

April 2025 Business Update Summary Notes

Opening

- A new Pay Plan launches June 1, 2025, built as a strategic, long-term solution focused on helping Brand Ambassadors and Affiliates grow sustainable businesses.
- Younique remains committed to being a traditional multilevel marketing company that supports both team builders and affiliate sellers.
- The company's mission continues to be rooted in purpose: uplifting, empowering, and validating through opportunity and community.

Background and Need for Change

- Younique saw rapid early growth through social selling, reaching five million customers—but also faced challenges that led to business model decline.
- Some core selling behaviors were lost, requiring honest evaluation and strategic rebuilding.
- Over the past year, new programs and products have been introduced to help Brand Ambassadors grow their customer base and form long-term business habits.

Growth Funnel & Business Strategy

- Returning to profitability starts with improving the customer-to-seller ratio.
 - This number has grown from 0.9 to 1.3 customers per Brand Ambassador in the last year.
- The focus is on health over speed, with growth driven by compelling products and sales programs.
- The growth funnel starts with customers, then progresses to Brand Ambassadors and eventually leaders.
- The business foundation is stronger, and the Pay Plan launch reflects the progress made.

Balanced Business Ecosystem: Principles, Products, Platform, and Pay

- Younique's long-term growth relies on four key pillars—**Principles, Products, Platform, and Pay**—working together to create a strong, balanced business ecosystem.

Principles

- Younique was founded on the mission to uplift, empower, and validate women through both its cause and its business model.
 - This purpose is fulfilled in two ways:
 1. Supporting Saprea, Younique's nonprofit partner
 2. Empowering sellers through multilevel marketing, with a continued commitment to both team builders and affiliate sellers
- The company stands firm in its belief in both its model and its mission.

Products

- Rebuilding the product portfolio was a critical first step in laying the foundation for growth.
- Over the past year, Younique expanded beyond makeup with new product lines that incorporate skincare benefits into everyday routines.
- Key launches include:
 - YOUNIQUE TOUCH cream foundation
 - YOUNIQUE DAILY·YOU hair, skin, and nails gummies
 - Full YOUTHPLEXION skin care regimen
 - YOU·NIVERSAL gentle gel cleanser and eye cream
- Booster Boxes were introduced to give new Brand Ambassadors and Affiliates an easy way to experience and promote multiple product categories from day one.
- More launches, especially in color cosmetics, are planned for the second half of 2025.

Platform

- To align with modern customer expectations, Younique is evolving its platforms to deliver a more seamless experience.
- Komigo is the long-term customer-facing platform, designed to offer fast, simple, and reward-free shopping, similar to top ecommerce experiences. However, it is still in a pilot phase.
- In the interim, Younique.com is testing global promotions that mirror Komigo's model—offering instant discounts and free gifts to simplify the shopping experience and drive customer growth.
- Meanwhile, the Younique App continues to be enhanced with features like quick enrollment, new reports, and improved Custom Cart functionality. Additional updates and reports will roll out alongside the new Pay Plan.

Pay

- With a renewed mission, stronger product mix, and evolving platform, the final piece is an updated Pay Plan designed to reward consistent effort and simplify earnings.
- Programs like Fast Start and Bonus Pool laid the foundation by focusing on onboarding, mentoring, and measurable behavior.
- The new Pay Plan builds on that foundation to offer a clear, flexible path to growth and earnings.
- A full rollout strategy is in place, including training, tools, and scheduled support calls, to ensure every Brand Ambassador and Affiliate can succeed.

New Pay Plan

Why Change Was Needed

- The previous Pay Plan was complex and often confusing—especially when managing end-of-month calculations, breakaway structures, and separate recognition tracks for Brand Ambassadors and Affiliates.
- Key challenges included:
 - Complex math around company and circle sales
 - Confusing structure requirements and breakaways
 - Redundant title systems
 - Promotion bonuses that were difficult to qualify for—less than 0.5% of the field earned them
- The new Pay Plan was designed to simplify and modernize the compensation structure, making it easier to understand, easier to earn, and aligned with behaviors that support long-term growth.

New Simplified Pay Plan Structure

- All earnings are PRS-based—no more wholesale sales or calculating 75% on PRS.
- Lower thresholds for Tiered Retail Pay:
 - Earn 35% at 2,000 PRS (Previously 2,500)
 - Earn 40% at 3,000 PRS (previously 5,000)
- Team Pay and up to 3 Levels: No more breakaways. Earn Team Pay across three levels by focusing on your direct team.
- Single Title System: Brand Ambassadors and Affiliates now follow the same structure for clarity and consistency.

Two ways to earn

The new Pay Plan is built around two core earning methods:

1. Personal Sales

- Instant Pay remains unchanged: earn 20% commission 3 hours after the transaction.
- Lowered Tiered Retail Pay thresholds:
 - 35% at 2,000 PRS (previously 2,500)
 - 40% at 3,000 PRS (previously 5,000)
- Designed to give you and your teams achievable stepping stones and reward consistent sellers with higher payout for performance.

