



MARY KAY

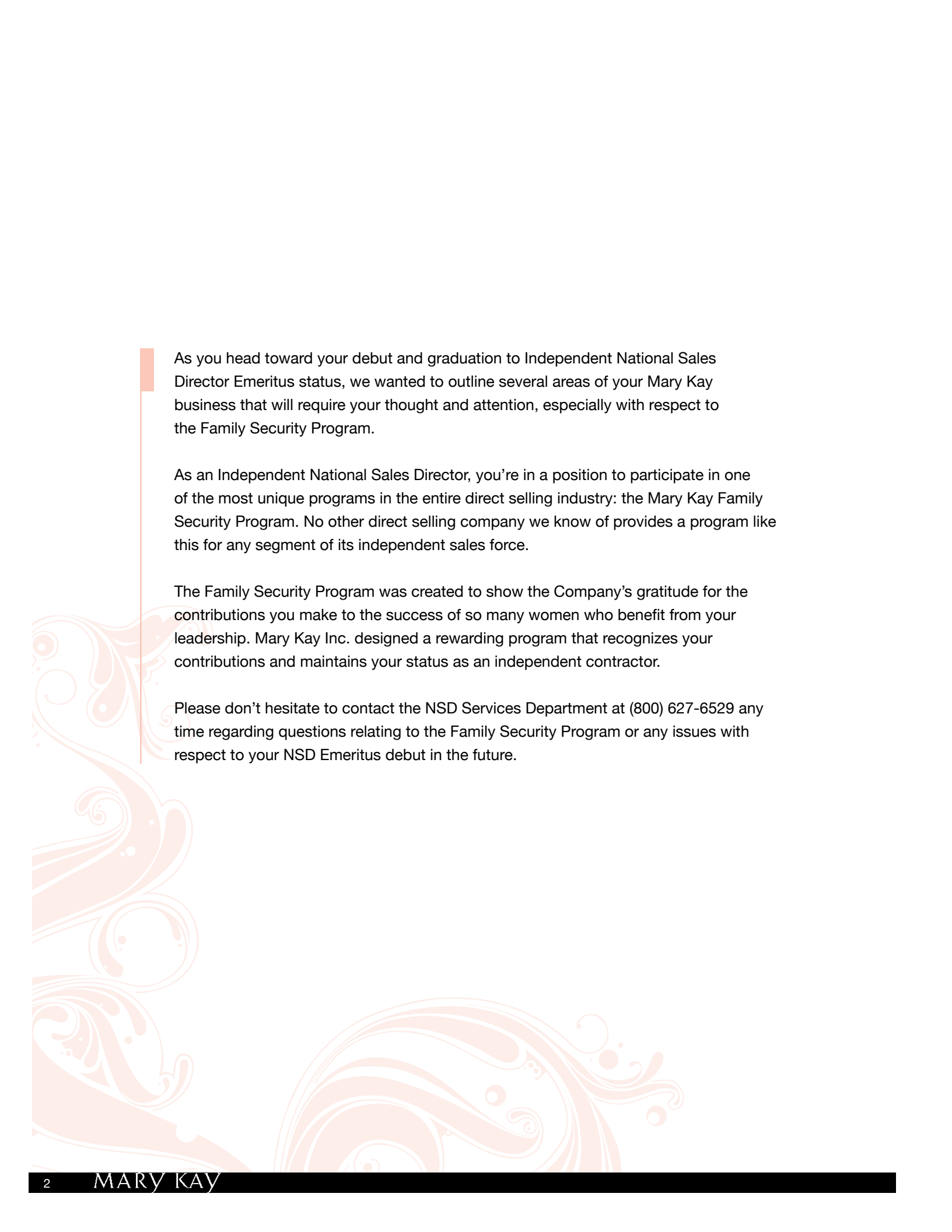


*“When people constantly ask me the question, ‘Where do you get your inspiration and motivation?’ I always have to say, ‘It is from my National Sales Directors who have attained the epitome of what I would hope that all of our people will become.’*

*“One of these days, I will pass the torch to you, and it will be your responsibility to take our Company to greater heights than ever.*

*“I know that I have not misplaced my faith. Thank you for being so wonderful. Thank you for your leadership and your belief in our Company, and thank you for what you are doing to help thousands and thousands of other women achieve the same success that you enjoy.”*

**– Mary Kay Ash**



As you head toward your debut and graduation to Independent National Sales Director Emeritus status, we wanted to outline several areas of your Mary Kay business that will require your thought and attention, especially with respect to the Family Security Program.

