

MARY KAY®

ADVANCE

BROCHURE

CAREER PATH AND COMPENSATION

This is a brief description of the incentive programs update in effect July 1, 2021. The Company reserves the right to alter, modify or change the commissions, bonuses or any terms of the incentive programs described herein.

This document is not intended to replace, modify or alter in any way the terms contained within your Agreements with the Company. In the event of a conflict between this *Advance* brochure and the Independent Beauty Consultant Agreement, Independent Sales Director Agreement and the Independent National Sales Director Agreement, the terms of the Agreements will prevail.

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Career Path At-a-Glance

REDS

INDEPENDENT BEAUTY CONSULTANT

- 50% profit potential on personal retail product sales and reorders.
- Independent Beauty Consultant Agreement is received and accepted by the Company.

INDEPENDENT SENIOR BEAUTY CONSULTANT

- 50% profit potential on personal retail product sales and reorders.
- 1 or 2 active personal team members.

STAR TEAM BUILDER

- 50% profit potential on personal retail product sales and reorders.
- 3 or 4 active personal team members.

TEAM LEADER

- 50% profit potential on personal retail product sales and reorders.
- 5-7 active personal team members.

ELITE TEAM LEADER

- 50% profit potential on personal retail product sales and reorders.
 - 8 or more active personal team members.
- OR**
- 5 active personal team members, 1 of them must be an active personal Red.

INDEPENDENT SALES DIRECTOR

- 50% profit potential on personal retail product sales and reorders.
- Maintain \$4,500 or more in monthly unit wholesale Section 1 production.

INDEPENDENT SENIOR SALES DIRECTOR

- 50% profit potential on personal retail product sales and reorders.
- Maintain \$4,500 or more in monthly unit wholesale Section 1 production.
- 1 or 2 active first-line offspring Sales Directors (including GLDP units).

INDEPENDENT FUTURE EXECUTIVE SENIOR SALES DIRECTOR

- 50% profit potential on personal retail product sales and reorders.
- Maintain \$4,500 or more in monthly unit wholesale Section 1 production.
- 3 or 4 active first-line offspring Sales Directors (including GLDP units).

INDEPENDENT EXECUTIVE SENIOR SALES DIRECTOR

- 50% profit potential on personal retail product sales and reorders.
- Maintain \$4,500 or more in monthly unit wholesale Section 1 production.
- 5-7 active first-line offspring Sales Directors (including GLDP units).

INDEPENDENT ELITE EXECUTIVE SENIOR SALES DIRECTOR

- 50% profit potential on personal retail product sales and reorders.
- Maintain \$4,500 or more in monthly unit wholesale Section 1 production.
- 8 or more active first-line offspring Sales Directors (including GLDP units).

INDEPENDENT NATIONAL SALES DIRECTOR *(appointment at the discretion of the Company)*

- 50% profit potential on personal retail product sales and reorders.
- 24 or more unit members in your personal unit.
- 20 total offspring Independent Sales Directors (12/3/8), (11/3/9) or (10/3/10).
- Cadillac Career Car or Cash Compensation qualifier.

INDEPENDENT SENIOR NATIONAL SALES DIRECTOR

- 50% profit potential on personal retail product sales and reorders.
- 1 offspring National Sales Director in any line, regardless of debut order.

INDEPENDENT EXECUTIVE NATIONAL SALES DIRECTOR

- 50% profit potential on personal retail product sales and reorders.
- 3 offspring National Sales Directors from any unaffiliated line who debuted as an NSD after your debut and for whom you are eligible to receive the Offspring NSD Anniversary Bonus.

INDEPENDENT ELITE EXECUTIVE NATIONAL SALES DIRECTOR

- 50% profit potential on personal retail product sales and reorders.
- 5 offspring National Sales Directors from any line who debuted as an NSD after your debut and for whom you are eligible to receive the Offspring NSD Anniversary Bonus.

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Business Guidelines

For All Career Path Statuses

The foundation of a strong Mary Kay business is, and always will be, the sale of amazing *Mary Kay*® products to your customers! Thanks to the Company's generous 50% profit potential on all retail sales, you have an incredible opportunity to earn real money by simply building a strong and loyal customer base and selling products to your satisfied customers!

An Independent Beauty Consultant is considered **active** in the month a minimum \$225 wholesale Section 1 product order is received and accepted by the Company and in the following two calendar months.

Activity status, career path status and compensation are based on Independent Beauty Consultant Agreements and wholesale Section 1 orders received and accepted by the Company by the close of business each month.

An Independent Beauty Consultant who orders \$225 or more in wholesale Section 1 products will receive a 50% discount on her entire Section 1 order and qualify for the **Earned Discount Privilege**. With the Earned Discount Privilege, she can receive a 50% discount on any subsequent orders she places, regardless of size, through the end of the second month after her order month. For example, if a Beauty Consultant places a minimum \$225 wholesale Section 1 order on July 15, 2021, her Earned Discount Privilege will apply until Sept. 30, 2021. She will be eligible for the Earned Discount Privilege as long as she remains active.

Spouses may be Mary Kay Independent Beauty Consultants. However, once one spouse becomes a Sales Director, the other spouse is not eligible to become a Sales Director. They may operate separately, just as if they were not related. However, for Company record purposes, one will be considered a personal team member of the other. In other words, the spouse of a Beauty Consultant must be recruited by that Beauty Consultant. The personal team commission and team-building cash bonus normally paid on team members will not be paid when an Independent Beauty Consultant recruits her/his spouse. Spouses do not count toward any program except unit wholesale Section 1 production and unit commission. The spouse will not count in any way toward Independent Sales Director qualification, career path status requirements or any Company promotions or awards, including qualification for or maintenance of a Career Car under the Career Car Program.

For career path status and compensation purposes, a *Great Start*-qualified team member is one whose single initial order or cumulative orders with the Company are \$600 or more in wholesale Section 1 products, and the order(s) are received and accepted by the Company in the same or following three calendar months that her/his Independent Beauty Consultant Agreement is received and accepted by the

Company. **Commissions and Bonuses:** Commissions and bonuses, when earned, are paid three different ways.

Faster Bonus Payment: Several bonuses will be paid in up to three business days upon completion when you have direct deposit or already have a Prepaid Wire Card. If you achieve any of these bonuses and do not already have a Prepaid Wire Card, we will send you one. This will take 7–10 business days. For a list of these bonuses and more information, go to *Mary Kay InTouch*® > Compensation > Commissions, Bonuses and Payments.

Midmonth Commissions: can be earned by Sales Directors and above who have met any of the following requirements:

- Midmonth Unit Commission for Sales Directors and above.
 - » If a Sales Director or above has \$1,000 – \$5,499.99 in unit wholesale Section 1 production by the 15th of the month, she will earn 13% unit commission on the current production.
 - » If a Sales Director or above has \$5,500 or more in unit wholesale Section 1 production by the 15th of the month, she will earn 23% unit commission on the current production.
- Midmonth first-line and second-line offspring Independent Sales Director commission for Senior Sales Directors through Elite Executive Senior Sales Directors.
 - » If a Senior Sales Director or Future Executive Senior Sales Director has \$4,500 or more in personal unit wholesale Section 1 production by the 15th of the month, she will earn first-line offspring commission. The percentage of the commission will be based on her career path status.
 - » If an Executive Senior Sales Director or Elite Executive Senior Sales Director has \$4,500 or more in personal unit wholesale Section 1 production by the 15th of the month, she will earn first-line and second-line offspring commission. The percentage of the commission will be based on her career path status.
 - » The minimum production requirement of \$4,500 in wholesale Section 1 production in order to be eligible to earn first-line and second-line offspring Independent Sales Director commission is waived for the first three months following the debut of an offspring Sales Director.

When earned, midmonth payment is issued on the first of the following month, for all months except December (Jan. 1 is a holiday). If the first falls on a holiday or a weekend, the payment will be made on the previous business day except for December (payment will be made the first business day in January).

Month-End Commissions: When earned, month-end payment is issued on the 15th of each month. If the 15th falls on a holiday or a weekend, the payment will be made on the previous business day.

Activity Status Codes

N1, N2, N3: New status. Has signed an Independent Beauty Consultant Agreement but has not yet placed an activating wholesale Section 1 order of \$225 or more.

A1, A2, A3: Active status. Has placed a wholesale Section 1 order of \$225 or more.

- A1: The activating order was placed in the current month.
- A2: The activating order was placed last month.
- A3: The activating order was placed two months ago.

I1, I2, I3: Inactive status. Has placed an activating wholesale Section 1 order of \$225 or more at least three (I1), four (I2) or five (I3) months ago. Needs to place an activating order to earn personal team commissions and bonuses.

T1: Terminated status. Has not placed an activating wholesale Section 1 order of \$225 or more in six months. Will lose their personal team at the end of the month if an activating order is not placed within the month.

T2, T3, T4, T5 and T6: Continuation of Terminated status. Must place an activating wholesale Section 1 order of \$225 or more to remain an Independent Beauty Consultant.

T7: Last month of Terminated status. Has been 12 months since an activating wholesale Section 1 order of \$225 has been placed. Must place an activating order by the end of the month to maintain Consultant number.

XA: No longer an Independent Beauty Consultant. Must sign a new Independent Beauty Consultant Agreement.

Glossary of Terms

The definitions included in this glossary apply throughout the *Advance* brochure.

ACTIVE: An Independent Beauty Consultant is considered active in the month a minimum \$225 wholesale Section 1 order is received and accepted by the Company and in the following two calendar months.

A RED: an Independent Beauty Consultant who achieves one of the following statuses at the end of any month: Star Team Builder, Team Leader or Elite Team Leader.

ELITE TEAM LEADER PRODUCTION: the monthly wholesale Section 1 production used to determine if you qualify to earn second-tier team commission. This is a combination of your personal wholesale Section 1 production, personal team wholesale Section 1 production and your second-tier team wholesale Section 1 production.

FIRST-LINE OFFSPRING: an Independent Sales Director who has debuted from your personal Sales Director unit.

GREAT START-QUALIFIED: A *Great Start*-qualified new personal team member is one whose single initial order or cumulative orders with the Company are \$600 or more in wholesale Section 1 products, and the order(s) are received and accepted by the Company in the same or following three calendar months that her/his Independent Beauty Consultant Agreement is received and accepted by the Company.

PERSONAL PRODUCTION: the monthly wholesale Section 1 production from your own orders.

PERSONAL TEAM / PERSONAL TEAM MEMBER: Your personal team is made up of Independent Beauty Consultants with whom you have personally shared the Mary Kay opportunity whose Independent Beauty Consultant Agreements have been received and accepted by the Company. A personal team member is anyone on your personal team.

PERSONAL TEAM COMMISSION: the money you are eligible to earn as a percentage of your personal team wholesale Section 1 production when the requirements are met. Note for Star Team Builders: Personal production and personal team production are used to determine the percentage of the commission but the commission is paid only on personal team production.

PERSONAL TEAM PRODUCTION: the monthly wholesale Section 1 production generated from your personal team's orders. If you have an Independent Sales Director or above on your personal team, that Sales Director's personal production can be included in this total.

SECOND-LINE OFFSPRING: an Independent Sales Director who has debuted from your first-line offspring's unit.

SECOND-TIER TEAM: the personal team members of your personal team members.

SECOND-TIER TEAM COMMISSION: the money you are eligible to earn as a percentage of your second-tier team wholesale Section 1 production when the production minimums and other requirements are met. Note: Personal production, personal team production and second-tier team production are used to determine eligibility for the commission, but the commission is paid only on second-tier team production.

SECOND-TIER TEAM PRODUCTION: the monthly wholesale Section 1 production generated from your second-tier team's orders. If you have a personal team member who is a Sales Director or above, that Sales Director's personal team production will not be included to calculate your second-tier team production or second-tier team commission.

UNIT COMMISSION: the money earned as a percentage of your unit's wholesale Section 1 production.

GREAT *Start*

New Independent Beauty Consultant *Incentives*

The foundation of a strong Mary Kay business is, and always will be, the sale of amazing *Mary Kay*® products to your customers! Thanks to the Company's generous 50% profit potential on all retail sales, you have an incredible opportunity to earn real money by simply building a strong and loyal customer base and selling products to your satisfied customers!

Color Look

A new Independent Beauty Consultant can earn a free* color look, valued at over \$130 suggested retail, when her single initial order is \$600 or more in wholesale Section 1 products, and it is received and accepted by the Company within 15 calendar days of when the Independent Beauty Consultant Agreement is received and accepted by the Company.

Great Start: Ready, Set, Sell!

When a new Independent Beauty Consultant places a single initial \$600 or more wholesale Section 1 product order within her first two months, she can earn free* Ultimate Product Bonus Bundles valued at up to \$158 suggested retail each. The first two months means the month her Independent Beauty Consultant Agreement is received and accepted by the Company and the following month. Maximum bonus value is an example based only on the maximum product bonus bundle value of \$158 suggested retail. The actual total suggested retail value of the bonuses received will depend on the suggested retail values of the product bonus bundle(s) selected and is subject to any required tax obligations. Sales tax is required on the suggested retail value of the wholesale Section 1 products included in the product bonus bundles. A Beauty Consultant is eligible to receive up to six Ultimate Product Bonus Bundles total. For complete details, go to *Mary Kay InTouch*® > Education > *Great Start* Program > New Independent Beauty Consultant Rewards.

Great Start: Ready, Set, Keep Selling!

Each time a new Independent Beauty Consultant reaches \$600 or more in a single initial wholesale Section 1 product order or cumulative wholesale Section 1 product

orders within her first four months, she'll earn a free* Essential Product Bonus Bundle valued at approximately \$100 suggested retail. The first four months means the month her Independent Beauty Consultant Agreement is received and accepted by the Company and the following three calendar months (*Great Start*-qualified). Maximum bonus value is an example based only on the maximum product bonus bundle value of \$110 suggested retail. The actual total suggested retail value of the product bonus bundle(s) received will depend on the suggested retail values of the product bonus bundle(s) selected and is subject to required tax obligations. Sales tax is required on the suggested retail value of the wholesale Section 1 products included in the product bonus bundles. This offer does not apply to order amounts that qualify for the *Great Start: Ready, Set, Sell!* Ultimate Product Bonus Bundles. A Beauty Consultant is eligible to receive up to six Essential Product Bonus Bundles total. For complete details, go to *Mary Kay InTouch*® > Education > *Great Start* Program > New Independent Beauty Consultant Rewards.

Great Start: Team-Building Product Bonus Bundles

When a new active Independent Beauty Consultant adds a new personal team member within her first four months of business, she can earn two *Great Start: Team-Building Product Bonus Bundles* valued at up to a total of \$220 suggested retail when her new personal team member becomes a *Great Start*-qualified Independent Beauty Consultant. No limits. Her first four months means the month her Independent Beauty Consultant Agreement is received and accepted by the Company and the following three calendar months. The actual total suggested retail value of the product bonus bundles received will depend on the suggested retail values of the product bonus bundles selected and is subject to any required tax obligations. Sales tax is required on the suggested retail value of the wholesale Section 1 products included in the product bonus bundles. For complete details, go to *Mary Kay InTouch*® > Education > *Great Start* Program > New Independent Beauty Consultant Rewards.

Great Start: Independent Beauty Consultant Team-Building Cash Bonus

An active Independent Beauty Consultant, Senior Beauty Consultant, Star Team Builder, Team Leader or Elite Team Leader will receive a \$50 Team-Building Cash Bonus for each *Great Start*-qualified new personal team member. She will receive the bonus in the month the new personal team member's *Great Start*-qualifying order is received and accepted by the Company. For complete details, go to *Mary Kay InTouch*® > Education > *Great Start* Program > Independent Beauty Consultant Team-Building Cash Bonus.

*Sales tax is required on the suggested retail value of wholesale Section 1 products.

