

1. MEMBERSHIP QUALIFICATIONS.

All full-service members must meet these qualifications to join the network, and must maintain them to remain in the network.

(A) FULL SERVICE CAPABILITY. A Teleflora shop must carry an adequate supply of fresh-cut flowers, flowering plants and green plants, including those featured in the Teleflora Selection Guide, to meet customers' normal daily demands.

(B) PROFESSIONALLY QUALIFIED DESIGNER. A Teleflora shop must have a full-time designer qualified and experienced in creating floral arrangements. The designer must be able to recreate any designs selected from the Teleflora Selection Guide.

(C) COMPETENT SALES STAFF. Teleflora requires a properly trained sales staff qualified to meet the public and take orders over the phone. They must be able to relay and take wire orders with clarity and accuracy.

(D) EXCLUSIVE BUSINESS PHONE. Teleflora members must have a phone used for floral business only. Shops located in a store or hotel must have a direct telephone number other than the one reached through the general store or hotel number. Only authorized employees should answer phones and take floral orders.

(E) PROFESSIONAL IMAGE. The physical appearance of a Teleflora member's shop must be attractive, neat and well-organized.

(F) AMPLE COMMERCIAL REFRIGERATION. A Teleflora shop must have commercial refrigeration. Commercial refrigeration includes a display refrigerator and a storage refrigerator. Depending on the size of the shop, a single refrigeration unit may serve both functions.

(G) AMPLE DELIVERY CAPABILITY. Each Teleflora shop must be able to deliver incoming floral orders in a timely way.

(H) DISPLAY OF TELEFLORA SELECTION GUIDE. A Teleflora shop must display in plain view the most current Selection Guide at all times.

(I) THE TELEFLORA LOGO. All shops must display the current Teleflora logo in the shop window or door and are authorized and encouraged to use the logo, in accordance with Section 5 of these Rules & Regulations, in yellow pages, print advertising or Internet advertising. Camera-ready artwork is available through Customer Service and on MyTeleflora.com.

(J) FAIR TRADE. All Teleflora shops must conduct business in accordance with all applicable state and federal laws governing the use of trademarks, trade names, service marks, copyrights and the like. Members may not engage in fraudulent, deceptive or misleading advertising with respect to other members or the general public. This includes, but is not limited to, advertising or marketing without properly identifying the member's shop or disclosing its physical location with the intent to mislead the consumer or the general public, and/or promoting products or services the member cannot or does not intend to honor. In the event a Teleflora member operates a floral website, such website must include the physical location of the Teleflora shop in a conspicuous manner. Teleflora reserves the right to determine what constitutes such fraudulent or deceptive advertising and to terminate membership as a consequence.

(K) INSPECTIONS. Teleflora Territory Sales Managers are responsible for maintaining and protecting the quality and integrity of the Network at all times. Therefore, all shops must give access to Teleflora Territory Sales Managers for inspection of shop and records during reasonable business hours. Teleflora members are required to maintain a professional business location for the duration of their membership. Teleflora reserves the right to terminate membership by written notice at any time.

(L) NETWORK QUALITY PROGRAM. All Teleflora members shall be subject to monitoring that objectively measures and rates the service quality Teleflora members provide to consumers as follows:

(1) Evaluations of customer satisfaction surveys, mystery shopper results, florists' feedback and consumer complaint data is administered equitably and without malice across a representative sampling of the entire membership.

(2) Mystery shopping program test subjects are based on a random statistical analysis and other criteria that may include, but is not limited to, geographic location, order quantities, consumer feedback and requests for evaluation.

Evaluations will be administered equitably and without malice across a representative sampling of the entire membership. Evaluations will be based on a consumer's perspective and will address four areas: likeness to original item ordered, overall appearance of flowers, card message accuracy and delivery time accuracy. Each area will be rated on a five-level scale. Members will receive notification of their specific performance evaluations on mystery shopper results.

(3) Information gathered from satisfaction surveys, mystery shopper results, florists' feedback and consumer complaints will not be published.

(4) Members who receive overall below-average ratings on customer satisfaction surveys, mystery shopper results, florists' feedback and consumer complaint data are subject to probation and/or reevaluation. Multiple below-average ratings may result in probation, termination of membership or other disciplinary actions. If a member repeatedly fails to meet quality standards, a letter will be sent notifying member that they are not meeting minimum network standards and will state that either member is given a period of time to improve performance or if membership is being cancelled due to poor quality.

(5) A monthly program administration fee of \$20.00 will be billed to each Teleflora member.

