

Compensation Plan

Overview

Effective November 1, 2023

Color Street has revolutionized nail beauty with **100% real nail polish strips that take the mess and stress out of the manicure experience**. By simply wearing and sharing Color Street, you're opening up opportunities for new customers (and potential Stylists!) to fall in love with our products.

Color Street uses "social selling" as its primary marketing method. As a Stylist, you may hold in-person or virtual Beauty Socials, sell Color Street products to customers, and build a fun and exciting business. Finding new customers is the foundation of your ongoing success. Color Street's social selling system also allows you to invite others to be part of your Stylist team, enhancing your income potential.

The Color Street Compensation Plan offers Stylists commissions, bonuses, and rewards for marketing our products and finding customers, Beauty Social Hosts, and new team members.

Within the five phases of a Color Street business, there are many ways for you to make money in this Compensation Plan. As a Stylist, you decide your level of effort and strive towards building an organization if you choose. You can choose to sell only or learn to enroll and develop a team. Generational bonuses reward Stylists as they spend time and energy guiding their new Stylists and developing leaders.

MARKETING	Focus on personal sales as you start building your business
DEVELOPMENT	Growing your business-building activities and increasing your network
EXPANSION	Guide others through the same business-building activities
LEADERSHIP	Rewards you for building your team and developing emerging leaders
LEGACY	Rewards you for mentoring other leaders in the executive levels on your team

KEY TERMS

Personal Volume (PV): The sum of the Stylist's personal purchase volume and their customers' purchase volume.

Group Volume (GV): The sum of the Stylist's PV and the PV of all Stylists in their downline organization.

Level: The position a Stylist is, relative to another Stylist.

For example, if Anna is Betty's Sponsor, Betty is a Level 1 (L1) Stylist for Anna. If Betty is Claire's Sponsor, Claire is a Level 1 (L1) Stylist for Betty and a Level 2 (L2) Stylist for Anna.

Leg: A Leg begins with a Level 1 Stylist and includes all of the Stylists underneath them.

Capped GV: The GV capped by the 50% Rule, meaning that no more than 50% of Capped GV can come from one Leg alone.

Generation: Generation 1 (G1) begins with the first Stylist with a Career Title of SL or above in each Leg, and goes down to but does not include the next Stylist with a Career Title of SL or above, who starts Generation 2 (G2), and so on.

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Marketing Phase

Your Stylist journey begins with the Marketing Phase!

Wear and share the products, network, and invite others to experience the products, host Beauty Socials, or join your team.

Retail Commissions

The foundation of your Color Street business is selling products and building a strong customer base - you can earn up to 35% Retail Commissions on your Personal Volume (PV).

Base Retail Commission starts at 25% of your PV. Base Retail Commission is paid in weekly payouts.

You can earn an additional 5-10% in Enhanced Retail Commission, paid monthly, based on your Personal Volume for the calendar month.

	PERSONAL VOLUME	COMMISSIONS ON PV	CUMULATIVE TOTAL
BASE RETAIL COMMISSION PAID WEEKLY	Up to \$599.99	25%	25%
ENHANCED RETAIL COMMISSION PAID MONTHLY	600-1,799.99	5%	30%
	1,800+	5%	35%

Rewards

	QUALIFIED STYLIST (QS)
PERSONAL VOLUME	150 PV
DOWNLINE VOLUME	-

As you build your business, you can **qualify for new Ranks** in the Marketing Phase by **meeting Personal Volume and Group Volume requirements each month**.

Group Volume is the sum of your PV and the PV of all Stylists in your downline organization. During the Marketing Phase, as there are no requirements regarding your downline structure, all of your GV could come from your PV.

Level Bonus

PAID RANK	QUALIFIED STYLIST (QS)
LEVEL BONUS - L1	2%

When you are paid as a Qualified Stylist or above, you earn a Level Bonus on the PV of any Level 1 Stylists you may have on your team.

The term "Level" is used to describe the position a downline Stylist is relative to you.