Great Start: Independent Sales Director Team-Building Cash Bonus

An Independent Sales Director will receive a \$100 Team-Building Cash Bonus for each *Great Start*-qualified new personal team member. She will receive the bonus in the month the new personal team member's *Great Start*-qualifying order is received and accepted by the Company. For complete details, go to *Mary Kay InTouch** > Education > *Great Start* Program > Independent Sales Director Cash Bonuses.

Great Start: Independent Sales Director Unit Development Cash Bonus

An Independent Sales Director will receive a Unit Development Cash Bonus of \$400 for each month that four or more *Great Start*-qualified new unit members are added to her unit.

She will receive an extra \$100 for each additional *Great Start*-qualified new unit member added to her unit during the same month, up to a total of 10 *Great Start*-qualified new unit members.

The maximum bonus per month is \$1,000. This cash bonus is earned in the month in which the qualifying number of *Great Start*-qualified new unit members' initial or cumulative wholesale Section 1 orders totaling \$600 or more are received and accepted by the Company.

For complete details, go to *Mary Kay InTouch** > Education > *Great Start* Program > Independent Sales Director Cash Bonuses.

Star Consultant Program

An Independent Beauty Consultant at any step of the career path may become a Star Consultant when a minimum of \$1,800 in wholesale Section 1 orders is received and accepted by the Company within the program quarter. Higher categories can be achieved with additional wholesale Section 1 orders received and accepted by the Company during the quarter and for team-building. An additional 600 program credits can be earned for each new personal team member whose Independent Beauty Consultant Agreement and cumulative \$600 or more in wholesale Section 1 orders are received and accepted by the Company during the program quarter.

Star Consultant Program Requirements:

- Pearl – 9600 program credits.
- Pearl – 7800 program credits.
- Pearl – 6000 program credits.
- Pearl – 4800 program credits.
- Emerald – 3600 program credits.
- Diamond – 3000 program credits.
- Ruby – 2400 program credits.
- Sapphire – \$1,800 in wholesale Section 1 orders.

Star Consultant Quarters:

- Quarter 1: June 16 – Sept. 15.
- Quarter 2: Sept. 16 – Dec. 15.
- Quarter 3: Dec. 16 – March 15.
- Quarter 4: March 16 – June 15.

All-Star Star Consultant Program

- Must achieve Star Consultant status all four quarters of a Seminar year.
 - Program credits from each Star Consultant quarter will be added together to determine your year-end *All-Star* Star Consultant Program credits.
 - Receive the *All-Star* Star Consultant Program prize associated with your total year-end program credits when you attend Seminar.
-

Yearlong Challenge

Each month during a Seminar year that an Independent Beauty Consultant places a cumulative \$600* or more wholesale Section 1 order, she can earn a challenge prize. A Beauty Consultant can also earn consistency challenge prizes three times a year. Yearlong challenge theme and prizes change annually.

*The \$600 or more wholesale Section 1 order requirement per month can be placed in one single order or placed in cumulative orders, as long as the orders are placed in the same calendar month. Customer Delivery Service, Guest Checkout and EZ Ship order amounts will also count toward your \$600 or more wholesale Section 1 order requirement. You'll receive your monthly prize inside your qualifying order. One prize per achiever each month. For consistency challenge prizes, you'll receive your prize inside your next product order (does not need to be a qualifying order) following the end of the challenge. One prize per achiever for each consistency challenge.

Independent Beauty Consultant*

Career Path Qualification

Independent Beauty Consultant Agreement is received and accepted by the Company.

Compensation

1. **50% profit potential on personal retail product sales and reorders.**
2. **Great Start: Independent Beauty Consultant Team-Building Cash Bonus.**
 - Must be an active **Independent Beauty Consultant**, Senior Beauty Consultant, Star Team Builder, Team Leader or Elite Team Leader.
 - Is eligible to earn a \$50 Team-Building Cash Bonus for each *Great Start*-qualified new personal team member. She will receive the bonus in the month the new personal team member's *Great Start*-qualifying order is received and accepted by the Company.

Rewards

1. Is eligible to earn *Great Start* Program rewards.
2. Is eligible to earn Star Consultant Program prizes.
3. Is eligible to earn yearlong challenge prizes.
4. Is eligible to earn Seminar Awards: Queen's Court of Sharing and Consultant Queen's Court of Personal Sales.
5. Is eligible to attend Company events planned for Beauty Consultants and above.
6. Will receive access to monthly *Applause*[®] magazine digital edition.
7. Is eligible to wear the *Mary Kay*[®] pin.

*A Beauty Consultant is an independent contractor, not an employee of Mary Kay Inc., and will not be treated as an employee for federal tax purposes or otherwise.

Independent Senior Beauty Consultant*

Career Path Qualification

1 or 2 active personal team members.

Compensation

1. **50% profit potential on personal retail product sales and reorders.**
2. **Personal team commission: 4%.**
 - Must be an active Independent Senior Beauty Consultant.
 - Is eligible to earn a 4% personal team commission on the wholesale Section 1 product orders placed by your personal team members in any calendar month.
3. **Great Start: Independent Beauty Consultant Team-Building Cash Bonus.**
 - Must be an active Independent Beauty Consultant, **Senior Beauty Consultant**, Star Team Builder, Team Leader or Elite Team Leader.
 - Is eligible to earn a \$50 Team-Building Cash Bonus for each *Great Start*-qualified new personal team member. She will receive the bonus in the month the new personal team member's *Great Start*-qualifying order is received and accepted by the Company.

Rewards

1. Is eligible to earn *Great Start* Program rewards.
2. Is eligible to earn Star Consultant Program prizes.
3. Is eligible to earn yearlong challenge prizes.
4. Is eligible to earn Seminar Awards: Queen's Court of Sharing and Consultant Queen's Court of Personal Sales.
5. Is eligible to attend Company events planned for Beauty Consultants and above.
6. Will receive access to monthly *Applause*[®] magazine digital edition.
7. Is eligible to wear the Senior Consultant pin enhancer.

*A Senior Beauty Consultant is an independent contractor, not an employee of Mary Kay Inc., and will not be treated as an employee for federal tax purposes or otherwise.

Star Team Builder*

(A Red is a Star Team Builder, Team Leader or Elite Team Leader.)

Career Path Qualification

3 or 4 active personal team members.

Compensation

1. **50% profit potential on personal retail product sales and reorders.**
2. **Personal team commission: 4%, 6% or 8%.**
 - Must be an active Star Team Builder.
 - Is eligible to earn a personal team commission on the wholesale Section 1 product orders placed by her personal team members in any calendar month.

Star Team Builder Personal Team Commission Schedule

Monthly Personal and Personal Team Wholesale Section 1 Production	Commission
\$0 – \$999.99	4%
\$1,000 – \$1,799.99	6%
\$1,800 or more	8%

NOTE: Personal wholesale Section 1 production and personal team wholesale Section 1 production are combined to determine the percentage of commission, but the commission is paid only on personal team wholesale Section 1 production.

3. **Great Start: Independent Beauty Consultant Team-Building Cash Bonus.**
 - Must be an active Independent Beauty Consultant, Senior Beauty Consultant, **Star Team Builder**, Team Leader or Elite Team Leader.
 - Is eligible to earn a \$50 Team-Building Cash Bonus for each *Great Start*-qualified new personal team member. She will receive the bonus in the month the new personal team member's *Great Start*-qualifying order is received and accepted by the Company.

Rewards

1. Is eligible to earn *Great Start* Program rewards.
2. Is eligible to earn Star Consultant Program prizes.
3. Is eligible to earn yearlong challenge prizes.
4. Is eligible to order and wear the official red jacket from Mary Kay Inc.
5. Will receive a 50% discount on their first red jacket order.
6. Is eligible to earn Seminar Awards: Queen's Court of Sharing and Consultant Queen's Court of Personal Sales.
7. Is eligible to attend Company events planned for Beauty Consultants and above.
8. Will receive access to monthly *Applause*® magazine digital edition.
9. Is eligible to wear the Star Team Builder pin enhancer.

*A Star Team Builder is an independent contractor, not an employee of Mary Kay Inc., and will not be treated as an employee for federal tax purposes or otherwise.

Team Leader*

(A Red is a Star Team Builder, Team Leader or Elite Team Leader.)

Career Path Qualifications

5–7 active personal team members.

Compensation

1. **50% profit potential on personal retail product sales and reorders.**
2. **Personal team commission: 9% or 13%.**
 - Must be an active Team Leader.
 - **9%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 5 or more active personal team members.
 - **13%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 5 or more personal team members who place \$225 or more wholesale Section 1 orders in the same calendar month that you place a personal \$600 or more wholesale Section 1 order.
3. **Great Start: Independent Beauty Consultant Team-Building Cash Bonus.**
 - Must be an active Independent Beauty Consultant, Senior Beauty Consultant, Star Team Builder, **Team Leader** or Elite Team Leader.
 - Is eligible to earn a \$50 Team-Building Cash Bonus for each *Great Start*-qualified new personal team member. She will receive the bonus in the month the new personal team member's *Great Start*-qualifying order is received and accepted by the Company.

Rewards

1. Is eligible to earn *Great Start* Program rewards.
2. Is eligible to earn Star Consultant Program prizes.
3. Is eligible to earn yearlong challenge prizes.
4. Is eligible to wear the official red jacket of Mary Kay Inc.
5. Is eligible to earn Seminar Awards: Queen's Court of Sharing and Consultant Queen's Court of Personal Sales.
6. Is eligible to be on-target for Grand Achiever status (Grand Achiever Career Car or Cash Compensation option).
7. Is eligible to attend Company events planned for Beauty Consultants and above.
8. Will receive access to monthly *Applause*® magazine digital edition.
9. Is eligible to wear the Team Leader pin enhancer.



*A Team Leader is an independent contractor, not an employee of Mary Kay Inc., and will not be treated as an employee for federal tax purposes or otherwise.

Elite Team Leader*

(A Red is a Star Team Builder, Team Leader or Elite Team Leader.)

Career Path Qualifications

8 or more active personal team members. **OR** 5 active personal team members, 1 of them must be an active personal Red (Star Team Builder, Team Leader or Elite Team Leader).

Compensation

1. 50% profit potential on personal retail product sales and reorders.

2. Personal team commission: 9% or 13%.

- Must be an active Elite Team Leader.
- **9%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 5 or more active personal team members.
- **13%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 5 or more personal team members who place \$225 or more wholesale Section 1 orders in the same calendar month that you place a personal \$600 or more wholesale Section 1 order.

3. Second-tier team commission: 5%.

Is eligible to **earn 5% commission** when these conditions are met:

- Must be an active Elite Team Leader who has 5 active team members, 1 of them must be an active personal Red (Star Team Builder, Team Leader or Elite Team Leader).
- Elite Team Leader production is \$2,000 or more.

NOTE: Elite Team Leader production is a combination of personal wholesale Section 1 production, personal team wholesale Section 1 production and second-tier team wholesale Section 1 production. Personal wholesale Section 1 production, personal team wholesale Section 1 production and second-tier team wholesale Section 1 production are combined to determine eligibility for the commission, but the commission is paid only on second-tier team wholesale Section 1 production.

*An Elite Team Leader is an independent contractor, not an employee of Mary Kay Inc., and will not be treated as an employee for federal tax purposes or otherwise.

4. Great Start: Independent Beauty Consultant Team-Building Cash Bonus.

- Must be an active Independent Beauty Consultant, Senior Beauty Consultant, Star Team Builder, Team Leader or **Elite Team Leader**.
- Is eligible to earn a \$50 Team-Building Cash Bonus for each *Great Start*-qualified new personal team member. She will receive the bonus in the month the new personal team member's *Great Start*-qualifying order is received and accepted by the Company.

Rewards

1. Is eligible to earn *Great Start* Program rewards.
2. Is eligible to earn Star Consultant Program prizes.
3. Is eligible to earn yearlong challenge prizes.
4. Is eligible to wear the official red jacket of Mary Kay Inc.
5. Is eligible to earn Seminar Awards: Queen's Court of Sharing and Consultant Queen's Court of Personal Sales.
6. Is eligible to earn the use of an Independent Beauty Consultant Grand Achiever Career Car or Cash Compensation option.
7. Is eligible to attend Company events planned for Beauty Consultants and above.
8. Will receive access to monthly *Applause*® magazine digital edition.
9. Is eligible to wear the Elite Team Leader pin enhancer.



DIQ Program

Independent Sales Director-in-Qualification Program

Acceptance into the Independent Sales Director-in-Qualification (DIQ) Program is at the Company's sole discretion.

Acceptance:

To begin the Independent Sales Director-in-Qualification Program, an Independent Beauty Consultant must:

- Be active and in good standing with the Company.
- Have 10 active personal team members.
- Submit a DIQ Commitment Form that is received and accepted by the Company.

Qualification Requirements:

- A DIQ may qualify as an Independent Sales Director in one, two, three or four months based on when she achieves the following:
 - » \$13,500 cumulative unit wholesale Section 1 production in one, two or three months or \$18,000 cumulative unit wholesale Section 1 production in four months.
 - » \$4,000 minimum unit wholesale Section 1 production each month, even if the DIQ has already reached \$13,500 or \$18,000 cumulative wholesale Section 1 production during the qualification period.
- The DIQ's unit members must contribute at least \$10,500 toward the \$13,500 wholesale Section 1 production requirement or \$14,000 toward the \$18,000 wholesale Section 1 production requirement.
 - » A DIQ may contribute up to \$3,000 in personal wholesale Section 1 production toward the \$13,500 cumulative unit wholesale Section 1 production during a one-, two- or three- month qualification period or \$4,000 in a four-month qualification period.

Debut:

- 30 active DIQ unit members.
 - » The DIQ may count as one of the 30 active DIQ unit members.
- Cumulative total DIQ unit wholesale Section 1 production of \$13,500 or \$18,000. DIQ must not contribute more than \$3,000 in personal wholesale Section 1 production during a one-, two- or three-month qualification period or \$4,000 in personal wholesale Section 1 production during a four-month qualification period. The DIQ unit must contribute \$10,500 or more of the required \$13,500 wholesale Section 1 production or \$14,000 or more of the required \$18,000 wholesale Section 1 production.

If the DIQ's qualifying unit does not meet all of the requirements, the DIQ has not qualified and must submit a new Commitment Form to begin qualification again. She may do so immediately if she chooses to and is eligible. A DIQ may only submit a Commitment Form a maximum of four times in a rolling 12-month time frame.

Details to Know Prior to Entering the Independent Sales Director-in-Qualification Program

- Be in good standing with the Company (which includes, but is not limited to, compliance with the terms of the Independent Beauty Consultant Agreement and paying in full any accounts receivable she may have with the Company under her current or previous Consultant numbers).
- The Independent Beauty Consultant must formally submit a Commitment Form requesting acceptance into the DIQ program. The Commitment Form is available on *Mary Kay InTouch*® from the 1st through 3rd of each month.
- In order to submit a Commitment Form to the Company stating the intent to begin the Independent Sales Director-in-Qualification (DIQ) program, an Independent Beauty Consultant must:
 - » Be active.
 - » Have 10 or more active personal team members by the end of the month prior to submitting the Commitment Form. For example, if a potential Independent Sales Director-in-Qualification (DIQ) wanted to submit a Commitment Form in June, then the Independent Beauty Consultant must have at least 10 active personal team members by May 31.
 - To count toward this requirement, none of the personal team members can be any of the following:
 - ▶ The spouse of the DIQ.
 - ▶ The spouse of an Independent Beauty Consultant.
 - ▶ A current DIQ or current Sales Director.
 - ▶ A personal team member who submits her Commitment Form in the same month as the DIQ. If one of the personal team members submits a Commitment Form in the same month as the DIQ, then the DIQ will need to replace that personal team member and have 11 or more active personal team members by the end of the month prior to submitting the Commitment Form.

Details to Know While in DIQ

- Once accepted, the DIQ enters the program with her personal team members, regardless of unit affiliation (exception: personal team members who are already Independent Sales Directors or who are already in qualification to become Sales Directors), and her second-tier team members (the recruits of her personal recruits, also excluding Independent Sales Directors or those who are already in qualification to become Sales Directors, even when second-tier team commissions are earned on their production). Team members' recruits whose Independent Beauty Consultant Agreements are received and accepted by the Company during her DIQ time frame will be members of the new qualifying unit regardless of when the DIQ begins Sales Director qualification.

