



Earnings Representation

CANADIAN STATEMENT OF TYPICAL PARTICIPANT EARNINGS

The vast majority of the Independent Sales Force Members' primary source of profit is selling product to their customers, with a 50% profit potential on all retail sales. In addition to awards and bonuses, all Mary Kay Independent Beauty Consultants who choose to invite others to join the Mary Kay Opportunity become eligible to earn commissions. To be eligible for commissions, Independent Beauty Consultants must be active themselves and have offered the opportunity to at least one active Independent Beauty Consultant during the relevant period. Members of the Independent Sales Force are considered active in a particular month (and for the two months after) when they place at least \$450 retail orders (\$225 in discounted wholesale orders) for cosmetics intended for resale to end consumers during the month.

All Canadian Independent Sales Force members, including those that do not earn commissions or bonuses, are included in the typical participant earnings statement for the year 2019. This "typical" figure is representative of the smallest range of compensation earned by over 50% of all Mary Kay Independent Sales Force Members.

A typical participant in the Mary Kay Independent Sales Force does not earn any commissions or bonuses. This earnings statement does not include any profits realized from personal retail sales.

While personal earnings will vary, Independent Beauty Consultants who were eligible for commissions or bonuses earned between \$0 and \$5,569 annually in 2019, with an average of \$206 in 2019.

Average Annual Commissions of Mary Kay Independent Sales Force Members in 2019*

This chart covers the following period: January 1, 2019 through December 31, 2019

	Average Annual Commissions	% of Independent Sales Force	Average Time to Position
Independent National Sales Director	\$124,072	0.050%	15 years
Independent Sales Director	\$20,137	1.675%	4 years
Commission Eligible Independent Beauty Consultant	\$206	15.138%	
Independent Beauty Consultants who are not eligible to earn commissions	\$0	83.137%	

*This chart does not include profits realized from personal retail sales, nor does it take into account business or other related expenses.

Beauty Consultants who reach the status of Mary Kay Independent Sales Director or higher can also earn the use of a Mary Kay career car (or cash in lieu) or incentive travel. As of December 31, 2019, 62% of the 485 Independent Sales Directors and Independent National Sales Directors participated in the Career Car Program and 42% attended an incentive trip.