(6) Members must also abide by all criteria for sending and receiving orders as outlined in Section 8 of Teleflora's Rules & Regulations.

2. TELEFLORA PRIVACY STATEMENT.

Teleflora has a strong commitment to protecting Teleflora members' privacy and customer data in all aspects of our business. Teleflora members shall use their best efforts to protect the privacy and information of Teleflora customers in a manner consistent with Teleflora's privacy policy. See Teleflora's complete Privacy Statement posted on teleflora.com and MyTeleflora.com for further details.

3. MEMBERSHIP CANCELLATION OR CHANGE.

(A) RULES AND FEE CHANGES. Teleflora reserves the right to amend or change the rules, rates, fees, commissions and charges now existing at any time or as in effect from time to time. Changes will be published in the Directory or Directory Update or mailed to members, and shall be effective on the first day of the month following publication or mailing unless otherwise indicated.

(B) TERMINATION. Either party may terminate membership in Teleflora without cause at any time by giving written notice. In the event Teleflora sends a written notice of termination, such termination shall be effective immediately. After such termination, although such terminated member will no longer be a member of Teleflora, because its listing will remain in the current Teleflora Directory until the next Teleflora Directory is printed, it may potentially receive telephone orders from other members until the next Teleflora Directory is distributed. If the terminated member chooses to accept and process such orders, Teleflora will forward payment for such orders in accordance with Teleflora's standard practices. Such terminated member may not, however, send any orders to the other members or utilize Teleflora's Network. In the event that a member elects to terminate its Teleflora membership or Dove Network subscription, it must send written notice thereof via U.S. mail as follows: (a) for membership termination to: Teleflora/ Customer Advocacy, 3737 NW 34th Street, Oklahoma City, OK 73112; and (b)

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for Dove Network subscription termination to: Teleflora/Dove Department, 3309 E. Kingshighway, Paragould, AR 72450. In order for a former member's listing to be removed from the Teleflora Directory and Teleflora Resource Guide, such termination notice must be received by Teleflora prior to the Publication Deadline listed on the Directory Information page of the Teleflora Resource Guide. A member remains responsible for all fees associated with the Directories (printed and electronic) in which their listing is published. If membership is suspended or terminated, the exiting member must cease use of the clearinghouse and Teleflora's name and logo immediately.

(C) CHANGE OF OWNERSHIP OR STATUS. A membership in Teleflora is not transferable. Members must have Teleflora's prior written consent to transfer any right, title or interest in a Teleflora membership, which may be withheld at Teleflora's sole and absolute discretion. Teleflora must be notified immediately in writing of any change of ownership. Change of ownership includes, but is not limited to, any change in composition of individuals or legal entity, or transfer, sale, merger, assignment, conveyance or inheritance of any ownership rights in a corporation, partnership or other legal entity that owns a Teleflora membership. A new application must be filed by the new owner(s) and is subject to acceptance by Teleflora. The last owner(s) of record will be held responsible for all orders transmitted prior to transfer and claimed within 60 days after Teleflora receives notice of and approves transfer. The last owner(s) of record will also be held responsible for any balances due for 30 days after Teleflora receives notice of and approves transfer. Teleflora may terminate membership at its sole discretion without notice if a member closes, transfers ownership or relocates a member shop.

(D) GOVERNING LAW. The law of the State of California shall govern the interpretation and effect of the Membership Agreement and of these Rules which are incorporated in such agreement by reference. In the event it is necessary for Teleflora to institute litigation, such litigation may be, at Teleflora's election, instituted in a court located either (1) in the county where Teleflora's principal office is located or (2) in the county where the member's place of business is located. The Teleflora member must accept service of Process according to laws of the jurisdiction where the suit is instituted by Teleflora.

4. DOVE/DIRECTORY COMBINATION LISTINGS.

Members in good standing are entitled to be listed in the Teleflora Directory and on the Dove Network with their local phone number. Only florists who are active Teleflora members may use the Directory. The Directory cannot be transferred for use to anyone other than an active Teleflora member. Redistribution or sale of Teleflora Directories, whether current or previous issues, is strictly prohibited. Additions or changes to listings must be received by Teleflora prior to the Advertising Deadline. Deletions of listings must be received by Teleflora prior to the Publication Deadline. Please refer to the Directory Information Page of the Teleflora Resource Guide for deadline information. Teleflora assumes no liability for Directory errors or omissions.

