

Seminar Awards 2021

Frequently Asked Questions

1. What is the Seminar Awards contest?

The Seminar Awards contest is a yearlong contest based on personal team members and production as well as unit production. There are four courts and circles: Consultant Queen's Court of Personal Sales, Sales Director Queen's Court of Personal Sales, Queen's Court of Sharing and Circle of Achievement or Circle of Excellence.

2. What are the qualifications for the Queens' Courts of Personal Sales?

Independent sales force members must have at least \$40,000 in adjusted personal estimated retail production[†] during the contest period (July 1, 2020 – June 30, 2021).

3. What are the qualifications for the Queen's Court of Sharing?

Independent sales force members must add 24 new personal team members whose Independent Beauty Consultant Agreements are received and accepted by the Company during the contest period from July 1, 2020, through June 30, 2021, and who also achieve one of the following:

Great Start-qualified: A *Great Start*-qualified new personal team member is one whose initial order or cumulative order(s) 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. New Independent Beauty Consultants whose Agreements are received and accepted by the Company April through June 2021 must place the qualifying initial order or cumulative orders by June 30, 2021.

OR

Star Consultant by June 15, 2021: This is a new personal team member who achieves at least one quarter of Star Consultant status by June 15, 2021.

Examples:

New Personal Team Member	Agreement Date	Order Type and Date		Wholesale Order Amount	Qualified for Seminar Court of Sharing?
Sarah	July 1	Initial Order	July 10	\$600	Yes
Sherly	July 6	Initial Order	July 29	\$300	Yes
		2nd Order	Aug. 15	\$100	
		3rd Order	Sept. 10	\$200	
Kim	Aug. 1	Initial Order	Sept. 2	\$225	Yes
		2nd Order	Oct. 8	\$225	
		3rd Order	Nov. 10	\$50	
		4th Order	Nov. 30	\$100	
Angie	June 28	Initial Order	July 10	\$600	No
Rachel	July 31	Initial Order	Nov. 2	\$600	No
Angela	July 8	Initial Order	Oct. 15	\$300	Yes
		2nd Order	Nov. 15	\$1,500	

4. What are the qualifications for the Circle of Achievement and Circle of Excellence?

Independent Sales Directors must achieve at least \$300,000 in adjusted unit estimated retail production.†

- Circle of Achievement recognition begins at the \$300,000 level of adjusted unit estimated retail production† and continues in \$50,000 increments thereafter.
- Circle of Excellence recognition begins at the \$650,000 level of adjusted unit estimated retail production† and continues in \$50,000 increments thereafter.

5. Why is there a maximum of \$13,000 adjusted personal estimated retail production per month in the Queens' Courts of Personal Sales?

Although the suggested retail value of the orders placed in a calendar month may be higher, no more than \$13,000 adjusted personal estimated retail production† per month will count toward your total contest credit. This rule was created to encourage consistent retail selling throughout the Seminar year.

6. Why is there a maximum of 13 new personal team members per month in the Queen's Court of Sharing?

A new personal team member who becomes *Great Start*-qualified* will count toward the monthly maximum of 13 in the month her signed Independent Beauty Consultant Agreement is received and accepted by the Company, not the month she becomes qualified. If more than 13 new team members' Agreements are received and accepted by the Company in a calendar month during the contest period, the 13 with the highest commissions earned by the recruiter will count toward the maximum. This rule was created to encourage consistent team-building throughout the Seminar year.

7. I debuted as an Independent Sales Director during the Seminar year. In which Queen's Court of Personal Sales will I be recognized?

If you debut prior to July 1, 2021, you will be recognized in the Sales Director Queen's Court of Personal Sales. July 1, 2021, debuts will be recognized in the Consultant Queen's Court of Personal Sales.

8. Do bonuses count toward production?

Yes. Estimated retail production equals adjusted estimated retail sales, calculated based on wholesale purchases of Section 1 products and the retail value of Section 1 product bonuses.

9. My offspring Sales Director has lost her Sales Director status. Will her unit production be added to my unit production?

Production from the months your offspring was a Sales Director will NOT be added to your unit production.

10. If my new unit member was previously an Independent Beauty Consultant but went inactive, then signed a new Independent Beauty Consultant Agreement during the qualification time frame, does she count toward this challenge?

Yes. If she terminated her Mary Kay business by being inactive for a minimum of 13 months and then signed a new Independent Beauty Consultant Agreement, has a new Consultant number and signs her new Independent Beauty Consultant Agreement during the qualification time frame, she would count toward this challenge.

11. How can I track my production and personal recruits?

Reports have been created for all courts and circles and are posted on

Mary Kay InTouch® > Business Tools > myBusinessSM > Reports:

- Queens' Courts of Personal Sales
- Queen's Court of Sharing
- Circle of Achievement (includes Circle of Excellence)

12. Will I receive a 1099 form for my prize?

Yes. As an independent business owner, you are required to report your Mary Kay business activities to the IRS, including prizes and awards received from Mary Kay. Per the IRS, Mary Kay will issue a form 1099-MISC for Independent Beauty Consultants and Independent Sales Directors who receive commissions, prizes or awards in excess of \$600 in a calendar year. You will also receive this form if your wholesale purchases total \$5,000 or more in a calendar year.

13. When are negative adjustments applied?

Personal negative adjustments are deducted instantly.

- Circle of Achievement or Circle of Excellence negative adjustments: If adjustments are made in the same month that the order was placed, the adjustments are deducted instantly. If adjustments are made any month after the month that the order was placed, adjustments are deducted two months after the adjustment is processed.
- *Great Start*-qualified* recruits' negative adjustments are deducted the month they are adjusted. This includes May and June adjustments.

