors can perform a number of duties. Below are examples of these duties and training requirements:

i. **Administrative Reception and Invoicing Employees/Subcontractors*:**
A person who answers phone, transfers calls, take messages and issues invoices to clients must:

- Sign the Marketing and Communications Compliance Agreement, within three days of receipt;
- Participate in an introductory call with the Training and Education Department; and
- Be located within the same country as the Franchisee's office.

ii. **Administrative Reporting Employees/Subcontractors:**
A person who completes the monthly reporting to Head Office in The Warehouse and any of the functions in i) must:

- Sign the Marketing and Communications Compliance Agreement, within three days of receipt;
- Participate in an introductory call with the Training and Education Department;
- Attend the Reporting post-training webinar; and
- Live within the footprint of the Franchisee's office.

Please note: All training must be completed within the first week of commencing work. Failure to complete training and applicable testing within the set time will result in the subcontractor/employee having their Warehouse and email access suspended until all training requirements are met.

iii. **Registry/CRM/Prospecting Employees/Subcontractors:**
A person who maintains the Franchise's prospective and current client listings in The Warehouse, uploads the appropriate documents needed for cost consulting and any of the functions in i) and/or ii) must:

- Attend the Service Agreement and Compliance training;
- Attend the CRM and The Warehouse training session;

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- Attend the Production Documents training session;
- Attend the Document Gathering and Production Best Practices post-training session;
- Sign the Marketing and Communications Compliance Agreement, as part of the Compliance training, within three days of receipt; and
- Live within the footprint of the Franchisee's office

All training must be completed within the first two months of commencing work, with the exception of the post training webinars, which need to be completed within the first four months. Failure to complete training and applicable testing within the set time will result in the subcontractor/employee having their Warehouse and email access suspended, which access will remain suspended until all training requirements are met.

iv. **Document Gathering Employees/Subcontractors:**
A person who works with clients to collect the documents needed to conduct a cost analysis and any of the functions listed in i), ii) and/or iii) must;

- Attend the full curriculum of initial training and complete subsequent testing;
- Sign the Marketing and Communications Compliance Agreement within three days of receipt;
- Attend all post-training webinars; and
- Live within the footprint of the Franchisee's office.

All training must be completed within the first two months of commencing work, with the exception of the post training webinars, which need to be completed within the first four months. Failure to complete training and applicable testing within the set time will result in the subcontractor/employee having their Warehouse and email access suspended, which access will remain suspended until all training requirements are met.

Telemarketing Employee/Subcontractors

A person who utilizes cold calls to book and schedule appointments for franchisees on their calendar. This person is not to act as a consultant or attend the briefings themselves.

The telemarketing role cannot include any function beyond cold calling and appointment setting.

- The telemarketer cannot solicit any business outside of the franchise footprint.
- A telemarketing employee/subcontractor will not be required to attend the initial virtual training program unless requested by a franchisee.

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- It is the franchisee's responsibility to train a telemarketer.
- A telemarketing employee/subcontractor will be given access to the Prospecting section within The Warehouse.
- While this position can be completed by a virtual assistant, they must be located within the same country as the Franchisee's office.

If a franchisee or telemarketer need scripts or Warehouse support, they can reach out to RAMP@schooleymitchell.com.

D3 WAREHOUSE AND EMAIL ADDRESS FEE

All Franchise employees/subcontractors will have a Schooley Mitchell email address. The cost to the franchisee for each employee/subcontractor they have is $10.00 per month and includes full access to The Warehouse and an email address. The only exception to this is telemarketing employees/subcontractors unless they have completed the full initial training.

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Section E – RAMP Program

E1 RAPID ACCELERATED MENTORSHIP PROGRAM (RAMP)

In order to ensure the basic sales concepts of our professional business have been delivered effectively in our training course, it is required that all Franchisees are enrolled in Schooley Mitchell's Rapid Accelerated Mentorship Program (RAMP). RAMP is designed to help new Franchisees understand and execute the Schooley Mitchell sales system.

Enrollment and participation in RAMP will begin at the start of the first year of operation and continue until the third year but may be shortened at the discretion of Head Office. The stages of the RAMP program include, but are not limited to, the following:

First Year Coaching

i. Sales Coaching
   - Prioritizing Sales Strategies
   - Preparing for Briefings
   - Conveying Proper Tone, Passion/Commitment and Body Language
   - Creating and committing to a Sales Activity Plan
   - Building your referral network

ii. Schooley Mitchell Sales and Marketing Systems Coaching and Activity Accountability

Second Year Coaching

i. Vertical Industries
ii. Paid Referrals
iii. Client Management Sheet
iv. Client Renewals and Retainers
v. Additional topics as required

Third Year Coaching

i. Relationship Building and Management
ii. Client Renewals and Retainers
iii. Networking
iv. Additional topics as required

Sales support is available on a continuing basis for all Franchisees, but RAMP is designed as a focused sales program for new Franchisees.

Employees/subcontractors may be enrolled in the RAMP program at the request of the Franchisee.

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E2 REQUIREMENTS

Franchisees are required to participate in scheduled calls with a dedicated RAMP coach.

The Franchisee's Outlook calendar must also be shared with the dedicated RAMP coach. Franchisees are required to respond to any email or phone call from RAMP within a 24-hour period.

Franchisees must complete assigned activities in a timely manner.

Upon completion of the Value Report in each expense category, the Franchisee is required to review the Value Report with the analyst prior to the Client presentation. It is recommended that a RAMP coach and/or analyst are present virtually for all Client Value Report presentations.

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Section F – Annual Conference

F1 CONSULTANT DEVELOPMENT CONFERENCE

Each Franchise is required to be represented for the duration of the Consultant Development Conference. At least one representative from each Franchise must be in full-time attendance at Conference and must be either an Owner or full-time employee/subcontractor who has completed initial training. The location of the Conference will be determined by Head Office each year.

Each Franchisee is assumed to be registered for the annual conference, whether the formal registration form is completed or not. This requirement is necessary for this mandatory training session, to provide for proper planning as well as for booking of appropriate facilities for an event that will exceed 300 people. Franchisees are assumed to be registered unless a legitimate medical reason is submitted to Head Office prior to August 1st of the calendar year of the conference. Any questions or submissions should be submitted to conference@schooleymitchell.com.

The Conference is a required component of each Franchise on an annual basis as stated in this Manual as well as the Franchise License Agreement. The time spent at Conference will provide for training updates, procedural updates, the trading of ideas among Franchisees, and the transfer of information that is deemed necessary on at least an annual, and in-person, basis.

The Conference has been traditionally held in a tropical locale for several reasons:

1. The facilities for training and networking are appropriate and facilitate value for the Conference.

2. The Conference has been hosted in Canada and in the United States but in all cases, was not as effective as the tropical locale Conferences. There are more distractions and alternatives for activities in off-site locales in Canada and the United States, which defeats the purpose of the Conference in terms of networking and trading of ideas with SM attendees.

3. There have been several attempts to obtain packages that include all the benefits of the tropical locales but in all cases the costs were significantly higher in both Canada and the United States.

4. The tropical facilities that have been used for Conference have been built with the specific purpose of providing the services and facilities required for an event like the SM Conference.

The Conference is held for a period of up to five full days in the Conference location. The programs that are required to be delivered, in the opinion of, and in the sole discretion of, Head Office, need up to five full days to be delivered effectively.

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There is no cost for the training component of the Conference, including instructors, speakers, research and development. However, arrangements for board, facilities, materials, and lodging are coordinated and determined by Head Office, the cost of which is the responsibility of the Franchisee.

Franchisees will book their own flights.

The Conference costs for each attendee will not be the same cost as the resort will charge for a vacation-type trip. The facility charges additional fees for each person as services and facilities are enhanced for our attendance at Conference.

For example, specific hotel and travel staff is assigned to our group for the entire duration of the event to ensure everything that is required is available when needed and that all individual events run smoothly.

The training rooms are also cleaned and replenished several times each day, special food and refreshments are delivered several times each day, special events and dinners with unique menus and staffing are hosted on our behalf, and several inclusions are also added to the value of the stay.

The following policies apply concerning Conference attendance, payment, and refunds:

1. Payment of facilities, board, materials, and lodging costs is facilitated through the PAD system, in advance of the Conference. A monthly withdrawal of approximately $200.00 USD is made to facilitate payment of deposits for reservation of facilities and lodging prior to the Conference. Please advise Head Office if you wish to increase the monthly withdrawal amount to cover multiple attendees or a single room. In any case where monthly withdrawals have not been in place, Head Office will determine the payment schedule.

2. Franchisees, employees/subcontractors, and spouses/partners registered for the Conference are considered to be confirmed to attend the Conference on July 31st of the calendar year of the Conference. Final payment will be based on these registrants. There are no refunds for cancellations for any reason after July 31st of the calendar year of the Conference. The facility requires final room bookings by that time.

3. In the event of a documented medical condition related to the attendee or an immediate family member, a full refund (facilities, board, materials, and lodging) will be granted up to July 31st of the calendar year of the Conference on notification of the medical condition to the extent that costs can be recovered by Head Office. No refund will be granted after July 31st of the calendar year of the Conference. Medical reasons for withdrawal must be disclosed to a Head Office designee and will be held in the strictest confidence. A note from your primary care physician may be required.

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4. Any reason, other than a medical reason, for requesting absence from the Conference, must be fully documented in writing, and approved by Head Office. No refund will be granted after July 31st of the calendar year of the Conference.

5. No refund of monthly withdrawals will be granted within 150 days of the first day of the Conference due to termination of the Franchise Agreement.

6. While the Consultant Development Conference is enjoyable, it is specifically designed to be an avenue for training and procedural updates and the trading of critical ideas and information among Franchisees and Head Office support staff. Conference is an adult only event, and not a vacation. While we encourage you to bring your spouse/partner to participate in networking events and educational sessions, or to simply enjoy the resort, children and other family members, unless they are fully trained subcontractors/employees, may not attend.

7. All rooms must be booked through Head Office. You must not contact the resort hosting the conference to make your own arrangements.

8. Out of country medical insurance must be purchased for the full duration of the conference, including travel. Proof of coverage must be provided to Head Office. Failure to do so will result in the cancellation of the Franchisee's, employee/subcontractor's, or spouse/partner's room, and no refunds will be provided.

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Section G – Client Registry and Rules

G1 TEMPORARY CLIENT REGISTRY

The Temporary Client Registry identifies and protects your prospective Clients within the Franchise System. Prospective Clients that are listed in the Temporary Client Registry cannot be approached or solicited in any way by an SM Franchise except by the one who registers the prospective Client. It is each Franchisee's responsibility to review the Temporary Client Registry. Failure to consult the list will not be accepted as a legitimate excuse if another Franchisee's prospective Client is approached. Soliciting another Franchisee's prospective Client is considered to be a breach of the Franchise License Agreement.

The Temporary Client Registry operates under a "protected months" concept. A prospective Client is entered in the Temporary Registry via the Warehouse with a number of "protected months" specified. Each Franchise location has a total of 240 "protected months" available at any given time. Franchisees can protect as many Clients as they wish, provided the total "protected months" for the Franchise does not exceed 240 months. The following rules apply:

1. The minimum protection period is two months.

2. Initial listings can't be protected or extended for more than 12 months without Head Office's approval. Approval will be based on a marketing plan submitted by the Franchise.

3. Extensions must be entered in the Warehouse at least 30 days prior to the expiry date.

4. If a Temporary Client has expired, it must remain off the list for three months before the original Franchise is allowed to re-protect it.

5. Temporary Client information is maintained in the Warehouse. The Franchise is responsible for managing the limit of 240 "protected months".

6. The "protected months" count starts from the addition date and concludes on the date corresponding to the number of months for which the Temporary Client is protected. Extending the number of "protected months" increases the total number of "protected months" calculated from the original addition date.

7. All Temporary Clients submitted to the Client Registry go through a Head Office verification process. A Temporary Client is not considered protected until this process has been completed.

8. Temporary clients with multiple locations will only be approved if the primary location will be signing a single service agreement for all protected locations. Otherwise, locations must be protected separately as individual temporary clients.