5. USE OF TELEFLORA TRADEMARKS.

Each Teleflora member florist in good standing is authorized to use the registered trademark TELEFLORA® and the official TELEFLORA® symbol in its advertising, upon its stationery, and/or in a website for the purpose of identifying its shop as a member of the Teleflora network, but only as authorized by Teleflora and in accordance with guidelines established by Teleflora from time to time. Compliance to such guidelines will be determined by Teleflora in its sole and absolute discretion. Teleflora's trademarks and logos are proprietary to Teleflora, and nothing in these rules constitutes the grant of a general license for their use. No member florist may use any trademarks owned by Teleflora (including the name TELEFLORA®) in

advertisement in any medium (including electronic communications media, such as the Internet), stationery, website or otherwise, unless it contains a distinct and prominent statement of the shop's name and location (city and state). In no event may the Teleflora marks be more prominent than the business name. Identification as a Teleflora member, if used, must come after the shop's official business name. For example, a Teleflora member florist may advertise as "Pat's Floral Shop, a Teleflora florist." A member florist may not represent itself as Teleflora in its advertising, stationery, website, or otherwise and may not use the name TELEFLORA® in its business name or as a part of any listing of its telephone number(s) or address(es) with any telephone or other telecommunications directory, directory assistance, shopping service, or any other publication or promotion to the public. A member florist may not use any of Teleflora's trademarks, including the name TELEFLORA® and the TELEFLORA® logo and symbol (or any confusingly similar trademark, service mark, trade name or derivation), on the Internet (or in any other electronic communications media) as any part of its shop name, company name, domain name, Universal Resource Locator ("URL"), email address, user name, keywords, meta-tags or other search engine coding/indexing information. Any unauthorized use of Teleflora's marks, including the registered trademarks TELEFLORA® and the TELEFLORA® symbol, is illegal and prohibited. Teleflora reserves the right to remove its name or product from any advertising, website or other usage that it deems unacceptable.

6. USE OF TELEFLORA IMAGES/COPYRIGHT.

Teleflora member florists in good standing are allowed and encouraged to use arrangement images and product description from Teleflora image CD-ROMs and Teleflora's Online Image Library from MyTeleflora.com free of charge. The images may be used for the production of print advertising promotional materials for Teleflora products and/or on a member florist's website pages in connection with their own business (and not that of an affiliate or third party). Members may not modify, alter or change Teleflora product names or images in any way (e.g., remove "by Teleflora" or "Teleflora's" copy from a product name or create a new name for a product). Teleflora does make an exception, which may be revoked at any time at its sole discretion, to allow for the images to be used in connection with a third-party website only if (1) the Teleflora member shop name is clearly identified and only one florist shop is featured on the site, (2) the website is clear that the florist is the noted shop and not Teleflora LLC, (3) all of the floral selections, inquiries and/or orders are referred to the identified member's shop, (4) the image is attributed to Teleflora as required; in all circumstances where the images are used, the website page or printed piece on which the images appear must be clearly labeled "Teleflora images used with permission", and (5) the member florist enters into an agreement or otherwise makes clear with the third-party website that all images are the sole property of Teleflora and may only be used as approved by Teleflora. Any images featuring product of a licensed partner of Teleflora must also follow the partner's required legal guidelines. See the License Agreement posted on MyTeleflora.com for further details. With the exception of authorized images and product description from MyTeleflora.com, members shall not be allowed to take any other images or text from MyTeleflora.com. In no event shall a member or any third party be allowed to take any image or text from teleflora.com as they are a copyright of Teleflora LLC.

7. SHOP CLASSIFICATIONS.

Owners of multiple shops must select designation as Resident/branch shops (clearings and product purchases are tracked separately) or suffix shops (clearings and product purchases are combined). Each branch and suffix shop must separately meet membership qualifications and comply with Teleflora's Rules & Regulations.

(A) RESIDENT AND BRANCH LISTINGS. The Resident Listing is the primary listing. Shop listing appears under the city or town of that shop's physical location (NOT mailing address) if that city or town is officially recognized by the county, state, province or territory. If located outside the boundaries of an incorporated town or city, or in a community not recognized by the county, state, province or territory, the shop will be listed under the nearest incorporated town or city or any other governmental unit which, in the opinion of Teleflora, is a fair and equitable placement of the listing. The zip code, the post office that serves a Teleflora shop or post office box number does not control a Resident Listing.

