

MARY KAY

COMPENSATION PLAN

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!

INDEPENDENT BEAUTY CONSULTANT

CAN EARN:

- 50% profit potential on personal retail product sales.
- Earned Discount Privilege.

INDEPENDENT SENIOR BEAUTY CONSULTANT

(1 OR 2 ACTIVE+ PERSONAL TEAM MEMBERS) CAN EARN:

- 50% profit potential on personal retail product sales.
- Earned Discount Privilege.
- 4% personal team commission.

STAR TEAM BUILDER

(3 OR 4 ACTIVE+ PERSONAL TEAM MEMBERS) CAN EARN:

- 50% profit potential on personal retail product sales.
- Earned Discount Privilege.
- 4%, 6% or 8% personal team commission.
- Eligibility to purchase and wear a red jacket – 50% off first-time purchase.

TEAM LEADER

(5–7 ACTIVE+ PERSONAL TEAM MEMBERS)

CAN EARN:

- 50% profit potential on personal retail product sales.
- Earned Discount Privilege.
- 9% or 13% personal team commission.

ELITE TEAM LEADER

(8 OR MORE ACTIVE+ PERSONAL TEAM MEMBERS) CAN EARN:

- 50% profit potential on personal retail product sales.
- Earned Discount Privilege.
- 9% or 13% personal team commission.

INDEPENDENT SALES DIRECTOR

CAN EARN:

- 50% profit potential on personal retail product sales.
- Earned Discount Privilege.
- 4%, 9% or 13% personal team commission.
- Unit commission of 9%, 13% or 23%.

INDEPENDENT SENIOR SALES DIRECTOR

CAN EARN:

- All of the compensation opportunities of an Independent Sales Director, plus:
 - First-Line Offspring Commission of 5%.
 - First-Line Offspring Sales Director Bonus.

INDEPENDENT FUTURE EXECUTIVE SENIOR SALES DIRECTOR

CAN EARN:

- All of the compensation opportunities of an Independent Sales Director, plus:
 - First-Line Offspring Commission of 6%.
 - First-Line Offspring Sales Director Bonus.

INDEPENDENT EXECUTIVE SENIOR SALES DIRECTOR

CAN EARN:

- All of the compensation opportunities of an Independent Sales Director, plus:
 - First-Line Offspring Commission of 7%.
 - First-Line Offspring Sales Director Bonus.
 - Second-Line Offspring Commission of 1%.

INDEPENDENT ELITE EXECUTIVE SENIOR SALES DIRECTOR

CAN EARN:

- All of the compensation opportunities of an Independent Sales Director, plus:
 - First-Line Offspring Commission of 7%.
 - First-Line Offspring Sales Director Bonus.
 - Second-Line Offspring Commission of 2%.

INDEPENDENT NATIONAL SALES DIRECTOR THROUGH ELITE EXECUTIVE NATIONAL SALES DIRECTOR

CAN EARN:

- 50% profit potential on personal retail product sales.
- Earned Discount Privilege.
- 4%, 9% or 13% personal team commission.
- 13% Sales Director personal unit commission and 10% NSD personal unit volume commission.
- 9% offspring commission on first-line, 4% on second-line and 2% on third-line.
- 2% top 10 fourth-line and beyond commission for all NSDs.
- 2% fourth-line offspring commission for Elite NSDs only.
- Opportunity to develop leaders in designated international markets.

Glossary of Terms

The definitions included in this glossary apply throughout the Mary Kay Compensation Plan.

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.

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 three to five business days upon completion.
- **Midmonth Commissions:** Sales Directors and above can earn midmonth commissions.
- **Month-End Commissions:** When earned, month-end commission payment is issued on the 15th of each month. If the 15th falls on a holiday or a weekend, the payment will be made the previous business day.

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 and will remain active for two months following any month with personal retail sales of \$225 in wholesale Section 1 products.

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

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.

Star Team Builder

- 4% commission with a monthly personal retail sales and personal team sales volume of \$0 – \$999.99.
- 6% commission with a monthly personal retail sales and personal team sales volume of \$1,000 – \$1,799.99.
- 8% commission with a monthly personal retail sales and personal team sales volume of \$1,800 or more.

Team Leader and Elite Team Leader

- 9% commission when you have 5 or more active[†] personal team members.
- 13% commission when you have 5 or more personal team members who become active[†] in the same calendar month you have personal retail sales of \$600 or more in wholesale Section 1 products.

Independent Sales Director Through Independent Elite Executive Senior Sales Director

- 4% commission on personal team sales volume any calendar month you have 1 – 4 active[†] personal team members.
- 9% commission on personal team sales volume any calendar month you have 5 or more active[†] personal team members.
- 13% commission when you have 5 or more personal team members who become active[†] in the same calendar month you have personal retail sales of \$600 or more in wholesale Section 1 products.

Independent National Sales Director Through Independent Elite Executive National Sales Director

- 4% commission on personal team sales volume any calendar month you have 1 – 4 active[†] personal team members.
- 9% commission on personal team sales volume any calendar month you have 5 or more active[†] personal team members.
- 13% commission on personal team sales volume any calendar month you have 5 or more active[†] personal team members with a \$225 or more individual 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.

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

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

Independent Sales Director Through Independent Elite Executive Senior Sales Director

- 9% commission with a monthly unit sales volume of \$0 – \$4,499.99.
- 13% commission with a monthly unit sales volume of \$4,500 – \$5,499.99.
- 23% commission with a monthly unit sales volume of \$5,500 or more.

[†]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.