

Business Policies and Procedures for Avon Independent Sales Representatives

Avon believes Independent Sales Representatives should understand the values that guide the Company. These values are reflected in these policies and procedures.

Effective 1/11/2021

Whether you are new to Avon or you've been with us for years, please take the time to carefully read these Representative policies and procedures ("Policies"). These Policies, in conjunction with your Independent Sales Representative Contract Terms and Conditions, govern your contractual relationship with Avon.

You also agree to all future changes to these Policies made by Avon. Manipulation or violation of these Policies is prohibited and may result in the loss of earnings, awards and potentially lead to the termination of your Avon account.

Avon reserves the right to alter and amend these Policies to better serve the needs of our Representatives and Avon.

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Policy Overview

□ **All The Avon Company (“Avon”) Independent Sales Representatives (“Avon Representatives” / “Representatives”) are independent contractors.**

- Representatives are not agents, joint-ventures, employees, distributors, partners, or franchisees of Avon and may not represent themselves as such.
- Representatives are responsible for meeting their contractual obligations.
- Each Representative is responsible for his or her own business decisions and expenditures, including the prices charged to customers and for the payment of self-employment or other taxes required by Federal, state and local laws.
- All Representatives are responsible for ensuring that they and their businesses comply with all applicable Federal, state and local laws, and that they do not engage in any practice that violates such laws. For example, Representatives should comply with applicable state and/or local tax and licensing requirements.
- Incorporated within these Policies, the Advertising and Promotion Policies for Avon Representatives outline advertising parameters for promoting a Representative's Avon business while protecting the integrity of the Avon brand.

Note: The information found in these Policies and on AvonNow.com, in their entirety, constitutes the complete and current policies and procedures. Therefore, in the event of a conflict between the information contained here and/or on AvonNow, and information provided to you by the Avon Care Center, Sales and Leadership Coaches, Sales Leadership Mentor (Upline Representative) or any other source, the information contained here and/or on the AvonNow site will control. **Exceptions may be made to any of the policies, rules or program content on a case by case basis.** These Policies may be modified by Avon at any time in its sole discretion by express amendment of these Policies or by the adoption of separate policies, rules, codes of ethics or the like that may have the effect of modifying those contained in the following pages. Always reference AvonNow for updates and current information on these Policies.

Start Your Business with Avon

A new applicant becomes a Representative by enrolling online or by calling the Avon Care Center, if online access is unavailable. The enrollment process ("Enrollment") consists of fully completing the Avon Independent Sales Representative Contract ("Contract") and accepting its Terms & Conditions. A Representative becomes a new Appointment once he/she has positive net sales, either through AvonNow.com, his/her Online Store or at an Avon Sales Center. Please note the following Contract requirements:

- Only one Contract/account is allowed per Individual and household (except for a Licensed Avon Beauty Center ("LABC") – please see separate policies specific to LABCs or with prior written permission).
- All Applicants must:
 - be 18 years of age and the age of majority in their state of residence.
 - live, be authorized to run a business, and have an address to which products, correspondence and other items may be sent, in the United States of America, the District of Columbia, Guam, or Saipan.
 - provide a valid email address not already associated with another Avon Representative.
- All Representatives must provide unique contact information when establishing their account, which includes, but is not limited to, mailing address, phone number, email address and Social Security number or ITIN number. A mentor/upline's contact information MAY NOT be used. Representatives must maintain current account information at all times.
- All Representatives are independent contractors. Representatives are not agents, joint-ventures, employees, distributors, partners, or franchisees of Avon and may not represent themselves as such.
- Your Mentor or Upline Leader is the person that brought you into the business or was assigned to you at the time of your enrollment or by Avon. This individual is your primary contact for any business-related items.
- At the time of Enrollment, no fees other than any applicable enrollment fee (if any) is required of Representatives.
- Length of Association with Avon ("LOA") is determined by the number of Campaigns beginning with the Campaign of enrollment.
- If any member of a Representative's household, family member or any helper/sub-seller engages in any activity that would violate an Avon policy, that activity will be deemed a violation by the Representative.
- Avon or the Representative may terminate the Representative Contract at any time, for any reason, or for no reason at all.**

For all Contract terms and conditions, please see:

- DSA Code of Ethics – Avon is a proud member of the Direct Selling Association (DSA), As an Avon Independent Representative, you are expected to read, understand and honor the DSA's Code of Ethics, which can be found at www.dsa.org or AvonNow.
<http://www.dsa.org/consumerprotection/code-of-ethics>

Co-applicants

Avon will permit two people who wish to be Representatives together to become co-applicants on a single account. Both must 18 years of age and the age of majority in their state of residence.