- A Sales Director is an independent contractor and not an employee of Mary Kay Inc. The Sales Director position is appointed at the sole discretion of Mary Kay Inc.
- The importance of attending the New Independent Sales Director Education week designated for her debuting class when she completes the Sales Director-in-Qualification Program.

Reminders

- Continue to focus on building a strong and loyal customer base and selling products to satisfied customers!
- In the event anyone places an order for a Starter Kit and/or product on behalf of a Beauty Consultant, the following applies:
 - » The person placing the order must have the Beauty Consultant’s consent prior to placing the order.
 - » The person placing the order must use the Beauty Consultant’s funds.
 - » The person placing the order must be in possession of the Beauty Consultant’s funds prior to placing the order.
- Taking a postdated check and placing an order for a Beauty Consultant will not count.
- A Beauty Consultant selling anyone’s inventory other than her own, then placing an order, will not count.
- The DIQ cannot sell her inventory to a Beauty Consultant and take her money to place an order to replace the DIQ’s inventory.
- If the DIQ uses her credit card to pay for a Beauty Consultant’s order, the DIQ must have already received the cash from the Beauty Consultant before the order is mailed, phoned in or placed online.
- The DIQ cannot place an order for a Beauty Consultant with her promise to pay the DIQ back.
- An Independent Beauty Consultant who returns merchandise to the Company for repurchase is not eligible to rejoin Mary Kay as an Independent Beauty Consultant.

Questions? Visit *Mary Kay InTouch*®, or call us at 800-DIR-SOON (800-347-7666), Monday through Friday, 8:30 a.m. to 5 p.m., Central time.

Independent Sales Director*

Career Path Maintenance

Maintain \$4,500 or more in monthly unit wholesale Section 1 production.

Compensation

- 1. 50% profit potential on personal retail product sales and reorders.**
- 2. Personal team commission: 4%, 9% or 13%.**
 - Must be an active Independent Sales Director.
 - **4%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 1–4 active personal team members.
 - **9%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 5 or more active personal team members.
 - **13%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 5 or more personal team members who place \$225 or more wholesale Section 1 orders in the same calendar month that you place a personal \$600 or more wholesale Section 1 order.
- 3. Sales Director unit commission: 9%, 13% or 23%.**

Monthly Unit Wholesale Section 1 Production	Sales Director Unit Commission
\$0 – \$4,499.99	9%
\$4,500 – \$5,499.99	13%
\$5,500 or more	23%

- 4. Great Start: Sales Director Unit Development Cash Bonus.**
 - Is eligible to earn a Sales Director Unit Development Cash Bonus of \$400 for each month that 4 or more *Great Start*-qualified new unit members are added to the unit.
 - Is eligible to earn an additional bonus of \$100 for each additional *Great Start*-qualified new unit member added to her unit during the same month, up to a maximum of 10 *Great Start*-qualified new unit members.
 - The maximum bonus per month is \$1,000.

*A Sales Director is an independent contractor, not an employee of Mary Kay Inc., and will not be treated as an employee for federal tax purposes or otherwise.

INDEPENDENT SALES DIRECTOR CAREER PATH

- The Sales Director Unit Development Cash Bonus is earned in the month in which the appropriate number of *Great Start*-qualified new unit members' initial or cumulative wholesale Section 1 orders of \$600 or more are received and accepted by the Company.

Number of <i>Great Start</i> -Qualified New Unit Members Each Month	Sales Director Unit Development Cash Bonus
4	\$400 total
5-10	\$100 each

5. *Great Start*: Sales Director Team-Building Cash Bonus.

- Is eligible to earn a \$100 Sales Director Team-Building Cash Bonus for each *Great Start*-qualified new personal team member added to her unit. The Sales Director Team-Building Cash Bonus is earned in the month in which the *Great Start*-qualified team member's initial or cumulative wholesale Section 1 order(s) totaling \$600 or more are received and accepted by the Company.
- The Sales Director Team-Building Cash Bonus will be paid based on wholesale Section 1 orders and Independent Beauty Consultant Agreements received and accepted by the Company by the close of business each month.

6. First-Line Offspring Independent Sales Director Bonus.

- Is eligible to earn a one-time \$1,000 bonus for each new first-line U.S. offspring Independent Sales Director she personally debuts! There is no limit on the number of offspring Independent Sales Directors she can debut. However, the bonus will only be paid the first time someone debuts as a Sales Director on or after Aug. 1, 2019, even if that same offspring Sales Director later debuts as a Sales Director under the same or a different Senior Sales Director.

7. New Independent Sales Director Program Bonuses.

- Is eligible to receive debut rewards the month a new Independent Sales Director debuts.
- Is eligible to earn a \$1,000 New Independent Sales Director Program Bonus when Sales Director achieves each of the following:
 - » Start Strong Bonus.
 - » Grow Strong Bonus.
 - » Keep Strong Bonus.
 - » Lead Strong Bonus.
 - » Consistency Club.
 - » Fab 50s.
- Is eligible to earn a 13-carat blue topaz ring when Sales Director achieves Head of the Class.

INDEPENDENT SALES DIRECTOR CAREER PATH

8. Sales Director Star Consultant Bonus.

- Is eligible to earn a bonus based on the number of Star Consultants[†] in the unit at the end of each Star Consultant Program quarter.

Number of Star Consultants [†]	Bonus
5	\$300 total
6 or more	\$50 for each additional Star Consultant [†]

- In the case of an offspring unit, Star Consultants in the offspring unit will count for both the Senior Sales Director and the new Sales Director during the Star Consultant Program quarter in which the offspring Independent Sales Director debut takes place.

9. Cadillac Bonus.

- Is eligible to earn a bonus of \$1,000 when Sales Director achieves Cadillac qualification or requalification (either Career Car or Cash Compensation).

10. Unit Circle Bonus.

- Is eligible to earn a bonus of \$1,000 when Sales Director achieves a higher Seminar Awards Circle of Achievement or Circle of Excellence than the previous year. For example, the Sales Director will earn the bonus if her 2022 Unit Circle level is higher than her 2021 Unit Circle level. The bonus is payable in July, as soon as possible after year-end Seminar ranking has been completed.

11. Wellness Award Bonus Program.

A special cash award designed to help offset expenses associated with the needs or activities that contribute to physical wellness, although it can be used in any way you choose.

- Qualification for the Wellness Award Bonus is based on the previous calendar year's annual net adjusted unit wholesale Section 1 production. The bonus will be paid in January of each year. Sales Directors must qualify each year for this award.

Sales Director's Annual Net Adjusted Unit Wholesale Section 1 Production	Wellness Award Bonus
\$60,000 – \$124,999.99	\$800
\$125,000 – \$186,999.99	\$1,300
\$187,000 or more	\$2,000

[†]A Star Consultant is one who places with the Company a minimum of \$1,800 in wholesale Section 1 orders received and accepted by the Company during the applicable Star Consultant Program quarter. Star Consultant Program quarters are June 16 – Sept. 15, Sept. 16 – Dec. 15, Dec. 16 – March 15, and March 16 – June 15.

- Mary Kay Inc. does not provide health insurance coverage for independent sales force members. The Company recognizes, however, that rising costs associated with health care and other wellness activities are a concern for all. While the bonus can be used to offset costs associated with maintaining physical wellness, it is a cash award, payable in January of the year following the qualification year, for use at the Sales Director's discretion. In order to receive the bonus, a Sales Director must be in good standing with the Company on Dec. 31 of the qualification year.

Rewards

1. Is eligible to earn Star Consultant Program prizes.
2. Is eligible to earn yearlong challenge prizes.
3. Is eligible to earn the use of a Sales Director Career Car or Cash Compensation option.
4. Is eligible to earn Seminar Awards: Queen's Court of Sharing, Sales Director Queen's Court of Personal Sales and Circle of Achievement or Circle of Excellence.
5. Is eligible to earn debut rewards and a 13-carat blue topaz ring through the New Independent Sales Director Program.
6. Is eligible to wear Sales Director apparel.
7. Is eligible to qualify for the Top Sales Director Trip.
8. Is eligible to attend Company events planned for Sales Directors and above.
9. Has the opportunity to personally recruit in designated international markets.
10. Will receive monthly issues of *Directors Memo*.
11. Is eligible to subscribe to the Buzz Kit.
12. Will receive access to monthly *Applause*[®] magazine digital edition.
13. Is eligible to wear the Sales Director pin and enhancer.



Independent Senior Sales Director*

Career Path Qualifications

1 or 2 active first-line offspring Independent Sales Directors.

- Global Leadership Development Program (GLDP) offspring units are included for purposes of calculating the number of offspring units.

Career Path Maintenance

- Maintain \$4,500 or more in monthly unit wholesale Section 1 production.
- 1 or 2 active first-line offspring Sales Directors (including GLDP units).

Compensation

1. **50% profit potential on personal retail product sales and reorders.**
2. **Personal team commission: 4%, 9% or 13%.**
 - Must be an active Independent Senior Sales Director.
 - **4%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 1-4 active personal team members.
 - **9%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 5 or more active personal team members.
 - **13%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 5 or more personal team members who place \$225 or more wholesale Section 1 orders in the same calendar month that you place a personal \$600 or more wholesale Section 1 order.
3. **Sales Director unit commission: 9%, 13% or 23%.**

Monthly Unit Wholesale Section 1 Production	Sales Director Unit Commission
\$0 - \$4,499.99	9%
\$4,500 - \$5,499.99	13%
\$5,500 or more	23%

*A Senior Sales Director is an independent contractor, not an employee of Mary Kay Inc., and will not be treated as an employee for federal tax purposes or otherwise.

INDEPENDENT SALES DIRECTOR CAREER PATH

4. **Great Start: Sales Director Unit Development Cash Bonus.**

- Is eligible to earn a Sales Director Unit Development Cash Bonus of \$400 for each month that 4 or more *Great Start*-qualified new unit members are added to the unit.
- Is eligible to earn an additional bonus of \$100 for each additional *Great Start*-qualified new unit member added to her unit during the same month, up to a maximum of 10 *Great Start*-qualified new unit members.
- The maximum bonus per month is \$1,000.
- The Sales Director Unit Development Cash Bonus is earned in the month in which the appropriate number of *Great Start*-qualified new unit members' initial or cumulative wholesale Section 1 orders of \$600 or more are received and accepted by the Company.

Number of <i>Great Start</i> -Qualified New Unit Members Each Month	Sales Director Unit Development Cash Bonus
4	\$400 total
5-10	\$100 each

5. **Great Start: Sales Director Team-Building Cash Bonus.**

- Is eligible to earn a \$100 Sales Director Team-Building Cash Bonus for each *Great Start*-qualified new team member added to her unit. The Sales Director Personal Team-Building Cash Bonus is earned in the month in which the *Great Start*-qualified team member's initial or cumulative wholesale Section 1 order(s) totaling \$600 or more are received and accepted by the Company.
- The Sales Director Team-Building Cash Bonus will be paid based on wholesale Section 1 orders and Independent Beauty Consultant Agreements received and accepted by the Company by the close of business each month.

6. **First-Line Offspring Independent Sales Director Bonus.**

- Is eligible to earn a one-time \$1,000 bonus for each new first-line U.S. offspring Independent Sales Director she personally debuts! There is no limit on the number of offspring Independent Sales Directors she can debut. However, the bonus will only be paid the first time someone debuts as a Sales Director on or after Aug. 1, 2019, even if that same offspring Sales Director later debuts as a Sales Director under the same or a different Senior Sales Director.

7. **Leading Consistency Bonus From the New Independent Sales Director Program.**

- Is eligible to earn a \$1,000 bonus when active and a first-line offspring Sales Director achieves Consistency Club from the New Independent Sales Director Program.

8. **First-Line Offspring Independent Sales Director Commission.**

- Is eligible to earn 5% on each of her first-line offspring Independent Sales Directors' unit wholesale Section 1 production if the Senior Sales Director maintains her monthly unit wholesale Section 1 production of \$4,500 or more.

INDEPENDENT SALES DIRECTOR CAREER PATH

- The minimum production requirement is waived for the first three months following the debut of an offspring Sales Director.

Career Path Status	Minimum Personal Unit Wholesale Section 1 Production	Number of First-Line Offspring Units	First-Line Offspring Commission	Second-Line Offspring Commission
Senior Sales Director	\$4,500/month	1-2	5%	
Future Executive Senior Sales Director	\$4,500/month	3-4	6%	
Executive Senior Sales Director	\$4,500/month	5-7	7%	1%
Elite Executive Senior Sales Director	\$4,500/month	8 or more	7%	2%

9. **Sales Director Star Consultant Bonus.**

- Is eligible to earn a bonus based on the number of Star Consultants[†] in the unit at the end of each Star Consultant Program quarter.

Number of Star Consultants [†]	Bonus
5	\$300 total
6 or more	\$50 for each additional Star Consultant [†]

- In the case of an offspring unit, Star Consultants in the offspring unit will count for both the Senior Sales Director and the new Sales Director during the Star Consultant Program quarter in which the offspring Independent Sales Director debut takes place.

10. **Cadillac Bonus.**

- Is eligible to earn a bonus of \$1,000 when Sales Director achieves Cadillac qualification or requalification (either Career Car or Cash Compensation).

11. **Unit Circle Bonus.**

- Is eligible to earn a bonus of \$1,000 when Sales Director achieves a higher Seminar Awards Circle of Achievement or Circle of Excellence than the previous year. For example, the Sales Director will earn the bonus if her 2022 Unit Circle level is higher than her 2021 Unit Circle level. The bonus is payable in July, as soon as possible after year-end Seminar ranking has been completed.

[†]A Star Consultant is one who places with the Company a minimum of \$1,800 in wholesale Section 1 orders received and accepted by the Company during the applicable Star Consultant Program quarter. Star Consultant Program quarters are June 16 – Sept. 15, Sept. 16 – Dec. 15, Dec. 16 – March 15, and March 16 – June 15.

12. Wellness Award Bonus Program.

A special cash award designed to help offset expenses associated with the needs or activities that contribute to physical wellness, although it can be used in any way you choose.

- Qualification for the Wellness Award Bonus is based on the previous calendar year’s annual net adjusted unit wholesale Section 1 production. The bonus will be paid in January of each year. Sales Directors must qualify each year for this award.

Sales Director’s Annual Net Adjusted Unit Wholesale Section 1 Production	Wellness Award Bonus
\$60,000 – \$124,999.99	\$800
\$125,000 – \$186,999.99	\$1,300
\$187,000 or more	\$2,000

- Mary Kay Inc. does not provide health insurance coverage for independent sales force members. The Company recognizes, however, that rising costs associated with health care and other wellness activities are a concern for all. While the bonus can be used to offset costs associated with maintaining physical wellness, it is a cash award, payable in January of the year following the qualification year, for use at the Sales Director’s discretion. In order to receive the bonus, a Sales Director must be in good standing with the Company on Dec. 31 of the qualification year.

Rewards

1. Is eligible to earn Star Consultant Program prizes.
2. Is eligible to earn yearlong challenge prizes.
3. Is eligible to earn the use of a Sales Director Career Car or Cash Compensation option.
4. Is eligible to earn Seminar Awards: Queen’s Court of Sharing, Sales Director Queen’s Court of Personal Sales and Circle of Achievement or Circle of Excellence.
5. Is eligible to wear Sales Director apparel.
6. Is eligible to qualify for the Top Sales Director Trip.
7. Is eligible to attend Company events planned for Sales Directors and above.
8. Has the opportunity to personally recruit in designated international markets.
9. Will receive monthly issues of *Directors Memo*.
10. Is eligible to subscribe to the Buzz Kit.
11. Will receive access to monthly *Applause*® magazine digital edition.
12. Is eligible to wear the Senior Sales Director pin enhancer.