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9. At the discretion of Head Office, there will be instances where a long-term marketing strategy has been developed by a Franchisee that will encompass multiple locations not necessarily covered under a single Service Agreement. In these instances, an in-depth marketing plan has been submitted for consideration and reviewed by Head Office. If approved, Head Office may allow a Franchisee to protect multiple locations as one location with sub-locations in order to protect their long-term marketing strategy. If this strategy does not begin to show results at the 12-month mark, Head Office reserves the right to cancel or extend the protection period.

Please note: Clients signed up for FICA only will still need to be added to the Client Registry as temporary client. Once the client has proceeded past the Payroll Census stage, Head Office will check the FICA Payroll Tax Client box in their profile which will ensure the client remains as a never-expiring protected temporary client.

G2 UNPROTECTED PROSPECTIVE CLIENTS

Franchisees must not solicit a client who informs them that they are/have been speaking to another Schooley Mitchell Franchisee, even if they are not on the registry. In these situations, a Franchisee should thank the client, let them know that they will be served well, and then back away gracefully. In situations like this, a Franchisee may consider reaching out to the Franchisee who has established a relationship with a prospect to discuss a possible joint venture.

G3 PERMANENT CLIENT REGISTRY

The Permanent Client Registry identifies and protects your Clients within the Franchise System. Clients that are listed in the Permanent Client Registry cannot be approached or solicited in any way by an SM Franchise except by the one who registers the Client. SM Franchisees wishing to use another SM Franchisee's Client as a reference must first seek permission before using the Client as a reference.

SM Franchisees acting in contravention to this operational regulation will be in breach of the Franchise License Agreement. SM Franchisees record Client registry information through the Warehouse.

The documents required are:

1. A Service Agreement signed by the Client for consulting services on a contingency fee basis.
   or
2. An Engagement Letter signed by the Client for consulting services on a fixed fee or quote basis.

Adding permanent Clients to the Client Registry that were previously classed as temporary is accomplished by changing the status in the Warehouse and uploading the Service Agreement or Engagement Letter.

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It is each Franchisee's responsibility to review the Client Registry. Failure to consult the list will not be accepted as a legitimate excuse if another Franchisee's Client is approached.

All Clients submitted to the Client Registry go through a Head Office verification process. A Client is not considered protected until this process has been completed.

Expiry of Permanent Client

A permanent Client ceases to be protected on the registry when the Service Agreement has expired and is not replaced with a new agreement signed by the Client.

You may also continue to protect the Client if you provide invoices issued by you to the Client and proof of payment to Head Office. If a period of 12 months lapses without any billing and collection activity beyond the expiration of the Service Agreement, the Client will be placed in expired status on the Client Registry.

G4 TELEMARKETING, COLD CALLING, TEXT MESSAGING AND/OR EMAIL LISTS

All Franchisees are responsible for comparing any telemarketing, cold calling and email lists against the Client Registry to ensure protected entities are eliminated from the lists before making contact in any manner, including in person, by phone, via email, etc.

Failure to consult the Client Registry will not be accepted as a legitimate excuse if another Franchisee's prospective or permanent Client is approached. Soliciting another Franchisee's prospective or permanent Client is considered to be a breach of the Franchise License Agreement.

None of the client information collected is to be shared with third parties.

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Section H – Basic Services, Referrals, and Fee Structures

H1 BASIC SERVICES

Within the Schooley Mitchell Franchise System, there are several basic services to offer a Client:

1. Existing Systems Review on a Contingency Basis.

2. Our expertise on an hourly fee or set quote basis to help with changes to Client systems. Changes can include such things as new systems, new technology, moves, expansions, downsizing etc.

3. Cost reductions services offered by third parties using their client agreements/contracts, methods and reports must be submitted and approved by Head Office. You may earn referral fees as outlined in section H5.

   Provision of expense reduction services not offered by SM is prohibited and will not be approved by Head Office

H2 JOINT VENTURE WITH ANOTHER FRANCHISE

When a Franchisee (defined as "Lead Franchisee") contracts another Franchisee (defined as "Collaborating Franchisee") to perform all or a portion of the consulting engagement, they enter into a Joint Venture Agreement. It is recommended that the Lead Franchisee should be the Franchisee with the most tenure at Schooley Mitchell.

The entire engagement or a portion of the engagement is performed by another Franchisee under the following conditions:

1. A joint venture fee is paid based on an agreed amount or a predetermined percentage of the revenue from the Client.

2. Hours are purchased to perform predefined work based on an agreed number of hours and predetermined hourly rate.

3. The engagement is split between two or more Franchisees based upon a description of the work to be performed by each Franchisee and a predetermined percentage of the revenue to be received by each Franchisee.

It is always the choice of the Collaborating Franchisee to accept the assignment or not. When hours are purchased or revenue splits negotiated, the scope and specific arrangements are to be defined and agreed between the two parties using the Joint Venture Form so that there are no disputes concerning the scope or fee. The Joint Venture Form can be found within the Admin Library in the Warehouse.

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It is the responsibility of the Lead Franchisee who has the client on their registry to collect the total savings, pay the total Production Fees, and distribute funds to Collaborating Franchisees with an accompanying statement. Each party is responsible to report their own collections and pay their respective royalty and ad fund fees.

Example:

- Lead Franchisee collects $XXXXX total savings from their client.
- Lead Franchisee withholds the HO Production Fee based on the total collected savings.
- Lead Franchisee distributes the respective funds to all Collaborating Franchisees from the remaining funds.
- Each Collaborating Franchisee will issue an invoice to the Lead Franchisee with the following details:
    - Collaborating Franchisees portion of the total collections
    - Deduction for Lead Franchisees Production Fees
    - Total
    - Collaborating Franchisees will report their portion of the collections before any deductions are made for Production Fees.

H3 REFERRAL FEES PAID AND RECEIVED

Paying and receiving referral fees as a method of increasing business, increasing revenues, and building stronger beneficial reciprocal relationships with third parties, is an acceptable and encouraged method of doing business in Schooley Mitchell.

Referral fees, commissions, or agency fees cannot be accepted from any person or business engaged in selling or providing services or products in any Schooley Mitchell cost reduction category.

Referral fees may be paid to third parties as an inducement to refer Clients or additional business to a Franchisee. These referral fees are considered to be a selling expense of the business like any other selling expense such as advertising, networking costs, telemarketing fees, sales commissions, etc., and are not to be deducted from gross revenues for the purposes of reporting income for the Franchisee or for calculating royalties and marketing fund fees. If that is the only way a group will provide referrals and support, we will allow Franchisees to offer a discount to members of a group as of now, under the following guidelines:

- The maximum discount that can be offered to a group is 10% (we reduce our fee by 10% so therefore the fee will be 45% of savings). That does not mean you cannot negotiate with individual businesses; it just means that’s the maximum that can be offered group-wise.

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- A written agreement describing the discount must be obtained from that group/association and that entity can then be added to the Permanent Client Registry by the franchisee that is party to the agreement, whether the group is actually a client or not. That does not mean that all members of that group are reserved or protected. It just means that the association/group itself is protected.

The Franchisee may earn referral fees or commissions for providing referrals or recommendations to third parties to help those third parties obtain revenues. All referral fees, commissions, or like income earned, is to be included in gross revenues for the purposes of reporting income of the Franchisee, and for calculating royalties and marketing fund fees.

H4 OTHER FEES EARNED

Any net fees of any kind, including but not all-inclusive, any referral fees, share of revenues, consulting fees, retainer fees, contingency fees, hourly fees, or any similar or like fees earned by a Schooley Mitchell Franchise as a result of third-party consulting, referral from or to a third party, cost reduction services of any kind whether delivered directly or through a third party, or other professional engagement of any kind, are to be included in gross revenues for the purposes of reporting income of the Franchisee, and for calculating royalties and marketing fund fees.

H5 REFERRAL FEES PAID TO ORGANIZATIONS

Referral fees may be paid to organizations such as a chamber of commerce, an association, or a buying group, etc. These fees may be paid to the organization as an inducement to refer members to Schooley Mitchell.

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Section I – Service Agreement and Fee-Based Engagements

I1 CLIENT ENGAGEMENT DOCUMENTS

Client engagements are only performed after receiving either a signed Service Agreement for contingency-based assignments or an Engagement Letter for fee-based assignments.

Service Agreement

The Service Agreement is the document used to provide our services on a contingency basis.

Each office is required to use the standard Service Agreement format generated via the Warehouse. This document has been created, reviewed and approved by Head Office and its lawyers, and must be the standard format used by all offices in order to maintain appropriate standardization, consistency, and to provide the level of legal protection required for Schooley Mitchell Franchisees on a consistent basis.

Each office will have the right to negotiate terms that are appropriate for an individual Client if minimum standards are maintained. The required use of the template is not designed to hamper opportunities. In the rare circumstance where adjustments are required beyond the flexibility provided in the Warehouse templates, terms may be changed as long as the minimum standards are maintained and the new terms are approved by Head Office. This allowance is for one-off circumstances and does not provide approval to use a standard format for agreements that is different from the standard Service Agreement found in the Warehouse.

In no circumstance will auto-renewal provisions be allowed. That is not our method of doing business at Schooley Mitchell and any agreement drafted with auto-renewal language will be rejected by Head Office, and the Client will be notified that it is not a valid agreement. We have very strong customer relationship-building strategies, techniques, tactics, and capabilities. As such, renewals should be obtained via appropriate relationship-building activities and not through auto-renewal provisions.

If any joint agreement, where services are provided in conjunction with a third party, is to be used to provide service to an individual Client, that agreement must be approved by Head Office in writing prior to proceeding with any such engagement.

Engagement Letter

The Engagement Letter is a document that allows you to outline the scope of the project, responsibilities, and payment terms of an hourly or fee-based assignment. An Engagement Letter must be customized on a case-by-case basis according to the client's needs and the project at hand. Templates and examples are available in the Warehouse.

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In the case that a client's Service Agreement has expired and the Post Audits within the confines of said agreement have been completed, but a franchisee would like to continue providing Post Audits, the following is required:

1. A written request containing a scope of work to the Head Office Post Audit team asking for time and cost to be billed to franchisee to complete a Post Audit on a monthly/quarterly basis.

2. A signed Letter of Engagement from the client giving SM permission to continue to audit their invoices outside of the terms of the original Service Agreement. This will continue to protect your client on the Permanent Registry.

I2 MINIMUM STANDARDS AND INCLUSIONS

1. The legal business name of the Schooley Mitchell Office must be used in the Service Agreement (contract) with the clear indication that the entity listed, whether a proprietorship, partnership, or corporation, is Doing Business As (DBA) Schooley Mitchell.

2. The legal name of the Client as the party to the agreement must be listed, as well as the appropriate address of the company, phone number of the company, printed name of the individual signing on behalf of the company, the signature of that person, and the statement that the individual has signing authority for the company.

3. The current logo and marks.

4. A clear indication of the term of the Service Agreement during which time the Schooley Mitchell Office may make recommendations.

5. A clear indication of the life of any recommendations made.

6. A clear indication of the payment terms, including duration and frequency.

7. A clear indication that the Client will provide appropriate access to the appropriate records required by Schooley Mitchell for the entire term of the Service Agreement and continuing until the end of the payment period.

8. A clear indication that the Client will provide a Letter of Authorization that would provide access to appropriate vendors.

9. A clear indication that any recommendations for changes made by Schooley Mitchell are subject to the approval of the Client.

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10. A clear indication of how savings are to be calculated in order to avoid any disputes in the future related to that calculation.

11. A clear statement that Schooley Mitchell agrees to keep all Client records and information confidential.

I3 ELECTRONIC SIGNATURE STANDARDS

Every document required by Schooley Mitchell that is electronically signed requires an electronic audit trail. An electronic signature (eSignature) audit trail is a detailed, tamper-proof digital log of every action performed during the e-signing process. It serves as a chronological record, documenting who signed a document, when and where the signature occurred, how their identity was verified, and the specific devices and IP addresses used. This comprehensive log provides verifiable evidence of authenticity, integrity, and compliance, making the eSignature legally binding and helping to prevent fraud and disputes.

