

Career Car Program Guidelines

Grand Achiever Program

REWARDS

- Independent Beauty Consultants
 - Grand Achiever Career Car* or Cash Compensation
 - Grand Achiever pin
- Independent Sales Directors
 - Cash Compensation
 - Grand Achiever pin

On-Target

- Five or more active personal team members**
- \$4,000 combined personal/team wholesale Section 1 production in a calendar month. (Remember it takes an average of \$4,500 over four months to achieve the required \$18,000 production requirement.)
- You must be active.
- These requirements must be met each month to be considered on-target.

*** (A team member who is the spouse of an Independent Beauty Consultant/Independent Sales Director or a recruit of one of your personal team members will not count toward car program qualification requirements, requalification requirements or maintenance requirements.)*

Qualification

- You may qualify as a Grand Achiever in one, two, three or four months, based on when you achieve the following:
 - \$18,000 combined personal/team wholesale Section 1 production
 - 12 active personal team members
- You may contribute up to \$4,000 in personal wholesale Section 1 production toward the total \$18,000 requirement.
- Your team must contribute a minimum of \$14,000 wholesale Section 1 production toward the total \$18,000 requirement.
- You must have a minimum of \$4,000 combined personal/team wholesale Section 1 production each month of the qualification period while maintaining five or more active personal team members.
- You must be active.

**To select the Grand Achiever Career Car, you must meet the requirements of the Career Car Insurance program and at the time of qualification possess a valid U.S. driver's license. In addition, you must possess a Social Security card or Individual Taxpayer Identification Number (ITIN). Independent Beauty Consultants 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.*

Career Car Program Guidelines

Grand Achiever Program (Continued)

Team Maintenance Requirements

- Maintenance starts the month following qualification and continues through the requalification period as long as minimum maintenance requirements are met.
- Minimum of \$4,500 net adjusted team wholesale production per month.
- Receive \$600 car program credit toward the required \$4,500 net adjusted team wholesale production per month for each new, qualified personal team member.
- Minimum of five active personal team members
- Remain current on monies owed the Company
- If production falls below the minimum monthly maintenance requirement, you may be allowed to maintain the reward as long as you have five or more active personal team members and steady improvement is made toward the minimum monthly production requirement.

Performance Account and Momentum Month

- Performance account is utilized to offset production shortfalls below the monthly minimum maintenance requirement of \$4,500 net adjusted team wholesale production per month, and does not count toward on-target status or requalification requirements.
- Performance account is established after qualification with \$4,500 wholesale balance.
- Your first month after qualification is your momentum month, and all production in this month, including car program credit, will be doubled.
- Each month production in excess of the required \$4,500 adds to the performance account; less than the required \$4,500 depletes the performance account.
- Maximum performance account balance that can be carried forward from month to month is \$13,500.

Grand Achiever Career Car* (Consultants only)

- 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 \$4,500 net adjusted team wholesale production.
- The co-op lease payment amount is determined by the Grand Achiever Co-op Lease Payment Schedule on the next page and 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 Mary Kay Inc. by the 21st of the current month.
- Return of a career car prior to the end of the maintenance period may impact future eligibility and rewards under the Career Car Program.

* An Independent Sales Director maintaining Grand Achiever status driving a Career Car will be eligible to begin Premier Club qualification six months following her Grand Achiever qualification month or may qualify Premier by achieving \$75,000 in net adjusted unit wholesale production within two consecutive calendar quarters.

Career Car Program Guidelines

Grand Achiever Program (Continued)

Grand Achiever Co-op Lease Payment Schedule	
(amounts subject to change)	
Monthly Net Adjusted Team Wholesale Production	Monthly Lease CO-OP Payment
\$4,500 or more	-0-
\$3,500 to \$4,499	\$ 93.75
\$2,500 to \$3,499	\$187.50
\$1,500 to \$2,499	\$281.25
\$0 to \$1,499	\$375.00

Cash Compensation

- Grand Achiever Cash Compensation is in lieu of the Grand Achiever Career Car.
- Full Cash Compensation is paid each month unless the performance account is depleted and production falls short of the required \$4,500 net adjusted team wholesale production per month.
- The Cash Compensation payment amount is determined by the Grand Achiever Cash Compensation Payment Schedule below and paid in that month's commission check that is received in the middle of the following month.

Grand Achiever Cash Compensation Payment Schedule	
(amounts subject to change)	
Monthly Net Adjusted Team Wholesale Production	Monthly Cash Compensation
\$4,500 or more	\$375.00
\$3,500 to \$4,499	\$281.25
\$2,500 to \$3,499	\$187.50
\$1,500 to \$2,499	\$ 93.75
\$0 to \$1,499	-0-

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

Career Car Program Guidelines

Grand Achiever Program (Continued)

Requalification

- Independent Beauty Consultant
 - Requalification starts the 21st month after the qualification month.
 - Same as qualification rules.
 - \$600 car program credit counts toward required production.
 - Performance account balance does not count toward on-target status or requalification requirements.
 - Performance account balance following requalification is re-established after qualification with a \$4,500 wholesale balance or the current performance account balance, whichever is greater.

