

rewards and bonus plan

	title status level	Style-preneur	Stylist	Senior Stylist ³	Executive Stylist ⁴	Team Leader ⁵	Senior Team Leader ⁶	District Leader ⁶	Senior District Leader ⁶	Regional Leader ⁶	Area Leader ⁶	Executive Director ⁶	Senior Executive Director ⁶	
QUALIFY & MAINTENANCE	# Monthly Personal Sales ¹ to qualify			\$1,000+	\$6,000+	\$8,000+	\$8,000+	\$6,000+	\$6,000+	\$4,000+	\$2,000+	NA	NA	
	# Monthly Personal Sales ¹ to maintain	Active ⁷	Active ⁷	\$500+	\$6,000+	\$8,000+	\$8,000+	\$6,000+	\$6,000+	\$4,000+	\$2,000+	NA	NA	
	# Stylists ¹ to qualify			2+ personal Stylists ⁸	4+ personal Stylists ⁸	6+ personal Stylists ⁸	8+ Stylists ⁸	8+ Stylists ⁸	8+ Stylists ⁸	8+ Stylists ⁸	8+ Stylists ⁸			
	# Stylists ¹ to maintain			2+ personal Stylists ⁸	4+ personal Stylists ⁸	6+ Stylists ⁸	8+ Stylists ⁸	8+ Stylists ⁸	8+ Stylists ⁸	8+ Stylists ⁸	8+ Stylists ⁸			
	Monthly Core Team Sales ¹ to qualify & maintain			\$2,000+	\$6,000+	\$12,000+	\$12,000+	\$12,000+	\$12,000+	\$12,000+	\$12,000+	\$12,000+	NA	NA
	Rolling 12-month Group Sales ² to maintain						\$480,000+	\$850,000+	\$1,340,000+	\$2,270,000+	\$3,700,000+	\$6,700,000+	\$10,000,000+	
Personal discount	20%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	
Event Profit ⁸	20%	20%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	
SUPER BONUS	Super Bonus ⁹ \$6,000 – \$11,999.99	1% (21%)	1% (21%)	1% (26%)	1% (26%)	1% (26%)	1% (26%)	1% (26%)	1% (26%)	1% (26%)	1% (26%)	1% (26%)	1% (26%)	
	Super Bonus ⁹ \$12,000 – \$15,999.99	2% (22%)	2% (22%)	2% (27%)	2% (27%)	2% (27%)	2% (27%)	2% (27%)	2% (27%)	2% (27%)	2% (27%)	2% (27%)	2% (27%)	
	Super Bonus ⁹ \$16,000 – \$19,999.99	3% (23%)	3% (23%)	3% (28%)	3% (28%)	3% (28%)	3% (28%)	3% (28%)	3% (28%)	3% (28%)	3% (28%)	3% (28%)	3% (28%)	
	Super Bonus ⁹ \$20,000 – \$23,999.99	4% (24%)	4% (24%)	4% (29%)	4% (29%)	4% (29%)	4% (29%)	4% (29%)	4% (29%)	4% (29%)	4% (29%)	4% (29%)	4% (29%)	
	Super Bonus ⁹ \$24,000+	5% (25%)	5% (25%)	5% (30%)	5% (30%)	5% (30%)	5% (30%)	5% (30%)	5% (30%)	5% (30%)	5% (30%)	5% (30%)	5% (30%)	
Kit Voucher ¹	\$100 Kit Voucher	\$100 Kit Voucher	\$100 Kit Voucher	\$100 Kit Voucher	\$100 Kit Voucher	\$100 Kit Voucher	\$100 Kit Voucher	\$100 Kit Voucher	\$100 Kit Voucher	\$100 Kit Voucher	\$100 Kit Voucher	\$100 Kit Voucher	\$100 Kit Voucher	
Override Bonus ⁱⁱ				1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	
Group Sales Bonus ⁱⁱⁱ					Group Sales Bonus is paid on Core Team Sales plus a maximum of three downline levels. Refer to the Group Sales Bonus Chart.									
CAR PROGRAM	Car Program						Kia Sportage Si 2WD	Kia Sportage Si 2WD	Kia Sportage Si 2WD	Kia Sportage GT AWD	Kia Sportage GT AWD plus Fuel Card	Audi A4 plus Fuel Card	Audi A4 plus Fuel Card	
	Group Sales ^{iv} to qualify						\$550,000+	\$550,000+	\$550,000+	\$2,270,000+	\$3,700,000+	\$6,700,000+	\$6,700,000+	
	Group Sales ^v to maintain						\$480,000+	\$480,000+	\$480,000+	\$2,270,000+	\$3,700,000+	\$6,700,000+	\$6,700,000+	
1st Leader promote-out bonus ^{vi}					No \$400 car contribution	No \$400 car contribution	No \$400 car contribution	No \$400 car contribution	No \$400 car contribution	No \$400 car contribution	No \$400 car contribution	No \$400 car contribution		
2nd & ongoing Leader promote-out bonus ^{vii}					\$3,000 bonus payment	\$3,000 bonus payment	\$3,000 bonus payment	\$3,000 bonus payment	\$3,000 bonus payment	\$3,000 bonus payment	\$3,000 bonus payment	\$3,000 bonus payment		