As an Independent National Sales Director, you're in a position to participate in one of the most unique programs in the entire direct selling industry: the Mary Kay Family Security Program. No other direct selling company we know of provides a program like this for any segment of its independent sales force.

The Family Security Program was created to show the Company's gratitude for the contributions you make to the success of so many women who benefit from your leadership. Mary Kay Inc. designed a rewarding program that recognizes your contributions and maintains your status as an independent contractor.

Please don't hesitate to contact the NSD Services Department at (800) 627-6529 any time regarding questions relating to the Family Security Program or any issues with respect to your NSD Emeritus debut in the future.

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# family security program

## Calculations of Family Security Payment

- The IRS requires the Company to report figures based on the month in which you **receive** commissions, not the month they were **earned**. Therefore, the commissions reported on your 1099 Miscellaneous form and used to calculate your Family Security Program payments will be based on your December of prior year through November of current year commissions (12 full months). December commissions for your final year **will not** be included in your final Family Security Program calculations since they are received in the actual Emeritus debut tax year.
- The Star Consultant bonuses are included in the Family Security Program calculations, and those figures are not available for the second quarter of the Seminar year until December month end. However, any Star Consultant Bonuses calculated in December will be added to your final year calculations.
- December commissions are received in January, and the Family Security Program payments will begin approximately February 1 of your debut year. All Family Security Program payments will be direct deposited to your bank account on the first of each month.
- You will continue to receive a 1099 Miscellaneous form as an NSD Emeritus and will want to confer with your financial/tax adviser to understand the implications this will have on your Social Security payments or the income tax liabilities. Company staff members are **not** eligible to give any financial or tax-related advice.
- This *Emeritus Guide* is intended to be a nontechnical summary of various programs, policies, awards and prizes afforded to Independent National Sales Directors. In the event of any conflict between this *Guide* and the NSD's NSD Agreement, Family Security Program Agreement or Great Futures Program Agreement (collectively "Agreements"), the Agreements shall prevail.



# nsd and first-line independent sales director offspring bonus information

Type of Bonus	Will It Be Paid During the NSD Emeritus Debut Process?	Will It Count for the Family Security Program?
<b>NSD BONUSES</b>		
<b>Annual Offspring NSD Development Bonus (Jan. 1 — May 1 of NSD Emeritus Debut Year)</b>	Yes — You Will Receive a One-Time Payment the Month Following Debut	Yes — The One-Time Payment Will Be Added
<b>New Offspring NSD Development Bonus (Debuted Jan. 1 Prior to Your NSD Emeritus Debut Bonus)</b>	Yes — Paid During February of Your Debut Year	No — All Bonuses on This Offspring NSD Have Been Included in Your Family Security Program Calculations
<b>SALES DIRECTOR BONUSES</b>		
<b>Jan. 1 New First-Line Year of NSD Emeritus Debut</b>	Yes — February	Yes
<b>\$1,000 First-Line Sales Director Development Bonus for Sales Directors With Anniversaries in January of Debut Year</b>	Yes — February	No
<b>NSD STAR CONSULTANT BONUSES</b>		
<b>Final Quarter NSD Star Consultant Bonus</b>	Yes — February	Yes

## Annual Offspring NSD Development Bonuses

If you are currently receiving an Offspring NSD Development Bonus check in January each year for a Jan. 1 debuting NSD, when you officially become an NSD Emeritus in January, we will pay the last \$10,000 bonus in mid-January of your debut year. However, the last January bonus **will not** be included in your Family Security Program final calculations since it is received in the current tax year vs. the prior tax year that your Family Security Program calculation was based upon.

## New Offspring NSD Development Bonuses

Should you have an offspring Independent Sales Director enter the NIQ process on or before Jan. 1 of your NSD Emeritus debut year and complete qualification by May 1, we will award you with a one-time Offspring NSD Development Bonus of \$10,000. This one-time bonus would be reflected on your NSD Emeritus debut year 1099 Miscellaneous form, and we would adjust your Family Security Program calculations to include that additional \$10,000 award since developing an NSD offspring is a significant achievement.



