



MARY KAY®

INDEPENDENT SALES DIRECTOR

CAREER PATH BOOKLET

This is a description of the career path and incentive programs in effect July 1, 2022. The Company reserves the right to alter, modify or change 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 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.

Career Path At-a-Glance

REDS

INDEPENDENT BEAUTY CONSULTANT

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

INDEPENDENT SENIOR BEAUTY CONSULTANT

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

STAR TEAM BUILDER

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

TEAM LEADER

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

ELITE TEAM LEADER

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

INDEPENDENT SENIOR SALES DIRECTOR

- 50% profit potential on personal retail product sales.
- \$4,500 or more in monthly unit retail sales volume of wholesale Section 1 product.
- 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.
- \$4,500 or more in monthly unit retail sales volume of wholesale Section 1 product.
- 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.
- \$4,500 or more in monthly unit retail sales volume of wholesale Section 1 product.
- 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.
- \$4,500 or more in monthly unit retail sales volume of wholesale Section 1 product.
- 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.
- 30 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.
- 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.
- 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.
- 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 by simply building a strong and loyal customer base and selling products to your satisfied customers!

Earned Discount Privilege:

- Active Independent Beauty Consultants are eligible to receive a 50% wholesale discount on Section 1 products.
- An Independent Beauty Consultant is considered active with personal retail sales of \$225 in wholesale Section 1 products.
- An Independent Beauty Consultant will remain active for two months following any month with personal retail sales of \$225 in wholesale Section 1 products.

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 Section 1 product sales volume 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.

Commissions and Bonuses: Commissions are based on monthly wholesale Section 1 product sales volume, and bonuses can be earned in many ways. When earned, commissions and bonuses are paid in 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.

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 Section 1 product sales volume by the 15th of the month, she is eligible to earn 13% unit commission.
 - » If a Sales Director or above has \$5,500 or more in unit Section 1 product sales volume by the 15th of the month, she is eligible to earn 23% unit commission.
- 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 Section 1 product sales volume by the 15th of the month, she is eligible to earn first-line offspring commission.
 - » If an Executive Senior Sales Director or Elite Executive Senior Sales Director has \$4,500 or more in personal unit Section 1 product sales volume by the 15th of the month, she is eligible to earn first-line and second-line offspring commission.
 - » The minimum requirement of \$4,500 in Section 1 product sales volume 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.

Glossary of Terms

The definitions included in this glossary apply throughout the brochure.

ACTIVE: An Independent Beauty Consultant is considered active with personal retail sales of \$225 in wholesale Section 1 products and will remain active for two months following any month with this amount in sales.

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 SALES VOLUME: the monthly wholesale Section 1 product sales volume used to determine if you qualify to earn second-tier team commission. This is a combination of your personal retail sales, personal team sales volume and your second-tier team sales volume.

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

GREAT START-QUALIFIED: one who has personal retail sales of \$600 or more in wholesale Section 1 products within the *Great Start* time frame. The wholesale order(s) to support this retail sales amount can be single or cumulative.

GREAT START TIME FRAME: the month your Agreement is received and accepted by the Company plus the following three calendar months.

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

PERSONAL TEAM / PERSONAL TEAM MEMBER: Your personal team consists 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 SALES VOLUME: the monthly wholesale Section 1 product sales volume generated by your personal team. If you have an Independent Sales Director or above on your personal team, that Sales Director's personal retail sales in wholesale Section 1 products 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 sales volume when all other requirements are met. Note: Personal retail sales, personal team sales volume and second-tier team sales volume are used to determine eligibility for the commission, but the commission is paid only on second-tier team sales volume.

SECOND-TIER TEAM SALES VOLUME: the monthly wholesale Section 1 product sales volume generated by your second-tier team. If you have a personal team member who is a Sales Director or above, that Sales Director's personal team sales volume will not be included to calculate your second-tier team sales volume or second-tier team commission.

UNIT COMMISSION: the money earned as a percentage of your unit's sales volume.

UNIT SALES VOLUME: the monthly wholesale Section 1 product sales volume generated by your unit. As a Sales Director, your personal retail sales in wholesale Section 1 products can be included in this total.

Independent Sales Director*

Career Path Maintenance

Maintain \$4,500 or more in monthly unit sales volume.

Compensation

1. **50% profit potential on personal retail product sales.**
2. **Earned Discount Privilege.**
3. **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 sales volume in any calendar month when you have 1–4 active personal team members.
 - **9%** personal team commission can be earned on combined personal team sales volume 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 sales volume in any calendar month when you have 5 or more active personal team members with a \$225 or more individual sales volume in the same calendar month that you have personal retail sales of \$600 or more in wholesale Section 1 products.
4. **Sales Director unit commission: 9%, 13% or 23%.**

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

*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.