For example, if you are the Sponsor for Betty, Betty is a Level 1 (L1) Stylist for you, and you can earn an L1 Level Bonus on Betty's PV.



Development Phase

In the Development Phase, you start to develop your skills in the business activities of networking, practicing Color10, selling, holding Beauty Socials, and enrolling and onboarding new Stylists of their own.

To qualify as a Gold Stylist or above, you must meet Leg requirements in addition to monthly volume requirements. A Leg begins with a Level 1 (L1) Stylist and includes all of the Stylists underneath them. You have as many Legs as you have L1 Stylists. The Rank for a Leg is based on the highest Paid Rank of all Stylists in that Leg.

	BRONZE STYLIST (BS)	SILVER STYLIST (SS)	GOLD STYLIST (GS)
PERSONAL VOLUME	300 PV	300 PV	300 PV
DOWNLIN VOLUME	500 GV	1,000 GV	1,500 GV
LEG REQUIREMENTS	–	–	1 QS Leg

Rank Promotion Bonuses

PAID RANK	AMOUNT
BRONZE STYLIST	\$50 USD / \$68 CAD / € 50 EU
SILVER STYLIST	\$100 USD / \$135 CAD / € 100 EU
GOLD STYLIST	\$150 USD / \$203 CAD / € 150 EU

Earn a **one-time bonus** when you promote to the Bronze Stylist to Gold Stylist ranks for the first time.

Level Bonuses

As you build your team and progress through the Development Phase ranks, your Level Bonuses increase in depth and percentage.

PAID RANK	BRONZE STYLIST (BS)	SILVER STYLIST (SS)	GOLD STYLIST (GS)
LEVEL BONUS - L1	3%	4%	6%
LEVEL BONUS - L2	–	–	2%

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Expansion Phase

In the Expansion Phase, you are starting to guide others in business building activities.

Starting with the Platinum Stylist Rank, the downline volume requirement is based on Capped GV, which is your GV capped by the 50% Rule, meaning that no more than 50% of Capped GV can come from one Leg alone. For a detailed explanation, refer to the example in the glossary of this document.

	PLATINUM STYLIST (PS)	BRONZE LEADER (BL)	SILVER LEADER (SL)
PERSONAL VOLUME	300 PV	300 PV	300 PV
GROUP VOLUME	2,500 Capped GV	4,500 Capped GV	8,500 Capped GV
LEG REQUIREMENTS	2 BS Legs	1 GS Leg + 2 BS Legs	1 PS Leg + 2 BS Legs

Rank Promotion Bonuses

EARN

- **One-time bonus** when **you promote** to PS, BL, or SL and then maintain it as a Paid Rank for two consecutive months.
- **Rank Promotion Upline Bonus** when **a Stylist earns** the Silver Leader Stylist Rank Promo Bonus, their first upline Career Title Gold Leader (or above) will earn a \$300 USD / \$405 CAD / € 150 EU bonus.

PAID RANK	AMOUNT
PLATINUM STYLIST	\$250 USD / \$338 CAD / € 250 EU
BRONZE LEADER	\$400 USD / \$540 CAD / € 100 EU
SILVER LEADER	\$600 USD / \$810 CAD / € 150 EU

There is no time limit when the two consecutive monthly periods must be achieved by. For example, if you promote to Bronze Leader in January and do not get paid as BL in February, but get paid as BL in March and April, they would earn the bonus in the April commission run.

Level Bonuses

As you build your team and progress through the Expansion Phase ranks, your Level Bonuses increase in depth and percentage.

PAID RANK	PLATINUM STYLIST (PS)	BRONZE LEADER (BL)	SILVER LEADER (SL)
LEVEL BONUS - L1	7%	7%	7%
LEVEL BONUS - L2	4%	5%	6%
LEVEL BONUS - L3	–	3%	4%
LEVEL BONUS - L4	–	–	2%

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Leadership Phase

The Leadership Phase begins at the Gold Leader Rank, and rewards you for building your team and developing emerging leaders.