### **New First-Line Independent Sales Director Offspring Bonuses**

If you have a First-Line Independent Sales Director Offspring who debuts Jan. 1 of your NSD Emeritus debut year, you will receive the \$5,000 bonus, and it will be added to your Family Security Program calculations.

### **First-Line Independent Sales Director Anniversary Bonus**

A \$1,000 First-Line Sales Director Development Bonus will be paid for those Independent Sales Directors whose debut anniversary month is January. Since the \$60,000 wholesale production was achieved by December 30, the bonus is paid in the January commission, received by February, but Family Security Program figures will not be adjusted.

### **NSD Star Consultant Bonus**

Your Family Security Program payments are calculated at the end of November of your final active year as a National Sales Director. Because we want to make sure you are fully compensated for any NSD Star Consultant Bonuses you may be eligible for that final quarter, and since the NSD Star Consultant Bonus will not be calculated until December month end, we will add your final NSD Star Consultant Bonus — received in January — to your Family Security Plan calculations.

# 1099 misc. tax form information

Bonus/Award Payment	1099 for Final Active Year	1099 for First Year as NSD Emeritus
Career Car Value/Cash Award	X	
December Commission Check		X
Bee Pin/Inner Circle Diamonds for July – January (if Applicable)		X
Star Consultant/New Sales Director/ New NSD or January NSD Bonus		X

## 1099 Forms

All Family Security Program earnings will be listed on a 1099 Miscellaneous form. Please note that the Family Security Program does not meet IRS qualifications for an official retirement program because of various independent contractor issues. Therefore, it is not appropriate for the Company to issue a 1099R form to an NSD Emeritus.

## Other 1099 Miscellaneous Form Considerations

As an NSD Emeritus, other items that may appear on your 1099 Miscellaneous form include:

- The value of the Career Car or cash bonus will be added to your final active year 1099. (See NSD Emeritus Career Car Information in this booklet, Pages 11–12, for more information.)
- Automobile property taxes, depending upon the actual date you take the title of your Career Car and the assessment dates of the different taxing authorities. (See NSD Emeritus Career Car Information in this booklet, Pages 11–12.)
- The value of an attended NSD Trip.
- Family Security Program payments.
- The value of the Emeritus diamond bee pin or cash value (\$3,500) will appear in the 1099 of your first year as an Emeritus.
- Inner Circle bonuses or diamonds added to your bracelet for attaining Inner Circle July – December of your final year as an active NSD.

- Your December commissions from the final year of active status as a National Sales Director will be reflected on the 1099 for your first year as an NSD Emeritus, since we report the month in which commissions were actually received. For example, if you debut as a National Sales Director Jan. 1, 2009, your December 2008 commissions will be paid to you in January 2009 and be reported on your 1099 form for the 2009 tax year.

### **Maintaining Your Standard of Living**

By combining the full value of your Family Security Program and any Social Security income, it's possible that your post-NSD Emeritus income could be fairly close to your after-tax, after-expenses pre-NSD Emeritus net income. Your adviser may be able to help you pre-establish additional income vehicles to complement the earnings from the Family Security Program and Social Security and possibly even allow you to maintain your pre-NSD Emeritus earnings/commissions.

For information regarding Social Security, you can refer to the Social Security Department's official Web site at [www.ssa.gov](http://www.ssa.gov).



## Upon Your Debut as an NSD Emeritus, You Will Either:

- Receive the title to the Mary Kay Career Car you are currently driving, or
- Receive a cash bonus if you are currently accepting the Cash Compensation.
- The value of the car or cash bonus will be reported on your 1099 Miscellaneous form from your final year as an active NSD. For example, if you debut as an NSD Emeritus Jan. 1, 2009, your car value will be noted on your 2008 1099 Miscellaneous form.
- You should consult with your CPA or financial adviser to determine the impact of the value of the Career Car or cash bonus on your Social Security benefits or any other tax consequences.