Schooley Mitchell has selected Signable as its required eSignature platform and has created integration in the Warehouse for Client documents requiring signatures. All Service Agreements and Letters of Authorization must be sent through the Warehouse via eSignature. No other platform will be accepted. A Service Agreement and Letter of Authorization that has not been sent through the Warehouse will not be approved and accepted by Head Office.

I4 LANGUAGE

Schooley Mitchell is an English-speaking entity, and as such, does not have the ability to conduct business in another language. We do not have the ability to analyze invoices and contracts for each individual cost category in different languages. There are also language nuances which would require special staffing in all departments in order to translate all agreements, checklists, productions reports, post audits, marketing materials, Warehouse facilities, etc. If a third-party translation service or artificial intelligence was used for translation, we have no ability to judge and assess the results.

In addition, Quebec law is very restrictive in terms of transacting business in French, and we are not able to accommodate that requirement at this time. We also would not be able to work with any Quebec vendors/clients, or other language vendors/clients, as we would be required to have fully bilingual staff for communication purposes.

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Section J - Production

J1 VALUE REPORTS, POST AUDITS, RECOMMENDATIONS OR WORK PRODUCTS

All Value Reports, Post Audits, work product, and/or recommendations that are submitted to a Client for consideration must be prepared by a certified Schooley Mitchell Head Office analyst. Franchisees are permitted to do their own Telecom analysis including Electronic Logging Devices (ELD), if they are properly trained and certified by Head Office, or use another Franchisee that has been certified by Head Office. This certification only applies to Franchisees that joined the system and were trained and certified prior to February 2024.

All analysis, production, recommendations, implementations, Post Audits, work product, and other submissions for Clients regarding savings, adjustments, redundancies, recoveries, refunds, and/or set up, must be completed through Head Office, and cannot be completed in any form directly by a Franchisee, or any other designated party, for any cost categories, with the exception of Telecom, and ELD.

A Franchisee/Subcontractor/Employee is not permitted to make changes of any kind to any report prepared/created by Head Office or another properly trained and certified Franchisee.

Please note: Franchisees/subcontractors/employees who joined Schooley Mitchell after February 2024 are ineligible to complete Telecom, or ELD production on their own, and must use Head Office. In addition, franchisees/subcontractors/employees that have not been trained and approved to complete Telecom or ELD production on their own, by February 2024 are ineligible.

Telecom, and ELD Production

Telecom, and ELD production must only be completed by properly trained Franchisees, Head Office staff, or approved employees/subcontractors of Schooley Mitchell. No outside third party is allowed to execute any production, analysis, input, or related service or function, for any Schooley Mitchell Franchisee. All analysis and input must be performed and maintained in the analysis tools provided in The Warehouse. No other means of analysis will be accepted at any time unless specific written exception has been provided by Head Office. Head Office reserves the right to review and approve all Value Reports to ensure they conform with Schooley Mitchell standards.

Value Reports

All Value Reports must contain and be presented to a Client with all of the following elements:

1. Cover Page
2. Executive Overview
3. Executive Summary

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4. Detailed Current Configuration
5. Detailed Proposed Configuration (Minimum two options). We acknowledge there are circumstances that may prevent a 2nd option; however, this is not the norm and every effort should be made to include more than one option.
6. Multiple Year Table of Savings (3 Years for 2-Year Service Agreement; 5 Years for 3-Year Service Agreement)
7. Line Graph illustrating net Client savings for five years for a 36-Month Service Agreement and for three years for a 24-Month Service Agreement

The Value Report is the work product created from the effort put forth. The Client will see it as a document of great importance and therefore, the more valuable information it contains, the higher value the Client will perceive. This is true even if the Client only wants to review the Executive Summary. They will still want to 'feel' the report represents a valuable effort in relation to the fees to be paid to you. All Value Reports must be generated using the tools provided in The Warehouse unless specific written exception has been provided by Head Office.

Post Audit

All Post Audits must contain and be presented to a Client with all of the following elements:

1. Cover Page
2. Executive Overview
3. Summary of Audit
4. Savings Comparison
5. Detailed Baseline Table
6. Detailed Current Table

Post Audits must be created based on actual savings and not estimates based on the Value Report. The exception to this is when a Client does not cooperate and provide invoices required to complete the Post Audit. Estimated Savings Post Audits will be created in order to invoice the Client to create a receivable that can be pursued for collection.

All Post Audits must be generated using the tools provided in The Warehouse unless specific written exception has been provided by Head Office.

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Requirements to Provide Client Access to Another Franchise Office

Before Head Office provides another Franchise office access to your account(s) to complete Telecom, or ELD Production, you must complete the following action items and upload all supporting documentation to the Warehouse in the "Docs" section of your Client in the Registry:

- Sent Welcome Letter to your Client through the Warehouse
- Sent First Recommendation Letter to your Client through the Warehouse
- Upload all Client invoices for each service and vendor to be analyzed
- Completion of the Fact Finding Checklist

Once these action items are complete, please submit a support request via the Support Portal requesting that access be given pending a review of the requirements being completed.

Source Documents

Copies of all vendor invoices, contracts, quotes, etc. used during the initial audit and subsequent Post Audits must be kept for the life of the Client engagement plus three years. Copies can be kept in digital format if preferred.

Redacted Value Reports/Post Audits Policy

Our policy is that we do not provide Value Reports/Post Audits, redacted or not, to prospects.

It can be easily explained that the reports/audits are our proprietary information, and we need to protect that intellectual property and work product.

Generally, when someone is asking for this example, it is just a means to understand the value of what we do. That need should be mitigated through better discussion related to our values and processes.

By providing a copy of a Value Report/Post Audit, it will diminish the value of all the hard work that goes on behind the scenes to create the report itself. The client may see it as a much simpler process than it really is and decide they can do it themselves.

You simply need to explain with conviction all the work that is being done behind the scenes in reviewing contracts, poring through invoices, reviewing daily marketplace changes, understanding regular vendor changes and offerings, isolating errors and redundant services, as well as price creep, etc.

The report/audit is simply a culmination of all that work to summarize our findings, and the report/audit will vary by type and size of business, as well as by each cost category. As a result, we treat the reports/audits as our proprietary intellectual property, and confidential between each client and ourselves.

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You can tell them it will be a custom snapshot of their current configuration, including pricing, features, usage, surcharges, and other items, as well as options for all those same items that we will propose for them after our work, negotiations, and research. It will also summarize the savings generated from those options. That should be a satisfactory explanation of what the Value Report/Post Audit will look like.

You should also explain that we would never share our recommendations or reports/audits prepared for them, redacted or otherwise. They should respect you for that.

This need is really nothing more than an objection. You should go through the entire A-I-C-P-C process in handling the objection so you can really understand what they need, and how you can address it.

If we really understand what the client needs to know and why through proper questioning (the I in A-I-C-P-C), we can generally satisfy that need and still maintain our proprietary protection.

J2 CLIENT DOCUMENTS TO BE SUBMITTED TO HEAD OFFICE

The following documents are to be filed at Head Office for all Client engagements.

1. The Service Agreement, Engagement Letter, or similar agreement for all engagements, properly signed and executed by the Client, whether electronically or physically
2. The Authorization Letter signed by the Client, properly signed and executed by the Client, whether electronically or physically
3. Any Telecom, or ELD Value Report or fee-based equivalent resulting from the client engagement that was not created by Head Office, but instead created by an approved and trained SM Franchisee.
4. The Executive Summary page or Savings Options Matrix of any Value Reports or recommendation letters that have been accepted by the Client for implementation. This page must include the Client's initials and signature.

J3 SUPPLIER CONTRACTS/AGREEMENTS

When implementing recommendations on behalf of Clients, or in any other circumstance where vendor correspondence or agreements are involved, all such contracts, correspondence, agreements, and/or instructions to the supplier are made under the signature of the Client.

Supplier contracts and agreements are between the Client and service provider. Therefore, as Franchisees/employees/subcontractors and an impartial third party, we cannot legally sign contracts or agreements of any type, on behalf of the Client, with or without their permission. Signing a document on behalf of a Client could also expose Franchisees/employees/subcontractors directly to a significant liability, and/or a challenge from an Errors and Omissions Insurance Carrier if something goes wrong.

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From time to time, suppliers will offer a commission to Franchisees/employees/subcontractors in return for recommending a Client. Schooley Mitchell Franchisees/employees/subcontractors are strictly forbidden from accepting commissions, agency fees, or finder's fees directly from suppliers. Suppliers can however deliver the entire value of the commission to the Client so that the Client understands what it is and that it represents part of the savings. It is then included as part of the savings calculation. Any form of direct payment or sub-agency agreement between Schooley Mitchell and a supplier is not acceptable or permitted.

J4 SUPPLIERS/PROVIDERS AND INSTALLATIONS/IMPLEMENTATIONS

There are certain types of suppliers and solutions that Schooley Mitchell Franchisees/employees/ subcontractors should not be recommending and implementing for Clients as they are geared towards the residential consumer and are not business class solutions.

Schooley Mitchell Franchisees/employees/subcontractors should **never** perform installations on their own for any Client. There is significant risk for Franchisees/employees/subcontractors to be considered liable for any incorrect installations, damage to equipment, loss of service and lost revenues as a result of Franchisees/employees/subcontractors conducting an improper installation. Schooley Mitchell Franchisees/employees/subcontractors are not insured to cover issues that can arise from improper installations and both Schooley Mitchell Head Office and the Franchisees/employees/subcontractors can be considered liable for damages.

Our roles as Franchisees/employees/subcontractors should extend only to being a single point of contact for the Client, not a direct support role for the provider. Your Client should relay any issues they're having to you and then you can pass those on to the provider to then support the issue.

J5 PRODUCTION SERVICES OF THIRD PARTIES

No vendor of any service or product that Schooley Mitchell consults to shall provide production/analysis services to any Schooley Mitchell Franchisees/employees/subcontractors without the prior written approval of Head Office.

J6 RULES, REGULATIONS, AND PROCESSES SURROUNDING HEAD OFFICE PRODUCTION SERVICES

Head Office Production Services Responsibilities

Head Office provides production services for a percentage of Client savings. There are minimum Client spending thresholds in each cost category to qualify for production services. These minimums have been established based on years of experience and recognizing that Franchisees and Head Office need to be profitable. **A table of the category minimums can be found in Appendix 2.**

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If a Client's monthly spend is below the minimum thresholds then the Franchisee will be charged $50.00 per hour for analysis. If you submit an account below the minimum thresholds and we find savings where the HO share will be more than the hourly fees charged to you, then the hourly fees will be credited back. In other words, you will pay $50.00 per hour or the normal HO share, whichever is greater, for those accounts submitted below the thresholds.

Franchisees within their first year of operation will have the hourly fee waived for a maximum of one (1) client that do not meet the monthly thresholds in each of the categories listed below:

- Telecom (inclusive of Wireline, Wireless, ELD)
- Waste (inclusive of Garbage & Recycling, Medical, Shredding)
- Hazardous Materials
- Facility Supplies (inclusive of Office Supplies, Shipping Supplies, Breakroom Supplies)
- Uniforms & Linens
- Fuel & Compressed Gas
- EPP
- SPS
- LTL

Please note: The monthly threshold for the SaaS cost category must be met, otherwise the hourly production fee will be charged.

Head Office will perform the following services for the Franchisee's Client unless instructed otherwise in writing:

1. Coordinate a Discovery call with Franchisee, if required.

2. Participate in the Fact Finding discussion, if required.

3. Negotiate with vendors.

4. Send Vendor Letter(s) to vendors when appropriate.

5. Preparation of the Baseline Report

6. Prepare the Value Report, Future Savings Report, and/or No Savings Report, based on results of the completed analysis in accordance with HO standards.

   Please Note: Head Office will endeavor to complete the Value Report within four to six weeks of receiving all the required information. Completion time may vary/extend beyond six weeks based on elements out of Head Office's control.