(B) EXTRA DOVE/DIRECTORY COMBINATION LISTINGS. Extra Listings are available in the printed Member Directory and on the Dove Network for any city or town having a separate identity where a Resident Listing does not show. Any minimum order or delivery charge required to serve this area must be shown in the Extra Listing. Any delivery charge must be explained to the sending member at the time the order is given. In order to qualify for an extra listing in a city or town different from a member's resident location, the member must be able to physically deliver to that location.

(C) EXPANDED DOVE/DIRECTORY COMBINATION LISTINGS. Each listing in the Member Directory and on the Dove Network may be expanded with up to four lines of 60 characters each.

(D) ALSO SERVED BY DOVE/DIRECTORY COMBINATION LISTINGS. Also Served By Listings are available in any town or city where other Teleflora shops are located. Any minimum order or delivery charge required to serve this area must be included in the Also Served By Listing. Any delivery charge must be explained to the sending member at the time the order is given. In order to qualify for an Also Served By listing in a city or town different from a member's resident location, the member must be able to physically deliver to that location.

(E) OPEN AND DELIVERING SUNDAY LISTINGS. Open and Delivering Sunday Listings are available in this printed Teleflora Directory with a corresponding codification in the Teleflora Member Listings and will also be noted as such on Dove. This listing is available to all shops that have a Teleflora Member Listing in the same city, are physically open for walk-in customers and have a designer and driver on staff on Sundays to fill and deliver orders respectively.

(F) SENDING FLORIST ONLY LISTING. Certain shops (for example, United States military bases and installations) have a "Sending Florist Only" status. They do not stock flowers or make deliveries. Military shops are listed in a separate section of the Resource Guide. Other "Sending Florist Only" listings appear in the main Directory by community.

(G) ROTATION. Rotation of listings in individual cities takes place four times a year, with the exception of two, four, eight and sixteen member cities which are NOT rotated in the August/September/October issue to prevent the same florist from being at the top of the list for the same month(s) in future years.

(H) CODIFICATION POLICY. Codification is available for holiday and everyday products. Members who order "currently codified" product(s) are automatically codified for that product if the order is received before the codification deadline. A shop must stock at least the smallest pack size of a product to be eligible for codification. Everyday codification lasts for 24 months from the date of original purchase.

8. SENDING AND RECEIVING ORDERS.

(A) MINIMUM ORDER CODIFICATION. All members are responsible for establishing their lowest acceptable price for filling a Teleflora order for a fresh flower arrangement (including delivery) and updating this minimum order codification with Teleflora as needed by notice to Teleflora. If a member charges a separate delivery fee, such fee must be listed. Incoming orders received for the published minimum must be honored by the delivering member. If no minimum order codification is established by a member, the

default total minimum amount for orders received through Dove is deemed to be \$30.00 (\$23.00 as a minimum and a separate delivery charge of \$7.00 for a total of \$30.00). Members may establish any amount for the minimum order codification, but in the event that a member does not establish amounts for the minimum order codification, the minimum order codification shall default to the amount noted above.

(B) CUSTOMER SATISFACTION GUARANTEED. All items sent through the Teleflora network are 100% guaranteed. Both the sending and receiving members are expected to cooperate to provide 100% customer satisfaction without exception on every Teleflora order. The sending member is responsible for selling an order which can be filled exactly as promised to the customer by the receiving member. The receiving member is responsible for filling the order as requested in accordance with Teleflora's substitution policy as outlined in section 8(F) SUBSTITUTION. It is recommended that members establish and follow a quality guarantee in their shop(s). If a quality guarantee is not clearly communicated, all orders default to the Teleflora Consumer Guarantee: "Our Customers Come First. When you receive a Teleflora bouquet, you're guaranteed satisfaction from your Teleflora florist. If you are not completely satisfied, we'll make it right. We guarantee it."

(C) PIRATING. Wire orders for Teleflora keepsake products or other arrangements from Teleflora's Selection Guide must be credited to Teleflora's clearinghouse. Customer requests for orders to be sent through Teleflora must be honored. Customer and Teleflora member requests for Teleflora products must be fulfilled in the container as ordered. Knowingly crediting any other wire service for sales generated by Teleflora programs or products ("pirating") may result in termination of membership.

(D) FULFILLMENT.