## Receiving the Title to the Career Car (NSDs Currently Driving a Mary Kay Career Car)

- You will receive a phone call from the Career Car Services Department late in the fourth quarter of your final year as an active NSD requesting information on the current mileage and how you want the Career Car titled. The mileage will be used to determine the current fair market value based on Black Book, NADA or similar annual standards.
- Upon receipt of the requested information, the Company will arrange to pay off the remaining balance owed on your Career Car prior to December 31 and advise the leasing company to send you the title. The leasing company will attempt to register the Career Car with your state Department of Motor Vehicles (DMV); however, in some cases they may not be able to do so. If the leasing company is able to register the Career Car for you, they will ask you to sign a limited Power of Attorney so they can act on your behalf. The Company will pay for any state sales tax, title and license and registration fees to transfer the car into your name. In the event you personally have to handle the transaction, you can request a reimbursement by submitting an itemized list of the charges incurred and an original paid receipt (keep a copy for your records) to the Career Car Services Department.
- You should arrange to obtain personal automobile insurance coverage since coverage under the Career Car program will terminate on the effective date of the title transfer.

## Receiving the Cash Bonus (NSDs Currently Receiving Cash Compensation)

- NSDs currently receiving Cash Compensation will receive a cash bonus at the end of December.
- The amount of the cash bonus is determined by used car market conditions and IRS regulations at the sole discretion of Mary Kay Inc. and is not subject to negotiation.

## Planning Assistance

We understand that you have a lot to think about as you approach your NSD Emeritus debut date. We encourage you to contact your Career Car Services Specialist at any time to discuss your current car/cash situation and the options available to you.

## special information for **career car drivers**

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Although the Company will pay off the remaining balance owed on your car when you debut as an NSD Emeritus, it is important to know that due to timing differences, the Company may be billed for charges connected to your Career Car after you have taken title to the vehicle. In the event this occurs, the Company will pay the charges and report them to you as income on a 1099 Miscellaneous form. Please note that in some cases you may receive a 1099 Miscellaneous form with car-related income up to one year after your debut as an NSD Emeritus.

# life insurance\*

- You previously earned an award of \$200,000 in term life insurance and an additional \$100,000 in accidental death and dismemberment coverage. Your coverage remains in effect until you begin receiving Family Security Program retirement or disability benefits.
- You may wish to initiate a policy with your own insurance carrier or you may choose to continue your life insurance through Unum's conversion option. Conversion offers you the opportunity to continue your life insurance as an individual whole life policy.
- If you have questions about the conversion option or wish to exercise the conversion option, please contact an Unum service representative at (866) 627-3758 or the Mary Kay Inc. Risk Management Department at (972) 687-5788.

\*The life insurance products referred to herein are offered by Unum Life Insurance Company of America (Unum). Mary Kay Inc. is not affiliated with Unum.



# business considerations

The Family Security and Great Futures Programs require dissolving the previous legal relationship between the NSD and the Company. Because you will no longer have this contractual relationship with the Company, you cannot function as or like an Independent National Sales Director, an Independent Sales Director or an Independent Beauty Consultant. This also applies to international markets where you worked when you were active. This means that you may not:

- Hold unit or Sales Director meetings.
- Sell Mary Kay® products.
- Offer the Mary Kay opportunity.
- Provide business consultation or coaching services to Mary Kay independent sales force members for remuneration.

However, if you so desire, you may continue to:

- Attend Company events — your registration fees will be complimentary.
- Speak or appear as a guest at local or regional independent sales force functions at the request of a sales force member to continue to educate the sales force on Mary Kay principles and culture. Teaching such specifics as the career path should be avoided.
- Form an independent enterprise which markets goods or services to the Mary Kay independent sales force within our Creative Works guidelines and with the Company's prior written permission. All submissions for Creative Works should be submitted to the Sales Education Department for consideration. Examples include your memoirs, an I-story video or educational/motivational tapes or compact discs.
- Form an independent enterprise to market non-Mary Kay goods or services to customers other than the Mary Kay independent sales force. Examples include operating a bed-and-breakfast, antique business or scrapbooking business. This does not require permission from the Company but is an option only within the key restrictions specified in the Family Security Program agreement. For example, if you wish to pursue another career, you may not use your Mary Kay contacts or events for selling your goods or services without the Company's written permission, you may not recruit members of the Mary Kay independent sales force to join you in your new business venture, and you may not receive any form of income from another company based on an association between such company and a Mary Kay sales force member.



- Stay in touch with any customers and independent sales force members who have become friends.
- Order products with a 50 percent discount from the Company for personal use, even after your Family Security Program payments have expired. You will also still be included in special product preview mailings for NSDs. Since you will no longer be servicing customers, you will no longer have access to ProPay® or Preferred Customer Program information online beginning in February after your NSD Emeritus debut.