Additional Incentives and Rewards

1. **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.
 - The Sales Director Team-Building Cash Bonus is earned in the month the new personal team member becomes *Great Start*-qualified.
2. **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 new unit members become *Great Start*-qualified.

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

3. **New Independent Sales Director Program.**
 - 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.

4. 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.

5. 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).

6. 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.

7. 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 sales volume. 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 Sales Volume	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 with retail product sales of \$1,800 in wholesale Section 1 products within the 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.

8. Is eligible to earn Star Consultant Program prizes.

9. Is eligible to earn yearlong challenge prizes.

10. Is eligible to earn the use of a Sales Director Career Car or Cash Compensation option.

11. 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.

12. Is eligible to wear Sales Director apparel.

13. Is eligible to qualify for the Top Sales Director Trip.

14. Is eligible to attend Company events planned for Sales Directors and above.

15. Has the opportunity to personally recruit in designated international markets.

16. Will receive monthly issues of *Directors Memo*.

17. Is eligible to subscribe to the Buzz Kit.

18. Will receive access to monthly *Applause*® magazine digital edition.

19. 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 sales volume.
- 1 or 2 active first-line offspring Sales Directors (including GLDP units).

Compensation

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

2. Earned Discount Privilege.

3. 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 sales volume in any calendar month when you have 1–4 active personal team members.
- **9%** personal team commission can be earned on combined personal team sales volume 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 sales volume in any calendar month when you have 5 or more active personal team members with a \$225 or more individual sales volume in the same calendar month that you have personal retail sales of \$600 or more in wholesale Section 1 products.

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

Monthly Unit Sales Volume	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.

5. First-Line Offspring Independent Sales Director Commission.

- Is eligible to earn 5% commission on each of her first-line offspring Independent Sales Directors' unit sales volume if the Senior Sales Director maintains her monthly unit sales volume of \$4,500 or more.
- The minimum unit sales volume requirement is waived for the first three months following the debut of an offspring Sales Director.

Career Path Status	Minimum Personal Unit Sales Volume	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%

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! 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.

Additional Incentives and Rewards

1. 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.
- The Sales Director Team-Building Cash Bonus is earned in the month the new personal team member becomes *Great Start*-qualified.

2. 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 new unit members become *Great Start*-qualified.

INDEPENDENT SALES DIRECTOR CAREER PATH

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

3. 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.

4. 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.

5. 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).

6. 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 with retail product sales of \$1,800 in wholesale Section 1 products within the program quarter. Star Consultant Program quarters are June 16 – Sept. 15, Sept. 16 – Dec. 15, Dec. 16 – March 15, and March 16 – June 15.

INDEPENDENT SALES DIRECTOR CAREER PATH

7. 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 sales volume. 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 Sales Volume	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.

8. Is eligible to earn Star Consultant Program prizes.

9. Is eligible to earn yearlong challenge prizes.

10. Is eligible to earn the use of a Sales Director Career Car or Cash Compensation option.

11. 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.

12. Is eligible to wear Sales Director apparel.

13. Is eligible to qualify for the Top Sales Director Trip.

14. Is eligible to attend Company events planned for Sales Directors and above.

15. Has the opportunity to personally recruit in designated international markets.

16. Will receive monthly issues of *Directors Memo*.

17. Is eligible to subscribe to the Buzz Kit.

18. Will receive access to monthly *Applause*[®] magazine digital edition.

19. 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 in monthly unit sales volume.
- 3 or 4 active first-line offspring Sales Directors (including GLDP units).

Compensation

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

2. Earned Discount Privilege.

3. 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 sales volume in any calendar month when you have 1–4 active personal team members.
- **9%** personal team commission can be earned on combined personal team sales volume 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 sales volume in any calendar month when you have 5 or more active personal team members with a \$225 or more individual sales volume in the same calendar month that you have personal retail sales of \$600 or more in wholesale Section 1 products.

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

Monthly Unit Sales Volume	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.

5. First-Line Offspring Independent Sales Director Commission.

- Is eligible to earn 6% commission on each of her first-line offspring Independent Sales Directors' unit sales volume if the Future Executive Senior Sales Director maintains her unit sales volume of \$4,500 or more.
- The minimum unit sales volume requirement is waived for the first three months following the debut of an offspring Sales Director.