Independent Future Executive Senior Sales Director*

Career Path Qualifications

3 or 4 active first-line offspring Independent Sales Directors.

- Global Leadership Development Program (GLDP) offspring units are included for purposes of calculating the number of offspring units.

Career Path Maintenance

- Maintain \$4,500 or more monthly unit wholesale Section 1 production.
- 3 or 4 active first-line offspring Sales Directors (including GLDP units).

Compensation

1. **50% profit potential on personal retail product sales and reorders.**
2. **Personal team commission: 4%, 9% or 13%.**
 - Must be an active Independent Future Executive Senior Sales Director.
 - **4%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 1–4 active personal team members.
 - **9%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 5 or more active personal team members.
 - **13%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 5 or more personal team members who place \$225 or more wholesale Section 1 orders in the same calendar month that you place a personal \$600 or more wholesale Section 1 order.
3. **Sales Director unit commission: 9%, 13% or 23%.**

Monthly Unit Wholesale Section 1 Production	Sales Director Unit Commission
\$0 – \$4,499.99	9%
\$4,500 – \$5,499.99	13%
\$5,500 or more	23%

*A Future Executive Senior Sales Director is an independent contractor, not an employee of Mary Kay Inc., and will not be treated as an employee for federal tax purposes or otherwise.

INDEPENDENT SALES DIRECTOR CAREER PATH

4. **Great Start: Sales Director Unit Development Cash Bonus.**

- Is eligible to earn a Sales Director Unit Development Cash Bonus of \$400 for each month that 4 or more *Great Start*-qualified new unit members are added to the unit.
- Is eligible to earn an additional bonus of \$100 for each additional *Great Start*-qualified new unit member added to her unit during the same month, up to a maximum of 10 *Great Start*-qualified new unit members.
- The maximum bonus per month is \$1,000.
- The Sales Director Unit Development Cash Bonus is earned in the month in which the appropriate number of *Great Start*-qualified new unit members' initial or cumulative wholesale Section 1 order(s) of \$600 or more are received and accepted by the Company.

Number of <i>Great Start</i> -Qualified New Unit Members Each Month	Sales Director Unit Development Cash Bonus
4	\$400 total
5-10	\$100 each

5. **Great Start: Sales Director Team-Building Cash Bonus.**

- Is eligible to earn a \$100 Sales Director Team-Building Cash Bonus for each *Great Start*-qualified new personal team member added to her unit. The Sales Director Team-Building Cash Bonus is earned in the month in which the *Great Start*-qualified team member's initial or cumulative wholesale Section 1 order(s) totaling \$600 or more are received and accepted by the Company.
- The Sales Director Team-Building Cash Bonus will be paid based on wholesale Section 1 orders and Independent Beauty Consultant Agreements received and accepted by the Company by the close of business each month.

6. **First-Line Offspring Independent Sales Director Bonus.**

- Is eligible to earn a one-time \$1,000 bonus for each new first-line U.S. offspring Independent Sales Director she personally debuts! There is no limit on the number of offspring Independent Sales Directors she can debut. However, the bonus will only be paid the first time someone debuts as a Sales Director on or after Aug. 1, 2019, even if that same offspring Sales Director later debuts as a Sales Director under the same or a different Senior Sales Director.

7. **Leading Consistency Bonus From the New Independent Sales Director Program.**

- Is eligible to earn a \$1,000 bonus when active and a first-line offspring Sales Director achieves Consistency Club from the New Independent Sales Director Program.

8. **First-Line Offspring Independent Sales Director Commission.**

- Is eligible to earn 6% on each of her first-line offspring Independent Sales Directors' unit wholesale Section 1 production if the Future Executive Senior Sales Director maintains her monthly unit wholesale Section 1 production of \$4,500 or more.

INDEPENDENT SALES DIRECTOR CAREER PATH

- The minimum production requirement is waived for the first three months following the debut of an offspring Sales Director.

Career Path Status	Minimum Personal Unit Wholesale Section 1 Production	Number of First-Line Offspring Units	First-Line Offspring Commission	Second-Line Offspring Commission
Senior Sales Director	\$4,500/month	1-2	5%	
Future Executive Senior Sales Director	\$4,500/month	3-4	6%	
Executive Senior Sales Director	\$4,500/month	5-7	7%	1%
Elite Executive Senior Sales Director	\$4,500/month	8 or more	7%	2%

9. **Sales Director Star Consultant Bonus.**

- Is eligible to earn a bonus based on the number of Star Consultants[†] in the unit at the end of each Star Consultant Program quarter.

Number of Star Consultants [†]	Bonus
5	\$300 total
6 or more	\$50 for each additional Star Consultant [†]

- In the case of an offspring unit, Star Consultants in the offspring unit will count for both the Senior Sales Director and the new Sales Director during the Star Consultant Program quarter in which the offspring Independent Sales Director debut takes place.

10. **Cadillac Bonus.**

- Is eligible to earn a bonus of \$1,000 when Sales Director achieves Cadillac qualification or requalification (either Career Car or Cash Compensation).

11. **Unit Circle Bonus.**

- Is eligible to earn a bonus of \$1,000 when Sales Director achieves a higher Seminar Awards Circle of Achievement or Circle of Excellence than the previous year. For example, the Sales Director will earn the bonus if her 2022 Unit Circle level is higher than her 2021 Unit Circle level. The bonus is payable in July, as soon as possible after year-end Seminar ranking has been completed.

[†]A Star Consultant is one who places with the Company a minimum of \$1,800 in wholesale Section 1 orders received and accepted by the Company during the applicable Star Consultant Program quarter. Star Consultant Program quarters are June 16 – Sept. 15, Sept. 16 – Dec. 15, Dec. 16 – March 15, and March 16 – June 15.

12. Wellness Award Bonus Program.

A special cash award designed to help offset expenses associated with the needs or activities that contribute to physical wellness, although it can be used in any way you choose.

- Qualification for the Wellness Award Bonus is based on the previous calendar year’s annual net adjusted unit wholesale Section 1 production. The bonus will be paid in January of each year. Sales Directors must qualify each year for this award.

Sales Director’s Annual Net Adjusted Unit Wholesale Section 1 Production	Wellness Award Bonus
\$60,000 – \$124,999.99	\$800
\$125,000 – \$186,999.99	\$1,300
\$187,000 or more	\$2,000

- Mary Kay Inc. does not provide health insurance coverage for independent sales force members. The Company recognizes, however, that rising costs associated with health care and other wellness activities are a concern for all. While the bonus can be used to offset costs associated with maintaining physical wellness, it is a cash award, payable in January of the year following the qualification year, for use at the Sales Director’s discretion. In order to receive the bonus, a Sales Director must be in good standing with the Company on Dec. 31 of the qualification year.

Rewards

1. Is eligible to earn Star Consultant Program prizes.
2. Is eligible to earn yearlong challenge prizes.
3. Is eligible to earn the use of a Sales Director Career Car or Cash Compensation option.
4. Is eligible to earn Seminar Awards: Queen’s Court of Sharing, Sales Director Queen’s Court of Personal Sales and Circle of Achievement or Circle of Excellence.
5. Is eligible to wear Sales Director apparel.
6. Is eligible to qualify for the Top Sales Director Trip.
7. Is eligible to attend Company events planned for Sales Directors and above.
8. Has the opportunity to personally recruit in designated international markets.
9. Will receive monthly issues of *Directors Memo*.
10. Is eligible to subscribe to the Buzz Kit.
11. Will receive access to monthly *Applause*® magazine digital edition.
12. Is eligible to wear the Future Executive Senior Sales Director pin.

Independent Executive Senior Sales Director*

Career Path Qualifications

5–7 active first-line offspring Independent Sales Directors.

- Global Leadership Development Program (GLDP) offspring units are included for purposes of calculating the number of offspring units.

Career Path Maintenance

- Maintain \$4,500 or more monthly unit wholesale Section 1 production.
- 5–7 active first-line offspring Sales Directors (including GLDP units).

Compensation

1. **50% profit potential on personal retail product sales and reorders.**
2. **Personal team commission: 4%, 9% or 13%.**

- Must be an active Independent Executive Senior Sales Director.
- **4%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 1–4 active personal team members.
- **9%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 5 or more active personal team members.
- **13%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 5 or more personal team members who place \$225 or more wholesale Section 1 orders in the same calendar month that you place a personal \$600 or more wholesale Section 1 order.

OR

- **13%** personal team commission can be earned on combined personal team wholesale Section 1 production when you have 5 or more personal team members who place \$225 or more wholesale Section 1 orders in the same calendar month that a new personal team member becomes *Great Start*-qualified.

*An Executive Senior Sales Director is an independent contractor, not an employee of Mary Kay Inc., and will not be treated as an employee for federal tax purposes or otherwise.

INDEPENDENT SALES DIRECTOR CAREER PATH

3. Sales Director unit commission: 9%, 13% or 23%.

Monthly Unit Wholesale Section 1 Production	Sales Director Unit Commission
\$0 – \$4,499.99	9%
\$4,500 – \$5,499.99	13%
\$5,500 or more	23%

4. *Great Start*: Sales Director Unit Development Cash Bonus.

- Is eligible to earn a Sales Director Unit Development Cash Bonus of \$400 for each month that 4 or more *Great Start*-qualified new unit members are added to the unit.
- Is eligible to earn an additional bonus of \$100 for each additional *Great Start*-qualified new unit member added to her unit during the same month, up to a maximum of 10 *Great Start*-qualified new unit members.
- The maximum bonus per month is \$1,000.
- The Sales Director Unit Development Cash Bonus is earned in the month in which the appropriate number of *Great Start*-qualified new unit members' initial or cumulative wholesale Section 1 order(s) of \$600 or more are received and accepted by the Company.

Number of <i>Great Start</i> -Qualified New Unit Members Each Month	Sales Director Unit Development Bonus
4	\$400 total
5–10	\$100 each

5. *Great Start*: Sales Director Team-Building Cash Bonus.

- Is eligible to earn a \$100 Sales Director Team-Building Cash Bonus for each *Great Start*-qualified new personal team member added to her unit. The Sales Director Team-Building Cash Bonus is earned in the month in which the *Great Start*-qualified team member's initial or cumulative wholesale Section 1 order(s) totaling \$600 or more are received and accepted by the Company.
- The Sales Director Team-Building Cash Bonus will be paid based on wholesale Section 1 orders and Independent Beauty Consultant Agreements received and accepted by the Company by the close of business each month.

6. First-Line Offspring Independent Sales Director Bonus.

- Is eligible to earn a one-time \$1,000 bonus for each new first-line U.S. offspring Independent Sales Director she personally debuts! There is no limit on the number of offspring Independent Sales Directors she can debut. However, the bonus will only be paid the first time someone debuts as a Sales Director on or after Aug. 1, 2019, even if that same offspring Sales Director later debuts as a Sales Director under the same or a different Senior Sales Director.

7. Leading Consistency Bonus From the New Independent Sales Director Program.

- Is eligible to earn a \$1,000 bonus when active and a first-line offspring Sales Director achieves Consistency Club from the New Independent Sales Director Program.

INDEPENDENT SALES DIRECTOR CAREER PATH

8. First-Line and Second-Line Offspring Independent Sales Director Commission.

- Is eligible to earn 7% on each of her first-line offspring Independent Sales Directors' unit wholesale Section 1 production if the Executive Senior Sales Director maintains her monthly unit wholesale Section 1 production of \$4,500 or more.
- Is eligible to earn 1% on each of her second-line offspring Independent Sales Directors' unit wholesale Section 1 production if the Executive Senior Sales Director maintains her monthly wholesale Section 1 production of \$4,500 or more.
- The minimum production requirement is waived for the first three months following the debut of an offspring Sales Director.

Career Path Status	Minimum Personal Unit Wholesale Section 1 Production	Number of First-Line Offspring Units	First-Line Offspring Commission	Second-Line Offspring Commission
Senior Sales Director	\$4,500/month	1–2	5%	
Future Executive Senior Sales Director	\$4,500/month	3–4	6%	
Executive Senior Sales Director	\$4,500/month	5–7	7%	1%
Elite Executive Senior Sales Director	\$4,500/month	8 or more	7%	2%

9. Sales Director Star Consultant Bonus.

- Is eligible to earn a bonus based on the number of Star Consultants[†] in the unit at the end of each Star Consultant Program quarter.

Number of Star Consultants [†]	Bonus
5	\$300 total
6 or more	\$50 for each additional Star Consultant [†]

- In the case of an offspring unit, Star Consultants in the offspring unit will count for both the Senior Sales Director and the new Sales Director during the Star Consultant Program quarter in which the offspring Independent Sales Director debut takes place.

10. Cadillac Bonus.

- Is eligible to earn a bonus of \$1,000 when Sales Director achieves Cadillac qualification or requalification (either Career Car or Cash Compensation).

[†]A Star Consultant is one who places with the Company a minimum of \$1,800 in wholesale Section 1 orders received and accepted by the Company during the applicable Star Consultant Program quarter. Star Consultant Program quarters are June 16 – Sept. 15, Sept. 16 – Dec. 15, Dec. 16 – March 15, and March 16 – June 15.

11. Unit Circle Bonus.

- Is eligible to earn a bonus of \$1,000 when Sales Director achieves a higher Seminar Awards Circle of Achievement or Circle of Excellence than the previous year. For example, the Sales Director will earn the bonus if her 2022 Unit Circle level is higher than her 2021 Unit Circle level. The bonus is payable in July, as soon as possible after year-end Seminar ranking has been completed.

12. Wellness Award Bonus Program.

A special cash award designed to help offset expenses associated with the needs or activities that contribute to physical wellness, although it can be used in any way you choose.

- Qualification for the Wellness Award Bonus is based on the previous calendar year's annual net adjusted unit wholesale Section 1 production. The bonus will be paid in January of each year. Sales Directors must qualify each year for this award.

Sales Director's Annual Net Adjusted Unit Wholesale Section 1 Production	Wellness Award Bonus
\$60,000 – \$124,999.99	\$800
\$125,000 – \$186,999.99	\$1,300
\$187,000 or more	\$2,000

- Mary Kay Inc. does not provide health insurance coverage for independent sales force members. The Company recognizes, however, that rising costs associated with health care and other wellness activities are a concern for all. While the bonus can be used to offset costs associated with maintaining physical wellness, it is a cash award, payable in January of the year following the qualification year, for use at the Sales Director's discretion. In order to receive the bonus, a Sales Director must be in good standing with the Company on Dec. 31 of the qualification year.

Rewards

1. Is eligible to earn Star Consultant Program prizes.
2. Is eligible to earn yearlong challenge prizes.
3. Is eligible to earn the use of a Sales Director Career Car or Cash Compensation option.
4. Is eligible to earn Seminar Awards: Queen's Court of Sharing, Sales Director Queen's Court of Personal Sales and Circle of Achievement or Circle of Excellence.
5. Is eligible to wear Sales Director apparel.
6. Is eligible to qualify for the Top Sales Director Trip.
7. Is eligible to attend Company events planned for Sales Directors and above.
8. Has the opportunity to personally recruit in designated international markets.
9. Will receive monthly issues of *Directors Memo*.
10. Is eligible to subscribe to the Buzz Kit.
11. Will receive access to monthly *Applause*® magazine digital edition.
12. Is eligible to wear the Executive Senior Sales Director pin.

Independent Elite Executive Senior Sales Director*

Career Path Qualifications

8 or more active first-line offspring Independent Sales Directors.

- Global Leadership Development Program (GLDP) offspring units are included for purposes of calculating the number of offspring units.

Career Path Maintenance

- Maintain \$4,500 or more monthly unit wholesale Section 1 production.
- 8 or more active first-line offspring Sales Directors (including GLDP units).

Compensation

1. 50% profit potential on personal retail product sales and reorders.

2. Personal team commission: 4%, 9% or 13%.

- Must be an active Independent Elite Executive Senior Sales Director.
- **4%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 1–4 active personal team members.
- **9%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 5 or more active personal team members.
- **13%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 5 or more personal team members who place \$225 or more wholesale Section 1 orders in the same calendar month that you place a personal \$600 or more wholesale Section 1 order.