- (1)** The sending member must collect and transmit complete and accurate order information to the receiving member. Any loss resulting from an incomplete or incorrect address is the responsibility of the sending member.
- (2)** The sending member must transmit 100% of the amount received from the consumer, less only applicable taxes and senders' service fees as permitted by section 8(E). Transmitting less than the full amount of the order, minus applicable taxes and permitted sender's service charges, as applicable, ("order skimming") may result in termination of membership.
- (3)** Orders placed 24 hours or less prior to a major floral holiday, such as Thanksgiving, Christmas, Valentine's Day, Professional Secretaries Week, Easter and Mother's Day, may only be accepted from the customer as an open order, i.e., customers may give their primary choice, but they must be told that the delivering member has the right to substitute if necessary.
- (4)** Delivery of orders to a rural route address or cemetery cannot be guaranteed. The sending member must inform their customers of this at the time the order is taken.
- (5)** The receiving member must fill all reasonable and properly transmitted incoming orders to full value (i.e., 100% of the amount received through Dove, less only applicable delivery charges). Filling an order to less than such value may result in termination of membership.

(E) ADDITIONAL FEES.

- (1)** The sending member must collect any delivery charges, in addition to the price of the order, and transmit the full dollar amount, including delivery charges, to the receiving member. Teleflora members may not charge more for flowers or delivery on an incoming order than they charge local customers.
- (2)** The sending member may charge a service fee or transaction fee to the consumer to offset the costs of transmitting floral orders. The consumer must be advised by the sending member of any service charges that are not reflected in the arrangement price prior to accepting the order provided, however, members shall not describe any such charges as "Teleflora" charges or any similar designation. The sending member is not obligated to transmit any

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service charge not included in the price of the order to the receiving member.

(3) Teleflora members may charge additional fees to the consumer for special services rendered (e.g., expedited delivery). The consumer must be advised by the sending member prior to accepting the order of any additional charges not reflected in the arrangement price. The sending member may use the special service fee collected from the consumer to cover any special service charge assessed by the receiving member or to supplement delivery charge. Any special services must be made available to all consumers for a similar fee.

(4) The sending member is responsible for collecting state and local taxes as applicable in addition to the price of the order. The sending member is not obligated to transmit state and local taxes to the receiving member.

(F) SUBSTITUTION. When a receiving member accepts an order from a sending member, a commitment is made to fill the order as specified to the complete satisfaction of the customer. If a substitution is unavoidable, the receiving member must immediately notify the sending member or the consumer who placed the order what item specifically will be used to fill the order. The scale of the arrangement should determine the type of substitution acceptable, but the substitution must be of equal or greater value and must maintain the style and color harmony of the original order. A valid attempt to obtain agreement from the consumer must be made prior to making any substitution. The sending member has the obligation to obtain a second choice from the customer and inform the customer that substitutions are possible due to local market conditions and floral availability. Orders placed 24 hours or less prior to a major floral holiday, such as Thanksgiving, Christmas, Valentine's Day, Professional Secretaries Week, Easter and Mother's Day, may only be accepted from the customer as an open order, i.e., customers may give their primary choice, but they must be told that the delivering member has the right to substitute if necessary.

(G) REFUSING AN ORDER. A receiving member may refuse an order only if the request is not reasonable. Refusal must be made within a reasonable time after receipt of the order from the sending member. Failure to communicate refusal within a reasonable time or participation in other tactics to intentionally delay refusal of the order may result in liability for the full amount of the order by the refusing member. Lost transmission charges will be charged to a Teleflora member refusing an order unless there is a reasonable explanation for the refusal. Teleflora reserves the right to determine what constitutes a reasonable time.

(H) DELIVERY RESPONSIBILITIES. The receiving member is responsible for ensuring that the sending member is a Teleflora member in good standing. The responsibility of the receiving member is not fulfilled when the delivery is made to a hospital, military base, hotel, mortuary, steamship, bus company, neighbor, etc. Even a receipt signed by a third party does not discharge the receiving member from responsibility.

(I) COMPLAINT GUIDELINES. All complaints must be settled between the sending and receiving members to the satisfaction of the customer prior to contacting Teleflora headquarters. If the complaint is the result of an error in transmission, the sending member is responsible. If the complaint is the result of filling an order, then the receiving member is responsible. In the event the complaint cannot be settled between all interested parties, call Teleflora Customer Service to assist in resolving the matter. Claims for account adjustments must be submitted within 60 days of receipt of your Teleflora statement.

9. PAYMENTS AND ADJUSTMENTS.

(A) TELEFLORA WIRE ORDER GUARANTEE. Teleflora guarantees payment of any order reported within 90 days from a Teleflora member in good standing at time of delivery. Teleflora assumes no liability for any order accepted on a direct payment basis or from a florist not in good standing at time of delivery. A member who attempts to bypass the clearinghouse in claiming and paying directly for Teleflora orders will be subject to immediate termination.