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7. HO will be available for any required pre-scheduled conference calls with the Client and the Franchisee to explain and discuss recommendations.

8. Coordinate with vendors to facilitate implementation of accepted recommendations.

9. Additional requests to Franchisees for follow-up information from Client to fulfill the initial analysis, as well as the Post Audit.

10. Post Audits based on terms of the Service Agreement, including the evaluation of opportunities for further optimization of existing services such as better plans and pricing.

    Please Note: Any changes to Post Audit frequency must be discussed and approved by HO. There is a fee associated with this change if HO is not notified prior to commencement of the Post Audit cycle.

11. Provide the Franchisee with requests for additional information to complete the initial analysis or Post Audits.

Franchisee Responsibilities

Please Note: Items 1-6 must be completed and sent with this agreement to hoprod@schooleymitchell.com before production work can begin. If any of these items are not completed within 30 days from the date of submission, HO will archive the account. It can be re-submitted once the outstanding items are addressed.

The Franchisee agrees to provide the following services and documents:

1. Signed Production Agreement

2. Signed Service Agreement (including an initialed Exhibit 1 with applicable cost categories).

3. Signed Letter(s) of Authorization and/or verbal authorization.

    a. The Franchisee will be responsible for ensuring a HO staff member is fully authorized on all vendor accounts in all cost categories. Contact a HO staff member in the File Prep department at file.prep@schooleymitchell.com to determine which analysts should be authorized for a specific cost category, or if you require information on how to get authorized for any vendor.

4. Completed Client Fact Finding and completed Fact Finding Checklist for each cost category submitted for production.

5. All Client invoices, contracts, agreements and other information required to complete the analysis. If information is missing with the initial submission, it will be the Franchisee's responsibility to gather missing documents, unless you are using Client Relations.

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6. The Franchisee will obtain online access to electronic invoices and vendor information. All usernames, passwords, PIN numbers and/or security questions/answers need to be supplied in order to access this information.
    a. If the Franchisee does not provide online access for vendors that are known to provide online access, the Franchisee will be charged a flat fee of $50 per vendor, unless the client has provided a valid reason why they cannot provide online access. This decision will be at the sole discretion of HO. The Franchisee is exempt from the fee if Client Relations is utilized.
    b. Note: for Small Package Shipping and Wireless (50+ devices) online access is mandatory.
    c. If online access cannot be provided, invoices must instead be submitted using approved invoice submission methods and must meet invoice submission standards. Approved invoice submission methods include:
        i. Client downloaded invoices directly from their vendor portal
        ii. Client forwards invoices emailed to them by their vendor
        iii. Clean, complete, scans only when the vendor does not offer online access and/or the client receives paper invoices in the mail
    d. Invoices submitted that will be subject to the fee:
        i. Images of invoices taken with a camera
        ii. Cropped pages
        iii. Incomplete invoices (missing pages including blank pages or gaps in numbering)
        iv. Heavily marked-up scans
        v. Pages with holes or staples blocking key information
        vi. Poor-quality scans where pages are not right side up or vertically aligned
7. Sending the Welcome and First Recommendation letters to the Client.
8. The Franchisee will send the Baseline Report(s) to the client within 24 hours of receipt from HO. The Franchise will copy HO (baseline@schooleymitchell.com) in the email to the client. HO, at it's discretion, may send the Baseline Report directly to the client should the Franchisee not do so within 24 hours or within a reasonable amount of time.
9. Complete review of the Value Report with the analyst prior to presenting the Value Report to the Client. The Franchisee and analyst will determine presentation details.

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10. Presentation of the Value Report to the Client and obtaining signed Client approval to proceed with implementation of the recommendation(s).

11. The Franchisee will be responsible for any implementation management that is required with a physical presence at a client location. HO will make all the necessary arrangements to implement a solution with the vendors. HO will also provide guidance to both the Franchisee and client during the implementation process.

12. Provide weekly updates on the status of the Client once the Value Report has been presented, until our recommendations have been either accepted or rejected.

13. If a physical presence is required during implementation, the Franchisee may be responsible for representing Schooley Mitchell on the premises and will be required to liaise with and assist Head Office staff with any implementation needs. HO will make all the necessary arrangements to implement a solution with the vendors. HO will also provide guidance to both the Franchisee and Client during the implementation process.

14. The Franchisee will provide HO with weekly updates on the status of the acceptance of the Value Report that has been presented. HO, at its discretion, may follow up directly with any Client where the implementation of the recommendations has not been approved within 30 days of presentation of the Value Report.

15. For any Client where the Value Report has been presented but the recommendations have not been accepted within 30 days by the Client, HO will request that the Franchisee obtain all relevant vendor invoices since the date of the Value Report. All such records shall be submitted to HO for review and to determine if changes have been made to the Client's accounts. All such records will be submitted monthly thereafter. After 45 days if the records are not received, a second request will be sent by HO directly to the Client, and then a third request will be sent after 60 days if required. If the Client does not comply with the requests, a demand under paragraph 7 of the Service Agreement shall be made by HO directly to the Client after 90 days. If the Client does not comply with the demand, all means available will be pursued to obtain such records as required by the Service Agreement.

16. The Franchisee will not communicate with any vendor regarding client requirements and/or active HO production accounts without prior written consent from HO management. The Franchisee will not engage in any of the following activities:

    a. Negotiation with any vendor

    b. Requests for quotes from any vendor

    c. Involvement in the implementation of any solution for a client without the specific direction from HO

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d. Disclosure of any information regarding client expenses to any vendor, including quotes from any other vendor

e. Direct troubleshooting with vendors on behalf of a client

f. Other activities in the production process, implementation process, analysis, and/or post audit process, deemed in the sole discretion of HO, to be harmful to the overall process of providing optimized solutions to clients

Any information submitted to the Franchisee from a vendor on an unsolicited basis shall be communicated immediately to HO.

These restrictions are designed to ensure the integrity of the production process established by HO, including long-term relationships with vendors that are integral to our success in obtaining savings for our clients, and to ensure there is no disruption, undermining, or duplication of work.

The Franchisee is only permitted to communicate with a vendor in order to obtain authorization on the account(s) or obtain existing contracts. Should a vendor wish to discuss anything beyond authorizations or contracts with the Franchisee, the Franchisee will obtain the account representative's contact information from the vendor, and connect the representative with an analyst at HO. The Franchisee will not communicate with any vendor regarding active production accounts without prior written consent from HO management. This is to ensure there is no disruption, undermining, duplication of work, or harm caused to vendor relations. The Franchisee may discuss any referral relationship with vendors, so long as it does not pertain to an account in active production.

17. The Franchisee will not edit or make changes of any kind to any document produced by HO.

Head Office Client Relations Service

Head Office Client Relations services are available for a fee of 3% of Client savings. Under this option, the Franchisee agrees to do the following:

1. Provide a signed Production Agreement
2. Provide a signed Service Agreement (including an initialed Exhibit 1 with applicable cost categories).
3. Complete the Client Onboarding Submission Document.
4. If Baseline Report(s) will be sent to the Client within 24 hours by: Head Office, is selected on the Production Agreement, Client Relations will send the Baseline Report to the client.

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5. Present the Value Report(s) to the Client and acquire the signed Client approval to proceed with any recommendation(s). The HO analyst(s) will be available via conference call to co-present the Value Report(s) with the Franchisee. Discussion must take place with HO for review of the Value Report and to determine presentation details, including the date and time of the presentation.

6. The Franchisee will be responsible for any implementation management that is required with a physical presence at a client location. HO will make the necessary arrangements to implement a solution with the vendors. HO will also provide guidance to both the Franchisee and client during the implementation process.

7. If a physical presence is required during implementation, the Franchisee may be responsible for representing Schooley Mitchell on the premise and will be required to liaise with and assist Head Office staff with any implementation needs. HO will make all the necessary arrangements to implement a solution with the vendors. HO will also provide guidance to both the Franchisee and Client during the implementation process.

8. Provide weekly updates on the status of the Client once the Value Report has been presented, until our recommendations have been either accepted or rejected.

It is also agreed by HO and the Franchisee that all client assignments will require a collaborative effort and consequently, both parties shall make themselves available on a timely basis to hold conversations and other communications to ensure the client is served in a professional, confidential, and timely manner.

Note: The Client Relations service, with or without the inclusion of SMARRT, does not eliminate the Franchisee's duty to build and maintain a business relationship and rapport with the client. Communication and interaction between the Franchisee and the client is a requirement for all non-production tasks.

HO Client Relations Responsibilities

1. Act as a single point of contact for the Client at HO.

2. Provide regular communication to the Franchisee on the progress of the Client files from document gathering until the Client moves into the Post Audit stage.

3. Provide administrative support to the Franchisee during the document gathering stage; assisting with all the necessary steps required to move the Client into production.

   a. Send Welcome and First Recommendation Letters to Client.

   b. Complete Discovery Call with Franchisee.

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c. Conduct Fact Finding discussions with Client contacts.

d. Collect documents required for production.

i. Signed Letter(s) of Authorization and/or verbal authorization required to make inquiries with vendors about a Client's account.

ii. Complete Fact Finding checklists for each cost category submitted.

iii. All Client invoices, contracts, agreements, and other information required to complete the analysis.

4. Act as liaison between the analyst and the franchisee providing support throughout the analysis.

a. Send Analyst introduction letter to Client.

b. Send Franchisee weekly emails to update on the progress of moving the Client file into production.

c. Once production has started, send Franchisee bi-weekly emails to update on production status.

d. Request additional documentation or information from the Client as needed during production.

5. Value Report support
   a. Support franchisee in presenting the Value Report.
   b. Collect any documentation needed to implement the accepted recommendation.

6. Post Value Report support
   a. Collect invoices/statements as required to complete Implementation Verification Report, and Post Audits.
   b. Track all contract expires and take appropriate action.

Head Office Rights

HO reserves the rights listed below as part of this Production Agreement. HO staff will attempt to discuss these circumstances to reach a mutual understanding of best practices in each case. HO reserves the right to make the final decision about each circumstance described below.

1. If HO completes a vendor authorization on behalf of the Franchisee, then the Franchisee will be charged $50.00 per hour, as detailed in the "Other Fees" section.
2. If HO acquires Client invoices, contracts, agreements, and other information required to complete the analysis on behalf of the Franchisee, the Franchisee will be charged $50.00 per hour, as detailed in the "Other Fees" section.
3. If HO completes a Fact Finding Form, the Franchisee will be charged $50.00 per hour, as detailed in the "Other Fees" section.

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4. If the Client Post Audit is not reported as invoiced within 30 days of sending the Post Audit to the Franchisee, HO will have the option of invoicing the Client directly. The Franchisee will be charged a flat fee of $50.00, not to exceed the amount of the Client fee collected, or 10% of the Client fee, whichever is greater.

5. If the Franchisee decides not to invoice the Client without agreement from HO in writing, HO will have the option of invoicing the Client directly. HO will keep all collected fees forfeited by the Franchisee.

6. If the Franchisee chooses not to pursue collection of fees invoiced to Clients, HO reserves the right to pursue collection directly from the Client. HO will keep all collected fees forfeited by the Franchisee.

7. If the Franchisee chooses not to pursue collection of vendor invoices from Clients where a recommendation is not accepted by the Client, HO reserves the right to pursue collection of invoices and other required information directly from the Client. HO will keep all collected fees forfeited by the Franchisee.

8. If the Franchisee does not send the Baseline Report(s) within 24 hours of receipt from HO, or within a reasonable amount of time as communicated with HO, HO reserves the right to send the Baseline Report directly to the client.

9. If the Franchisee chooses not to pursue collection of vendor invoices, or current login and password information providing access directly to vendor invoices from Clients for the purposes of completing Post Audits within 60 days of being requested by HO, HO reserves the right to pursue collection of vendor invoices and other required information directly from the Client. The Franchisee will be charged a flat fee of $75.00, not to exceed the amount of the Client fee collected, or 50% of the Client fee, whichever is greater.

