

rewards and bonus plan

	title status level	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		\$500+	\$6,000+	\$8,000+	\$8,000+	\$6,000+	\$6,000+	\$4,000+	\$2,000+	NA	NA
	# Monthly Personal Sales ¹ to maintain	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 ² to qualify & maintain		\$2,000+	\$6,000+	\$12,000+	\$12,000+	\$12,000+	\$12,000+	\$12,000+	\$12,000+	NA	NA
	Rolling 12-month Group Sales ² qualify & 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 ⁹	20%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Kit Voucher ¹⁰	\$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
SUPER BONUS	Super Bonus ⁹ \$6,000 – \$11,999.99	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% (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% (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% (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% (30%)	5% (30%)	5% (30%)	5% (30%)	5% (30%)	5% (30%)	5% (30%)	5% (30%)	5% (30%)	5% (30%)
Override Bonus ⁱ			1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	
Group Sales Bonus ^j				Group Sales Bonus is paid on Core Team Sales plus a maximum of three downline levels. Refer to the Group Sales Bonus Chart.								
Mentoring New Team Leader Bonus ^v				\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Promote Bonus ^{vi}				\$500	\$1,000	\$1,500	\$2,000	\$2,500	\$3,500	\$5,000	\$10,000	
LIFESTYLE PROGRAM	Lifestyle Bonus ⁱⁱⁱ (personal downline Leader)				\$800	\$900	\$1,000	\$1,300	\$1,500	\$1,700	\$2,000	
	Lifestyle Bonus ⁱⁱⁱ (no personal downline Leader)				\$400	\$500	\$600	\$900	\$1,100	\$1,300	\$1,600	

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 Lorraine Lea Rewards and Bonus Plan reflects the terms and benefits which apply to Stylists and Leaders and may be periodically reviewed and changed by Lorraine Lea. This document shall be construed and interpreted to the ordinary meaning of words used to accomplish fairly the purposes and intentions of Lorraine Lea and its Stylists and Leaders. Any uncertainty or ambiguity of the content described in this document is at Lorraine Lea's judgement.

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 \$500+ 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 two (2) consecutive months, they will be repositioned to *Senior Stylist* in the third 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 must have accumulated a minimum of \$750 in personal paid-in sales over a consecutive 12-week period. When a Stylist has fallen below maintenance criteria they will have an extra 12-weeks to reach the minimum \$750 in personal paid-in sales before their account may be closed.

EVENT PROFITS, SUPER BONUS & KIT VOUCHER

- 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.
- The person who recruited the new Stylist will receive a \$100 Kit Voucher. The voucher is payable for personal recruits only.

BONUS & OVERRIDE CRITERIA

- 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 the Lifestyle Program, a Leader must achieve a rolling 12-month Group Sales of \$550,000 plus a minimum of ten (10) Stylists in their Core Team. When a Leader does not have a personally promoted downline Leader, the Lifestyle Bonus is decreased by \$400.
- To continue participation in the Lifestyle 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; plus the applicable level of personal sales and core team sales. When a Leader falls below the required maintenance criteria for two (2) consecutive months, they will receive the bonus payment relevant to their Maintenance Status from the third (3) consecutive month. It is regardless of their Title Status level. At a minimum, a Leader must meet the maintenance criteria for their Title Status or a lower Title Status Level to qualify for the lifestyle bonus.
- A Leader will receive a \$2,000 Mentoring New Team Leader Bonus for each personal promote out Team Leader, providing they have not held the title or above in the past or have been out of the Leadership group for two (2) years or more.
- When a Leader promotes to a new Title Status level in the plan and has not held the title or above in the past, they will receive a one-time Promote Bonus. Any Stylist who has held the Team Leader title in the past can receive the Promote Bonus, providing they have been out of the Leadership group for two (2) years or more.

TERM	DEFINITION
Active Stylist	To be considered Active, a Stylist must have accumulated \$750 in personal paid-in sales over a consecutive 12-week period. A Stylist whose personal sales fall below this requirement will have an extra 12-weeks to reach a minimum \$750 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 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	Is any Stylist whose personal paid-in sales are less than \$750 over a consecutive 12-week period. They will receive notification and have an extra 12-weeks to reach the minimum \$750 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. When a Stylist joins Lorraine Lea their Kit Additions are ordered at 20% off the retail price. Once a Stylist has exceeded \$5,000 in paid-in sales their Kit Addition discount increases to 40%. 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.
Lend-leased	Is defined as a Stylist or a Team that the Company has temporarily transferred to a Leader. Typically, this occurs when a Leader direct-to-Company has left Lorraine Lea. Lorraine Lea may revoke the transfer at its absolute discretion.
Maintenance Status	Is based on the level at which a Leader Personal Sales, Stylist Count, Core Team Sales, and Rolling 12-month Group Sales is, at the end of the most recent Financial Month.
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 new Stylist receives 20% discount on all personal purchases. 40% discount is unlocked when a Stylist achieves \$5,000 in Paid-In Sales. 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.
Personal Promote-out Leader	A personal promote-out Leader is someone who has not been lend-leased to the upline Leader.
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 2020 to 1 April 2021). 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.
Stylist Count	The number of personal Stylists and/or Stylists in a Core Team.
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.