

2022 U.S. COMMISSIONS OVERVIEW

What you need to know about becoming a Beautycounter Brand Advocate

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.

Beautycounter products are available online via our direct-to-consumer website, in our brick-and-mortar stores, through strategic partnerships, and via our independent sales Brand Advocates.

As of the end of December 2022, Beautycounter had **over 44,583** Brand Advocates in the United States and Canada.

IMPORTANT INFORMATION ABOUT BECOMING A BRAND ADVOCATE

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

- **Personal development** – access to virtual and live training on selling, mentorship, advocacy, and much more.
- **Community support** – access to a collegial, inclusive, and motivated network that shares a passion for clean beauty.
- **Skill building** – an opportunity to collaborate, influence, learn, and grow.
- **Selling Commissions** – that range from a minimum of 25% up to 35%* for items sold to customers.
- **Exclusive product access** – a 25% discount on most items, as well as early access to new product launches.

TYPICAL FULL-YEAR EARNINGS FOR 2022

The figures shown on this page include all individuals who were eligible to earn commissions with Beautycounter as Brand Advocates at any time throughout 2022. A total of **73,479** US Brand Advocates were analyzed and summarized, including:

- Brand Advocates who had no sales, and therefore earned no income.
- Individuals who did not maintain their Brand Advocate affiliation throughout the year (did not meet activity requirements or elected to change their account status), and were not eligible to earn in all 12 months**
- Those who enrolled later in the year and had as few as one month of earnings.

These figures do not include value of trips, non-cash incentives, prizes, and free product provided to Brand Advocates.

They also do not include the expenses incurred by Brand Advocates. For additional information on the costs of becoming a Brand Advocate and maintaining an account, see "Expenses Incurred by Typical Brand Advocates" below.

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

Brand Advocates determine when and how much they wish to work. Many of our Brand Advocates choose to spend a few hours a week with Beautycounter, while others have made it a full-time focus. Success in selling also depends on personal skill, reach of influence, and other factors. As a result, the amount of Commissions earned can vary significantly.

For the full year 2022, earnings for US Brand Advocates **before** expenses were:

- The average total annual income for all Brand Advocates was **\$1,878**.
- **24% (13,210)** of Brand Advocates had no sales and therefore earned no Commissions
- **37% (20,770)** of Brand Advocates earned more than \$500
- **22% (12,361)** of Brand Advocates earned more than \$1,000
- **1% (530)** of Brand Advocates earned more than \$30,000. The median earnings of the top 1% of Brand Advocates was **\$53,125** (Average was **\$86,990**).

TYPICAL EARNINGS OF NEWLY ENROLLED BRAND ADVOCATES IN 2022

To provide additional information to those considering becoming Brand Advocates, the following figures show the typical total earnings of Brand Advocates **during the first 6 months** after enrollment.

For these figures, we include all **7,145** Brand Advocates that are both a) new enrollees in the 2022 Commission year and b) had at least 6 months within the year as Brand Advocates.

In 2022, first 6-month total earnings for US Brand Advocates **before** expenses were:

- The median total first-6-month income for new Brand Advocates was **\$42** (Average was **\$194**)
- **52% (3,742)** of new Brand Advocates had no sales and therefore earned no Commissions
- **36% (2,591)** of new Brand Advocates earned more than \$100
- **6% (443)** of new Brand Advocates earned more than \$500
- **5% (330)** of new Brand Advocates earned more than \$1,000
- **1% (39)** of new Brand Advocates earned more than \$3,700

MONTHLY EARNINGS DETAILS FOR 2022

Brand Advocates earn Titles each month based on their sales performance. To provide more information about typical earnings for each Title, below are the monthly Commissions earned by Brand Advocates in 2022 **before** expenses:

PAID-AS TITLE	MONTHLY AVERAGE EARNINGS	TOP 25% AVG.	BOTTOM 25% AVG.	% OF BRAND ADVOCATES AT TITLE (COMPOSITE OF ALL MONTHS)
Managing Director	\$24,700	\$48,233	\$10,190	0.1%
Executive Director	\$9,098	\$16,445	\$4,388	0.4%
Senior Director	\$4,742	\$8,389	\$2,445	0.7%
Director	\$2,361	\$4,279	\$1,121	2.1%
Senior Manager	\$1,256	\$2,159	\$653	2.8%
Manager	\$763	\$1,256	\$399	4.6%
Senior Consultant	\$388	\$716	\$151	16.8%
Consultant	\$42	\$128	\$0	72.5%

AVERAGE AND MEDIAN PROMOTION TIMES***

PAID AS TITLE	AVERAGE MONTHS	MEDIAN MONTHS
SR. CONSULTANT	4	1

MANAGER	6	3
SR. MANAGER	11	10
DIRECTOR	14	14
SR. DIRECTOR	20	21
EXEC. DIRECTOR	21	19
MANAGING DIRECTOR	20	22

EXPENSES INCURRED BY TYPICAL BRAND ADVOCATES

Brand Advocates join Beautycounter by purchasing a \$50.00 digital enrollment Kit that includes sales materials, products, and a personal website for one year.

Many Brand Advocates choose to buy an optional Starter Set, which includes products to use, demonstrate, and sample. In 2022, **23%** of enrolling Brand Advocates purchased a Starter Set.

On average, new Brand Advocates spent approximately \$230.99 at the time of enrollment in 2022. (Excludes Enrollment Kit). The median amount spent was \$169.94.

To remain a Brand Advocate, it is necessary to pay a \$50.00 annual fee, which provide access to our Behind the Counter Brand Advocate portal, our mobile app, and a personalized ecommerce website to accept customer orders.

MONEY-BACK GUARANTEES

If you enroll as a Brand Advocate and find it's not right for you, Beautycounter offers a generous refund policy.

- **Full Refund for Up to 60 Days:** You may return any product for a full refund, including your enrollment kit and starter set(s), even if it has been opened and partially used, for 60 days after the date your order was shipped.
- **One-Year Business Supplies Refund Policy:** Any product used to promote Beautycounter, including your enrollment kit, starter sets, brochures, samples, logo merchandise, or personal product may be returned for up to one year from the date it was shipped. A refund equal to 90% of the purchase price will be issued if the return is initiated between 61 and 365 days from shipment. Product returned in this window must be unopened and in salable condition to be eligible for a refund.

IMPORTANT NOTES ABOUT EARNING COMMISSIONS & REWARDS

Beautycounter and/or any of our independent Brand Advocates do not guarantee any level of income. Each Brand Advocates' 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 Brand Advocate chooses to do so, leading a team of other Brand Advocates. Those considering becoming Brand Advocates 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.

*Brand Advocates 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 Brand Advocates sales.

Beautycounter Brand Advocates are required to sell products to Clients and Members in order to maintain their accounts. We require at least 750 QV (1 QV point is typically earned for each dollar of product sold, excluding shipping, handling, tax, and discounts) in sales every 6 months. ___ *Only Brand Advocates with promotions are included in the average and median promotion times. If a consultant skips a promotion (i.e. directly to Sr. Manager as an example), the Brand Advocates promotion to Sr. Consultant and Manager would be considered the same month as the Sr. Manager promotion month. Promotion times are first time title promotion and subsequent promotions to the same title are not counted. The promotion data shown depicts promotion times (as of February 2022) for Brand Advocates that enrolled in 2019.