10. If the Franchisee does not present the Value Report, or Supplementary Value Report, within 30 days of receipt from HO, or when vendor quotes expire, whichever is earlier, regardless of the amount of savings indicated in the Value Report or Supplementary Value Report, HO reserves the right to present the Value Report or Supplementary Value Report directly to the Client. The Franchisee will be charged a flat fee of $150.00, not to exceed the amount of the Client fee collected, or 50% of the Client fee, whichever is greater.

11. The Franchisee will not have the right to release the Client from its obligations under the Service Agreement without approval in writing from HO. If the Franchisee does release the Client without approval from HO, then the Franchisee will pay HO all outstanding production fees, royalty, and ad fund fees for the remaining Post Audits due in the future based on the terms of the Service Agreement. The amount owing will be calculated based on the average savings of any completed Post Audits or the Annual Savings accepted by the client in the Value Report, whichever is greater.

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12. If the Franchisee does not present the Value Report or Supplementary Value Report, within 30 days of receipt from HO or prior to vendor quotes expiry, whichever is earlier, and a new Value Report or Supplementary Value Report is required, regardless of the amount of savings indicated in the Value Report or Supplementary Value Report, HO reserves the right to present the Value Report or Supplementary Value Report directly to the Client. The Franchisee will be charged a flat fee of $250.00, not to exceed the amount of the Client fee collected, or 75% of the Client fee, whichever is greater.

13. The Franchisee will not have the right to choose the vendors that are included in the Value Report, nor the order in which the vendor options are presented. Those decisions will be at the sole discretion of HO and in the best interests of the client.

14. The minimum savings for monthly Post Audits is $150.00 per month. If the savings are below $150.00, the post audit will automatically transition to a quarterly audit in order to maximize our resources. The minimum savings remains $150.00 for the quarterly audit (e.g. $50.00 per month x 3 months). If the savings are too low, HO and the Franchisee may discuss alternative options such as buy-outs or gifting. The above minimums do not apply to a franchisee within their first year of operation.

15. If the Franchisee does not provide online access for vendors that are known to provide online access, the Franchisee will be charged a PA Surcharge of $50 per vendor, per Post Audit (regardless of Post Audit frequency), unless the client has provided a valid reason, in writing, why they cannot provide online access.

16. At HO's discretion, a contingency analysis may be rejected if the Franchisee or their Client requests a category to be Baselined based on a vendor quote that the client has acquired themselves. This applies regardless of the quote being obtained before or after the Service Agreement was signed. Should the Franchisee and/or Client wish to proceed, the analysis will be charged as an hourly project (see "Other Fees").

Other Fees

"Hourly Work" or "MACD" (Moves, Adds, Changes, Deletes) is defined as requests for work performed outside the scope of the Service Agreement or Head Office Production Agreement as made by the Franchisee or Client. The Franchisee will be charged at a rate of $50.00 per hour in 15-minute increments (minimum $12.50 for one-quarter hour).

The fees charged will be tracked and invoiced on a Client-by-Client basis.

HO will notify you via email when Hourly Work or MACD charges will be incurred. If no response is received by HO regarding the Hourly Work or MACD charges, then HO reserves the right to continue with the Hourly Work or archive the account.

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FICA Production Fees

Communication with Champion Health, Inc. (Champ)

Part of our agreement with Champ is that all communications with them will come from Head Office, including any and all questions regarding scheduling or planning, qualification, client updates, etc. A franchisee/employee/subcontractor is not to reach out to them by phone, email or otherwise, even if you have been copied on an email with your clients. Please use champ@schooleymitchell.com for all correspondence to Head Office related to the program so we can answer your queries and/or get you answers. A franchisee/subcontractor/employee cannot request that a Champ representative have one-to-one calls with them or be a referral source presenter.

References from Champ

The Champ team at Lifetime Navigators do not offer references. If references are required, a franchisee must build up their own references to present to prospective clients.

Fees Payable to Franchisees

Referral fees for FICA Production will be paid to a Franchisee for each client submitted as follows:

- $8 per employee, per month for clients with 5-500 employees
- $9 per employee, per month for clients with 501-700 employees
- $10 per employee, per month for clients with 701+ employees

These fees will continue for each client in perpetuity, as long as the Franchisee is still part of the Schooley Mitchell system and their client retains services with Champ.

Referral fees will be paid by Head Office to the Franchise when Head Office has received payment from Champ. Head Office reserves the right to credit the Franchisees account with Champ referral fees against outstanding collections.

Fees Payable by Franchisees to Head Office

Royalty and ad fund fees will be charged by Head Office to the Franchisee at a rate of 10% total on all referral fees paid to the Franchisee.

Utilities Production Fees

When production has been completed, a Franchisee must invoice their client for 50% of the savings found after each Post Audit. If the Post Audit is not reported as invoiced within 60 days of Head Office sending the Post Audit to the Franchisee, Head Office will have the option of invoicing the Client directly. The Franchisee will be charged a flat fee of $50.00, not to exceed the amount of the Client fee collected, or 10% of the Client fee, whichever is greater.

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If the Franchisee decides not to invoice the Client without agreement from HO in writing, HO will have the option of invoicing the Client directly. HO will keep all collected fees forfeited by the Franchisee.

If the Franchisee chooses not to pursue collection of fees invoiced to Clients, HO reserves the right to pursue collection directly from the Client. HO will keep all collected fees forfeited by the Franchisee.

When the Franchisee has collected the savings invoiced, they must send 80% of the collections to Head Office after each Post Audit. Head Office will then send the 80% to UMS to pay their production fee on the Franchisee's behalf.

Fees Payable by Franchisees to Head Office

Royalty and ad fund fees will be charged by Head Office to the Franchisee at a rate of 10% total on the savings retained by the Franchisee.

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Section K – Marketing and Communications

K1 ADVERTISING

Logos, marks, trade name representations, or similar materials, cannot be used without prior approval, unless previously approved by Head Office in both format and content, for specific printed materials, reports, Value Reports, websites, electronic documents, or other methods of communication. Pre-approved advertising templates are available through the Warehouse for various uses. Individual approvals cannot be construed as approvals in any other circumstance.

Schooley Mitchell's digital use PDF marketing materials are available for use by franchisees/employees/subcontractors. These PDF documents are password protected to prevent unauthorized changes to marketing language and statistics and to our imagery and branding by anyone other than authorized Head Office staff. This also prevents the unauthorized mass printing of a marketing piece. The locked PDF allows for the printing of a single personal copy.

If printed copies are required, a franchisee/employee/subcontractor may place an order for the specific piece through the online store. If customization is required than the request should be made through the Support portal. All printing is to be done by Head Office. No third-party printing is allowed. The only exception to this is if explicit authorization has been granted by Head Office. Explicit authorization is granted for one-off circumstances and does not provide permanent approval.

A franchisee/employee/subcontractor can submit a support request if there are changes to a marketing piece that they would like to request. The request will be reviewed by Communications and Marketing team to ensure that it is appropriate and to verify any altered statistics. In order to maintain professionalism and consistency of the brand, all advertising and publication, whether print, digital, or physical impression, requires the approval of Head Office prior to publishing or use. This includes, but is not limited to:

1. Advertising that a Franchisee may execute to attract business.
2. Advertising to attract Subcontractors or Employees.
3. Articles or related published materials.
4. Promotional or related items.
5. Clothing or other physical items.
6. PowerPoint presentations or any other software or other medium used to present services.
7. Reports provided to Clients or third parties that contain any logo, mark, or trade representation of SM that is not represented in a standard or previously approved format.
8. Other use of any logo, mark, or trade representation of SM.

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Please note: For all articles you need assistance writing, either by us or an AI tool, you must submit a Custom Article Template form (found in the Admin Library in the Warehouse) through the Support Portal with your request, so we can assist in the development of the article. An AI tool may be used to guide the completion of the form only. If an article that has been submitted for Head Office approval and reads as though it is 100% AI created will not be approved for use.

All printed and promotional and related items must be ordered through Head Office. As a franchisee, you are required to purchase a minimum number of stationery supplies (500 business cards, 250 letterhead [page 1 and page 2] and 250 envelopes), within thirty (30) days of completion of training. You are also required to purchase certain marketing collateral to use for the operation of your Franchise. A chart containing a list of each item, the number of each item required and the cost of each item, can be found below in Appendix 3. These are the required initial marketing supply orders you must place. However, it is suggested that you continue to order and use these items to promote your business.

A minimum of two weeks lead time is required by Head Office to review and approve any request related to the above materials. In the case of promotional materials, a longer time may be required depending on the items or ideas requested.

Franchisees shall not maintain any website or URL that advertises, mentions, discusses or summarizes Schooley Mitchell, or any services provided by Schooley Mitchell, unless specifically approved by Head Office. URL forwarding is also prohibited without Head Office approval.

Schooley Mitchell retains ownership of all Franchisee splash pages and SM social media accounts, the content related to SM thereon, and the domain names associated with those accounts, if the Schooley Mitchell trade names, marks, or confusingly similar terms are used in any manner on the site.

Schooley Mitchell also retains ownership of all SM email accounts and associated addresses. Email spoofing, phishing or spam is strictly prohibited, and Franchisees are responsible for adhering to applicable anti-spam legislations. Mass text messaging, email and unsolicited email marketing is prohibited. Each Franchisee office is allowed to send 25 emails per day with similar subject matter. Anything beyond that needs to be approved by Head Office.

All email must be sent via the Schooley Mitchell Microsoft Exchange Server using valid Schooley Mitchell credentials. If you are using an application other than the Warehouse or Microsoft Outlook, it must authenticate and send the email through the Schooley Mitchell Exchange Server. Microsoft has tightened the email protocols that are allowed to connect with the Exchange Server in use by hosted domains like Schooley Mitchell. This means that older email protocols like SMTP. IMAP and POP3 are no longer supported.

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Our priority at Schooley Mitchell regarding email marketing is to help you attract leads while remaining compliant with federal anti-spam legislation in both the United States and Canada.

While you may have questions about the extent to which you can practice cold-outreach email marketing with our platforms such as drip marketing, and via your own Outlook account, please note all our policies are developed with legal compliance in mind.

Here is the legal information you need to be aware of.

United States – CAN-SPAM:

For franchisees in or marketing to the United States, it is critical to follow CAN-SPAM guidelines. This act was first passed in 2003 but continues to be updated as technology changes. It sets the rules for commercial email, establishes requirements for commercial messages, gives recipients the right to have businesses stop emailing them, and outlines penalties for violations.

Things you need to know about CAN-SPAM:

- It covers all commercial messages, which the law defines as "any electronic mail message the primary purpose of which is the commercial advertisement or promotion of a commercial product or service."
- It makes **no exception** for business-to-business email.
- Each separate email in violation of the CAN-SPAM Act is subject to penalties of up to $51,744.00.

Its requirements (which are applicable to Schooley Mitchell) state:

- Don't use false or misleading header information, which includes "from," "to," "reply-to," and routing information like domain name and email address. Using only the Outlook address and email marketing tools Schooley Mitchell supplies complies with this.
- Don't use deceptive subject lines.
- Identify advertisements as advertisements.
- Tell recipients where you're located – meaning a valid physical postal address must be included somewhere in the message.
- Tell recipients how to opt out of receiving future marketing email from you. All drip and Pulse emails from Schooley Mitchell have this feature.
- Honor opt-out requests promptly, within ten business days. The opt-out mechanism must be functional for thirty business days after the message is sent. All drip and Pulse emails from Schooley Mitchell have this feature.

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- You can't charge a fee, require the recipient to give you any personally identifying information beyond an email address, or make the recipient take any step other than sending a reply email or visiting a single page on an Internet website as a condition for honoring an opt-out request.
- Once people have told you they don't want to receive more messages from you, you can't sell or transfer their email addresses, even in the form of a mailing list.

In summary, for the United States, email marketing messages must be transparent and not deceptive in nature, with a functional opt-out mechanism.

For more information on how to determine whether or not the email you're sending falls under the CAN-SPAM jurisdiction, read the guidelines from the FTC.