OR

- **13%** personal team commission can be earned on combined personal team wholesale Section 1 production when you have 5 or more personal team members who place \$225 or more wholesale Section 1 orders in the same calendar month that a new personal team member becomes *Great Start*-qualified.

3. Sales Director unit commission: 9%, 13% or 23%.

Monthly Unit Wholesale Section 1 Production	Sales Director Unit Commission
\$0 – \$4,499.99	9%
\$4,500 – \$5,499.99	13%
\$5,500 or more	23%

*An Elite Executive Senior Sales Director is an independent contractor, not an employee of Mary Kay Inc., and will not be treated as an employee for federal tax purposes or otherwise.

INDEPENDENT SALES DIRECTOR CAREER PATH

4. **Great Start: Sales Director Unit Development Cash Bonus.**

- Is eligible to earn a Sales Director Unit Development Cash Bonus of \$400 for each month that 4 or more *Great Start*-qualified new unit members are added to the unit.
- Is eligible to earn an additional bonus of \$100 for each additional *Great Start*-qualified new unit member added to her unit during the same month, up to a maximum of 10 *Great Start*-qualified new unit members.
- The maximum bonus per month is \$1,000.
- The Sales Director Unit Development Cash Bonus is earned in the month in which the appropriate number of *Great Start*-qualified new unit members' initial or cumulative wholesale Section 1 order(s) of \$600 or more are received and accepted by the Company.

Number of <i>Great Start</i> -Qualified New Unit Members Each Month	Sales Director Unit Development Bonus
4	\$400 total
5-10	\$100 each

5. **Great Start: Sales Director Team-Building Cash Bonus.**

- Is eligible to earn a \$100 Sales Director Team-Building Cash Bonus for each *Great Start*-qualified new personal team member added to her unit. The Sales Director Team-Building Cash Bonus is earned in the month in which the *Great Start*-qualified team member's initial or cumulative wholesale Section 1 order(s) totaling \$600 or more are received and accepted by the Company.
- The Sales Director Team-Building Cash Bonus will be paid based on wholesale Section 1 orders and Independent Beauty Consultant Agreements received and accepted by the Company by the close of business each month.

6. **First-Line Offspring Independent Sales Director Cash Bonus.**

- Is eligible to earn a one-time \$1,000 bonus for each new first-line U.S. offspring Independent Sales Director she personally debuts! There is no limit on the number of offspring Independent Sales Directors she can debut. However, the bonus will only be paid the first time someone debuts as a Sales Director on or after Aug. 1, 2019, even if that same offspring Sales Director later debuts as a Sales Director under the same or a different Senior Sales Director.

7. **Leading Consistency Bonus From the New Independent Sales Director Program.**

- Is eligible to earn a \$1,000 bonus when active and a first-line offspring Sales Director achieves Consistency Club from the New Independent Sales Director Program.

8. **First-Line and Second-Line Offspring Independent Sales Director Commission.**

- Is eligible to earn 7% on each of her first-line offspring Independent Sales Directors' unit wholesale Section 1 production if the Elite Executive Senior Sales Director maintains her monthly unit wholesale Section 1 production of \$4,500 or more.

INDEPENDENT SALES DIRECTOR CAREER PATH

- Is eligible to earn 2% on each of her second-line offspring Independent Sales Directors' unit wholesale Section 1 production if the Elite Executive Senior Sales Director maintains her monthly unit wholesale Section 1 production of \$4,500 or more.
- The minimum production requirement is waived for the first three months following the debut of an offspring Sales Director.

Career Path Status	Minimum Personal Unit Wholesale Section 1 Production	Number of First-Line Offspring Units	First-Line Offspring Commission	Second-Line Offspring Commission
Senior Sales Director	\$4,500/month	1-2	5%	
Future Executive Senior Sales Director	\$4,500/month	3-4	6%	
Executive Senior Sales Director	\$4,500/month	5-7	7%	1%
Elite Executive Senior Sales Director	\$4,500/month	8 or more	7%	2%

9. **Sales Director Star Consultant Bonus.**

- Is eligible to earn a bonus based on the number of Star Consultants[†] in the unit at the end of each Star Consultant Program quarter.

Number of Star Consultants [†]	Bonus
5	\$300 total
6 or more	\$50 for each additional Star Consultant [†]

- In the case of an offspring unit, Star Consultants in the offspring unit will count for both the Senior Sales Director and the new Sales Director during the Star Consultant Program quarter in which the offspring Independent Sales Director debut takes place.

10. **Cadillac Bonus.**

- Is eligible to earn a bonus of \$1,000 when Sales Director achieves Cadillac qualification or requalification (either Career Car or Cash Compensation).

11. **Unit Circle Bonus.**

- Is eligible to earn a bonus of \$1,000 when Sales Director achieves a higher Seminar Awards Circle of Achievement or Circle of Excellence than the previous year. For example, the Sales Director will earn the bonus if her 2022 Unit Circle level is higher than her 2021 Unit Circle level. The bonus is payable in July, as soon as possible after year-end Seminar ranking has been completed.

[†]A Star Consultant is one who places with the Company a minimum of \$1,800 in wholesale Section 1 orders received and accepted by the Company during the applicable Star Consultant Program quarter. Star Consultant Program quarters are June 16 – Sept. 15, Sept. 16 – Dec. 15, Dec. 16 – March 15, and March 16 – June 15.

12. Wellness Award Bonus Program.

A special cash award designed to help offset expenses associated with the needs or activities that contribute to physical wellness, although it can be used in any way you choose.

- Qualification for the Wellness Award Bonus is based on the previous calendar year’s annual net adjusted unit wholesale Section 1 production. The bonus will be paid in January of each year. Sales Directors must qualify each year for this award.

Sales Director’s Annual Net Adjusted Unit Wholesale Section 1 Production	Wellness Award Bonus
\$60,000 – \$124,999.99	\$800
\$125,000 – \$186,999.99	\$1,300
\$187,000 or more	\$2,000

- Mary Kay Inc. does not provide health insurance coverage for independent sales force members. The Company recognizes, however, that rising costs associated with health care and other wellness activities are a concern for all. While the bonus can be used to offset costs associated with maintaining physical wellness, it is a cash award, payable in January of the year following the qualification year, for use at the Sales Director’s discretion. In order to receive the bonus, a Sales Director must be in good standing with the Company on Dec. 31 of the qualification year.

Rewards

1. Is eligible to earn Star Consultant Program prizes.
2. Is eligible to earn yearlong challenge prizes.
3. Is eligible to earn the use of a Sales Director Career Car or Cash Compensation option.
4. Is eligible to earn Seminar Awards: Queen’s Court of Sharing, Sales Director Queen’s Court of Personal Sales and Circle of Achievement or Circle of Excellence.
5. Is eligible to wear Sales Director apparel.
6. Is eligible to qualify for the Top Sales Director Trip.
7. Is eligible to attend Company events planned for Sales Directors and above.
8. Has the opportunity to personally recruit in designated international markets.
9. Will receive monthly issues of *Directors Memo*.
10. Is eligible to subscribe to the Buzz Kit.
11. Will receive access to monthly *Applause*® magazine digital edition.
12. Is eligible to wear the Elite Executive Senior Sales Director pin.

Independent National Sales Director*

Career Path Qualifications

To be considered for an appointment as an Independent National Sales Director, a candidate under consideration for the position (Candidate) must, at a minimum, demonstrate the following threshold qualifications:

Qualification I: Demonstrate strength in operating an independent Mary Kay business and in encouraging others to build their Mary Kay businesses.

Minimum qualifications:

- Have a personal unit with 24 or more unit members.
- Have a total of 20 offspring Independent Sales Directors in one of the following configurations:
 - » (12/3/8) 12 first-line offspring Sales Directors, 3 of whom are Senior Sales Directors, and 8 second-line offspring Sales Directors.
 - » (11/3/9) 11 first-line offspring Sales Directors, 3 of whom are Senior Sales Directors, and 9 second-line offspring Sales Directors.
 - » (10/3/10) 10 first-line offspring Sales Directors, 3 of whom are Senior Sales Directors, and 10 second-line offspring Sales Directors.
- Each of the 20 qualifying units (12/8, 11/9 or 10/10) must have 24 or more unit members. In the case of international offspring units, the minimum number of unit members required is based on the home country’s requirements.
- 7 or more of the 20 qualifying units must be Premier Club qualifiers or Cadillac qualifiers, and 5 or more of the Sales Directors must live in the U.S.
- Must be a Cadillac Career Car qualifier or Cash Compensation qualifier.

The Company may consider other criteria to evaluate the strength of the potential National Area, including production history, unit size and longevity, and similar factors.

*A National Sales Director is an independent contractor, not an employee of Mary Kay Inc., and will not be treated as an employee for federal tax purposes or otherwise.

Qualification II: Demonstrate Golden Rule proficiency.**Minimum qualifications:**

- Must be in compliance with her Agreements with the Company.
- Demonstrate an understanding of and be in compliance with the Mary Kay business model, and correctly communicate the same to others in her unit and prospective future National Area.
- Demonstrate integrity in the operation of her business and the development of her prospective future National Area.

Qualification III: Demonstrate interest in educational events.**Minimum qualification:**

- Have participated in an educational event designed for Independent Executive Sales Directors and above within a year of the intended debut.

Qualification IV: Be eligible to participate in the Family Security Program.**

- Debut as an NSD before your 60th birthday to participate in Group III of the Family Security Program.
- Debut as an NSD before your 65th birthday to participate in Group V of the Family Security Program.

Process

An Independent Sales Director who has at least 8 first-line and 6 second-line offspring Independent Sales Directors may contact the Sales Force Development Director of the Candidate's Seminar affiliation to express her interest in being considered for appointment to the position of NSD and may request an Independent National Sales Director letter of intent. A Candidate must return the signed letter of intent to the Company no later than six months prior to the Candidate's desired NSD debut date. During this time, the Company will evaluate whether or not a Candidate has sufficiently demonstrated all qualifications to be considered for appointment to the position of NSD.

Area Requirements

To retain her NSD status once appointed, an Independent National Sales Director who debuted after Jan. 1, 2012, must achieve:

- \$100,000 in NSD commissions† in the prior Seminar year.

†NSD commissions are comprised of NSD commissions earned on the wholesale Section 1 production of first-, second- and third-line Offspring Units; top 10 fourth-line Offspring Units and beyond; Elite Executive NSD commissions; NSD commissions on personal units; NSD bonuses for NSD offspring and Sales Director offspring from personal units; NSD Area Leadership Development Bonuses and NSD commissions earned as part of the Global Leadership Development Program.

Or maintain one of the following area requirements:

- Maintain 8 first-line offspring Independent Sales Directors in her National Area.
- Maintain at least 20 offspring Independent Sales Directors in her first through third lines, affiliated* and unaffiliated.

A **new** Independent National Sales Director is not subject to these requirements for the first two years after her debut. During this two-year growth period, an NSD should focus on the development of her new National Area with strategies that create sustainable strength.

If any NSD falls below the area requirements after this initial two-year growth period, the NSD will have up to two years to achieve at least one of the area requirements to remain an active NSD.

Compensation**1. 50% profit potential on personal retail product sales and reorders.****2. Personal team commission: 4%, 9% or 13%.**

- **4%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 1–4 active personal team members.
- **9%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 5 or more active personal team members.
- **13%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 5 or more personal team members who place \$225 or more wholesale Section 1 orders in any calendar month.

3. Sales Director personal unit commission: 13%.

- Is eligible to earn 13% unit commission on monthly unit wholesale Section 1 production.

4. National Sales Director commission.

- NSD personal unit volume commission: 10%.
 - » An NSD may elect to keep her personal unit at the time she debuts, or she may form a personal unit at a later date in order to develop additional first-line offspring units. She will earn a 10% NSD commission on her personal unit wholesale Section 1 production in addition to a 13% Sales Director commission on that unit's wholesale Section 1 production.

*An affiliated U.S. Independent Sales Director, offspring unit, line and/or area is one that is directly associated with another active offspring National Sales Director.

**Note: The terms and conditions of the Family Security Program are contained in the program document "Mary Kay Inc. Family Security Program." In the event of any conflict between the program document and this information, the program document shall prevail.

Independent National Sales Director Commission Schedule

Based on Combined Monthly Unit Wholesale Section 1 Production of Offspring Units	NSD Commission
First-line offspring units	9%
Second-line offspring units affiliated* and unaffiliated	4%
Third-line offspring units affiliated* and unaffiliated	2%

5. First-Line Offspring Independent Sales Director Bonus.

Bonuses will be paid for the development of Sales Directors from NSD’s personal unit according to the following schedule:

NSD Bonus	Amount of Bonus
First-Line Offspring Independent Sales Director Debut Bonus: Paid at the time of offspring Sales Director’s debut (paid only once per individual Sales Director). <ul style="list-style-type: none"> The minimum 20 units required to debut as a new Independent National Sales Director must be in place before the First-Line Offspring Sales Director Bonus of \$5,000 can be earned on any Sales Directors who debut on the same day as their National Sales Director. 	\$5,000
First-Line Offspring Independent Sales Director Wholesale Section 1 Production Bonus: Paid on the anniversary of the same Sales Director’s debut when that offspring Sales Director’s unit generates wholesale Section 1 production of \$60,000 or more within the previous 12 months. <ul style="list-style-type: none"> To be eligible for the \$1,000 First-Line Offspring Independent Sales Director Wholesale Section 1 Production Bonus based on wholesale Section 1 production, the NSD must have qualified to earn the \$5,000 First-Line Offspring Independent Sales Director Debut Bonus for the same offspring Sales Director. 	\$1,000

6. NSD Area Leadership Development Bonus.

- Is eligible to earn a quarterly (March 31, June 30, Sept. 30 and Dec. 31) Leadership Development Bonus on the units in her first-line through third-line affiliated* and unaffiliated area as follows:
 - \$200 for each Independent Senior Sales Director.
 - \$300 for each Independent Future Executive Senior Sales Director.
 - \$500 for each Independent Executive Senior Sales Director.
 - \$800 for each Independent Elite Executive Senior Sales Director.
 - \$800 for each Independent National Sales Director’s personal unit.

SPECIAL NOTE: When an Elite Executive Senior Sales Director debuts as a National Sales Director, the Senior National Sales Director who receives the \$10,000 Offspring NSD Development Bonus will no longer receive the \$800 quarterly bonus paid on Elite Executive Senior Sales Directors or NSD personal units.

7. Top 10 Affiliated* and Unaffiliated Fourth-Line and Beyond Sales Director Commission.

- Is eligible to earn a 2% commission calculated on the combined monthly unit wholesale Section 1 production of an NSD’s affiliated* and unaffiliated fourth-line and beyond offspring Sales Directors. Top 10 ranking is based on the monthly wholesale Section 1 production of an NSD’s affiliated* and unaffiliated fourth-line and beyond offspring units.

8. NSD Strategy Bonuses.

- Is eligible to earn a NSD Strategy Bonus of \$1,000 when an unaffiliated U.S. Sales Director in her area achieves one or more of the following:
 - Cadillac qualification or requalification.
 - Higher Circle of Achievement or Circle of Excellence than the previous year (payable in July, as soon as possible after year-end Seminar ranking has been completed).
 - Start Strong Bonus from the New Independent Sales Director Program.
 - Grow Strong Bonus from the New Independent Sales Director Program.
 - Keep Strong Bonus from the New Independent Sales Director Program.
 - Lead Strong Bonus from the New Independent Sales Director Program.


9. NSD Motivation Account.

A special allowance is paid to NSDs to help defray some of the expenses related to prizes, awards, newsletters, telephone calls, etc., which are associated with an NSD’s activity with her unaffiliated fourth-line Sales Directors and beyond. Only unaffiliated offspring units from the U.S. and through the Global Leadership Development Program are considered for this account. This allowance is determined at the end of June and is paid in July of the same year according to the following schedule:

Number of Fourth-Line Independent Sales Directors and Beyond	Payment
1-20	\$1,200
21-50	\$2,400
51-100	\$3,600
101 or more	\$12,000

*An affiliated U.S. Independent Sales Director, offspring unit, line and/or area is one that is directly associated with another active offspring National Sales Director.