	LEADERSHIP PHASE 1			LEADERSHIP PHASE 2	
	GOLD LEADER (GL)	PLATINUM LEADER (PL)	SILVER EXECUTIVE (SE)	GOLD EXECUTIVE (GE)	PLATINUM EXECUTIVE (PE)
PERSONAL VOLUME	300 PV	300 PV	300 PV	300 PV	300 PV
GROUP VOLUME	15,000 Capped GV	25,000 Capped GV	50,000 Capped GV	100,000 Capped GV	200,000 Capped GV
LEG REQUIREMENTS	1 BL Leg + 2 SS Legs	1 SL Leg + 2 GS Legs + 1 BS Leg	1 GL Leg + 2 PS Legs + 1 SS Leg	1 PL Leg + 2 BL Legs + 1 GS Leg	1 SE Leg + 2 SL Legs + 1 PS Leg

Level Bonuses

In the Leadership Phase, you can earn five levels of Level Bonuses on your downline Stylists' volume.

PAID RANK	GL	PL	SE	GE	PE
LEVEL BONUS - L1	7%	7%	7%	8%	8%
LEVEL BONUS - L2	6%	6%	6%	6%	6%
LEVEL BONUS - L3	4%	4%	4%	4%	4%
LEVEL BONUS - L4	3%	4%	4%	4%	4%
LEVEL BONUS - L5	2%	2%	3%	3%	3%

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Leadership Phase

Generation Bonuses

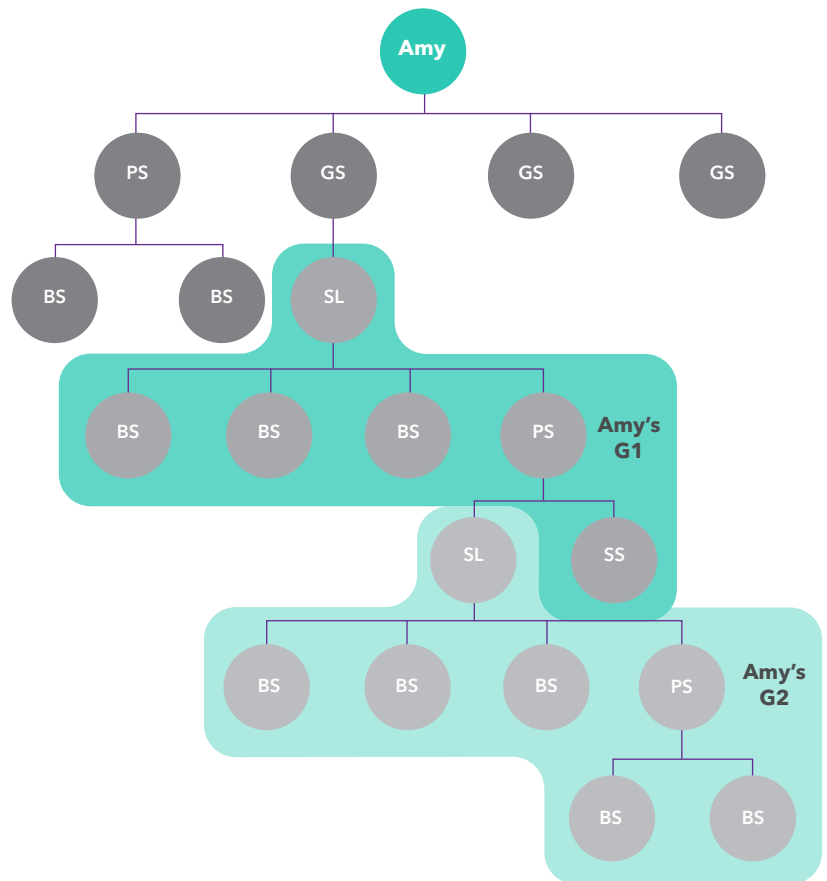
EARN

- Stylists with a Paid Rank of Gold Leader or above can earn **Generation Bonuses on the volume from their downline Generations.**

A Generation is defined by a Career Title of Silver Leader (SL) or above. The Career Title is the highest Paid Rank a Stylist has achieved in a rolling 6-month period.