Canada – CASL:

For franchisees in or marketing to Canadian recipients, Canadian anti-spam laws governing email marketing – specifically CASL, which was passed in 2014 but regularly updated – are slightly more involved. This legislation regulates the methods by which a business has permission to message an individual in the first place.

Under CASL, the consequences for spammers include fines of **up to $1M per violation for individuals and $10M per violation for companies.**

In Canada, **consent is required** for email marketing:

- There are two acceptable kinds of consent, explicit and implicit.
- Explicit consent refers to when someone has agreed verbally or in writing to receive a commercial electronic message from you.
- Implicit consent refers to when the sender has an existing business relationship with the person to whom the message is sent and is a bit more difficult to define clearly.
- If asked, senders should be ready to provide proof of this consent.

With explicit consent, senders are beheld to no time limit unless the recipient withdraws his or her consent. With implicit consent cases, senders are beheld to certain time limited depending on the nature of the existing relationship.

To be sure of what counts as implicit consent, and what the timeframe is, please refer to the legislation. The CRTC has also compiled a very helpful series of infographics on the topic.

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CASL requirements (which are applicable to Schooley Mitchell) state:

- Every message must include your business name, current mailing address, and either a phone number, email, or website address that will be valid for at least 60 days after you send the message, and a functional and clear unsubscribe mechanism. All drip and Pulse emails from Schooley Mitchell comply.
- Every unsubscribe request must be actioned within 10 business days or less and at no cost to the recipient. All drip and Pulse emails from Schooley Mitchell comply.
- All messaging should be truthful, and non-deceptive. For example, a price before taxes must be stated to be before taxes.

In summary, for Canada, not only is transparent messaging with opt-out functionality critical, but obtaining and keeping record of explicit or implicit consent is also necessary.

What Schooley Mitchell Head Office does to ensure compliance:
On top of regular reviews of updates to legislation, our email marketing tools and procedures – as outlined by the Operations Manual – are designed with compliance in mind. We take additional steps, such as reviewing and approving each custom drip email a franchisee writes, to ensure everything is to standard.

When franchisees approach us with ideas for email marketing outreach outside the purview of our existing systems, it is our topmost priority to avoid violating anti-spam laws. If we can work to develop alternative solutions, we will, but often the answer must be no to ensure compliance across the board.

Should you have any questions about compliance and email marketing, please submit a support request via the Warehouse.

Any SM email address found to be used to send out mass emailing campaigns without prior authorization may be suspended until investigation can be completed.

K2 SCHOOLEY MITCHELL SOCIAL MEDIA, & INTERNET POLICY

As a Franchisee/employee/subcontractor of Schooley Mitchell, the following policy must be followed in regard to the use of social media, as well as all information published on the Internet. Head Office recognizes the value of social media in supporting sales and marketing efforts, as well as building brand recognition, increasing demand for services, and improving communications, and has created these policies to provide an appropriate balance between those values and the necessary integrity and consistency required by our business.

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Due to the nature of social media and the Internet in terms of its permanency, as well as its viral and public nature, these policies have been crafted to protect the brand and image of Schooley Mitchell, and all of its stewards, members, and affected parties, including Head Office, Franchisees, employees, subcontractors, vendors, Clients, and other associated parties.

1. The language in the License Agreement and Operations Manual that refers to advertising, promotion, use of names and marks, and representation of the business apply to social media and Internet strategies. In addition, all other policies, rules, and regulations of Schooley Mitchell apply to the use of social media, including a prohibition against damaging the goodwill of Schooley Mitchell.

2. Schooley Mitchell Head Office must be provided with all account information for each site where the name, brand, or marks of Schooley Mitchell, or confusingly similar terms, are used or referenced. Required information includes the URL, the site name, the username, the password, and any other information that would be required to edit, change, modify, or remove information from the site.

3. If a social media or Internet site is used for personal purposes, it must not be used for business purposes related to Schooley Mitchell. A personal social media or Internet site may mention that you are a member of Schooley Mitchell but that is the full extent allowed for any business purpose related to any personal site.

4. Any Internet site that contains any Schooley Mitchell brands, marks, name, or confusingly similar terms, and allows for a picture to be posted, must have a professional business picture and not a personal interest or hobby picture posted as the picture is representing the business of Schooley Mitchell.

5. Any Internet site that contains any Schooley Mitchell brands, marks, name, or confusingly similar terms, must not include any descriptions or mention of other business interests or business affiliations that are current in nature and that site shall only represent the business of Schooley Mitchell in any current business descriptions.

6. Only approved social media and Internet sites can be used for business purposes by franchisees/employees/subcontractors. The approved sites will change from time to time, and approvals may be obtained for additional sites that are proposed to have business value upon proper submission in writing to Head Office, with 14 days' notice. Head Office will decide using its own discretion whether a site will be approved or disapproved. Approved sites include:

    a. LinkedIn – personal profile page only. A LinkedIn business profile cannot be created for your Schooley Mitchell franchise. LinkedIn will flag all Schooley Mitchell pages and delete them for being too similar.

    b. Facebook – only pages that have been established on your behalf by Head Office

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c. Instagram – only accounts that have been established on your behalf by Head Office

d. YouTube – only accounts that have been established on your behalf by Head Office, upon request

e. Alignable

7. Head Office reserves the right to remove any information submitted to a website that, at the sole discretion of Head Office, does not reflect an appropriate view of Schooley Mitchell. Schooley Mitchell reserves the right to remove, or require the Franchisee to remove, all content that violates this social media policy or any laws or regulations, or is not consistent with an appropriate use of the trademarks, name, or brand, in the sole discretion of the Head Office.

The following types of commentary or posts are prohibited;

a. Defamatory or disparaging comments about competitors

b. Defamatory or disparaging remarks about Head Office or any staff member

c. Defamatory or disparaging remarks about any member of Schooley Mitchell including Franchisees, employees, subcontractors, and any other associated member

d. Any commentary on any legal or private matters internal to the Schooley Mitchell system

e. Defamatory or disparaging remarks about vendors of any service to which Schooley Mitchell consults

f. Confidential or proprietary information of Schooley Mitchell, or of any Franchisee, including their Employees and Subcontractors, including without limiting the generality of the foregoing, any details of the License Agreement, Operations Manual, software applications, or other Manuals of Head Office

g. Proprietary information of Clients or vendors, including use of the names of Clients or vendors without permission

h. Commentary of any kind related to the topics of religion, race, politics, sex, and other incendiary topics or topics deemed harmful to the business of Schooley Mitchell, at the sole discretion of Head Office

i. Comments that could be construed to cloud the issue of Schooley Mitchell's independence and objectivity, or may cast confusion concerning independence

j. Comments deemed to be harassing in nature, at the sole discretion of Head Office, to employees, subcontractors, clients, prospects, vendors, HO, other Franchisees, or any third party

8. 1073355 Ontario Limited, or Schooley Mitchell Head Office, will not assume or incur any liability for any use of social media or Internet sites of its members.

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9. The franchisee is responsible for securing and protecting all usernames and passwords to all sites used for their business. If a site is breached or hacked, it is the franchisee's responsibility to immediately notify Head Office and obtain full control of the site in order to remove all detrimental information immediately upon discovery.

10. The Franchisee alone is responsible for the monitoring of its employees and subcontractors to ensure compliance with these requirements.

11. 1073355 Ontario Limited, or Schooley Mitchell Head Office, does not assume responsibility for monitoring compliance with laws, these regulations, or terms and conditions of any third party, and any approval by Head Office of the use of social media sites or monitoring thereof does not constitute a representation that the

Franchisee is in compliance with these laws, regulations, or terms and conditions. Without limiting the generality of the foregoing, slander, defamation, and libel laws, as well as employment discrimination laws, apply to all posts made to the Internet and should be considered before any post.

12. If a client, prospect, vendor, contact, or third party of the franchisee submits disparaging or argumentative remarks on any site, the franchisee must not engage in argumentative discourse with that person on a public forum. If the comments can be removed, the franchisee must do so immediately. The issue should be dealt with on a timely basis with the person responsible for the commentary in a private manner. Public discourse with an irate client, or other person, is deemed to be detrimental to our business, regardless of which party is right. Contact Head Office for assistance in responding professionally to positive and negative online reviews.

13. If Schooley Mitchell determines that a standard username format or naming policy must be used for a particular social media site or Internet site, the franchisee must use that format to provide for consistency of brand representation.
e.g. On Facebook: Schooley Mitchell (Location – Firstname Lastname)

14. Only those who have completed Head Office Sales and Marketing training can obtain access to their Schooley Mitchell social media profiles. Third-party marketing companies, or those who have not undertaken Schooley Mitchell's Sales & Marketing training, will not be granted access.

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K3 ARTIFICIAL INTELLIGENCE (AI) GOVERNANCE AND USAGE POLICY

All franchisees/employees/subcontractors are to comply with the AI Governance and Usage Policy as herein set out.

1. Purpose and Scope

This Policy sets standards for the responsible, ethical, and compliant use of artificial intelligence (AI) tools, systems, and services within the Schooley Mitchell franchise system. It applies to all AI use in franchise operations, including but not limited to marketing, customer service, hiring, scheduling, pricing, analytics, and any automation deployed in-person or virtually/electronically.

2. Definitions

2.1 "**AI**" means technologies that perform tasks typically requiring human cognition, including machine learning, generative AI, natural language processing, computer vision, predictive analytics, recommendation systems, and automated decision systems.

2.2 "**Personal Data**" means any information that identifies or can be reasonably linked to an individual, including client, employee, applicant, and contractor data.

2.3 "**Sensitive Data**" is defined by applicable state, provincial, federal, or international law and may include, but is not limited to, government identifiers, financial account data, precise geolocation, health and biometric data, racial or ethnic origin, religious or philosophical beliefs, sexual orientation, and information about minors.

2.4 "**Vendor**" means any third-party providing AI tools, components, datasets, models, or related services.

3. Ethical Use Principles

3.1 Accountability - Franchisees remain responsible for outcomes produced by AI used in their operations and must ensure appropriate human oversight and review.

3.2 Fairness and Non-Discrimination - AI must not be used in ways that unlawfully discriminate or produce unjustified disparate impacts. Decisions affecting individuals (for example, hiring, promotions, pricing, service eligibility) must be explainable and subject to human review.

3.3 Transparency - Franchisees must provide clear, accurate, and brand-consistent disclosures when AI materially interacts with or influences clients or employees, including when content is AI-generated or when automated decisions are made.

3.4 Safety and Reliability - AI systems must be tested for accuracy, safety, and fitness for purpose prior to deployment and periodically thereafter.

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3.5 Respect for Intellectual Property and Content Integrity - Franchisees must not use AI to infringe intellectual property (IP), misappropriate trade secrets, or create deceptive, defamatory, or misleading content.

3.6 Human in the Loop - For high-impact use cases, human review and approval is required prior to final action.

4. Permitted and Prohibited Uses

4.1 Permitted Uses

(a) To the extent Schooley Mitchell has approved a specific vendor's AI tool, franchisees may use that tool for the approved purposes.

(b) Franchisees may seek approval from Schooley Mitchell to use an AI tool that has not been pre-approved by Schooley Mitchell. Prior to a franchisee's use of AI, the franchisee must obtain written approval from Schooley Mitchell. An approval request must be submitted via Support Request in The Warehouse choosing Compliance as the topic and include the name of the vendor, the proposed contract/agreement/terms of use, and the intended purpose. If the intended purpose includes processing Sensitive Data (including data about minors), autonomous decision-making, any deviation from brand standards, or any other high-impact use case, the franchisee seeking approval must specifically outline all such potential use cases. The turnaround time for a response from Head Office can be up to 2 weeks depending on the number of requests received.

(c) Upon specific written approval from Schooley Mitchell and in compliance with this Policy, franchisees may use AI tools for the following purposes:

a. Marketing content generation aligned with Schooley Micthell's guidelines and approval process in accordance with the Operations Manual;

b. Analytics and business insights that do not identify individuals unless expressly authorized and compliant with data privacy rules;

c. Operational optimization (for example, budgeting, projections, scheduling, summarization of meetings) that does not override franchisor standards

d. Review of and suggestions for improved clarity in client communications, aligned with Schooley Mitchell guidelines

e. Review of and suggestions for improved clarity for briefings, communications, networking tactics, and presentations, aligned with Schooley Mitchell guidelines

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4.2 Prohibited Uses

(a) Franchisees may not use free/open-source AI tools.