- Independent Sales Director
 - Requalification starts the sixth quarter of possession for Premier Club/Cadillac.
 - The sixth quarter of possession is the calendar quarter that includes the 21st month after qualification.
 - For Premier Club/Cadillac qualification requirements, see Pages 4 and 7.
 - If Premier Club/Cadillac qualification requirements are not met by the end of your eighth quarter of possession, you may qualify for Grand Achiever status (Cash Compensation only) by using the last four months of your seventh and eighth quarters.

Independent Sales Director Unit Maintenance Option

The Grand Achiever Unit Maintenance Program option is available to Independent Sales Directors who are in maintenance of their Grand Achiever reward and does not effect Grand Achiever reward options, on-target requirements, qualification requirements or requalification requirements.

Maintenance

- Independent Sales Directors who are qualified or qualify as Grand Achievers will be allowed to switch at the beginning of a calendar quarter from the Grand Achiever Team Maintenance Program to the Grand Achiever Unit Maintenance Program.
- Independent Sales Directors who switch to the Grand Achiever Unit Maintenance program are not eligible to switch back to the Grand Achiever Team Maintenance program.
- Once the Independent Sales Director switches to the Grand Achiever unit maintenance program the performance account is no longer applicable. The Independent Sales Director's net adjusted unit wholesale production during the quarter will determine the amount of any monthly co-op lease payments or cash compensation payments in the following quarter.
- Minimum of \$20,000 net adjusted unit wholesale production per calendar quarter.
- Production in excess of \$20,000 in each quarter will carry forward to the next quarter to offset any production shortfall below the quarterly maintenance requirements.
- \$600 car program credit counts toward required production.
- Remain current on monies owed the Company.
- 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.

Career Car Program Guidelines

Grand Achiever Program (Continued)

Grand Achiever Career Car

- Co-op lease payment is due if production falls below \$19,500 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 Mary Kay Inc. by the 21st of the current month.
- Return of a career car prior to the end of the maintenance period may impact 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
\$19,500 and over	-0-
\$16,500 to \$19,499	\$ 37.50
\$14,500 to \$16,499	\$ 75.00
\$12,500 to \$14,499	\$112.50
\$10,500 to \$12,499	\$187.50
\$8,000 to \$10,499 ,	\$262.50
\$0 to \$7,999	\$375.00

Cash Compensation

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

Grand Achiever Cash Compensation Unit Payment Schedule
 (amounts subject to change)

Quarterly Net Adjusted Unit Wholesale Production	Monthly Cash Compensation
\$19,500 and over	\$375.00
\$16,500 to \$19,499	\$337.50
\$14,500 to \$16,499	\$300.00
\$12,500 to \$14,499	\$262.50
\$10,500 to \$12,499	\$187.50
\$8,000 to \$10,499	\$112.50
\$0 to \$7,999	-0-

Career Car Program Guidelines

Grand Achiever Program (Continued)

Car Program Credit

- Receive \$600 car program credit for each new, qualified personal team member.
 - Initial order with the Company must be \$600 or more in wholesale Section 1 products, and must be received and accepted by the Company in the same or following calendar month that the Independent Beauty Consultant Agreement was received and accepted by the Company.
- Car program credit applies toward the required maintenance requirements and requalification requirements.

Net Adjusted Team Wholesale Production

Grand Achiever net adjusted team wholesale production includes personal and team production, plus car program credit, plus any amounts borrowed from the performance account balance, less any chargebacks.

Net Adjusted Unit Wholesale Production

An Independent Sales Director's net adjusted unit wholesale production includes unit wholesale production, plus car program credit, less any chargebacks.

Career Car Program Guidelines

Premier Club Program

REWARDS

- Premier Club Career Car* or Cash Compensation
- Premier Club pin

On-Target

- \$24,000 net adjusted unit wholesale production in one calendar quarter.

Qualification

- \$48,000 net adjusted unit wholesale production within two consecutive calendar quarters.

EXAMPLES:

Calendar Quarter 1		Quarter 2		Total
Net Wholesale \$24,000	+	\$24,000	=	\$48,000
Net Wholesale \$21,000	+	\$27,000	=	\$48,000

- \$600 car program credit counts toward required production.

Maintenance

- Maintenance starts the quarter following qualification and continues through your requalification period as long as minimum maintenance requirements are met.
- Minimum of \$24,000 net adjusted unit wholesale production per calendar quarter.
- Excess production from the two qualifying quarters over \$48,000 will carry forward to the next quarter to offset any production shortfall below the quarterly maintenance requirements.
- Production in excess of \$24,000 in each quarter will carry forward to the next quarter to offset any production shortfall below the quarterly maintenance requirements.
- \$600 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.
- Remain current on monies owed the Company.
- 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.