(B) PAYMENTS. Statements are mailed on or about the 10th of each month. Debit balances are payable upon receipt of the statement and become delinquent on the 25th of the month. If not paid by the 25th, debit balances of \$50.00 or more are subject to late charges of \$79.00 or 4.8% of the overdue balance, whichever is greater. Late charges will be added monthly to the overdue balance. Any payment rejected or returned to Teleflora by a member's bank will result in a \$35.00 handling charge. Credit balance payments will be made on the 25th of the month for the full amount of the credit balance. Balances under ten dollars (\$10.00) will be carried to the following month. Should your membership account become delinquent at any time, your shop may be restricted from wiring out any orders.

(C) ERRORS. Errors or omissions in Teleflora statements must be reported to Teleflora in writing within 90 days of the statement date. After 90 days, the statement shall be deemed correct and Teleflora is not liable for errors or omissions. Send written notification to: TELEFLORA, Customer Service Department, 3737 NW 34th Street, Oklahoma City, OK 73112.

(D) COLLECTION COSTS. All expenses incurred in recovering amounts owed under a delinquent member's account will be charged to the delinquent member. If it becomes necessary to repeatedly notify a member by mail regarding non-payment, a \$5.00 charge per notice will be added to the member's delinquent account to cover processing and mailing costs. The delinquent member agrees to pay all costs incurred by Teleflora including court costs and attorneys' fees and costs should the member default on any obligations to Teleflora. Teleflora reserves the right to claim and apply all funds and credits under its control to balances owed to Teleflora. All rights of offset are retained by Teleflora.

10. TELEFLORA CASH REBATE.

(A) ELIGIBLE ORDERS. The Teleflora Cash Rebate is paid on orders sent through Dove or reported sent on a Delivery Report Form based on delivery date, including orders sent to Canada and international orders. Order minimums and pay-out levels will be aggregated for suffix-shops, e.g., a 3-shop suffix group must report 60 orders to receive the Rebate. Branch shops must each separately qualify for the Rebate. Orders sent between shops with common ownership do not qualify. Shops enrolled in Teleflora's Mass Merchandiser Program are not eligible. Statement cutoff is the 5th of each month (if the 5th falls on a weekend or holiday, then the cutoff is the next business day). Delivery Report Forms received by Teleflora after that date are reported on the following month's statement.

(B) REQUIREMENTS. To qualify, full payment on account must be received by Teleflora on or before the 25th of the month. Payment on account must be in the form of a check. Reports of incoming orders do not qualify as payment, nor do account adjustments for payment, nor do products not received by Teleflora by the 25th of the month. A minimum of 20 orders must be reported sent each month, and each order must be complete and valued over \$30.00.

(C) REBATE AMOUNT. If 20–199 Teleflora orders are reported sent on a monthly statement, Rebate is \$3.00 per order from order #1. If 200 or more Teleflora orders are reported sent on a monthly statement, Rebate is \$4.00

per order from order #1. Rebate will not be paid on more than 2,000 orders reported sent per month per shop.

11. COMMISSION, FEES AND MEMBERSHIP DEPOSIT.

(A) COMMISSION. Sending members receive a 20% commission on orders of \$25.00 or more that are reported sent by receiving members within 90 days. No commission is paid for orders under \$25.00. Receiving members are credited 80% of the amount of orders reported sent. Delivering members must report orders weekly to Teleflora using a Delivery Report Form, which must be received at Teleflora by the 5th of the month to be included on the previous month's statement. Do not report orders received over the Dove Network®; they are automatically reported to Teleflora. Do not report orders sold. Sending members are prohibited from levying a fee or any related charges to another florist for receiving an order that is transmitted through Teleflora.

(B) FEES.