NEW OFFSPRING RETAIL CREDIT

14. What is the Independent Sales Director New Offspring Retail Credit?

It is a retail "credit" Independent Sales Directors who debut one or more first-line U.S. offspring Independent Sales Directors from July 1, 2020, through June 30, 2021, can receive.

Independent Sales Directors who debut one or more first-line U.S. offspring Independent Sales Directors from July 1, 2020, through June 30, 2021, are eligible to count **up to \$25,000** of their first-line offsprings' unit retail production toward their own Unit Circle recognition for each offspring Independent Sales Director they personally debut during the contest period.

In order to receive this credit, her first-line U.S. offspring Independent Sales Director MUST maintain her status as Independent Sales Director as of June 30, 2021, for the credit to be applied to the Independent Senior Sales Director's year-end unit retail amount.

15. I have New Offspring Retail credit. When will it be added to my unit production?

You will see New Retail Offspring Credit reflected in your Circle of Achievement report and your Seminar Tracking Report starting the morning of July 1. We will run daily updates starting July 1. Because of the volume of orders that we need to process for Seminar year-end, all production amounts including the Retail Offspring Credit amounts, will continue to be updated daily until June business is closed.

16. What does it mean when we say “one or more”?

It means that you need to debut at least one new first-line U.S. offspring Independent Sales Director to receive the New Offspring Retail Credit, but there is no limit to how many new offspring Sales Directors you can receive the credit for. The more offspring Sales Directors you debut during the contest period, the more retail credit you could receive at the end of the year.

You can receive **up to** a maximum of \$25,000 in retail credit for each of your offspring Sales Directors' unit retail production during the contest period.

Contest Examples

New First-Line Offspring ISD	Unit Retail Production	Credit Toward Your Unit Circle (Maximum \$25,000)
Janice	\$10,000	\$10,000
Katie	\$25,000	\$25,000
Taylor	\$40,000	\$25,000

17. What does “within the Seminar year” mean?

With respect to the New Offspring Retail Credit contest rules, “within the Seminar year” means that your offspring Sales Director must debut July 1, 2020, through June 30, 2021.

18. What does “can count up to \$25,000 of their offsprings' unit retail production toward their own Unit Circle recognition” mean?

This means that as your new offspring Sales Director begins a unit of her own, you will receive credit for the retail production her unit accrues through June 30, 2021, with a maximum credit of \$25,000 per offspring Sales Director.

At the end of the Seminar year, the amount of retail production your offspring Sales Director has accrued (with a maximum of \$25,000 per offspring) will be added to your year-end unit retail production amount if the offspring Sales Director maintains her Independent Sales Director status as of June 30, 2021.

It is not an automatic \$25,000.

19. Why is it called a retail “credit”?

It is called a retail credit because it will not be added to your Unit Circle production until the end of the contest period.

In order to receive the retail credit at the end of the year, your offspring Sales Director(s) must maintain their Sales Director status as of June 30, 2021.

20. What happens if the offspring Sales Director loses her Sales Director status during the contest period?

If your offspring Sales Director loses her Sales Director status, you will immediately lose the retail credit you have accrued for her unit retail production, and it will no longer be reflected in your online reports.

21. I debuted as an Independent Sales Director during the contest period. What happens if I am not a Sales Director at the end of the contest period?

If you are not a Sales Director at the end of the contest period, you will not receive the New Offspring Retail Credit.

22. I debuted as an Independent Sales Director during the contest period. What happens if I lose my Sales Director status during the contest period, but then regain it during the contest period?

If this happens, you can receive the retail credit for any first-line offspring Sales Directors you personally debut from your *new* unit.

23. Does my second-line new Sales Director who moves up to my first-line count as additional new offspring retail credit?

No. You must personally debut the first-line offspring in order to receive the new offspring retail credit.

24. Can I use this credit toward on-target ranking and prizing at Leadership Conference or Career Conference?

No. This is a credit only and will not be counted toward your retail production until the end of the contest period.

25. What if I debut as an Independent National Sales Director during the contest period?

If you debut as an Independent National Sales Director during the contest period, you will receive the amount of retail credit your new offspring Sales Director(s) have accrued up through your last month as an Independent Sales Director (the maximum credit per offspring Sales Director is \$25,000).

However, for you to receive the retail credit your offspring Sales Directors have accrued up to that point, your offspring Sales Directors must maintain their Sales Director status through June 30, 2021.

26. How can I track this credit?

The credit will be tracked in the Unit Circle report on *Mary Kay InTouch*[®] > Business Tools > *myBusiness*SM > Reports.

27. When is the production applied at the end of the contest period?

You will see the New Offspring Retail Credit reflected in your Circle of Achievement report and in your Seminar Tracking report starting the morning of **July 1**.

Because of the volume of orders that we need to process for Seminar year-end, all production amounts, including the New Offspring Retail Credit amounts, will continue to be updated daily until June business is closed.

†Estimated retail production equals adjusted estimated retail sales, calculated based on wholesale purchases of Section 1 products and the retail value of Section 1 product bonuses.

*A *Great Start*-qualified new personal team member is one whose 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. New Independent Beauty Consultants whose Agreements are received and accepted by the Company April through June 2021 must place the qualifying initial order or cumulative orders by June 30, 2021 OR whose Independent Beauty Consultant Agreement is received and accepted by the Company during the contest period and also achieves Star Consultant status by June 15, 2021.