(b) Franchisees may not use any AI tools unless the specific vendor's AI tool is expressly authorized in writing by Schooley Mitchell for a specific purpose.

(c) Franchisees are prohibited from any use of an AI tool that violates applicable law, this Policy, the Franchise Agreement, the Operations Manual, Brand Standards, or vendor terms.

(d) Franchisees are prohibited from making automated employment decisions without required human review and compliant procedures.

(e) Franchisees may not process any client data or any proprietary Schooley Mitchell information with AI (e.g., input Sensitive Data into an AI tool) unless required safeguards are in place.

(f) Franchisees may not, and may not permit a vendor to, train or fine-tune an AI model on Schooley Mitchell's confidential information, customer Personal Data, or third-party copyrighted content without the necessary permissions and appropriate safeguards, including data isolation and output filtering.

5. Data Privacy and Security

5.1 Lawful Basis and Notice - Franchisees must use AI in a manner consistent with privacy notices provided to clients and employees and must obtain any required consents or provide required opt-outs.

5.2 Data Minimization - Franchisees will collect and process only data necessary for the approved use. Franchisees will avoid uploading Sensitive Data to an AI tool unless expressly authorized.

5.3 De-Identification - When feasible, franchisees will use aggregated, anonymized, or de-identified data to reduce privacy risk.

5.4 Data Transfers - Franchisees will not export Personal Data or any Schooley Mitchell Data outside of the United States or Canada or use vendors that operate outside of the United States or Canada without confirming compliance with applicable cross-border transfer requirements. If Personal Data or Schooley Mitchell Data will be transferred outside of the United States or Canada, a franchisee must disclose this use when seeking approval from Schooley Mitchell.

5.5 Security Controls - Franchisees will implement administrative, technical, and physical safeguards appropriate to the sensitivity of data processed by AI, including access controls, encryption, logging, and vendor security assurances.

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5.6 Retention and Deletion - Franchisees will retain AI inputs, outputs, and training data only as long as necessary for the stated purpose or as required by law or franchisor policy, and will securely delete the data thereafter.

5.7 Children's Data - Franchisees will not use AI to process data about minors without legally compliant safeguards.

6. Compliance with Laws and Regulations

6.1 Franchisees must comply with all applicable laws and regulations governing AI, privacy, data protection, employment, consumer protection, marketing, accessibility, and intellectual property in each jurisdiction of operation.

6.2 Where specific AI-related obligations apply (for example, impact assessments, model transparency, risk classification, automated decision notices, bias testing, or registration), franchisees must complete these requirements before deployment and maintain required documentation.

7. Vendor Management

7.1 Approval - Franchisees must only use franchisor-approved AI vendors and tools. If a franchisee wants to use an AI tool that has or has not been pre-approved by Schooley Mitchell, the franchisee must obtain written approval as set out in Section 4.1 above before engaging a vendor. All pre-approved AI software needs to be verified for purchased licenses before use and must be used in compliance with the AI policy.

7.2 Configuration - Franchisees must configure tools to disable vendor training on both franchisor and franchisee data unless expressly authorized by Schooley Mitchell.

7.3 Vendor Agreements. Franchisees must ensure that any agreement with a vendor or other third party that provides, hosts, configures, integrates, supports, or otherwise enables an AI tool used in franchise operations includes written contractual provisions that: (a) limit use of the AI tool to the purposes expressly approved in writing by Schooley Mitchell (the "Approved Uses"); (b) prohibit all uses identified as prohibited under Section 4.2 of this Policy (the "Prohibited Uses"); and (c) require the third party to impose the same Approved Uses and Prohibited Uses obligations on its subcontractors and vendors that may access, process, store, or use Schooley Mitchell data, franchisee data, or Personal Data in connection with the AI tool. In addition, at least forty-five (45) days before engaging any third party that uses or will use an AI tool in connection with franchise operations, the franchisee must submit a written request to Schooley Mitchell identifying the third party, the AI tool(s) to be used, the intended use case(s), and the applicable agreement or terms. Permission will be deemed granted unless Schooley Mitchell objects in writing within thirty (30) days after receipt of the request. Franchisees are responsible for monitoring the vendor's compliance and promptly remediating any noncompliance, including suspending use of the AI tool and notifying Schooley Mitchell as required under Section 13.

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8. Model and System Governance

8.1 Inventory - Franchisees must maintain an up-to-date inventory of all AI systems, purposes, data inputs, outputs, owners, vendors, deployment dates, and risk ratings. Franchisees must provide copies of the inventory to Schooley Mitchell upon request.

8.2 Risk Assessment - Franchisees must conduct and document pre-deployment and periodic risk assessments proportionate to the use-case risk, addressing bias, accuracy, safety, privacy, security, explainability, and human oversight.

8.3 Change Management - Franchisees must document and obtain Schooley Mitchell's approval for material changes, including model updates, new data categories, or expanded use cases.

8.4 Explainability - For decisions with legal or significant effects on individuals, franchisees must ensure meaningful explanations can be provided and that appeals or human review processes exist.

9. Content Standards and Brand Integrity

9.1 Brand Guidelines - AI-generated content must comply with Schooley Mitchell brand standards, tone, disclaimers, and Operations Manual guidelines.

9.2 Client-Facing AI - Disclose to clients when they are interacting with AI (e.g. a chat bot) and provide an easy path to human interaction.

9.3 Accessibility - Ensure AI-generated or AI-enabled client experiences meet accessibility requirements and brand design standards.

10. Intellectual Property

10.1 Respect Intellectual Property - Do not prompt AI to reproduce or generate content that infringes third-party intellectual property.

10.2 Ownership - Unless otherwise agreed, content created for franchise operations under this Policy is owned as set forth in the Franchise Agreement and applicable brand standards. Franchisees must assign or license rights to Schooley Mitchell as required.

11. AI Governance

11.1 Local AI Lead - Each franchisee must be responsible for compliance with this Policy and to be the primary contact with Schooley Mitchell regarding the franchisee's use of AI tools.

11.2 Review Cycle - Franchisees will review AI use-cases at least annually and upon material changes in law, vendor tools, or business processes. Franchisees will timely report any material changes to Schooley Mitchell.

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11.3 Documentation - Franchisees will maintain records of AI use-cases, approvals, risk assessments, testing results, monitoring logs, and vendor agreements for at least two years or as required by law.

11.4 Audit - Schooley Mitchell may audit AI uses and related records upon reasonable notice. Franchisees must cooperate and remediate identified issues promptly.

11.5 Metrics - Upon request, franchisees will provide performance, quality, and compliance metrics related to AI deployments to Schooley Mitchell.

12. Incident Response and Breach Notification

12.1 Incidents - Franchisees must promptly escalate to the Schooley Mitchell support process listed above any suspected or actual security incident, privacy breach, material model failure, unfair or biased outcome, or regulatory inquiry related to AI.

12.2 Timelines - Franchisees must notify Schooley Mitchell within 24 hours of discovery of a suspected material incident, and provide updates at intervals requested by Schooley Mitchell.

12.3 Containment and Remediation - Franchisees must take immediate steps to contain, investigate, and remediate incidents, including disabling affected systems where necessary, preserving logs, and coordinating notifications required by law or contract.

12.4 Customer and Employee Communications - Franchisees must not issue public statements or notifications regarding AI incidents without Schooley Mitchell's coordination and approval, except where immediate notice is legally required.

13. Training and Awareness

13.1 Training - Franchisees must ensure that any personnel who select, configure, or operate AI systems complete franchisor approved training before use and at least annually thereafter.

13.2 Acceptable Use - Franchisees must incorporate AI acceptable-use guidance into their local policies and employee handbooks consistent with this Policy.

14. Integration and Interoperability

14.1 Compatibility - Franchisees' AI integrations must not disrupt Schooley Mitchell's "Warehouse" or other systems.

14.2 APIs and Data Flows - Franchisees may only use approved APIs and data pathways. Franchisees should maintain data flow diagrams and access controls.

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14.3 Sandbox and Pilots - Franchisees should test new AI tools in a sandbox or limited pilot with franchisor oversight before broad deployment.

15. Enforcement

15.1 Violations - Noncompliance with this Policy may result in corrective action required by Schooley Mitchell, suspension or removal of AI tools, reimbursement of related costs, and other remedies available under the Franchise Agreement and applicable law.

15.2 Hold on Deployments - Schooley Mitchell may require temporary suspension of AI uses that present undue risk to customers, brand integrity, or legal compliance.

16. Relationship to Franchise Agreement and Brand Standards

This Policy supplements the Franchise Agreement and Brand Standards. In the event of a conflict, the Franchise Agreement and Operations Manual govern. The franchisor may update this Policy from time to time upon notice to franchisees.

AI Approved Software

Franchisees must seek approval from Schooley Mitchell Head Office to use any AI tool. Even pre-approved AI software needs to be verified for purchased licenses before use and must be used in compliance with the AI policy. Prior to a franchisee's use of any AI tool, the franchisee must obtain written approval from Schooley Mitchell. An approval request must be submitted via Support Request in The Warehouse choosing Compliance as the topic and include the name of the vendor, the proposed contract/agreement/terms of use, and the intended purpose. If the intended purpose includes processing Sensitive Data (including data about minors), autonomous decision-making, any deviation from brand standards, or any other high-impact use case, the franchisee seeking approval must specifically outline all such potential use cases. The turnaround time for a response from Head Office can be up to 2 weeks depending on the number of requests received.

Franchisees must only use franchisor-approved AI vendors and tools. If a franchisee wants to use an AI tool that has not been pre-approved by Schooley Mitchell, the franchisee must obtain written approval before engaging a vendor.

Franchisees are prohibited from using free/open-source AI tools. These types of tools/software will never be approved.

Copyrighted & Pop Culture-Inspired Marketing Requests

When requesting marketing materials, Franchisees must ensure that all content, including images, music, and copy, adheres to copyright laws. Do not submit requests that involve copyrighted materials unless proper licensing has been secured. This includes stock images, popular music, and any third-party creative works.

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Additionally, requests that incorporate pop culture references—such as movie characters, TV shows, memes, or trending social media themes—may not always be approved. While creative marketing is encouraged, all content must align with Schooley Mitchell's professional image and legal guidelines. Franchisees should consult with the marketing team for guidance on appropriate content choices.

K4 HEAD OFFICE COMMUNICATION

At Schooley Mitchell, we place great importance on maintaining effective communication between our Franchisees and Head Office. By adhering to these communication guidelines, you can actively contribute to a productive and harmonious working relationship with our head office, ultimately benefiting our entire franchise network**.** When interacting with head office staff in any department, you are to communicate and treat them with respect, being abusive towards any staff will not be tolerated. If you have any questions or concerns regarding Head Office staff, you are to reach out to their management. If staff makes mistakes, you are to speak to them respectfully and, if the issue can't be resolved, speak to their management. If further escalation is required, the issue will be transferred to senior management.

Escalation of Issues: It is crucial to emphasize that our franchisees should not attempt to discipline or chastise employees directly. We have established a clear protocol for handling issues that arise with employees. Franchisees are expected to escalate such matters to a designated manager at the Head Office. Please refer to the Schooley Mitchell Organizational Chart found in the Company Directory section of the Warehouse. This approach ensures that all employee-related concerns are addressed professionally, and in accordance with our company policies.

Requesting Support and Resources: We expect franchisees to promptly respond to messages or inquiries through the support portal, ensuring that all necessary information is updated and available. Please be aware that our Head Office staff are often attending to multiple responsibilities and timelines, and communication is crucial for efficient problem-solving and decision-making. We expect franchisees to respond promptly to inquiries or requests for information from the Head Office, and in turn, we commit to responding to franchisee inquiries and requests within reasonable timeframes.