- (1)** A clearinghouse fee of 7.0% of the gross amount of each incoming order is charged to the delivering florist. Members with a month-to-date ratio of incoming to outgoing orders of 3 to 1 or greater ("unequal senders") for any given month will be charged an additional 5% clearinghouse surcharge on all incoming orders for that month.
- (2)** The monthly Membership Fee is \$149.95. Membership Fees billed are for the period covered on the clearinghouse statement.
- (3)** Members who have less than 20 orders reported sent per month will be charged a sending fee of \$19.95 per month. For this purpose, orders are counted only for the month in which they are reported.
- (4)** All products, freight and marketing materials are charged when shipped.
- (5)** Semiannual Unit Dues of \$25.00 are charged on both May and December statements. Any cancellation of Unit Membership must be in writing.
- (6)** The Dove Network monthly access fee is \$89.95 and the handling fee is \$1.75 per order. The Dove Network confirmation, cancel and message fees are \$1.00 per usage.
- (7)** A processing fee of \$1.75 will be assessed on each order reported when using the Dove Network or MyTeleflora.com. A processing fee of \$2.75 will be assessed on each order reported on a Delivery Report Form.
- (8)** A Non-Dove Order processing fee of \$1.00 per order will be assessed on all incoming orders for members that do not utilize a Dove Platform to receive and process orders. The Dove Platforms include but are not limited to Dove, DovePlus, DovePOS, Daisy, Eagle and RTI.
- (9)** A Dove/Directory Information Fee of \$30.00 is charged quarterly.
- (10)** Credit card transactions from websites are subject to a \$0.25 web transaction fee.
- (11)** A monthly fee of \$14.99 for FSG Updates will be billed to all members. The ongoing fee for the FSG updates may increase from time to time with advance written notice from Teleflora.

(C) PUBLICATION RATES. A subscription fee of \$4.50 per month is charged for a monthly copy of Flowers & magazine (international rates may be slightly higher). Flowers and Profits semiannual subscription fees of \$49.99 are billed on the February and August clearinghouse statements. Floral Finance semiannual subscription fees of \$44.98 are billed on the April and October clearinghouse statements. The Retail Florist semiannual subscription fees of \$44.98 are billed on the May and November clearinghouse statements. Partial subscription periods will be prorated. Any cancellations of the subscriptions must be in writing and sent to the Teleflora Publications Circulation department.

(D) DOVE AND DIRECTORY CARD ADS, BANNER ADS AND LISTINGS. Dove and Directory card ad and Banner ad setup fees and monthly fees are billed on monthly statements at applicable rates. Dove and Directory "Extra Listings" and "Also Served By" fees are billed at a rate of \$10.00 per month for each

listing. "Open and Delivering Sunday" and "Facility" listings fees are billed at a rate of \$5.00 per month for each listing. "Expanded Dove and Directory Listings" fees are billed at a rate of \$29.95 per month for each listing.

A \$6.00 fee is added for each zip-code-specific listing per month. A \$10.00 fee is added for each red listing (appears in printed Directory only). A \$25.00 fee is added for each red ad (appears in printed Directory only). For an 800 number to appear in Dove and Directory listings, \$8.00 will be billed monthly per listing. There is no charge for an 800 number to appear in a card ad.

(E) MEMBERSHIP DEPOSIT. A minimum membership deposit of \$200.00 is required for each membership application received by Teleflora after April 1, 1977 (Branch Shops, \$100.00). Membership deposit monies are fully refundable on termination or cancellation, less amounts owed to Teleflora, 90 days after the listing is removed from the Teleflora Directory, provided that two years of continuous membership have been maintained prior to the effective date of cancellation or termination. Teleflora may require immediate payment in full of any account delinquent 60 days or more, plus an additional membership deposit based on the amount of delinquency. All funds deposited with Teleflora as a membership deposit may be deposited by Teleflora in its general funds without payment of interest to members. These remedies are not exclusive. Teleflora reserves all legal rights with respect to delinquent accounts, and each of its rights shall be cumulative. Exercise of one or more remedies by Teleflora, or its failure to do so, shall not constitute a waiver of any of Teleflora's rights.

12. PRODUCT AND ADVERTISING INFORMATION.

(A) SELLING TELEFLORA KEEPSAKE PRODUCTS. Only Teleflora members are permitted to sell Teleflora keepsake products, except as otherwise expressly permitted by Teleflora. Any member who sells Teleflora keepsake products through an affiliated branch shop which is not a member, or to or through any other non-Teleflora member, is subject to termination.

(B) PRODUCT POLICY. Sales of imprinted materials are final, and no refunds will be made. Teleflora will replace damaged or defective keepsake products free of charge, or adjust clearinghouse account for the cost of the product, if Teleflora is notified within 30 days of the ship date at 800.421.2815. Please inspect all product immediately upon arrival. Teleflora has a 100% satisfaction guarantee on keepsake products within 30 days of the ship date. If you are dissatisfied with keepsake product, Teleflora will pick up the full quantity ordered within 30 days of ship date. Please allow two to four weeks from pick-up date for processing. Credit for returned merchandise will be applied to member's clearinghouse account upon receipt of the products at a Teleflora warehouse facility. All other product returns and all post-holiday returns will incur a 35% restocking fee and must be returned in full box quantities, in its original packaging. Partial boxes will not be accepted. No returns will be permitted 90 days after ship date. **All sales of Clearance products are final. Teleflora does not sell products on consignment.** Teleflora will provide member florists with product exclusivity for two holiday selling seasons (period from current holiday through same holiday in the following year) before offering it for sale to a third-party retailer or distributor for resale.