GROUP SALES BONUS CHART

monthly sales	bonus	monthly sales	bonus	monthly sales	bonus	monthly sales	bonus
\$12,000	\$400	\$100,000	\$3,500	\$350,000	\$9,000	\$700,000	\$14,500
\$15,000	\$600	\$120,000	\$4,000	\$375,000	\$9,500	\$733,000	\$15,000
\$20,000	\$800	\$140,000	\$4,500	\$400,000	\$10,000	\$766,000	\$15,500
\$25,000	\$1,000	\$160,000	\$5,000	\$433,000	\$10,500	\$800,000	\$16,000
\$30,000	\$1,200	\$180,000	\$5,500	\$466,000	\$11,000	\$850,000	\$16,500
\$40,000	\$1,500	\$200,000	\$6,000	\$500,000	\$11,500	\$900,000	\$17,000
\$50,000	\$1,800	\$225,000	\$6,500	\$533,000	\$12,000	\$950,000	\$17,500
\$60,000	\$2,100	\$250,000	\$7,000	\$566,000	\$12,500	\$1,000,000	\$18,000
\$70,000	\$2,400	\$275,000	\$7,500	\$600,000	\$13,000	\$1,050,000	\$18,500
\$80,000	\$2,700	\$300,000	\$8,000	\$633,000	\$13,500	\$1,100,000	\$19,000
\$90,000	\$3,100	\$325,000	\$8,500	\$666,000	\$14,000	Every \$50,000	Plus \$500

^The term 'Stylist' referred to in the Rewards & Bonus Plan criteria and definitions means a Stylist and/or Stylepreneur unless otherwise stated.