Career Path Status	Minimum Personal Unit Sales Volume	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%

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! 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.

Additional Incentives and Rewards

1. 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.
- The Sales Director Team-Building Cash Bonus is earned in the month the new personal team member becomes *Great Start*-qualified.

2. 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.

INDEPENDENT SALES DIRECTOR CAREER PATH

- The Sales Director Unit Development Cash Bonus is earned in the month in which the appropriate number of new unit members become *Great Start*-qualified.

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

3. 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.

4. 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.

5. 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).

6. 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 with retail product sales of \$1,800 in wholesale Section 1 products within the program quarter. Star Consultant Program quarters are June 16 – Sept. 15, Sept. 16 – Dec. 15, Dec. 16 – March 15, and March 16 – June 15.

INDEPENDENT SALES DIRECTOR CAREER PATH

7. 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 sales volume. 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 Sales Volume	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.

8. Is eligible to earn Star Consultant Program prizes.

9. Is eligible to earn yearlong challenge prizes.

10. Is eligible to earn the use of a Sales Director Career Car or Cash Compensation option.

11. 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.

12. Is eligible to wear Sales Director apparel.

13. Is eligible to qualify for the Top Sales Director Trip.

14. Is eligible to attend Company events planned for Sales Directors and above.

15. Has the opportunity to personally recruit in designated international markets.

16. Will receive monthly issues of *Directors Memo*.

17. Is eligible to subscribe to the Buzz Kit.

18. Will receive access to monthly *Applause*® magazine digital edition.

19. 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 in monthly unit sales volume.
- 5–7 active first-line offspring Sales Directors (including GLDP units).

Compensation

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

2. Earned Discount Privilege.

3. 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 sales volume in any calendar month when you have 1–4 active personal team members.
- **9%** personal team commission can be earned on combined personal team sales volume 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 sales volume in any calendar month when you have 5 or more active personal team members with a \$225 or more individual sales volume in the same calendar month that you have personal retail sales of \$600 or more in wholesale Section 1 products.

*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.

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

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

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

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

Career Path Status	Minimum Personal Unit Sales Volume	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%

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! 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.

Additional Incentives and Rewards

1. 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.
- The Sales Director Team-Building Cash Bonus is earned in the month the new personal team member becomes *Great Start*-qualified.

2. 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.

INDEPENDENT SALES DIRECTOR CAREER PATH

- 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 new unit members become *Great Start*-qualified.

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

3. 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.

4. 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.

5. 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).

6. 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 with retail product sales of \$1,800 in wholesale Section 1 products within the program quarter. Star Consultant Program quarters are June 16 – Sept. 15, Sept. 16 – Dec. 15, Dec. 16 – March 15, and March 16 – June 15.

INDEPENDENT SALES DIRECTOR CAREER PATH

7. 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 sales volume. 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 Sales Volume	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.

8. Is eligible to earn Star Consultant Program prizes.

9. Is eligible to earn yearlong challenge prizes.

10. Is eligible to earn the use of a Sales Director Career Car or Cash Compensation option.

11. 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.

12. Is eligible to wear Sales Director apparel.

13. Is eligible to qualify for the Top Sales Director Trip.

14. Is eligible to attend Company events planned for Sales Directors and above.

15. Has the opportunity to personally recruit in designated international markets.

16. Will receive monthly issues of *Directors Memo*.

17. Is eligible to subscribe to the Buzz Kit.

18. Will receive access to monthly *Applause*[®] magazine digital edition.

19. 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 in monthly unit sales volume.
- 8 or more active first-line offspring Sales Directors (including GLDP units).

Compensation

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

2. Earned Discount Privilege.

3. 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 sales volume in any calendar month when you have 1-4 active personal team members.
- **9%** personal team commission can be earned on combined personal team sales volume 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 sales volume in any calendar month when you have 5 or more active personal team members with a \$225 or more individual sales volume in the same calendar month that you have personal retail sales of \$600 or more in wholesale Section 1 products.

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

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

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

- Is eligible to earn 7% commission on each of her first-line offspring Independent Sales Directors' unit sales volume if the Elite Executive Senior Sales Director maintains her monthly unit sales volume of \$4,500 or more.
- Is eligible to earn 2% commission on each of her second-line offspring Independent Sales Directors' unit sales volume if the Elite Executive Senior Sales Director maintains her monthly unit sales volume of \$4,500 or more.
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Additional Incentives and Rewards

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- The maximum bonus per month is \$1,000.
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17. Is eligible to subscribe to the Buzz Kit.

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