

2019 U.S. COMMISSIONS OVERVIEW

What you need to know about becoming a Beautycounter Consultant

ABOUT BEAUTYCOUNTER

One by one, we are leading a movement to a future where all beauty is clean beauty. We are powered by people, and our collective mission is to get safer products into the hands of everyone. Formulate, advocate, & educate—that’s our motto for creating products that truly perform while holding ourselves to unparalleled standards of safety.

As of December 2019, Beautycounter had over 44,000 Independent Consultants in the United States and Canada.

REWARDS AVAILABLE TO CONSULTANTS

Consultants join Beautycounter to share our mission, and, for doing so, are rewarded with:

| PERSONAL DEVELOPMENT | SELLING COMMISSIONS | OVERRIDE COMMISSIONS | CASH BONUSES | INCENTIVES |
|--|--|--|---|---|
| Education and skill-building, with the support of an inclusive community | 25% to 35% Commission for product sales to customers** | If a Consultant chooses to mentor a sales team of other Consultants. | Such as those that reward sales performance or advancing to a higher Title. | Limited time sales incentives offering prizes, trips, a experie |

COMMISSIONS IN 2019

To empower and reward our Consultant community for its efforts, Beautycounter paid over \$120 million USD in Commissions in the United States and Canada in 2019.

The total amount of Commissions that a Consultant earns depends on many factors, including the amount of time he or she dedicates to Beautycounter.

Consultants determine when and how much they wish to work. Many of our Consultants choose to spend a few hours a week with Beautycounter, while others have made it a full-time focus. As a result, the amount of Commissions earned can vary significantly. In general, those who dedicate the most time and effort to Beautycounter have the potential to earn the most income.

EARNINGS OF CONSULTANTS IN THE UNITED STATES

Below are the monthly Commissions earned by Consultants in 2019.

- These figures include all Consultants affiliated with Beautycounter at any point in 2019. This Disclosure includes Consultants that had no sales and; therefore, earned no Commissions in a given month. This Disclosure also includes Consultants who did not meet our sales activity requirement (1,200 in QV every 6 months) and were repositioned to Members of our Band of Beauty preferred customer program.
- Any annual figures shown are the actual earnings of Consultants, even if they were not affiliated with Beautycounter as Consultants for the full year.

- These figures shown are gross earnings and do not reflect the expenses typically incurred by Consultants. These expenses are outlined in greater detail in the next section.

| PAID-AS TITLE | AVG. MONTHLY EARNINGS | TOP 25% AVG. | BOTTOM 25% AVG. | % OF CONSULTANTS AT TITLE |
|-------------------------------|-----------------------------|--------------------|-----------------------|---------------------------------|
| Managing Director | \$24,371 | \$46,485 | \$10,521 | 0.2% |
| Executive Director | \$8,754 | \$15,218 | \$4,823 | 0.4% |
| Senior Director | \$4,382 | \$6,923 | \$2,669 | 0.5% |
| Director | \$2,143 | \$3,573 | \$1,168 | 1.9% |
| Senior Manager | \$1,091 | \$1,687 | \$647 | 1.7% |
| Manager | \$672 | \$1,062 | \$364 | 2.8% |
| Senior Consultant | \$336 | \$591 | \$124 | 10.2% |
| Consultant | \$46 | \$138 | \$0 | 82.2% |

These figures *do not include the value of trips, recognition, non-cash prizes, and complimentary products* earned by Consultants. All figures are in United States Dollars.

EXPENSES INCURRED BY TYPICAL CONSULTANTS

Consultants join Beautycounter by purchasing a \$98.00 Enrollment Kit that includes sales materials, products, and a personal website for one year.

Many Consultants choose to buy an optional Starter Set, which includes products to use, demonstrate, and sample. In 2019, 60% of enrolling Consultants purchased a Starter Set.

On average, new Consultants spent \$440 at the time of enrollment in 2019.

HIGHLIGHTS OF 2019 EARNINGS

- The average total annual income for all U.S. Consultants was **\$2,060**
- Top 1% of Consultants were paid on average \$94,718
- Top 10% were paid on average \$16,410
- Top 50% were paid on average \$4,056

IMPORTANT NOTES ABOUT EARNING COMMISSIONS& REWARDS

Beautycounter and/or any of our independent Consultants do not guarantee any level of income. Each Consultant's success in earning Commissions will depend on his or her efforts, abilities, and circumstances. Financial success with Beautycounter requires dedication and diligent effort. In addition, success requires demonstrated skill in selling and, if a Consultant chooses to do so, leading a team of other Consultants. Those considering becoming Consultants should carefully consider their unique circumstances to set any expectation of Commissions that may be earned, rather than relying upon testimonials of others or hypothetical examples.

** Consultants earn 25% on the Personal Volume of all products sold to Clients and/or Members. They may also earn up to 10% Personal Sales Bonus when they sell over 3,000 Personal Volume in a monthly Commission period. Combined, these bonuses may pay up to 35% on the Personal Volume of a Consultant's sales.