QUALIFY & MAINTENANCE CRITERIA

- To qualify at each Title Status level and/or maintain a title requires a certain amount of monthly personal paid-in sales; a certain number of personal Stylists and/or Stylists in the Core Team; and a certain amount of monthly Core Team Sales.
- To qualify and promote to a new Leader Title Status level and/or maintain a title requires a certain amount of monthly Core Team Sales and/or rolling 12-month Group Sales. Refer to Rolling 12 Month Group Sales.
- To qualify as Senior Stylist requires \$1,000+ personal paid-in sales; a minimum of two (2) personal Stylists with combined paid-in Core Team Sales of \$2,000+ per month. To maintain this Title Status requires \$500+ personal paid-in sales; a minimum of two (2) personal Stylists and paid-in Core Team Sales of \$2,000+ per month. When a Senior Stylist has been below maintenance criteria for two (2) consecutive months, they will be repositioned to *Stylist* in the third month.
- To qualify as Executive Stylist requires \$6,000+ personal paid-in sales; a minimum of four (4) personal Stylists with combined paid-in Core Team Sales of \$6,000+ per month. To maintain this Title Status requires \$6,000+ personal paid-in sales; a minimum of four (4) personal Stylists and paid-in Core Team Sales of \$6,000+ per month. When an Executive Stylist has been below maintenance criteria for four (4) consecutive months, they will be repositioned to *Senior Stylist* in the fifth month.
- To qualify as Team Leader requires \$8,000+ personal paid-in sales; a minimum of six (6) personal Stylists with combined paid-in Core Team Sales of \$12,000+ per month. To maintain this Title Status requires \$8,000+ personal paid-in sales; a minimum of six (6) Stylists and paid-in Core Team Sales of \$12,000+ per month. When a Team Leader has been below maintenance criteria for six (6) consecutive months, they will be repositioned to *Executive Stylist* in the seventh month.
- Senior Leaders up to and including Senior Executive Directors must maintain the minimum monthly amount of personal paid-in sales; the minimum number of Stylist count in their Core Team; the minimum monthly amount of Core Team paid-in sales; plus, the rolling 12-month Group Sales requirement for that Title Status. When a Senior Leader and above has been below maintenance criteria for six (6) consecutive months, they will be repositioned to highest level qualified at throughout this period.
- To be considered Active, and maintain an open Lorraine Lea account, a Stylist/Stylepreneur must have accumulated a minimum of \$1,000 in personal paid-in sales over a consecutive 12-week period. When a Stylist/Stylepreneur has fallen below maintenance criteria they will have an extra 12-weeks to reach the minimum \$1,000 in personal paid-in sales before their account may be closed.

EVENT PROFITS & SUPER BONUS CRITERIA

- Weekly Event Profits is paid on the total amount of a Stylist's weekly paid-in sales transactions. Refer to Paid-in Sales.
- Monthly Super Bonus is paid on the total amount of a Stylist's monthly paid-in sales transactions. Refer to Paid-in Sales.

BONUS & OVERRIDE CRITERIA

- The person who recruited the new Stylist will receive a \$100 Kit Voucher. The voucher is payable on personal recruits only.
- The Override Bonus is paid on Core Team Sales (excluding Leader's personal sales). Executive Stylists are paid an Override Bonus on their personal Stylists only.
- The Group Sales Bonus is paid on Group Sales (excluding Leader's personal sales) and up to a maximum of three (3) downline Leader levels.
- To qualify for a fully maintained Lorraine Lea vehicle, which includes: registration, insurance and full servicing (including tyres) a Leader must achieve a rolling 12-month Group Sales of \$550,000 plus a minimum of ten (10) Stylists in their Core Team. A \$400 car contribution is payable monthly if they do not have a current level one personally promoted out Team Leader.
- To continue participation in the Lorraine Lea Car Program, the Leader must maintain a minimum rolling 12-month Group Sales of \$480,000 plus a minimum of eight (8) Stylists in their Core Team. A \$400 car contribution is payable monthly if they do not have a current level one personally promoted out Team Leader. When a Leader has fallen below the required maintenance criteria for three (3) consecutive months they will be required to return the Lorraine Lea vehicle.
- When a Leader promotes out their first Team Leader, and has a Lorraine Lea vehicle, they are no longer required to pay the monthly \$400 car contribution. Refer to point v.
- When a Leader personally promotes their second, or subsequent Team Leaders (who have not held the title or above in the past) they will receive a \$3,000 bonus for each. The \$3,000 bonus is only applicable when a Leader already has a personally promoted out Team Leader.

