

# 2019 Income Disclosure Statement - United States

## CABI INDEPENDENT STYLIST COMPENSATION SUMMARY

Cabi Stylists earn commissions based on sales of the seasonal Collection. Stylists earn 20-33% commission on their personal sales and 2-8% commission on their team sales. "Commissions" are defined as all payments made to the Stylist based on the Stylist's own commissionable sales, less returns, and all bonuses paid to the Stylist based upon team members' commissionable sales, less returns. This does not include any incremental earnings from either the post-season resale of a Stylist's Seasonal Inventory or Stylist seasonal incentive awards. Stylists are able to scale their cabi business up or down based on the needs of their life, working when, where, and how they want, so commissions are a result of the specific effort and actions that individuals attribute to their business. Cabi makes no warranty or representation as to one's level of success. Profits are not guaranteed, as the cabi Commission Plan is based upon the sale of product.

Among the cabi Stylists who met seasonal sales minimums<sup>(1)</sup> for both the Spring '19 and Fall '19 seasons, approximately:

- The top 1% earned \$244,660 on average in 2019
- The top 10% earned \$101,003 on average in 2019
- The top 50% earned \$42,864 on average in 2019

## EARNINGS

The table below includes earnings claims based on the performance of cabi U.S. Stylists for the 2019 calendar year. It represents all Stylists who met seasonal sales minimums for both the Spring '19 and Fall '19 seasons. The Overall Average Annual Commissions\* for Independent Stylists who earned commissions in both the Spring '19 and Fall '19 seasons, including Stylists who did not meet seasonal sales minimums for both the Spring '19 and Fall '19 seasons, was \$22,068, with a low of \$158 and a high of \$542,901.

cabi Independent Stylist Income Disclosure - 2019*				
The overall Average Annual Commissions for all Independent Stylists who met seasonal sales minimums for both the Spring '19 and Fall '19 seasons was \$25,905 <sup>(2)</sup> .				
# of seasons with cabi	% of Stylists in 2019	Low Annual Commissions <sup>(3)</sup>	Average Annual Commissions <sup>(4)</sup>	High Annual Commissions <sup>(3)</sup>
2 Seasons	4%	\$2,872	\$8,171	\$33,950
3-4 Seasons	7%	\$3,949	\$10,176	\$42,688
5-6 Seasons	8%	\$3,631	\$11,273	\$47,998
7-8 Seasons	8%	\$4,442	\$11,300	\$53,477
9-14 Seasons	20%	\$4,173	\$15,443	\$127,629
15+ Seasons	53%	\$4,748	\$37,742	\$542,901
Leadership <sup>(5)</sup>	% of Stylists in 2019	Low Annual Commissions <sup>(3)</sup>	Average Annual Commissions <sup>(4)</sup>	High Annual Commissions <sup>(3)</sup>
Non-Leaders	56%	\$2,872	\$11,277	\$53,477
Leaders	44%	\$5,433	\$40,175	\$542,901

(1) Seasonal sales minimums are 10,000 in PQV for Stylists in their first and second season and 14,000 in PQV for Stylists in their third season and beyond.

(2) "Average Annual Commissions" are calculated by adding the 2019 Commissions of all Stylists who met seasonal sales minimums for both the Spring '19 and Fall '19 season and dividing by the number of Stylists who met seasonal sales minimums for both the Spring '19 and Fall '19 season. 29% of Stylists achieved or surpassed the Overall Average Annual Commissions in 2019.

(3) One Stylist in each category achieved the High Annual Commissions and the Low Annual Commissions in 2019. All other Stylists in each category achieved or surpassed the Low Annual Commissions in 2019.

(4) The percent of Stylists who achieved or surpassed the Average Annual Commissions in each category for 2019 are as follows— 2 Seasons category: 33%; 3-4 Seasons category: 38%; 5-6 Seasons category: 33%; 7-8 Seasons category: 36%; 9-14 Seasons category: 34%; 15+ Seasons category: 34%.

(5) Leadership segmentation considers non-leaders to be Stylists who qualified to earn commissions on their personal sales, but did not qualify to earn commissions on team member sales during 2019 and leaders to be Stylists who qualified to earn commissions on both their personal sales and team member sales during 2019.

\*Information as of 12/31/19.