Tender Power® Inc. is a wholly owned subsidiary of Mary Kay Inc.  
Tender Power® provides consulting services to Mary Kay.

## How the Program Works for U.S.

- Mary Kay Inc. is contacted by Go Give Area Sales Directors who request a specific NSD Emeritus to attend a future event or meeting. Each event must meet the criteria featured on the next page for consideration.
- If the Go Give Area Sales Director does not know which NSD Emeritus she would like to use, the Company will offer suggestions, based on a list of NSD Emeriti who have contacted the Company informing us of interest in U.S. Tender Power® assignments.
- The Company then contacts the NSD Emeritus and extends the invitation. If the NSD Emeritus agrees to participate in the event, her phone number is then given to the Go Give Area Sales Director to coordinate all aspects of the future event or meeting.
- The NSD Emeritus may contact Mary Kay Travel, LLC to make travel arrangements. The Company will not initiate such arrangements.
- Tender Power® Inc. will mail a consulting services agreement to the NSD Emeritus approximately two weeks prior to the event. This agreement must be signed and returned to Tender Power® Inc. prior to travel.

for  
U.S.

In the United States, Tender Power® is used to support the Go Give Area. Any Go Give Area Sales Director may contact the Company and request an NSD Emeritus to attend her event. Tender Power® services are also used for the Go Give Area Awards Nights at Seminar.

## Criteria to Participate

- **Must be an NSD Emeritus.**
- Each NSD Emeritus will only be utilized a maximum of three (3) times per calendar year.
- Each event must meet the following criteria (except Go Give Area Awards Night at Seminar):
  - Open meeting to all.
  - Must have 100 or more Independent Beauty Consultants and/or Independent Sales Directors in attendance.
  - Must have a Go Give Area Sales Director hosting the event.
  - No Company staff or other NSDs attending.
  - May not assign an NSD Emeritus to work with her former area.
  - Assignment may not extend beyond a period of three days.

## How the Program Works for International

- The Company is contacted by a representative from an international market that requests an Independent Sales Director, Independent National Sales Director or NSD Emeritus (“Independent Contractor”) to attend a future meeting or event.
- If the international market does not know which Independent Contractor it would like to use, a participant will be selected based on the country’s specific needs and recommendations given by Tender Power® representatives.
- The Company then contacts the Independent Contractor and extends the invitation. If the Independent Contractor agrees to participate in the event, their contact information is given to the International Market Representative to coordinate all aspects of the future event or meeting.
- Mary Kay Travel, LLC will contact the Independent Contractor to make all travel arrangements.
- Tender Power® Inc. will mail a consulting services agreement to the Independent Contractor approximately two months prior to the event. This agreement must be signed and returned to Tender Power® Inc. prior to travel.

## international Tender Power®

Tender Power® allows the international markets to tap into the unique knowledge and experience of U.S.-based independent sales force members to assist in motivating and educating members of the local independent sales force.

## Criteria to Participate

- An Independent Contractor is eligible to participate in all International Markets, including those markets where the Independent Contractor formerly had offspring Independent Sales Directors or Independent National Sales Directors through the Global Leadership Development Program (GLDP). However, while the Independent Contractor is on a Tender Power® assignment, all actions should be for the purpose of completing the assignment. As a reminder, you should not function as or like an active NSD with your former Area members beyond the scope of the assignment.
- **Participation in former GLDP markets is limited to a total of three (3) assignments and must be completed in the first five years after debuting as an Emeritus.**
- There is no limit on participation in non-GLDP markets.



## Compensation

- Travel expenses (meals, airfare, hotel, etc.) are reimbursed, are taxable and will be reflected on a separate 1099 Miscellaneous form from Tender Power® Inc.

### Tender Power® Assignments

- Independent Contractors contracted for Tender Power® assignments earn daily consulting fees based on their title while on the assignment (see table below).

	Daily Payment Amount for Services
Sales Director (All Levels)	\$250
National Sales Director	\$350
Inner Circle	\$550
Elite Executive NSD	\$650
Emeriti	Based on Level at Debut
Meals	\$80

## Frequently Asked Questions

### Is the spouse allowed to attend an event with the contracted Tender Power® Inc. representative?

Yes. However, the spouse will be required to sign a waiver from the Mary Kay Inc. Legal Department, and none of the spouse's expenses will be covered by the Company.