Rewards

1. Is eligible to wear National Sales Director apparel.
 2. Receives monthly *National News Notes*.
 3. Is eligible to select the NSD bracelet with one diamond or a cash prize upon debut.
 4. Is eligible for an invitation to the annual luxury trip for self and guest, at the discretion of the Company.
 5. Will earn the use of a Cadillac or will earn the Cash Compensation option at a rate of \$1,400 per month in lieu of the car.
 6. Eligible to participate in the Family Security Program.
 7. Has the opportunity to personally recruit in designated international markets.
 8. Great Futures Program.
- 

Independent Senior National Sales Director*

Career Path Qualification

Must have 1 offspring National Sales Director in any line, regardless of debut sequence.

Compensation

1. **50% profit potential on personal retail product sales and reorders.**
2. **Personal team commission: 4%, 9% or 13%.**
 - **4%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 1–4 active personal team members.
 - **9%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 5 or more active personal team members.
 - **13%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 5 or more personal team members who place \$225 or more wholesale Section 1 orders in any calendar month.
3. **Sales Director personal unit commission: 13%.**
 - Is eligible to earn 13% unit commission on monthly unit wholesale Section 1 production.
4. **Senior National Sales Director commission.**
 - NSD personal unit volume commission: 10%.
 - » An NSD may elect to keep her personal unit at the time she debuts, or she may form a personal unit at a later date in order to develop additional first-line offspring units. She will earn a 10% NSD commission on her personal unit wholesale Section 1 production in addition to a 13% Sales Director commission on that unit's wholesale Section 1 production.

*A Senior National Sales Director is an independent contractor, not an employee of Mary Kay Inc., and will not be treated as an employee for federal tax purposes or otherwise.

Independent Senior National Sales Director Commission Schedule

Based on Combined Monthly Unit Wholesale Section 1 Production of Offspring Units	NSD Commission
First-line offspring units	9%
Second-line offspring units affiliated* and unaffiliated	4%
Third-line offspring units affiliated* and unaffiliated	2%

These personal unit commissions are payable regardless of debut sequence, even if the offspring NSD debuted prior to the Senior NSD. Likewise, it does not matter if another NSD exists between the Senior NSD and offspring NSD.

5. First-Line Offspring Independent Sales Director Bonus.

Bonuses will be paid for the development of Sales Directors from NSD’s personal unit according to the following schedule:

NSD Bonus	Amount of Bonus
First-Line Offspring Independent Sales Director Debut Bonus: Paid at time of offspring Sales Director’s debut (paid only once per individual Sales Director).	
<ul style="list-style-type: none"> The minimum 20 units required to debut as a new Independent National Sales Director must be in place before the First-Line Offspring Sales Director Bonus of \$5,000 can be earned on any Sales Directors who debut on the same day as their National Sales Director. 	\$5,000

First-Line Offspring Independent Sales Director Wholesale Section 1 Production Bonus: Paid on the anniversary of the same Sales Director’s debut when that offspring Sales Director’s unit generates wholesale Section 1 production of \$60,000 or more within the previous 12 months.	
<ul style="list-style-type: none"> To be eligible for the \$1,000 First-Line New Offspring Independent Sales Director Wholesale Section 1 Production Bonus based on wholesale Section 1 production, the NSD must have qualified to earn the \$5,000 First-Line New Offspring Independent Sales Director Debut Bonus for the same offspring Sales Director. 	\$1,000

6. NSD Area Leadership Development Bonus.

- Is eligible to earn a quarterly (March 31, June 30, Sept. 30 and Dec. 31) Leadership Development Bonus on the units in her first-line through third-line affiliated* and unaffiliated area as follows:

- » \$200 for each Independent Senior Sales Director.
- » \$300 for each Independent Future Executive Senior Sales Director.
- » \$500 for each Independent Executive Senior Sales Director.
- » \$800 for each Independent Elite Executive Senior Sales Director.
- » \$800 for each Independent National Sales Director’s personal unit.

SPECIAL NOTE: When an Elite Executive Senior Sales Director debuts as a National Sales Director, the Senior National Sales Director who receives the \$10,000 Offspring NSD Development Bonus will no longer receive the \$800 quarterly bonus paid on Elite Executive Senior Sales Directors or NSD personal units.

7. Top 10 Affiliated* and Unaffiliated Fourth-Line and Beyond Sales Director Commission.

- Is eligible to earn a 2% commission calculated on the combined monthly unit wholesale Section 1 production of an NSD’s affiliated* and unaffiliated fourth-line and beyond offspring Sales Directors. Top 10 ranking is based on the monthly wholesale Section 1 production of an NSD’s affiliated* and unaffiliated fourth-line and beyond offspring units.

8. NSD Strategy Bonuses.

- Is eligible to earn a NSD Strategy Bonus of \$1,000 when an unaffiliated U.S. Sales Director in her area achieves one or more of the following:
 - » Cadillac qualification or requalification.
 - » Higher Circle of Achievement or Circle of Excellence than the previous year (payable in July, as soon as possible after year-end Seminar ranking has been completed).
 - » Start Strong Bonus from the New Independent Sales Director Program.
 - » Grow Strong Bonus from the New Independent Sales Director Program.
 - » Keep Strong Bonus from the New Independent Sales Director Program.
 - » Lead Strong Bonus from the New Independent Sales Director Program.

9. NSD Motivation Account.

A special allowance is paid to NSDs to help defray some of the expenses related to prizes, awards, newsletters, telephone calls, etc., which are associated with an NSD’s activity with her unaffiliated fourth-line Sales Directors and beyond. Only unaffiliated offspring units from the U.S. and through the Global Leadership Development Program are considered for this account. This allowance is determined at the end of June and is paid in July of the same year according to the following schedule:

*An affiliated U.S. Independent Sales Director, offspring unit, line and/or area is one that is directly associated with another active offspring National Sales Director.

Number of Fourth-Line Independent Sales Directors and Beyond	Payment
1-20	\$1,200
21-50	\$2,400
51-100	\$3,600
101 or more	\$12,000

10. Offspring NSD Development Bonus Schedule.

- The first time someone debuts as an NSD, the Senior NSD (who has been an NSD for at least six months) from whose unaffiliated area the offspring NSD is developed, is eligible for a \$10,000 Offspring NSD Debut Bonus at the time of the new offspring NSD’s debut. There will be only 1 recipient of this bonus. For purposes of determining the recipient of this bonus, the person who was the NSD of the new offspring NSD for six months prior to the offspring NSD’s debut receives the bonus.
- The Senior NSD is eligible for an annual \$10,000 Offspring NSD Anniversary Bonus on the anniversary of the offspring NSD’s debut date as long as the offspring National Sales Director’s Agreement is not terminated for qualification or other reasons. The Senior NSD will continue to receive the Offspring NSD Anniversary Bonus if the offspring NSD debuts as an NSD Emeritus before the Senior NSD or in the case of death of an active offspring NSD.

If the NSD Agreement of an offspring NSD is terminated, but the former offspring NSD later redebuts as an NSD, the Senior NSD at the time of the redebut will not receive an Offspring NSD Debut Bonus. It is only paid the first time an individual debuts as an NSD. The Senior NSD at the time of the NSD’s redebut will be eligible to earn the annual Offspring NSD Anniversary Bonus based on the redebut date, beginning on the first anniversary of the offspring NSD’s redebut.

Rewards

1. Is eligible to wear National Sales Director apparel.
2. Receives monthly *National News Notes*.
3. Is eligible to select the NSD bracelet with one diamond or a cash prize upon debut.
4. Is eligible for an invitation to the annual luxury trip for self and guest, at the discretion of the Company.
5. Will earn the use of a Cadillac or will earn the Cash Compensation option at a rate of \$1,400 per month in lieu of the car.
6. Eligible to participate in the Family Security Program.
7. Has the opportunity to personally recruit in designated international markets.
8. Great Futures Program.

Independent Executive National Sales Director*

Career Path Qualification

Must have 3 offspring National Sales Directors from any unaffiliated line who debuted as Independent National Sales Directors after your debut and for whom you are eligible to receive the Offspring NSD Anniversary Bonus.

Compensation:

1. **50% profit potential on personal retail product sales and reorders.**
2. **Personal team commission: 4%, 9% or 13%.**
 - **4%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 1-4 active personal team members.
 - **9%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 5 or more active personal team members.
 - **13%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 5 or more personal team members who place \$225 or more wholesale Section 1 orders in any calendar month.
3. **Sales Director personal unit commission: 13%.**
 - Is eligible to earn 13% unit commission on monthly unit wholesale Section 1 production.
4. **Executive National Sales Director commission.**
 - NSD personal unit volume commission: 10%.
 - » An NSD may elect to keep her personal unit at the time she debuts, or she may form a personal unit at a later date in order to develop additional first-line offspring units. She will earn a 10% NSD commission on her personal unit wholesale Section 1 production in addition to a 13% Sales Director commission on that unit’s wholesale Section 1 production.

*An Executive National Sales Director is an independent contractor, not an employee of Mary Kay Inc., and will not be treated as an employee for federal tax purposes or otherwise.

Independent Executive National Sales Director Commission Schedule

Based on Combined Monthly Unit Wholesale Section 1 Production of Offspring Units	NSD Commission
First-line offspring units	9%
Second-line offspring units affiliated* and unaffiliated	4%
Third-line offspring units affiliated* and unaffiliated	2%

These personal unit commissions are payable regardless of debut sequence, even if the offspring NSD debuted prior to the Executive NSD. Likewise, it does not matter if another NSD exists between the Executive NSD and offspring NSD.

5. First-Line Offspring Independent Sales Director Bonus.

Bonuses will be paid for the development of Sales Directors from NSD’s personal unit according to the following schedule:

NSD Bonus	Amount of Bonus
First-Line Offspring Independent Sales Director Debut Bonus: Paid at the time of offspring Sales Director’s debut (paid only once per individual Sales Director). <ul style="list-style-type: none"> The minimum 20 units required to debut as a new Independent National Sales Director must be in place before the First-Line Offspring Sales Director Bonus of \$5,000 can be earned on any Sales Directors who debut on the same day as their National Sales Director. 	\$5,000
First-Line Offspring Independent Sales Director Wholesale Section 1 Production Bonus: Paid on the annual anniversary of the same Sales Director’s debut when that offspring Sales Director’s unit generates wholesale Section 1 production of \$60,000 or more within the previous 12 months. <ul style="list-style-type: none"> To be eligible for the \$1,000 First-Line Offspring Independent Sales Director Wholesale Section 1 Production Bonus based on wholesale Section 1 production, the NSD must have qualified to earn the \$5,000 First-Line Offspring Independent Sales Director Debut Bonus for the same offspring Sales Director. 	\$1,000

6. NSD Area Leadership Development Bonus.

- Is eligible to earn a quarterly (March 31, June 30, Sept. 30 and Dec. 31) Leadership Development Bonus on the units in her first-line through third-line affiliated* and unaffiliated area as follows:

- » \$200 for each Independent Senior Sales Director.
- » \$300 for each Independent Future Executive Senior Sales Director.
- » \$500 for each Independent Executive Senior Sales Director.
- » \$800 for each Independent Elite Executive Senior Sales Director.
- » \$800 for each Independent National Sales Director’s personal unit.

SPECIAL NOTE: When an Elite Executive Senior Sales Director debuts as a National Sales Director, the Senior National Sales Director who receives the \$10,000 Offspring NSD Development Bonus will no longer receive the \$800 quarterly bonus paid on Elite Executive Senior Sales Directors or NSD personal units.

7. Top 10 Affiliated* and Unaffiliated Fourth-Line and Beyond Sales Director Commission.

- Is eligible to earn a 2% commission calculated on the combined monthly unit wholesale Section 1 production of an NSD’s affiliated* and unaffiliated fourth-line and beyond offspring Sales Directors. Top 10 ranking is based on the monthly wholesale Section 1 production of an NSD’s affiliated* and unaffiliated fourth-line and beyond offspring units.

8. NSD Strategy Bonuses.

- Is eligible to earn a NSD Strategy Bonus of \$1,000 when an unaffiliated U.S. Sales Director in her area achieves one or more of the following:
 - » Cadillac qualification or requalification.
 - » Higher Circle of Achievement or Circle of Excellence than the previous year (payable in July, as soon as possible after year-end Seminar ranking has been completed).
 - » Start Strong Bonus from the New Independent Sales Director Program.
 - » Grow Strong Bonus from the New Independent Sales Director Program.
 - » Keep Strong Bonus from the New Independent Sales Director Program.
 - » Lead Strong Bonus from the New Independent Sales Director Program.

9. NSD Motivation Account.

A special allowance is paid to NSDs to help defray some of the expenses related to prizes, awards, newsletters, telephone calls, etc., which are associated with an NSD’s activity with her unaffiliated fourth-line Sales Directors and beyond. Only unaffiliated offspring units from the U.S. and through the Global Leadership Development Program are considered for this account. This allowance is determined at the end of June and is paid in July of the same year according to

*An affiliated U.S. Independent Sales Director, offspring unit, line and/or area is one that is directly associated with another active offspring National Sales Director.

the following schedule:

Number of Fourth-Line Independent Sales Directors and Beyond	Payment
1-20	\$1,200
21-50	\$2,400
51-100	\$3,600
101 or more	\$12,000

10. Offspring NSD Development Bonus Schedule.

- The first time someone debuts as an NSD, the Senior NSD (who has been an NSD for at least six months) from whose unaffiliated area the offspring NSD is developed, is eligible for a \$10,000 Offspring NSD Debut Bonus at the time of the new offspring NSD’s debut. There will be only 1 recipient of this bonus. For purposes of determining the recipient of this bonus, the person who was the NSD of the new offspring NSD for six months prior to the offspring NSD’s debut receives the bonus.
- The Senior NSD is eligible for an annual \$10,000 Offspring NSD Anniversary Bonus on the anniversary of the offspring NSD’s debut date as long as the offspring National Sales Director’s Agreement is not terminated for qualification or other reasons. The Senior NSD will continue to receive the Offspring NSD Anniversary Bonus if the offspring NSD debuts as an NSD Emeritus before the Senior NSD or in the case of death of an active offspring NSD.

If the NSD Agreement of an offspring NSD is terminated, but the former offspring NSD later redebuts as an NSD, the Senior NSD at the time of the redebut will not receive an Offspring NSD Debut Bonus. It is only paid the first time an individual debuts as an NSD. The Senior NSD at the time of the NSD’s redebut will be eligible to earn the annual Offspring NSD Anniversary Bonus based on the redebut date, beginning on the first anniversary of the offspring NSD’s redebut.

Rewards

1. Is eligible to wear National Sales Director apparel.
2. Receives monthly *National News Notes*.
3. Is eligible to select the NSD bracelet with one diamond or a cash prize upon debut.
4. Is eligible for an invitation to the annual luxury trip for self and guest, at the discretion of the Company.
5. Will earn the use of a Cadillac or will earn the Cash Compensation option at a rate of \$1,400 per month in lieu of the car.
6. Eligible to participate in the Family Security Program.
7. Has the opportunity to personally recruit in designated international markets.
8. Great Futures Program.

Independent Elite Executive National Sales Director*

Career Path Qualification

Must have 5 offspring National Sales Directors from any line who debuted as Independent National Sales Directors after your debut and for whom you are eligible to receive the Offspring NSD Anniversary Bonus.