In other words, the Generation 1 Bonus would be paid on the volume from the first downline Stylist with a Career Title of SL or above, and all the Stylists below them, down to but not including the next Stylist with a Career of SL or above, who starts the Generation 2.

The graphic to the left shows the Career Titles of example Stylist Amy's organization, and highlights her Generation 1 and Generation 2 Stylists. Amy would need a Paid Rank of Gold Leader or above to earn a G1 Bonus, and a Paid Rank of PL or above to earn a G2 Bonus.



PAID RANK	GL	PL	SE	GE	PE
GENERATION BONUS - G1	2%	3%	4%	4%	5%
GENERATION BONUS - G2	-	1%	2%	3%	3%
GENERATION BONUS - G3	-	-	1%	2%	2%
GENERATION BONUS - G4	-	-	-	1%	2%
GENERATION BONUS - G5	-	-	-	-	1%

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Legacy Phase

Finally, the Legacy Phase rewards you for mentoring other leaders in the executive levels on your team.

	TOPAZ NATIONAL (TN)	SAPPHIRE NATIONAL (SN)	RUBY NATIONAL (RN)	EMERALD NATIONAL (EN)	DIAMOND NATIONAL (DN)
PERSONAL VOLUME	300 PV	300 PV	300 PV	300 PV	300 PV
GROUP VOLUME	400,000 Capped GV	750,000 Capped GV	1,500,000 Capped GV	3,000,000 Capped GV	6,000,000 Capped GV
LEG REQUIREMENTS	1 GE Leg + 2 GL Legs + 1 BL Leg	1 PE Leg + 2 PL Legs + 1 BL Leg	1 TN Leg + 2 SE Legs + 1 BL Leg	1 SN Leg + 2 GE Legs + 1 BL Leg	1 RN Leg + 2 PE Legs + 1 BL Leg

Level Bonuses

The Level Bonuses continue to reward you for the volume of the first five Levels of your downline.

PAID RANK	GE and ABOVE
L1	8%
L2	6%
L3	4%
L4	4%
L5	3%

Generation Bonuses

The Generation Bonuses continue to reward you for the volume of the first five Generations.

PAID RANK	GE and ABOVE
G1	5%
G2	4%
G3	2%
G4	2%
G5	1%

Build Wide Build Smart Bonus

At Paid Ranks of TN and above, you can earn the Build Wide Build Smart Bonus, which rewards Stylists for building a healthy team with many strong Legs. The bonus is an additional percentage on the Generation Bonuses (G1-G5), excluding Stylists in your two largest Legs (based on GV).

PAID RANK	TN	SN	RN	EN	DN
BONUS	0.5%	0.75%	1%	1.25%	1.5%

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Glossary

Capped GV: The GV capped by the 50% Rule, meaning that no more than 50% of Capped GV can come from one Leg alone. The 50% Rule applies for rank qualifications starting with Platinum Stylist. The purpose of this rule is to encourage each Stylist to build multiple strong Legs. *Calculated monthly for rank qualification requirements.*

Capped GV = The Stylist's PV + the GV from each Leg, where the largest Leg (based on GV) is capped at the sum of the Stylist's PV + the GV of all other Legs.

Example: Stylist A had 311.00 PV. The largest Leg had 44,409.20 GV. The sum of the other Legs' GV is 19,320.20.

- When calculating Capped GV, the largest Leg is capped at $311.00 + 19,320.20 = 19,631.20$
- Stylist A's Capped GV is $311.00 + 19,320.20 + 19,631.20 = 39,262.40$ (PV + sum of other Legs + capped volume of largest Leg = Capped GV)

Commission Period: The time period that commissions are calculated for. All times are based on Central Time.