### Are children allowed to attend an event with a Tender Power® Inc. representative?

No. We do not allow children to accompany a Tender Power® Inc. representative during an assignment.

### Whom do I contact at the Company to volunteer or to ask questions?

Please contact NSD Services at (800) 627-6529 to notify the Company of your interest in participating in either or both aspects of the Tender Power® Inc. program.



# unit members/customers

- Independent Beauty Consultants in your personal unit must be transferred to your First-Line Independent Sales Directors. The Company will send you a form, usually in the final quarter of the year, that contains your unit members' names for you to designate which eligible\* First-Line Sales Director will receive which unit members. This form will be due to NSD.Services@mkcorp.com by December 1 of your final year as an active Independent National Sales Director. You may not disperse your personal unit members into a First-Line NSD unit even if that National Sales Director is a close relative.
- Although the unit members may remain in your personal unit until January 1 when your status officially changes to NSD Emeritus, we will need the information by December 1.
- You may want to consider maintaining your personal unit until January 1, since you could earn additional \$5,000 bonuses for First-Line Sales Directors who debut throughout the year through January 1. These \$5,000 bonuses on First-Line Sales Director debuts do contribute to your Family Security Program. This is a great way to maximize your earnings in your final year.
- Many NSD Emeriti suggest promoting a contest to your First-Line Independent Sales Directors during the final year to fairly distribute all personal unit members to First-Line units that have reached Cadillac status by your December 1 deadline. A promotion such as this can be a great incentive that will foster growth in your First-Line during your final year. Communicating your plans to First-Line Sales Directors early in the final year and having them work to earn the unit members or understand that a close relative may inherit the entire unit seems to prevent hard feelings during your final active months. Please contact your Sales Development Director or NSD Services if you would like additional suggestions or would like to discuss this topic.
- If you have customers enrolled in the Preferred Customer Program, please reassign them by December, so they will be assured of continued service from an active Mary Kay Independent Beauty Consultant or Independent Sales Director. You may contact NSD Services if you have specific questions regarding this transition, and they will connect you with a Preferred Customer Program representative to answer any questions.

\*An eligible First-Line Independent Sales Director is one who has been an Independent Sales Director for one (1) year to ensure that those Sales Directors who achieve "Fabulous 50s Club" or "Honors Society" status do so on their own merit and have not qualified on the merit of someone else's efforts.





# great futures program and working in international markets

- All active Independent National Sales Directors receive a Great Futures contract even if they don't currently operate in a foreign market. This is because at any given time during your active status as an NSD, one of your commissionable area Independent Sales Directors could sign up under the Global Leadership Development Program (GLDP) and create GLDP commissions for you.
- Great Futures Awards payments, if applicable, will follow the same payment schedule as the GLDP commission payments. For example, the Great Futures Awards payments for the business month of January will be received on or before February 20, contingent upon awards earned that month and your choice of payment either by direct deposit or an actual check.
- Great Futures Program income will be reported on a 1099 Miscellaneous form just as your Family Security Program and current NSD commissions are.
- Should you have units in a GLDP market that your Senior NSD will inherit upon your debut as an Emeritus, you might want to work with the Senior NSD prior to your debut to show her how you work with the international Independent Sales Directors. For example, how often did you contact them? By phone? By e-mail? How often did you travel to their home countries? Did you send newsletters? Did you attend special events in their home countries?
- Should you have units in GLDP markets, please request a spreadsheet overview of that area in each country through the Mary Kay Inc. International Department so the inheriting National Sales Director can have an overview of how many Independent Beauty Consultants and Sales Directors in the other market she will be inheriting.



# nsd emeritus debut video and ceremonies at leadership conference

One of the most memorable aspects of your transition to NSD Emeritus is the debut ceremony at Leadership Conference. As you know, NSD portraits are displayed at Leadership Conference and Seminar as well as on permanent display in the “Keepers of the Dream” Gallery at Mary Kay Inc.

If it has been five or more years since your last official NSD portrait was taken and you would like to update your NSD portrait prior to debuting at Leadership Conference, the NSD Services Department will reimburse you up to \$350 to offset any expenses toward the sitting fees, professional hairstyling or makeup artist expenses you may incur as you update your NSD portrait. NSD portrait updates are not available once you have officially debuted as an NSD Emeritus, so all receipts will need to be submitted to NSD Services and processed by December 1 prior to your official NSD Emeritus debut.