Compensation:

1. **50% profit potential on personal retail product sales and reorders.**
2. **Personal team commission: 4%, 9% or 13%.**
 - **4%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 1-4 active personal team members.
 - **9%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 5 or more active personal team members.
 - **13%** personal team commission can be earned on combined personal team wholesale Section 1 production in any calendar month when you have 5 or more personal team members who place \$225 or more wholesale Section 1 orders in any calendar month.
3. **Sales Director personal unit commission: 13%.**
 - Is eligible to earn 13% unit commission on monthly unit wholesale Section 1 production.
4. **Elite Executive National Sales Director commission.**
 - NSD personal unit volume commission: 10%.
 - » An NSD may elect to keep her personal unit at the time she debuts, or she may form a personal unit at a later date in order to develop additional first-line offspring units. She will earn a 10% NSD commission on her personal unit wholesale Section 1 production in addition to a 13% Sales Director commission on that unit’s wholesale Section 1 production.

*An Elite Executive National Sales Director is an independent contractor, not an employee of Mary Kay Inc., and will not be treated as an employee for federal tax purposes or otherwise.

Independent Elite Executive National Sales Director Commission Schedule

Based on Combined Monthly Unit Wholesale Section 1 Production of Offspring Units	NSD Commission
First-line offspring units	9%
Second-line offspring units affiliated* and unaffiliated	4%
Third-line offspring units affiliated* and unaffiliated	2%

These personal unit commissions are payable regardless of debut sequence, even if the offspring NSD debuted prior to the Elite Executive NSD. Likewise, it does not matter if another NSD exists between the Elite Executive NSD and offspring NSD.

5. First-Line Offspring Independent Sales Director Bonus.

Bonuses will be paid for the development of Sales Directors from NSD’s personal unit according to the following schedule:

NSD Bonus	Amount of Bonus
First-Line Offspring Independent Sales Director Debut Bonus: Paid at the time of offspring Sales Director’s debut (paid only once per individual Sales Director). <ul style="list-style-type: none"> The minimum 20 units required to debut as a new Independent National Sales Director must be in place before the First-Line Offspring Sales Director Bonus of \$5,000 can be earned on any Sales Directors who debut on the same day as their National Sales Director. 	\$5,000
First-Line Offspring Independent Sales Director Wholesale Section 1 Production Bonus: Paid on the anniversary of the same Sales Director’s debut when that offspring Sales Director’s unit generates wholesale Section 1 production of \$60,000 or more within the previous 12 months. <ul style="list-style-type: none"> To be eligible for the \$1,000 First-Line Offspring Independent Sales Director Wholesale Section 1 Production Bonus based on wholesale Section 1 production, the NSD must have qualified to earn the \$5,000 First-Line Offspring Independent Sales Director Debut Bonus for the same offspring Sales Director. 	\$1,000

6. NSD Area Leadership Development Bonus.

- Is eligible to earn a quarterly (March 31, June 30, Sept. 30 and Dec. 31) Leadership Development Bonus on the units in her first-line through third-line affiliated* and unaffiliated area as follows:
 - \$200 for each Independent Senior Sales Director.
 - \$300 for each Independent Future Executive Senior Sales Director.
 - \$500 for each Independent Executive Senior Sales Director.
 - \$800 for each Independent Elite Executive Senior Sales Director.
 - \$800 for each Independent National Sales Director’s personal unit.

*An affiliated U.S. Independent Sales Director, offspring unit, line and/or area is one that is directly associated with another active offspring National Sales Director.

SPECIAL NOTE: When an Elite Executive Senior Sales Director debuts as a National Sales Director, the Senior National Sales Director who receives the \$10,000 Offspring NSD Development Bonus will no longer receive the \$800 quarterly bonus paid on Elite Executive Senior Sales Directors or NSD personal units.

7. Top 10 Affiliated* and Unaffiliated Fourth-Line and Beyond Sales Director Commission.

- Is eligible to earn a 2% commission calculated on the combined monthly unit wholesale Section 1 production of an NSD’s affiliated* and unaffiliated fourth-line and beyond offspring Sales Directors. Top 10 ranking is based on the monthly wholesale Section 1 production of an NSD’s affiliated* and unaffiliated fourth-line and beyond offspring units.

8. NSD Strategy Bonuses.

- Is eligible to earn a NSD Strategy Bonus of \$1,000 when an unaffiliated U.S. Sales Director in her area achieves one or more of the following:
 - Cadillac qualification or requalification.
 - Higher Circle of Achievement or Circle of Excellence than the previous year (payable in July, as soon as possible after year-end Seminar ranking has been completed).
 - Start Strong Bonus from the New Independent Sales Director Program.
 - Grow Strong Bonus from the New Independent Sales Director Program.
 - Keep Strong Bonus from the New Independent Sales Director Program.
 - Lead Strong Bonus from the New Independent Sales Director Program.

9. NSD Motivation Account.

A special allowance is paid to NSDs to help defray some of the expenses related to prizes, awards, newsletters, telephone calls, etc., which are associated with an NSD’s activity with her unaffiliated fourth-line Sales Directors and beyond. Only unaffiliated offspring units from the U.S. and through the Global Leadership Development Program are considered for this account. This allowance is determined at the end of June and is paid in July of the same year according to the following schedule:

Number of Fourth-Line Independent Sales Directors and Beyond	Payment
1–20	\$1,200
21–50	\$2,400
51–100	\$3,600
101 or more	\$12,000

10. Offspring NSD Development Bonus Schedule.

- The first time someone debuts as an NSD, the Senior NSD (who has been an NSD for at least six months) from whose unaffiliated area the offspring NSD is developed, is eligible for a \$10,000 Offspring NSD Debut Bonus at the time of the new offspring NSD's debut. There will be only 1 recipient of this bonus. For purposes of determining the recipient of this bonus, the person who was the NSD of the new offspring NSD for six months prior to the offspring NSD's debut receives the bonus.
- The Senior NSD is eligible for an annual \$10,000 Offspring NSD Anniversary Bonus on the anniversary of the offspring NSD's debut date as long as the offspring National Sales Director's Agreement is not terminated for qualification or other reasons. The Senior NSD will continue to receive the Offspring NSD Anniversary Bonus if the offspring NSD debuts as an NSD Emeritus before the Senior NSD or in the case of death of an active offspring NSD.

If the NSD Agreement of an offspring NSD is terminated, but the former offspring NSD later redebuts as an NSD, the Senior NSD at the time of the redebut will not receive an Offspring NSD Debut Bonus. It is only paid the first time an individual debuts as an NSD. The Senior NSD at the time of the NSD's redebut will be eligible to earn the annual Offspring NSD Anniversary Bonus based on the redebut date, beginning on the first anniversary of the offspring NSD's redebut.

11. Independent Elite Executive National Sales Director Fourth-Line Commission Schedule.

Based on Combined Monthly Unit Wholesale Section 1 Production	Elite Executive NSD Commission
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All fourth-line offspring units affiliated* and unaffiliated	2%
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Rewards

1. Is eligible to wear the Elite Executive NSD Diamond Bee pin.
2. Is eligible to wear National Sales Director apparel.
3. Receives monthly *National News Notes*.
4. Is eligible to select the NSD bracelet with one diamond or a cash prize upon debut.
5. Is eligible for an invitation to the annual luxury trip for self and guest, at the discretion of the Company.
6. Will earn the use of a Cadillac or will earn the Cash Compensation option at a rate of \$1,400 per month in lieu of the car.
7. Eligible to participate in the Family Security Program.
8. Has the opportunity to personally recruit in designated international markets.
9. Great Futures Program.

Special Considerations

- When an Independent National Sales Director debuts as a National Sales Director Emeritus, the Independent Beauty Consultants in her personal unit are dispersed among her first-line Sales Directors' units. They do not move up into her Independent Senior National Sales Director's or Senior Sales Director's units. In addition, an offspring Sales Director of the debuting National Sales Director Emeritus will not replace the debuting National Sales Director Emeritus as a first-line offspring unit of her Senior Sales Director or Senior National Sales Director.
- An Independent National Sales Director may request that the Company disperse the Beauty Consultants in her personal unit at any time into her first-line Sales Directors' units. She may not disperse the Beauty Consultants in her personal unit into her first-line National Sales Directors' personal unit(s).

*An affiliated U.S. Independent Sales Director, offspring unit, line and/or area is one that is directly associated with another active offspring National Sales Director.

Independent Beauty Consultant Grand Achiever Career Car Program

Rewards

- Grand Achiever Career Car[†] or Cash Compensation.
- Grand Achiever key chain presented at Seminar.

On-Target Requirements

- Must be active.
- Have 5 or more active personal team members.
- Have \$5,000 or more combined personal wholesale Section 1 production and team wholesale Section 1 production in a calendar month.

Qualifications

- Must be active.
- May qualify as a Grand Achiever in one, two, three or four months, based on when you achieve the following:
 - » \$23,000 combined personal wholesale Section 1 production and team wholesale Section 1 production.
 - » Have 16 active personal team members.
- You may contribute up to \$5,000 in personal wholesale Section 1 production toward the total \$23,000 requirement.
- Your team must contribute a minimum of \$18,000 in wholesale Section 1 production toward the total \$23,000 requirement.
- You must have a minimum of \$5,000 combined personal wholesale Section 1 production and team wholesale Section 1 production each month of the qualification period while maintaining 5 or more active personal team members.

[†]To select the Grand Achiever Career Car reward, you must meet the requirements of the Career Car Insurance Program, possess a valid driver's license that is not a learner's permit or provisional license from the state or territory in which the qualifier resides, possess either an approved Social Security card or Individual Taxpayer Identification Number (excluding North Carolina) and complete the Career Car Qualifier Online Reward Selection process on *Mary Kay InTouch*[®] no later than the communicated deadline or 15th of the month following your qualification, or your reward will default to Cash Compensation. In addition, other requirements may apply. Independent Beauty Consultants or Independent Sales Directors in Guam, Puerto Rico or the U.S. Virgin Islands will receive Cash Compensation only and will not have the option to choose the use of a Grand Achiever Career Car.

NOTE: A team member who is the spouse of an Independent Beauty Consultant or an Independent Sales Director or is a team member of one of your personal team members will not count toward the Independent Beauty Consultant Grand Achiever Program on-target requirements, qualification requirements, requalification requirements or maintenance requirements.

Maintenance

Team maintenance starts the month following qualification and continues through the requalification period as long as these minimum maintenance requirements are met:

- Have a minimum of \$5,750 net adjusted team wholesale production per month.
- Have 6 or more active personal team members.
- Must be current on all accounts receivable with the Company.
- The \$600 Career Car Program credit counts toward required production.
- If production falls below the minimum monthly maintenance requirement, you may be allowed to maintain the reward as long as steady improvement is made toward the minimum monthly production requirement and toward the number of active personal team members required.

Independent Sales Director Unit Maintenance Option

- An Independent Sales Director who qualifies under the Independent Beauty Consultant Grand Achiever Career Car Program will be allowed to switch to the Sales Director Grand Achiever Unit Maintenance from Beauty Consultant Grand Achiever Team Maintenance at the beginning of a calendar quarter.
- An Independent Sales Director who switches to Sales Director Grand Achiever Unit Maintenance is not eligible to switch back to Beauty Consultant Grand Achiever Team Maintenance.

For complete Sales Director Grand Achiever Unit Maintenance requirements, see “Maintenance” on Page 70 under the Independent Sales Director Grand Achiever Career Car Program.

Performance Account and Momentum Month

- The performance account is utilized to offset production shortfalls below the monthly minimum maintenance requirement of \$5,750 net adjusted team wholesale production per month and does not count toward on-target status or requalification requirements.
- The performance account is established after qualification with a \$5,750 wholesale production balance.
- Your first month after qualification is your momentum month, and all production in that month, including Career Car Program credit, will be doubled.
- Monthly production in excess of the required \$5,750 adds to the performance account each month.

- Monthly production less than the required \$5,750 depletes the performance account.
- The maximum performance account balance that can be carried forward from month to month is \$15,000.

Grand Achiever Career Car*

Grand Achiever Career Car is in lieu of Cash Compensation.

- Co-op lease payment is due if the performance account is depleted and production falls short of the required \$5,750 net adjusted team wholesale production.
- The co-op lease payment amount is determined by the Grand Achiever Team Co-op Lease Payment Schedule below and is deducted from the following month’s commission check.
- If the commission check is not sufficient to cover the co-op lease payment, the balance must be paid to the branch by the 21st of the current month.
- Return of a Career Car prior to the end of the maintenance period may affect future eligibility and rewards under the Career Car Program.

Grand Achiever Team Co-op Lease Payment Schedule

(amounts subject to change)

Monthly Net Adjusted Team Wholesale Production	Monthly Lease Co-Op Payment
\$5,750 or more	\$0
\$4,750 – \$5,749	\$106.25
\$3,750 – \$4,749	\$212.50
\$2,750 – \$3,749	\$318.75
\$0 – \$2,749	\$425

NOTE: Co-op lease payments begin with the month in which you take delivery of the Career Car unless delivery is taken the last few days of the month, in which case, co-op lease payments begin the following month.

*To select the Grand Achiever Career Car reward, you must meet the requirements of the Career Car Insurance Program, possess a valid driver’s license that is not a learner’s permit or provisional license from the state or territory in which the qualifier resides, possess either an approved Social Security card or Individual Taxpayer Identification Number (excluding North Carolina) and complete the Career Car Qualifier Online Reward Selection process on *Mary Kay InTouch** no later than the communicated deadline or 15th of the month following your qualification, or your reward will default to Cash Compensation. In addition, other requirements may apply. Independent Beauty Consultants or Independent Sales Directors in Guam, Puerto Rico or the U.S. Virgin Islands will receive Cash Compensation only and will not have the option to choose the use of a Grand Achiever Career Car.

Cash Compensation Option

Cash Compensation is in lieu of the Grand Achiever Career Car.

- Full Cash Compensation is paid each month unless the net adjusted team wholesale production falls short of the required \$5,750 net adjusted team wholesale production per month, and the performance account is depleted.
- The Cash Compensation payment amount is determined by the Grand Achiever Team Cash Compensation Payment Schedule below and is paid in that month’s commission check that is received in the middle of the following month.

Grand Achiever Team Cash Compensation Payment Schedule

(amounts subject to change)

Monthly Net Adjusted Team Wholesale Production	Monthly Cash Compensation
\$5,750 or more	\$425
\$4,750 – \$5,749	\$318.75
\$3,750 – \$4,749	\$212.50
\$2,750 – \$3,749	\$106.25
\$0 to \$2,749	\$0

NOTE: Cash Compensation payments begin with the commission check received in the second month following qualification.

Requalification

- Requalification starts the 21st month after the qualification month.
- Requalification rules are the same as qualification rules.
- The \$600 Career Car Program credit counts toward the required combined personal wholesale Section 1 production and team wholesale Section 1 production.
- Performance account balance does not count toward on-target status or requalification requirements.
- The performance account balance following requalification is re-established after qualification with a \$5,750 wholesale balance or the current performance account balance, whichever is greater.

Career Car Program Credit

- Receive a \$600 Career Car Program credit for each *Great Start*-qualified new personal team member.
- The Career Car Program credit is earned in the month the *Great Start*-qualified new personal team member’s requirements are met and applies toward the required maintenance requirements and requalification requirements.

Net Adjusted Team Wholesale Production

An Independent Beauty Consultant’s net adjusted team wholesale production includes personal and team wholesale production, plus Career Car Program credit, less any chargebacks.



Independent Sales Director Grand Achiever Career Car Program

Rewards

- Grand Achiever Career Car* or Cash Compensation.
- Grand Achiever key chain presented at Seminar.

On-Target Requirements

- Must be active.
- Have \$21,000 net adjusted unit wholesale production in one calendar quarter.

Qualifications

- Must be active.
- Have \$42,000 net adjusted unit wholesale production within two consecutive calendar quarters.
- The \$600 Career Car Program credit counts toward required production.

Examples:

Calendar Quarter 1		Calendar Quarter 2		Total
Net Wholesale \$21,000	+	\$21,000	=	\$42,000
Net Wholesale \$20,000	+	\$22,000	=	\$42,000

Maintenance

Maintenance starts the quarter following qualification and continues through your requalification period as long as minimum maintenance requirements are met.