** To select the Premier Club Career Car reward, you must meet the requirements of the Career Car Insurance Program and at the time of qualification possess a valid U.S. driver's license. In addition, you must possess a Social Security card or Individual Taxpayer Identification Number (ITIN). 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 Guidelines

Premier Club Program (Continued)

Premier Club Career Car

- Premier Club Career Car is in lieu of Cash Compensation.
- Co-op lease payment is due if production falls below \$23,000 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 Mary Kay Inc. by the 21st of the current month.
- Return of a career car prior to the end of the maintenance period may impact 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 Lease CO-OP Payment
\$23,000 and over	-0-
\$20,000 to \$22,999	\$ 50
\$17,000 to \$19,999	\$100
\$14,000 to \$16,999	\$150
\$11,000 to \$13,999	\$250
\$8,000 to \$10,999	\$350
\$0 to \$7,999	\$500

Cash Compensation Option

- Premier Club 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 below.

Premier Club Cash Compensation Payment Schedule
 (amounts subject to change)

Quarterly Net Adjusted Unit Wholesale Production	Monthly Cash Compensation
\$23,000 and over	\$500
\$20,000 to \$22,999	\$450
\$17,000 to \$19,999	\$400
\$14,000 to \$16,999	\$350
\$11,000 to \$13,999	\$250
\$8,000 to \$10,999	\$150
\$0 to \$7,999	-0-

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

Career Car Program Guidelines

Premier Club Program (Continued)

Requalification

- \$48,000 net adjusted unit wholesale production during the sixth and seventh quarters of possession or during the seventh and eighth quarters of possession.
- \$600 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 \$24,000 net adjusted unit wholesale production in her eighth quarter (i.e., is on-target), she may combine her eighth and ninth quarters to re-qualify.

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

Car Program Credit

- Receive \$600 car program credit for each new, qualified personal team member.
 - Initial order with the Company must be \$600 or more in wholesale Section 1 products, and must be received and accepted by the Company in the same or following calendar month that the Independent Beauty Consultant Agreement was received and accepted by the Company.
- Car program credit 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 car program credit, less any chargebacks.

Career Car Program Guidelines

Cadillac Program

Rewards

- Cadillac* or Cash Compensation
- Cadillac pin

On-Target

- \$48,000 net adjusted unit wholesale production in one calendar quarter.

Qualification

- \$96,000 net adjusted unit wholesale production within two consecutive calendar quarters.

EXAMPLES:

Calendar Quarter 1		Quarter 2		Total
Net Wholesale \$48,000	+	\$48,000	=	\$96,000
Net Wholesale \$40,000	+	\$56,000	=	\$96,000

- \$600 car program credit counts toward required production.

Maintenance

- Maintenance starts the quarter following qualification and continues through your requalification period as long as minimum maintenance requirements are met.
- Minimum of \$48,000 net adjusted unit wholesale production per calendar quarter.
- Excess production from the two qualifying quarters over \$96,000 will carry forward to the next quarter to offset any production shortfall below the quarterly maintenance requirements.
- Production in excess of \$48,000 in each quarter will carry forward to the next quarter to offset any production shortfall below the quarterly maintenance requirements.
- \$600 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 Independent Sales Director's net adjusted unit wholesale production from the prior quarter.
- Remain current on monies owed the Company.
- 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.

** To select the Cadillac reward, you must meet the requirements of the Career Car Insurance Program and at the time of qualification possess a valid U.S. driver's license. In addition, you must possess a Social Security card or Individual Taxpayer Identification Number (ITIN).*

Career Car Program Guidelines

Cadillac Program (Continued)

Cadillac

- Cadillac is in lieu of Cash Compensation.
- Co-op lease payment is due if production falls below \$45,000 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 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 Mary Kay Inc. by the 21st of the current month.
- Return of a career car prior to the end of the maintenance period may impact future eligibility and rewards under the Career Car Program.

Cadillac Co-op Lease Payment Schedule

(amounts subject to change)

Quarterly Net Adjusted Unit Wholesale Production	Monthly Lease CO-OP Payment
\$45,000 and over	-0-
\$42,000 to \$44,999	\$ 90
\$39,000 to \$41,999	\$180
\$35,000 to \$38,999	\$270
\$31,000 to \$34,999	\$450
\$27,000 to \$30,999	\$630
\$0 to \$26,999	\$900

Cash Compensation Option

- Cadillac Cash Compensation is in lieu of the Cadillac.
- 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
\$45,000 and over	\$900
\$42,000 to \$44,999	\$810
\$39,000 to \$41,999	\$720
\$35,000 to \$38,999	\$630
\$31,000 to \$34,999	\$450
\$27,000 to \$30,999	\$270
\$0 to \$26,999	-0-

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

Career Car Program Guidelines

Cadillac Program (Continued)

Requalification

- \$96,000 net adjusted unit wholesale production during the sixth and seventh quarters of possession or during the seventh and eighth quarters of possession.
- \$600 car program credit counts toward required production.
- If an Independent Sales Director has not qualified by the end of her eighth quarter of possession, but did achieve \$48,000 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.

Car Program Credit

- Receive \$600 car program credit for each new, qualified personal team member.
 - Initial order with the Company must be \$600 or more in wholesale Section 1 products, and must be received and accepted by the Company in the same or following calendar month that the Independent Beauty Consultant Agreement was received and accepted by the Company.
- Car program credit 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 car program credit, less any chargebacks.