In addition, to ensure that your revised NSD portrait will be on display at Leadership Conference, we must receive your updated photograph and signed legal agreements by October 1 of your final year as an active National Sales Director. Please contact NSD Services at (800) 627-6529 to determine when your NSD portrait was last updated or to receive the professional photography agreements and guidelines you will need to update your NSD portrait.

In your honor, the Company will produce a video commemorating you and your Mary Kay accomplishments. The video will be shown at Leadership Conference just prior to you and your family appearing onstage.

A Company representative will call you to interview you and request photographs you would like to include in the video.

Please send 25–30 original photographs (not copies) to NSD Services at the Company offices by May 1. We will make every effort to return these priceless photos to you. To help ensure these original photos are returned, use a delivery service such as FedEx or UPS which provides tracking numbers. Do **not** use priority or regular mail. The address is:

Mary Kay Inc.  
Attn: NSD Services  
16251 Dallas Parkway  
Addison, TX 75001

Pictures you may want to consider would be:

- Photos of you with Mary Kay Ash.
- Photos of you with your Senior NSD and/or offspring NSDs.
- Photos of you and your area Independent Sales Directors at various functions throughout the years.
- Photos of you and your family.
- Photos of your favorite Mary Kay moments (being crowned queen, on trips, receiving the Go-Give® Award, earning the use of your first Career Car, etc.).
- Photos of you early in your business that depict the highlights of your Mary Kay journey.

Please designate any photos that are very important to you to be included in the video since only 20 photos are typically used for the final character sketch video.

Please mark the back of each photo with a sticky note or include a photo log sheet with digital images and information about each photo.

If sending digital images, burn all you want considered to a separate disk and mail the disk.

Do **not** send digital photos via e-mail. Do **not** send photos you do not want considered for your debut video.

- The onstage ceremony at Leadership Conference will recognize your NSD Emeritus debut. You may choose to be escorted onstage by a family member or a Company representative who is special to you. Family members are welcome to join you onstage as are any direct offspring Independent National Sales Directors.
- You will receive a makeup touch-up prior to your NSD Emeritus ceremony onstage. An NSD Services staff member will give you information prior to or during Leadership Conference to let you know your makeup time. Please bear in mind that you should arrive at the convention center with your hair and makeup done as usual. Our makeup artists are only provided to enhance your features for the onstage presentation. Due to our limited number of makeup artists, family members and Senior NSDs or offspring NSDs will not have their makeup professionally touched up.

- Your Senior NSD will be onstage with you and present you with the NSD Emeritus diamond bee pin or the \$3,500 cash award. Some NSDs elect to take the cash award instead of the NSD Emeritus bee and use the money to continue filling their NSD bracelet with diamonds or to purchase a ring, watch or vacation. We will need to know your choice by October 1. If you elect the cash award, we would love to tell the audience how you've elected to spend the money.
- You will have four (4) minutes to address the audience. We suggest you rehearse your comments in advance and use the four minutes to showcase what your experience as an NSD has meant to your family and encourage Independent Sales Directors that they, too, can attain this prestigious position.
- We suggest that you submit your four minutes of written comments to the Company by January 1 of your debuting year so we can have them available through the teleprompter onstage. Even a few bullet points can be helpful while onstage to trigger your thoughts.
- Your area Independent Sales Directors will have reserved seating only on the day of your particular NSD Emeritus ceremony in honor of your NSD Emeritus debut. It will be your responsibility to remind your area Sales Directors of this special privilege prior to Leadership Conference.
- You will be eligible to bring a maximum of 10 family members and/or friends with you to Leadership Conference for your debut. You and your spouse or one guest will be seated in the NSD seating section; any additional guests will be seated in a special NSD guest seating section either behind or next to the NSDs, depending on the venue and setup in that particular city.
- Please wear your active NSD suit all three days of Leadership Conference when you debut as an NSD Emeritus.
- You will receive December month-end and Seminar year-to-date/Leadership Conference contest report information in January in order for you to conduct your final Leadership Conference area event.
- You will receive a DVD of your Leadership Conference onstage Emeritus debut sometime in March or April.



