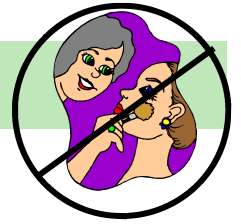


“Touchy” Questions



The following article provides answers to some of the most common questions the Company receives about its recommendation that Consultants not touch customers.

Q. What is the Company’s position on Consultants performing hands-on facials for customers?

- Although Consultants use the expression “giving a facial,” in reality Consultants instruct and guide customers in applying Mary Kay products themselves. From a practical standpoint, it is important that customers learn during the skin care class or facial how to use the products so they feel confident about repeating the process on their own at home.
- There are also many legal reasons why the Company strongly recommends that Beauty Consultants NOT touch customers. In many states, the practice of cosmetology is defined as “application of cosmetic preparations to the face, hands or body by means of the hands or mechanical device.” (Brushes and other applicators are considered “mechanical devices.”) The practice of cosmetology usually requires a license, which can be expensive and require numerous hours of schooling to obtain. The fines for practicing cosmetology without a license can be steep, as an unfortunate Consultant in one state recently learned when she was fined \$1,500 for physically applying cosmetics to her customers.
- Because laws governing the practice of cosmetology vary from state to state and because the Company wants to ensure that ALL customers have the opportunity to learn how to use Mar Kay products themselves before they buy, we have always maintained the philosophy that Consultants not touch their customers.

Q. I am a licensed cosmetologist. Is it OK for me to touch my customers?

- When you are demonstrating Mary Kay products, we ask that you NOT touch your customers even though you may be qualified as a licensed cosmetologist. The reason for this is that it may cause confusion among your customers. They may assume ALL Mary Kay Beauty Consultants touch their customers, which is contrary to our marketing plan. Regulatory authorities may get the wrong impression as well. Also, because physically applying cosmetics to customers is an activity outside the authorized Mary Kay marketing program, you might be exposed to some personal legal liability if a customer claimed some type of injury from your application.

Q. I’ve heard that it’s OK to touch sister Consultants when demonstrating color techniques, etc. Is this true?

- Again, this practice is NOT recommended as it is not in accordance with our marketing plan and it causes customer confusion. It should also be noted that cosmetology boards jealousy guard their practice. If they get the wrong impression about the activities of Mary Kay Beauty Consultants through the actions of one, they could seek legislation to restrict the free sale of products. We strongly recommend that you protect your right to do business by respecting cosmetology laws.

Q. What about Directors touching customers of Consultants when demonstrating for training purposes?

- We feel that touching under any circumstances should be avoided. In the case of training situations, it is especially important that new Consultants learn to demonstrate products in accordance with the marketing plan, this is by NOT touching. Further, many training events feature Consultants from a wide geographical area. While touching may be legally permitted under the laws of the state in which the training takes place, it may not be in the Consultant’s home state. To avoid any confusion, misunderstandings or regulatory action, we recommend that no touching take place at training events.

Q. Is it OK to touch a customer if she first gives me permission to do so?

- Permission from a customer is not a guarantee against possible legal liability in case of an injury. Also, we have seen instances where cosmetology boards send investigators to skin care classes for the express purpose of trying to uncover whether cosmetology laws are being violated. In at least one instance we know of, a cosmetology board “agent” was very persistent in attempting to have the Consultant apply the products for her. Fortunately for the Consultant, she tactfully refused. The agent later told the Consultant that she had “passed the test.”

Q. If cosmetology laws are so strict, how do salespeople in department store cosmetics departments get away with touching customers?

- We are not in a position to determine whether individuals in these situations are in compliance with local cosmetology laws or not. Bu we ARE concerned about protecting you and your right to do business. WE feel that they very best way we can help you is to recommend that NO TOUCHING take place in connection with the demonstration and sale of Mary Kay products.