Weekly: A weekly period begins Wednesday morning at 12:00:00 am Central Time and ends the following Tuesday night at 11:59:59 pm Central Time. Color Street processes the weekly Base Retail Commission payout each Wednesday, and funds appear in the Pay Portal on Thursday.

Monthly: The monthly period begins the first day of the month at 12:00:00 am Central Time and ends the last day of the month at 11:59:59 pm Central Time. Color Street processes monthly commissions (all payouts other than Base Retail Commission) within the first five business days of each month, unless Stylists are notified otherwise

Downline: All Stylists who are in your team, including Stylists you enrolled, the Stylists they enroll, and so on. Your downline also includes Stylists who may be placed under you by an upline leader.

Enroller/Sponsor: Your Enroller is the Stylist who brought you into Color Street and enrolled you as a Stylist. Your Sponsor is the Stylist who is immediately above you in your organization. When you first become a Stylist, your Sponsor is the same person as your Enroller; however, your Sponsor may change due to Placement.

Exchange Rate: Commissions are calculated based on the currency-neutral Personal Volume (PV) value and then adjusted using the exchange rate to determine the dollar amount for payout. (Please note that Color Street's exchange rates are subject to change.) See below for an example.

The purchase of one set of Tokyo Lights earns a Stylist 13 PV. To calculate a retail commission of 25%, we would first calculate 25% of 13 PV, which is 3.25.

- The exchange rate for USD is 1:1, so this equals a \$3.25 USD commission payout for US Stylists.
- The Color Street exchange rate for Canadian dollars is 1:1.35, so this equals a \$4.38 CAD commission payout (3.25 multiplied by 1.35) for Canadian Stylists.

Generation: Generation 1 (G1) begins with the first Stylist with a Career Title of SL or above in each Leg, and goes down to but does not include the next Stylist with a Career Title of SL or above, who starts Generation 2 (G2), and so on.

Group Volume: The sum of the Stylist's PV and the PV of all Stylists in their downline organization. *Calculated monthly for rank qualification requirements.*

Leg: A Leg begins with a Level 1 Stylist and includes all of the Stylists underneath them.

Level: The position a Stylist is, relative to another Stylist. For example, if Anna is Betty's Sponsor, Betty is a Level 1 (L1) Stylist for Anna. If Betty is Claire's Sponsor, Claire is a Level 1 (L1) Stylist for Betty and a Level 2 (L2) Stylist for Anna.

Personal Volume: The sum of the Stylist's personal purchases and their customers' purchases. Personal Volume (PV) is a currency-neutral value and is the same across the US and Canada. *Calculated monthly for rank qualification requirements.*

CATEGORY	USD	CAD	EU	PV
Solid, Glitter, Clear Design	\$13	\$17.50	€13	13
Nail Art, Glitter Dipped, French Manicure	\$14	\$18.75	€14	14
Prism FX	\$15	\$20.00	€15	15

Placement: Placement refers to the ability to enroll a Stylist and place them in another downline Stylist's Level 1. Stylists with a Paid Rank of Platinum Stylist or above are able to make placements. Placements must be made within 35 days of the new Stylist's Join Date.

RANKS AND TITLES

Career Title: The Career Title is the highest Paid Rank a Stylist has achieved within a rolling six-month period. Career Title is calculated based on Paid Rank over the most recent six months, which is continuously updated to include the current month and the five preceding months.

For example, to evaluate a Stylist's Career Title as of June 2024, the highest Paid Rank from January 2024 - June 2024 would be used. In July 2024, a Stylist's Career Title would be calculated based on the highest Paid Rank from the rolling six-month period of February 2024 - July 2024, and so forth.

The Career Title can be used for marketing purposes (such as titles on business cards) and/or Recognition purposes, including but not limited to qualifications for incentives and on-stage recognition at events. The Career Title is also used to determine Generations for the upline.

Highest Title: The highest Paid Rank that a Stylist has achieved in their lifetime as a Stylist.

Paid Rank: Rank qualifications and commissions are calculated based on the Paid Rank. *Calculated monthly.*