# online features and communication for nsd emeriti

## NSD Emeritus Home Page

- The NSD Emeritus home page on the Mary Kay InTouch® Web site is your online continuing communication vehicle with the Company. In addition, you will continue receiving *Applause*® magazine, NSD Personals and Care Bulletin information. Due to the specific business content of *National News Notes*, *Directors Memo* and the *Pink Link*® DVD, you will no longer receive these three materials. You will continue to receive new products prior to their official introduction and an NSD Emeriti version of *National News Notes*.
- We do suggest that during your final year you set up some type of system to capture area birthdays and anniversaries, phone numbers, addresses and e-mail addresses for those you would like to remain in contact with after your official debut as an NSD Emeritus. Your access to reports and MKeCards® via the myBusiness® system will no longer be available beginning in mid-January of the year you debut as an NSD Emeritus.
- For Independent National Sales Directors who still service a customer base and have an active Mary Kay® Personal Web Site, you will receive complimentary Mary Kay® Personal Web Site services your final year as an active National Sales Director, regardless of when you typically incur renewal fees.

Please bear in mind that effective January 1, when you officially debut as an NSD Emeritus, you will no longer have a Mary Kay® Personal Web Site.

- If another NSD will be inheriting your area, we will provide her with all your area information the first week of January, since she officially inherits your area at that time. We encourage you to work closely with your inheriting Senior NSD throughout the year so that your area Independent Sales Directors and Independent Beauty Consultants will feel comfortable with the transition in January. Some debuting NSD Emeriti have chosen to invite their Senior NSD who will inherit their area to their final recognition event at Leadership Conference.
- Should your area be transitioning to the Go Give Area, we encourage you to work closely with the Sales Development Manager for your Seminar so that he or she can begin communicating with and supporting your area prior to January.





## New NSD Trip Eligibility for Emeriti

- If you debut as an NSD Emeritus on Jan. 1, 2009, NSD Trip qualifications will not affect you. You will be awarded four trips beginning the year of your NSD Emeritus debut.
- If you debut as an NSD Emeritus on Jan. 1, 2010, you also will be awarded four trips.
- If you debut as an NSD Emeritus on Jan. 1, 2011, you will automatically qualify for the May 2011 NSD Trip. You will be awarded an additional trip for the 2007/2008 Seminar year since the NSD Trip qualification requirements were not in effect at that time. You will also be eligible to qualify for two additional trips based on your area performance for the 2008/2009 and 2009/2010 Seminar years, for a total of four potential trips.
- If you debut as an NSD Emeritus on Jan. 1, 2012, or later, you will automatically qualify for the first trip following your debut date. You will be eligible for up to three additional trips based on the number you qualified for in your final three complete Seminar years. In other words, you could be eligible for a total of four trips.
- These trips must be taken in the first five years following your NSD Emeritus debut. These trips will appear on your 1099 Miscellaneous form as they did while you were an active Independent National Sales Director.

As before, cash compensation in lieu of attending the NSD Trip as well as the option to “bank” an NSD Trip will not be offered as part of the program.

## NSD Trip Information for Emeriti

- The NSD Trip in the year you debut as an NSD Emeritus (January) is based upon your prior Seminar year-end ranking. (This includes hotel room assignments.)
- If you were an Inner Circle NSD at the end of your last active year at Seminar, you will earn the Inner Circle trip the year you debut as an NSD Emeritus.
- During your remaining three NSD Emeritus trips, if you were an Inner Circle NSD each of your last five years as an active NSD, your rooms on a ship or in a hotel will be assigned in ranking order based on your last year of active status after the active Inner Circle NSDs have been placed in ranking order.
- The Inner Circle portion of the trip and business class upgrades **will not** be included for the remaining three NSD Emeriti trips, even when Inner Circle ranking was achieved prior to your debut as an NSD Emeritus.
- Reaching Inner Circle by January in the year you debut as an NSD Emeritus **will not** qualify you for business class upgrades or Inner Circle trips; however, you will receive the additional two diamonds for your NSD bracelet and the appropriate bonus check for achieving Inner Circle NSD status in this six-month period.



# nsd emeriti stationery

Debuting NSD Emeriti will receive one (1) complimentary set of NSD Emeritus stationery following Leadership Conference. Future orders can be placed by calling NSD Services or online via the NSD Emeritus home page by clicking on the “Ordering” tab, the “MKConnections®” link and then the MKConnections® icon.





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