Out of Office Replies: We would like to emphasize the significance of setting up out-of-office email replies when employees or franchisees are away. These out-of-office replies play a critical role in maintaining efficient response times and ensuring that important communication is not delayed when key personnel are unavailable.

Response Expectations: All emails and phone calls should be addressed within 24 hours. If the matter is urgent then it is the responsibility of the Franchisee to call Head Office, during regular office hours, for escalation. If the office is closed then an email, and support request is required and will be addressed on the first business day following. Likewise, it is the responsibility of the franchisee to address any Head Office emails within 24 hours.

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Realistic Timelines and Internal SOPs for Marketing and Communications: It is important for our franchisees to be fully aware of our company's standard operating procedures (SOPs) across various aspects of the business.

Planning Content Requests: We stress the significance of planning ahead and encourage franchisees to submit requests well in advance of deadlines whenever possible. We encourage our franchisees to approach Head Office with well-thought-out plans when planning content. Requests should align with your business goals and operational needs, rather than seeking items or services unnecessarily. We promote a collaborative approach where franchisees work closely with our head office to strategize and make informed requests that benefit your specific needs.

Turnaround Time Expectations: While rush jobs may occasionally occur, our typical turnaround time for requests and support from the head office is dependent on project specifications and management discretion. Early communication helps us ensure timely responses and delivery of the support you need. Print production time is generally 4-7 business days (most items are 4-5 business days, but some take longer) plus shipping to the Franchisee (varies by Franchisee location and shipping service). Certain items such as slicks, and business cards offer next day printing. There is an order cut off time of 1:00pm ET. We usually use Purolator/UPS ground shipping as it is the least expensive, but rush shipping is available upon request.

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Section L – Advisory Council

L1 ADVISORY COUNCIL OUTLINE

Article 1 – Name

The council shall be known as the Schooley Mitchell Advisory Council.

Article 2 – Objective

The organization shall be comprised of a representative group of Franchise licensees who will meet periodically with the management of Schooley Mitchell to review plans and discuss mutual problems and concerns.

The purpose of the Advisory Council is to promote mutual understanding, promote candid and open communications, and to review matters of common concern to all Franchise licensees and the management of Schooley Mitchell. In addition, it is the desire of Schooley Mitchell to make the Franchise licensee an integral part of the planning process as the Franchise System grows and develops. It is recognized that this group can be instrumental in addressing and resolving concerns of general interest before they develop into significant issues.

It is the duty of the Advisory Council to address and resolve to the mutual benefit of both Franchisor and Franchisee, any problems or concerns that may arise which may affect the servicing of our major asset, the Client.

It is also the duty of the Advisory Council to prioritize the concerns of Franchisees as a whole, rather than simply to consider the most vocal individual Franchisee's concerns or suggestions.

It is understood that the Advisory Council serves in an advisory capacity and does not have the authority to directly modify the policies of Schooley Mitchell. Schooley Mitchell will heavily weigh the input of this group in formulating plans, programs and policies that affect the Franchise licensee.

Article 3 – Membership

Eligibility

A Franchisee in good standing is eligible for election or appointment to the Advisory Council. Only one person per Franchise location, partnership, company, corporation or family is eligible to be on the Advisory Council at any one time. Members may participate on any sub-committee task forces as deemed appropriate by the council members. To maintain eligibility while serving on the Advisory Council, each Franchisee must remain in good standing with Schooley Mitchell.

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Representations

a. Membership will be limited to a maximum of 10 Franchisees with minimum 20 percent representation from each of Canada and the U.S. Schooley Mitchell will have non-voting representation.

b. Term of Office – Each member of the council will be elected for a two or three-year term allowing for rotating transitions.

Election Procedures and New Appointments

The standard term of office will conclude upon election of new members at the Annual Meeting of Franchisees in the year that the elected term expires. Election of all new members will take place through voting by the Franchisees present at that Annual Conference. All Franchisees will be notified of approaching elections a minimum of 60 days prior to the Annual Conference. Nominations will close 48 hours prior to the election.

Where a Franchisee cannot continue in their elected position, they may be replaced by the appointment of another Franchisee by Advisory Council until the next election. The Advisory Council may also choose not to replace the member immediately and instead wait for the election process, as long as the minimum representation for Canada and the U.S. is maintained.

Article 4

Election of Officers

The officers of the Advisory Council shall be as follows:

Chair
Vice-Chair
Secretary

Officers are elected for one-year terms by the Advisory Council at the first regularly scheduled meeting of the Advisory Council following the Annual Franchisee meeting.

Duties of Officers of Advisory Council

Chair

The Chair will preside at the meetings. The Chair is required to oversee the annual election process and report on the results to all Franchisees. The Chair will also report to all Franchisees concerning Advisory Council activities and circulate minutes of meetings on a timely basis.

Vice-Chair

In the absence of the Chair, the Vice-Chair will preside.

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Secretary

The minutes of each meeting will be recorded by the Secretary and distributed to all members of the Advisory Council on a timely basis.

Article 5 – Committees and Special Assignments

Committees and Special Assignments may be formed to address specific topics with the mandate of submitting recommendations to the Advisory Council.

Article 6 – Meetings and Agendas

The Advisory Council will meet three times each year. A simple majority of members must be present at any meeting in order to constitute a quorum. Advisory Council meetings will generally adhere to a planned agenda rather than being informal discussion sessions. All Advisory Council members may submit topics to the Chair for discussion at the meetings. The agenda will be submitted to all Advisory Council members a minimum of two days prior to the scheduled meeting.

Agendas will typically include discussions on the following:

1. Operations – training, operating manuals, communications, Client satisfaction, sales and marketing training, strategic direction, charity operations, competitor information, supplier information, current market position, etc.
2. Finance – financial operations of Franchisees, general Franchise information, accounting, reporting, insurance and benefit programs, etc.
3. Services – service improvements and applications, support, delivery of services, new services development, etc.

Schooley Mitchell shall have additional staff and/or Franchisees present who may have expertise in the topics of discussion.

Article 7 – Expenses

Schooley Mitchell will cover the costs associated with Advisory Council meetings, including travel, accommodation, meals, and meeting facilities. There will not be additional remuneration for serving on the Advisory Council.

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Legal Name - dba Schooley Mitchell of
CITY - LAST NAME

1420 Washington Blvd
Detroit, MI 48226
US
smtraining@schooleymitchell.com



INVOICE

BILL TO
Smith Co.
123 Main Street
City, CA 12345

INVOICE	12345
DATE	01/12/2016
TERMS	Net 30
DUE DATE	02/12/2016

DESCRIPTION	QTY	RATE	AMOUNT
Description of the item	2	$225.00	$450.00
Description of the item	1	$225.00	$225.00

Please remit payment payable to Schooley Mitchell.

BALANCE DUE **$675.00**

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Legal Name - dba Schooley Mitchell of CITY - LAST NAME
1420 Washington Blvd
Detroit, MI 48226 US
888-311-6477
smtraining@schooleymitchell.com

BILL TO
Hilltop Dry Goods, Inc.
123 Main Street
City, CA 12345

INVOICE 12345

DATE 01/12/2016 **TERMS** Due on receipt

DUE DATE 02/12/2016

DESCRIPTION	QTY	RATE	AMOUNT
Description of the product	2	225.00	450.00
Description of the service	1	225.00	225.00

Please remit payment payable to:
Schooley Mitchell.

TOTAL DUE **$675.00**

A finance charge at the rate of 1.5% per month will be charged to your account after 30 days from the date of this invoice

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Category Minimums – Appendix 2

SCHOOLEY MITCHELL

Category Minimums

Category	Minimum Monthly Threshold	Additional Considerations
Telecom - Wireless	$1,000	
Telecom - Wireline	$750 per location	We will not include any television costs as we do not consult to television services
ELD	$1,000	
SaaS	$500	If below the minimum, at least 50 Microsoft or Google licenses, or at least 25 Adobe licenses
EPP	$20,000 processing volume	
SPS	$750	
LTL	$1,500	We will only accept FedEx Freight or T-Force (UPS)
Waste – Garbage and Recycling	$450 per location	If 5+ locations: $200.00 per month, per location We will not accept temporary services as part of a contingency analysis. We will only accept on an hourly project basis
Waste – Medical	$250 per location	If 5+ locations: $100.00 per month, per location
Waste – Oil / Hazardous / Other	**Pickup Frequency/Minimum Spend**	We will not accept hazardous services that are purchased less frequently than quarterly (including 2x per year or annually) unless special permission is granted by the manager
	Monthly: $750 per location	
	Bi-Monthly: $1,500 per location	
	Quarterly: $2,250 per location	
Fuel	$10,000	
Compressed Gases	$750	Individual location spending below $200 will not be accepted unless approved by management
Facility, Office, Packaging Supplies	Per category, not combined: $750 per location for 1 location $500 per location for 2+ locations	If 1 of 3 categories qualify, 1 other category can be accepted at 50% of the minimum ($375 for 1 location or $250 for 2+ locations)
Breakroom Supplies	$350 per month for 1 location $250 per month, per location for 2+ locations	Minimum can be ignored if at least 1 Facility, Office or Packaging supplies category qualify for analysis
Uniforms & Linens	$750 per month for 1 location $500 per month, per location for 2+ locations	
Electricity, Natural Gas, Water/ Sewage	Per sub-category, not combined: $10,000 per location	Electricity-only: If there are 10+ locations; $3,000 per location Deregulated states: supply costs are not factored into monthly minimum spend If either electricity or natural gas qualifies for analysis, we can accept the other sub-category at 50% of the minimum. (water/sewage not included)

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Mandatory Marketing Supplies Chart – Appendix 3

Per the Franchise Operations Manual you are required to purchase certain marketing collateral to use for the operation of your Franchise. A chart containing a list of each item, the number of each item required and the cost of each item, can be found below. This is an initial order of supplies, and it is suggested that you continue to orderand use these items to promote your business.

Description	Qty Shipped	Cost Per	Total
Marketing Pamphlets	50	$0.74	$37.00
Thank You Note Cards + Envelopes	50	$0.74	$37.00
Slick: Define The Project	50	$0.17	$8.50
Slick: What Our Clients Say	25	$0.17	$4.25
Slick: How Will It Benefit Me?	25	$0.17	$4.25
Slick: Telecom	25	$0.17	$4.25
Slick: Merchant Services (EPP)	25	$0.17	$4.25
Slick: Small Package Shipping & Courier	25	$0.17	$4.25
Slick: Waste Disposal	25	$0.17	$4.25
Slick: Electronic Logging Devices	25	$0.17	$4.25
Slick: Fuel	25	$0.17	$4.25
Slick: Less Than Truckload (LTL)	25	$0.17	$4.25
Slick: Uniforms & Linens	25	$0.17	$4.25
Slick: Facility Supplies	25	$0.17	$4.25
Slick: Office Supplies	25	$0.17	$4.25
Slick: Packaging and Shipping Supplies	25	$0.17	$4.25
Slick: Breakroom Supplies	25	$0.17	$4.25
Slick: Cost Reduction Overview All Services	25	$0.17	$4.25
Slick: Compressed Gases	25	$0.17	$4.25
Slick: Easy As 123	25	$0.17	$4.25
Slick: The Schooley Mitchell Difference	25	$0.17	$4.25

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Description	Qty Shipped	Cost Per	Total
Slick: Utilities	25	$0.17	$4.25
Thin Folders	25	$1.53	$38.25
Client Cumulative Profit Results	1	No charge	$0.00
Burning Money Handout	1	No charge	$0.00
		Total:	**$201.50**

In order to maintain consistency in our presentation of the Schooley Mitchell image to the public, all supplies of business cards, envelopes, presentation folders, marketing materials, whether printed or electronic, Schooley Mitchell binders, letterheads, marketing slicks, and other related materials must be ordered and created through Head Office.

It is very important to maintain consistency in design and quality. Supplies are ordered through The Warehouse/SM Online Store. At Head Office we are here to support you and help you to succeed. Please feel free to reach out to directly should you have any questions or concerns about the process.

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