(C) STEMS&BUNCHES.

(1) Credit Policy. Florists must call for credit within 48 hours of delivery. Any credit requests later than 48 hours after delivery will not be accepted. Substantial or recurring requests for credit must be accompanied by photos/images.

(2) Cancellation Policy. Cancellations can be made for a Standing Order any time before the third shipment for any reason. For example, if the order has been shipped twice, it can be cancelled for any reason. If the order has shipped three times or more, the commitment is considered firm and cannot

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be cancelled. Notwithstanding the foregoing, orders with an initial start date of 3 weeks or less before Valentine's Day or Mother's Day cannot be cancelled at any time for any reason; the commitment is considered firm and the florist is responsible for the remainder of the 6-month or 12-month commitment, as applicable.

(3) To Pause a Standing Order Delivery. If a florist needs to stop delivery of a Standing Order for a one-week period (e.g., closed for vacation), the florist must call Customer Service at 800.794.8288 at least two weeks prior to the delivery. Please remember that Stems&Bunches is a "cut to order" program, so our growers need to know about cancelled deliveries in advance. Florists may pause delivery of a current Standing Order no more than two times per year.

(4) If an active standing order is caused to be cancelled as a result of termination of membership with Teleflora, there will be an early termination fee in the amount of two standing order deliveries charged to the florist. This fee is used to offset the expense of cancelling an active standing order with the farms and freight carriers.

(D) GUARANTEED DELIVERY. Delivery of Teleflora keepsake products prior to a holiday is guaranteed (except deliveries to Puerto Rico) if product orders are placed (1) at least 10 business days prior to the holiday, or (2) 5 to 10 business days prior to the holiday, if rush charges are paid. For product orders placed less than 5 business days prior to a holiday, delivery is guaranteed within 48 hours if "Teleflora Quick Ship" is requested and extra charges are paid. For members operating from Puerto Rico, Teleflora guarantees that product orders will be delivered prior to the holiday only if orders are placed at least 8 weeks before the holiday. Members are billed when products are shipped.

(E) PRINT CO-OP ADVERTISING. Participation in the Print Co-op advertising program is voluntary. Each participating member must list their shop name, address and phone number and may list one additional line of information. Listings are alphabetical by city and do not rotate. Participating members will automatically be renewed for the same holidays each year. To add, change or delete holidays or publications, a member must notify Teleflora before the print Co-op deadline. Co-op outlets are subject to change without notice. Teleflora will reimburse the value of the coupon only to florists who participate in the Co-op program in the specific publication and respective holiday in which the redeemed coupon appeared.

13. INTERNATIONAL ORDERS.

(A) SENDING AND RECEIVING PROCEDURES. Follow standard procedures when sending and receiving Teleflora wire orders between the United States and Canada. Orders will automatically be adjusted to reflect the dollar exchange rate difference. Current exchange rates will be announced in the Directory or Directory Updates.

(B) INTERNATIONAL FLOWER RELAY. Current law prohibits sending orders to or receiving orders from certain countries. A list of these countries can be found in the International Section of the current Teleflora Directory under International Guidelines. For the most up-to-date list of prohibited countries, please call Teleflora's International Department at 800.421.2815.

14. POINT-OF-SALE.

(A) MAINTENANCE. All Teleflora Point-of-Sale (POS) users must pay applicable

user maintenance and managed service fees. Teleflora POS users must provide 60 days' prior written notice in order to terminate POS maintenance.

(B) UPGRADES. Within 120 days of general release, Teleflora Point-of-Sale (POS) users are required to upgrade to the latest version of the POS software. POS users that do not upgrade may be subject to additional legacy software usage fees and/or have their credit card merchant account cancelled due to non-compliance with **PCI Data Security Standard/Payment Application Data Security Standard.**

(C) PLUS MAIL. Plus Mail users may terminate service by providing 60 days' prior written notice. Written notice must be sent via U.S. mail to: Teleflora, Plus Mail Support, 3737 N.W. 34th, Oklahoma City, OK 73112. A \$250 processing fee will be required to terminate Plus Mail.