2. Team Sales

- Earn Team Pay on up to three levels in your downline:
 - First Level: Directly sponsored by you
 - Second Level: Sponsored by your Level 1
 - Third Level: Sponsored by your Level 2

- No breakaways or title-gated generations
- Team Pay is based on Retail Sales (not Wholesale), offering more earning potential
- Team Pay rates increase by 0.5% across Levels 1–3 with advancement
- Team Count is defined as First Level team members with 250+ PRS in a single month
- You must maintain a personal PRS minimum, but your team's growth determines how far you progress

Team Pay Structure & Qualifications

The new plan introduces a more flexible and rewarding way to earn from your team's success:

- Team Pay is now based on retail sales, not wholesale—so you get paid more for what your team sells.
- Commissions across your First Level, Second Level, and Third Level now include a 0.5% increase, with the potential to earn up to 10% on your First-Level Team Sales as you promote through titles.
- Team Count = the number of Qualified Brand Ambassadors/Affiliates on your first level (must have 250+ PRS in a month).
 - You and your customers do not contribute to Team Count.
- Your total team sales still count toward your Monthly Title Sales, even if they don't qualify toward Team Count.
- You will only be paid through Team Pay on your First through Third Level Sales—not on your own PRS.

Pay Levels vs. Titles

- Under the new structure, you'll have two important milestones each month:
 - Title: The level of leadership you've achieved based on PRS and Monthly Title Sales.
 - Pay Level: The commission tier you qualify for based on your Team Count and how many of your downline meet PRS requirements.
- While both are earned monthly, you cannot be paid at a higher Pay Level than your Title.
 - This ensures balance between selling, sponsoring, and mentoring—not relying on just a few high-performing teammates.

Title Achievement & Monthly Qualification

- Titles under the new Pay Plan are determined monthly and are based on the following:

- **Monthly PRS** (you + your customers)
- **Monthly Title Sales** (Monthly PRS + your First-Level Team Sales)
- To advance or maintain a title, you must meet the minimum PRS requirement for that title and reach the corresponding Monthly Title Sales.
 - Affiliates can reach any title through personal PRS alone.
 - This system offers flexibility: focus more on sales or on building a team—it's up to you.
 - Title advancement is now clear, achievable, and based on measurable performance, giving you control over how you grow.

Timing and Transition Plan

- **June 1, 2025:** New Pay Plan Starts
- **July 8, 2025:** Month-End Pay based on the new Pay Plan
- **Transition from old Pay Plan Titles and Sales Titles:**
 - **June 1, 2025:** Brand Affiliate Titles transition to match Brand Ambassador Titles per Sales Title Mapping. Changes will appear on your account by June 8, 2025.
 - **June 1 to December 31, 2025:** Grace period to maintain highest-achieved title under old Pay Plan.
 - Through the end of the year, Title Rewards are earned only when advancing beyond your previously recognized title.
 - Example: If someone was a Brand Specialist as of May 31, 2025, they'll be eligible to earn Title Rewards when they promote to Senior Brand Specialist or higher after June 1, 2025.
 - **January 1, 2026:** Official title reset to highest-achieved title during grace period.
 - You can earn Title Rewards based on any new advancement from this point on, even if it's a Title you earned under the old Pay Plan.
 - Example: If you were recognized as a Brand Vice President on May 31, 2025, and your highest achieved title during the grace period was Senior Brand Director, you will be eligible to earn all the title rewards as you advance from Senior Brand Director.

Title Rewards Mapping

- Under the new Pay Plan, Brand Ambassadors and Affiliates will share a single, unified title system.
- If a Brand Ambassador held different Sales and Pay Titles under the old plan, they will retain their Pay Title.
- Brand Affiliate Titles will update to the equivalent Pay Title under the new plan, as outlined by our Title Map.
- Both Brand Ambassadors and Affiliates will be eligible for Title Rewards for any advancements that happen after June 1, 2025. Coupons for those advancements will be added to their Younique.com accounts on July 8.

- Please keep in mind that we will no longer be paying out promotion bonuses under the new Pay Plan.

Title Promotion Bonus

- Between July 1, 2025, at 12:01 a.m. PDT and December 31, 2025, at 11:59 p.m. PST, you can earn a bonus by achieving Senior Brand Specialist or above for the first time and maintaining it for one, two, or three consecutive months.
 - Please note that you must not have earned the Title prior to June 1, 2025, to earn the bonus.
 - As long as you qualify for the first month's payment within the promotion period, you'll receive all three months—provided you continue to achieve the advancement titles in the remaining months.
- Example:
 - Lily has a recognized title of Brand Director as of May 2025.
 - Lily drops to Senior Brand Manager in June and July 2025 on the new Pay Plan.
 - Lily becomes Brand Director in August, September, and October 2025.
 - Lily advances to Senior Brand Director in November 2025 and earns the Title Reward and the month one promotion bonus of \$150 USD.
 - Lily achieves Senior Brand Director again in December 2025 and earns the month two Promotion bonus of \$150 USD.
 - Lily achieves Senior Brand Director again in January 2026 and earns the month three promotion bonus of \$350 USD.