- Have a minimum of \$21,000 net adjusted unit wholesale production per calendar quarter.
- The excess production from the two qualifying quarters over the \$42,000 will carry forward to the next quarter to offset any production shortfall below the quarterly maintenance requirements.
- Production in excess of \$21,000 in each quarter will carry forward to the next quarter to offset any production shortfall below the quarterly maintenance requirements.
- The \$600 Career Car Program credit counts toward required production.
- Mary Kay Inc. will pay all or part of the monthly leasing costs or Cash Compensation for eight calendar quarters, depending upon the net adjusted unit wholesale production from the prior quarter.
- If production falls below the minimum quarterly maintenance requirement, you may be allowed to maintain the reward as long as steady improvement is made toward the minimum quarterly net adjusted unit wholesale production requirements.
- Accounts receivable with the Company must be paid in full.

Grand Achiever Career Car*

Grand Achiever Career Car is in lieu of Cash Compensation.

- Co-op lease payment is due if production falls below \$20,500 net adjusted unit wholesale production per calendar quarter.
- The prior calendar quarter's net adjusted unit wholesale production and the Grand Achiever Unit Co-op Lease Payment Schedule below determine the monthly co-op lease payment amount due for the current quarter.
- If the commission check is not sufficient to cover the co-op lease payment, the balance must be paid to the branch by the 21st of the current month.
- Return of a Career Car prior to the end of the maintenance period may affect future eligibility and rewards under the Career Car Program.

Grand Achiever Unit Co-op Lease Payment Schedule

(amounts subject to change)

Quarterly Net Adjusted Unit Wholesale Production	Monthly Lease Co-Op Payment
\$20,500 or more	\$0
\$17,500 – \$20,499	\$42.50
\$15,500 – \$17,499	\$85
\$13,500 – \$15,499	\$127.50
\$11,500 – \$13,499	\$212.50
\$9,500 – \$11,499	\$297.50
\$0 – \$9,499	\$425

NOTE: Co-op lease payments begin with the month in which you take delivery of the Career Car unless delivery is taken the last few days of the month, in which case, co-op lease payments begin the following month.

Cash Compensation Option

Cash Compensation is in lieu of the Grand Achiever Career Car.

- Cash Compensation is paid each month of a quarter based on the previous quarter net adjusted unit wholesale production and the Grand Achiever Unit Cash Compensation Payment Schedule.

*To select the Grand Achiever Career Car reward, you must meet the requirements of the Career Car Insurance Program, possess a valid driver's license that is not a learner's permit or provisional license from the state or territory in which the qualifier resides, possess either an approved Social Security card or Individual Taxpayer Identification Number (excluding North Carolina) and complete the Career Car Qualifier Online Reward Selection process on *Mary Kay In Touch** no later than the communicated deadline or 15th of the month following your qualification, or your reward will default to Cash Compensation. In addition, other requirements may apply. Independent Beauty Consultants or Independent Sales Directors in Guam, Puerto Rico or the U.S. Virgin Islands will receive Cash Compensation only and will not have the option to choose the use of a Grand Achiever Career Car.

Grand Achiever Unit Cash Compensation Payment Schedule

(amounts subject to change)

Quarterly Net Adjusted Unit Wholesale Production	Monthly Cash Compensation
\$20,500 or more	\$425
\$17,500 – \$20,499	\$382.50
\$15,500 – \$17,499	\$340
\$13,500 – \$15,499	\$297.50
\$11,500 – \$13,499	\$212.50
\$9,500 – \$11,499	\$127.50
\$0 – \$9,499	\$0

NOTE: Cash Compensation payments begin with the final commission check received in the fourth month following qualification.

Requalification

- Have \$42,000 net adjusted unit wholesale production during the sixth and seventh quarters of possession or during the seventh and eighth quarters of possession.
- The \$600 Career Car Program credit counts toward required production.
- If a Sales Director has not qualified by the end of her eighth quarter of possession but did achieve \$21,000 net adjusted unit wholesale production in her eighth quarter (i.e., is on-target), she may combine her eighth and ninth quarters to requalify.

NOTE: Quarter of possession starts the second quarter following qualification.

Career Car Program Credit

- Receive a \$600 Career Car Program credit for each *Great Start*-qualified new personal team member.
- The Career Car Program credit is earned in the month the *Great Start*-qualified new personal team member’s requirements are met and applies toward the required qualification requirements, maintenance requirements and requalification requirements.

Net Adjusted Unit Wholesale Production

An Independent Sales Director’s net adjusted unit wholesale production includes unit’s wholesale production, plus Career Car Program credit, less any chargebacks.

Premier Club Career Car Program

Rewards

- Premier Club Career Car[†] or Cash Compensation.
- Premier Club key chain presented at Seminar.

On-Target Requirements

- Must be active.
- Have \$28,500 net adjusted unit wholesale production in one calendar quarter.

Qualification

- Must be active.
- Have \$57,000 net adjusted unit wholesale production within two consecutive calendar quarters.
- The \$600 Career Car Program credit counts toward required production.

Examples:

Calendar Quarter 1		Calendar Quarter 2		Total
Net Wholesale \$28,500	+	\$28,500	=	\$57,000
Net Wholesale \$27,000	+	\$30,000	=	\$57,000

Maintenance

Maintenance starts the quarter following qualification and continues through your requalification period as long as minimum maintenance requirements are met.

- Have a minimum of \$28,500 net adjusted unit wholesale production per calendar quarter.
- The excess production from the two qualifying quarters over \$57,000 will carry forward to the next quarter to offset any production shortfall below the quarterly maintenance requirements.

[†]To select the Premier Club Career Car reward, you must meet the requirements of the Career Car Insurance Program, possess a valid driver’s license that is not a learner’s permit or provisional license from the state or territory in which the qualifier resides, possess either an approved Social Security card or Individual Taxpayer Identification Number (excluding North Carolina) and complete the Career Car Qualifier Online Reward Selection process on *Mary Kay InTouch*[®] no later than the communicated deadline or 15th of the month following your qualification, or your reward will default to Cash Compensation. In addition, other requirements may apply. Independent Sales Directors in Guam, Puerto Rico or the U.S. Virgin Islands will receive Cash Compensation only and will not have the option to choose the use of a Premier Club Career Car.

CAREER CAR/CASH COMPENSATION OPTION

- Production in excess of \$28,500 in each quarter will carry forward to the next quarter to offset any production shortfall below the quarterly maintenance requirements.
- The \$600 Career Car Program credit counts toward required production.
- Mary Kay Inc. will pay all or part of the monthly leasing costs or Cash Compensation for eight calendar quarters, depending upon the net adjusted unit wholesale production from the prior quarter.
- If production falls below the minimum quarterly maintenance requirement, you may be allowed to maintain the reward as long as steady improvement is made toward the minimum quarterly production requirements.
- Accounts receivable with the Company must be paid in full.

Premier Club Career Car*

Premier Club Career Car is in lieu of Cash Compensation.

- Co-op lease payment is due if production falls below \$27,500 net adjusted unit wholesale production per calendar quarter.
- The prior calendar quarter's net adjusted unit wholesale production and the Premier Club Co-op Lease Payment Schedule below determine the monthly co-op lease payment amount due for the current quarter.
- If the commission check is not sufficient to cover the co-op lease payment, the balance must be paid to the branch by the 21st of the current month.
- The return of a Career Car prior to the end of the maintenance period may affect future eligibility and rewards under the Career Car Program.

Premier Club Co-op Lease Payment Schedule

(amounts subject to change)

Quarterly Net Adjusted Unit Wholesale Production	Monthly Co-op Lease Payment
\$27,500 or more	\$0
\$24,500 – \$27,499	\$50
\$21,500 – \$24,499	\$100
\$18,500 – \$21,499	\$150
\$15,500 – \$18,499	\$250
\$12,500 – \$15,499	\$350
\$0 – \$12,499	\$500

NOTE: Co-op lease payments begin with the month in which you take delivery of the Career Car unless delivery is taken the last few days of the month, in which case, co-op lease payments begin the following month.

CAREER CAR/CASH COMPENSATION OPTION

Cash Compensation Option

Cash Compensation is in lieu of the Premier Club Career Car.

- Cash Compensation is paid each month of a quarter based on the previous quarter net adjusted unit wholesale production and the Premier Club Cash Compensation Payment Schedule.

Premier Club Cash Compensation Payment Schedule

(amounts subject to change)

Quarterly Net Adjusted Unit Wholesale Production	Monthly Cash Compensation
\$27,500 or more	\$500
\$24,500 – \$27,499	\$450
\$21,500 – \$24,499	\$400
\$18,500 – \$21,499	\$350
\$15,500 – \$18,499	\$250
\$12,500 – \$15,499	\$150
\$0 – \$12,499	\$0

NOTE: Cash Compensation payments begin with the final commission check received in the fourth month following qualification.

Requalification

- Must be active.
- Have \$57,000 net adjusted unit wholesale production during the sixth and seventh quarters of possession or during the seventh and eighth quarters of possession.
- The \$600 Career Car Program credit counts toward required production.
- If a Sales Director has not qualified by the end of her eighth quarter of possession but did achieve \$28,500 net adjusted unit wholesale production in her eighth quarter (i.e., is on-target), she may combine her eighth and ninth quarters to requalify.

NOTE: Quarter of possession starts the second quarter following qualification.

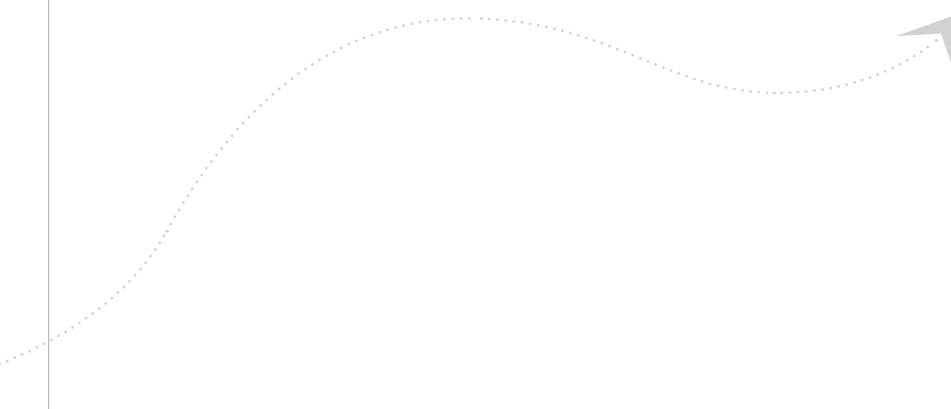
*To select the Premier Club Career Car reward, you must meet the requirements of the Career Car Insurance Program, possess a valid driver's license that is not a learner's permit or provisional license from the state or territory in which the qualifier resides, possess either an approved Social Security card or Individual Taxpayer Identification Number (excluding North Carolina) and complete the Career Car Qualifier Online Reward Selection process on *Mary Kay InTouch** no later than the communicated deadline or 15th of the month following your qualification, or your reward will default to Cash Compensation. In addition, other requirements may apply. Independent Sales Directors in Guam, Puerto Rico or the U.S. Virgin Islands will receive Cash Compensation only and will not have the option to choose the use of a Premier Club Career Car.

Career Car Program Credit

- Receive a \$600 Career Car Program credit for each *Great Start*-qualified new personal team member.
- The Career Car Program credit is earned in the month the *Great Start*-qualified new personal team member’s requirements are met and applies toward the required qualification requirements, maintenance requirements and requalification requirements.

Net Adjusted Unit Wholesale Production

An Independent Sales Director’s net adjusted unit wholesale production includes unit wholesale production, plus Career Car Program credit, less any chargebacks.



Pink Cadillac *Career Car Program*

Rewards

- Cadillac Career Car† or Cash Compensation.
- Cadillac key chain presented at Seminar.

On-Target Requirements

- Must be active.
- Have \$51,000 net adjusted unit wholesale production in one calendar quarter.

Qualification

- Must be active.
- Have \$102,000 net adjusted unit wholesale production within two consecutive calendar quarters.
- The \$600 Career Car Program credit counts toward required production.

Examples:

Calendar Quarter 1		Calendar Quarter 2		Total
Net Wholesale \$51,000	+	\$51,000	=	\$102,000
Net Wholesale \$46,000	+	\$56,000	=	\$102,000

†To select the Cadillac Career Car reward, you must meet the requirements of the Career Car Insurance Program, possess a valid driver’s license that is not a learner’s permit or provisional license from the state or territory in which the qualifier resides, possess either an approved Social Security card or Individual Taxpayer Identification Number (excluding North Carolina) and complete the Career Car Qualifier Online Reward Selection process on *Mary Kay InTouch*® no later than the communicated deadline or 15th of the month following your qualification, or your reward will default to Cash Compensation. In addition, other requirements may apply.

Maintenance

Maintenance starts the quarter following qualification and continues through your requalification period as long as minimum maintenance requirements are met.

- Have the minimum of \$51,000 net adjusted unit wholesale production per calendar quarter.
- The excess production from the two qualifying quarters over \$102,000 will carry forward to the next quarter to offset any production shortfall below the quarterly maintenance requirements.
- Production in excess of \$51,000 in each quarter will carry forward to the next quarter to offset any production shortfall below the quarterly maintenance requirements.
- The \$600 Career Car Program credit counts toward required production.
- Mary Kay Inc. will pay all or part of the monthly leasing costs or Cash Compensation for eight calendar quarters, depending upon the net adjusted unit wholesale production from the prior quarter.
- If production falls below the minimum quarterly maintenance requirement, you may be allowed to maintain the award as long as steady improvement is made toward the minimum quarterly production requirements.
- Accounts receivable with the Company must be paid in full.

Cadillac Career Car[†]

Cadillac Career Car is in lieu of Cash Compensation.

- Co-op lease payment is due if production falls below \$50,000 net adjusted unit wholesale production per calendar quarter.
- The prior calendar quarter’s net adjusted unit wholesale production and the Cadillac Co-op Lease Payment Schedule at right determine the monthly co-op lease payment amount due for the current quarter.
- If the commission check is not sufficient to cover the co-op lease payment, the balance must be paid to the branch by the 21st of the current month.
- The return of a Career Car prior to the end of the maintenance period may impact future eligibility and rewards under the Career Car Program.

[†]To select the Cadillac Career Car reward, you must meet the requirements of the Career Car Insurance Program, possess a valid driver’s license that is not a learner’s permit or provisional license from the state or territory in which the qualifier resides, possess either an approved Social Security card or Individual Taxpayer Identification Number (excluding North Carolina) and complete the Career Car Qualifier Online Reward Selection process on *Mary Kay InTouch*[®] no later than the communicated deadline or 15th of the month following your qualification, or your reward will default to Cash Compensation. In addition, other requirements may apply.

Cadillac Co-op Lease Payment Schedule

(amounts subject to change)

Quarterly Net Adjusted Unit Wholesale Production	Monthly Co-op Lease Payment
\$50,000 or more	\$0
\$47,000 – \$49,999	\$90
\$44,000 – \$46,999	\$180
\$40,000 – \$43,999	\$270
\$36,000 – \$39,999	\$450
\$32,000 – \$35,999	\$630
\$0 – \$31,999	\$900

NOTE: Co-op lease payments begin with the month in which you take delivery of the Career Car unless delivery is taken the last few days of the month, in which case, co-op lease payments begin the following month.

Cash Compensation Option

Cash Compensation is in lieu of the Cadillac Career Car.

- Cash Compensation is paid each month of a quarter based on the previous quarter’s net adjusted unit wholesale production and the Cadillac Cash Compensation Payment Schedule below.

Cadillac Cash Compensation Payment Schedule

(amounts subject to change)

Quarterly Net Adjusted Unit Wholesale Production	Monthly Cash Compensation
\$50,000 or more	\$900
\$47,000 – \$49,999	\$810
\$44,000 – \$46,999	\$720
\$40,000 – \$43,999	\$630
\$36,000 – \$39,999	\$450
\$32,000 – \$35,999	\$270
\$0 – \$31,999	\$0

NOTE: Cash Compensation payments begin with the final commission check received in the fourth month following qualification.