TERM	DEFINITION
Active Stylist/ Stylepreneur	To be considered Active, a Stylist/Stylepreneur must have accumulated \$1,000 in personal paid-in sales over a consecutive 12-week period. A Stylist/Stylepreneur whose personal sales fall below this requirement will have an extra 12-weeks to reach a minimum \$1,000 in personal paid-in sales to keep their Lorraine Lea account open.
Adopted Stylist	A Stylist who you did not personally recruit or has been lend-leased to you.
Company Lead	An individual who approached the company directly about joining and was passed on and recruited by a Stylist or Leader.
Core Team	Is defined as the team of Stylists who reports to the Team Leader and may have been recruited by someone else. It does not include downline Leaders. For Senior Stylist and Executive Stylist, their Core Team is defined as their Personal Recruits, those recruits' personal recruits as well as recruits of those recruits. It does not include any recruits who promoted to Team Leader or above, or any Stylists who report to those Leaders.
Core Team Sales	For Team Leaders and above are based on the paid-in sales generated from Stylists in their Core Team in a financial month and does not include the Leader's or downline Leaders personal paid-in sales. For Senior Stylist and Executive Stylist, their Core Team Sales is based on the paid-in sales generated from their Personal Recruits, those recruits' personal recruits as well as recruits of those recruits. It does not include Senior Stylist or Executive Stylist personal paid-in sales, or any of those recruits who have promoted to Team Leader or above or the sales of any stylists who report to those leaders.
Direct Leader	Is a Leader who Is responsible for a Core Team.
Downline	Is made up of all Stylists and Leaders within a Leaders group without limit to depth.
Downline Level	The first Leader in any leg is Level One, the second Leader in the same leg is Level Two; the third Leader in the same leg is Level Three.
Financial Month	The Financial Month ends Australian Eastern Time (AET) on the last day of a calendar month.
Financial Stylist	Is a Stylist who has paid off their Starter Kit and does not have any outstanding monies payable to Lorraine Lea.
First Event Date	Is the date a new Stylist places their first order in the system (includes both event and online orders).
Group Sales	Group Sales are defined as all paid-in sales generated from Stylists in your group, including your Core Team and promoted out Leaders to a maximum of three downline Leader levels.
Inactive Stylist/ Stylepreneur	Is any Stylist/Stylepreneur whose personal paid-in sales are less than \$1,000 over a consecutive 12-week period. They will receive notification and have an extra 12-weeks to reach the minimum \$1,000 in personal sales at the end of that timeframe.
Kit Additions	A Stylist can order stock to add to their Kit, this is termed a Kit Addition. All Kit Additions are ordered at 40% off the retail price. A handling charge is applicable per order. Event Profits are not paid on Kit Addition orders.
Kit Dispatch Date	The date which a new Stylist's Lorraine Lea account is opened, and kit is dispatched.
Leader	The term Leader includes any Stylist with the Title Status of Team Leader up to and including Senior Executive Directors.
Leg	A first level Leader and their downline are referred to as a Leg.
Paid-in Sales	Are sales transactions that generate Weekly Event Profits and Monthly Super Bonus payments. When a Stylist's customer returns an item/s for a refund, the refund amount is deducted from your Paid-in Sales (unless the item is faulty). Paid-in sales exclude freight/handling, Host Bonus sales, Credit Notes, Vouchers or Coupons.
Personal Discount	A Stylepreneur receives 20% discount on all personal purchases. Stylists and Leaders receive a 40% discount on all personal purchases. Personal purchases do not attract Event Profits, override or bonus payments.
Personal Events	Personal events are the total number of events a Stylist/Leader holds in a financial month.
Personal Recruit	A personal recruit is when someone is personally introduced to Lorraine Lea by a Stylist/Leader, who goes on to become an Independent Stylist. Does not include adopted Stylists or Company Leads.
Personal Sales	Are sales which attract Event Profits and exclude freight/handling, Host Bonus sales and Credit Notes, vouchers or coupons.
Personal Stylist	A personal Stylist is someone a Stylist/Leader has personally recruited. Does not include adopted Stylists or Company Leads.
Promote-out Leader	A promote-out Leader is when a Stylist within a Leader's Core Team promotes to Team Leader status.
Rolling 12-month Group Sales	Is the total amount of all paid-in Group Sales (including the Leader's Personal Sales) over a 12 consecutive month period. The rolling 12-month sum is determined by adding the current month and deducting the same month of the previous year. The 12-month period begins on the first day of each Financial Month (e.g. 1 March 2017 to 1 April 2018). Also refer to Group Sales.
Stylist	A Stylist is someone belonging to a Core Team. They are someone who was either personally recruited or recruited by someone else, adopted or originated from a Company Lead.
Title Status	Is based on the level at which a Stylist/Leader is currently qualified and/or maintained at. Refer to Title Status level.
Upline Leader	A Stylist's direct Leader and Leaders above.