Field Impact

- The new Pay Plan was designed to support the field by aligning rewards with business-building behaviors.
- 84% of Brand Ambassadors and Affiliates will see the same or increased pay when continuing equivalent activity under the new plan.
- 16% of the field will see a pay decrease under the new model. While this is not taken lightly, it reflects a necessary shift to ensure Yunique's long-term sustainability.
- Without bold changes like this, the business cannot grow.
- These updates reflect what is working—and where intentional support and clearer earning paths are needed.

Price Adjustments

- On June 1, 2025, we will make a 3% global inflationary adjustment to all retail product pricing.
 - Starter Kits and Booster Boxes will not have a price increase.

- Additionally, some markets will also receive an adjustment on the PRS to local currency rates (peg rates). This is needed to better align with currency fluctuations and other market forces. These changes are:
 - Price peg rate changes (retail pricing):
 - Canada: 1.20 → 1.30 CAD
 - Mexico: 15 → 16 MXN
 - UK: 0.65 → 0.70 GBP
 - Pay peg rate changes (compensation):
 - Canada: 1.20 → 1.25 CAD
 - Mexico: 14 → 15 MXN
 - UK: 0.65 → 0.67 GBP

2026 Incentive Trip

- With the launch of the new Pay Plan, Younique is also introducing the 2026 Incentive Trip—designed to reward consistent performance in both sales and leadership.
- **Trip Details:**
 - Location: Dreams Playa Esmeralda Resort & Spa, Dominican Republic
 - Dates: April 18–22, 2026
 - The new resort was chosen based on outstanding feedback from the 2025 Rewards Trip, offering top-tier service, food, activities, and atmosphere.
- **Qualification Period:**
 - June 1–December 31, 2025
- **How to Earn Points:***
 - PRS (1 point per PRS)
 - Fast Start achievements (points for both the sponsor and new recruit)
 - Monthly Team Sales
 - Title Advancements (you and your personally sponsored)
- **Qualification Levels**
 - Must earn 30,000 Incentive Trip Points to secure a spot for you and a plus-one and transportation from destination airport to the resort.
 - The more points you earn, the greater the perks and rewards:
 - 40,000 Points
 - Transportation
 - \$400 airfare stipend per person
 - 50,000 Points
 - Transportation
 - \$400 airfare stipend per person
 - \$300 USD resort credit
 - 60,000 Points
 - Transportation
 - \$400 airfare stipend per person

- \$300 USD resort credit
 - Additional one night stay
- Plus, we've added two exclusive leadership levels to replace of the 2026 Exclusive Service Trip, which are focused on rewarding consistency, active engagement, and leadership.
- To qualify, you must either:
 - **Achieve a cumulative 10,500 PRS over all seven months of the qualification period, and at least three First Level team members who earned 30,000 Incentive Trip Points**
 - Transportation
 - \$400 airfare stipend per person
 - \$300 USD resort credit
 - **Or achieve Brand Executive title six of the seven qualification months**
 - Transportation
 - \$400 airfare stipend per person
 - \$500 USD resort credit
 - Two extra nights
 - VIP dinner
 - Ocean view room
 - Special gift
 - Group excursion
- This structure gives you multiple paths to earn—whether your focus is personal sales, team growth, or both.

** On average, Incentive Trip earners comprise 1–1.5% of active distributors. Active distributors are defined as distributors earning commissions during the qualification period.*

Remaining 2025 Events

- Beyond the 2026 Incentive Trip, Younique will continue to host meaningful events throughout the year to support all levels of leadership and personal growth.
- Upcoming Events:
 - April 26: UK, Ireland, and Netherlands YouGrow
 - May 24: Germany YouGrow
 - June 14: Italy YouGrow
 - July 31– August 2: Global Convention
 - October 11: Mexico YouGrow
 - October 16 and 17: Virtual Leadership Summit—more details to come soon.

Pay Plan & Price Increase Communications Plan

- April 23 – Leadership Pay Plan Call
- April 24 – Brand Ambassador/Affiliate Pay Plan Call

- April 28 – May Leadership Preview Call
- April 30 – Legal email informing of Pay Plan changes
- May – Deep Dive calls on Pay Plan and Sponsoring
- End of May – Price increase notification for subscribers
- If you or someone in your team would like to schedule a 1:1 coaching call for additional support, please reach out to your Account Manager.

Conclusion

- Younique leadership is committed to guiding the field through this transition with full transparency and partnership.
- This is a pivotal moment for Younique, and the support of leaders like you is critical to a successful transition.
- Thank you for your ongoing commitment, resilience, and belief in Younique's future.