- One person must be designated on the Contract as the Primary Representative and complete the Enrollment.
- At the time of Enrollment, the Primary Representative will accept the Terms & Conditions on behalf of him or herself and the co-applicant.
- The Primary Representative and the co-applicant are considered one and the same for purposes of the Advanced Leadership Program
- In the case of recognition or awards, unless otherwise noted, only one achiever per account (either the Primary Representative OR the co-applicant) is eligible for trips and incentives.
- No Representative may have multiple Avon accounts
- Avon will permit an existing Representative to add to her/his account a co-applicant who does not have a separate Avon account. The existing Primary Representative and new co-applicant must complete the Co-applicant Enrollment form. The Form can be faxed to 866-287-2866 or emailed to Coapplicants@avonusa.com. A co-applicant may not be changed more than once in a two-year period. You may access the form on AvonNow.
- A co-applicant may be removed from the Primary Representative's account by submitting a written and notarized request signed by both parties. In certain circumstances, Avon will require additional documentation.
- Avon will permit a co-applicant who has been on the account for at least 13 Campaigns to become the Primary Representative and for the Primary Representative to become the co-applicant. This may happen only once in any two-year period. Account change request must be processed through the Avon Care Center via Coapplicants@avonusa.com.
- A co-applicant may assume sole responsibility in the event that a Primary Representative discontinues participation, provided the co-applicant was on the account for a minimum of 13 Campaigns and submits a written request to Avon. Should a co-applicant assume sole responsibility for an account then the Length of Association (LOA) will be reset based on that individual's time on the account.
- In the event of death of the Primary Representative, the co-applicant may assume primary responsibility for the account within 30 days. A new Contract must be completed that accurately reflects the co-applicant as the Primary Representative on the account.
- Avon may remove a co-applicant from an account at any time in its sole discretion.

Corporations, Partnerships, and Other Legal Entities

Avon will permit an Avon account to be established in the name of a corporation, partnership, Limited Liability Company or other legal entity ("Entity") under the terms and conditions set forth below. The Entity must comply with all policies and procedures that apply to individual Representatives.

- Before an account may be established in the name of an Entity, Avon must approve all owners of the Entity and the person who will be the principal contact with Avon on behalf of the Entity. The approval request shall be submitted directly to Cincinnati.Support@avonusa.com.
- The approval request must include the name, address and Social Security number of all owners of the Entity. The individual who will be the principal contact person with Avon must be an owner of the Entity and, upon approval, sign the Contract on behalf of the Entity. By signing the Contract, the principal contact person is guaranteeing all financial obligations of the Entity to Avon. The principal contact person may not change more than once in any two-year period.
 - All recognition will be done in the name of the primary contact – not in the name of the Entity.

- At the time the Contract is signed, Avon must be provided with a current Federal Employer Identification Number (FEIN) for the Entity from the Internal Revenue Service.
- The name of the Entity may not contain the name "Avon" or otherwise infringe on any trademark belonging to Avon or other third parties.
- Former Representatives whose accounts were removed by Avon for cause may not have an ownership interest in the Entity or participate in the operation of the business.
- Not-for-profit organizations including religious organizations, schools, PTAs or other charitable organizations may not be appointed as Avon Representatives.

Selling

Avon provides its Representatives with a broad selection of products for purchase at discounts that vary based upon the volume of the Representative's orders. The Avon selling calendar is divided into two-week increments, or "Campaigns," which are supported by a dedicated Avon sales brochure that highlights new products and special promotions. Representatives are expected to provide consistent and timely service to their customers.

Order Fulfillment: As stated in the Representative Contract, all orders are subject to acceptance by Avon.

Placing Orders: Representatives are expected to place and pay for orders according to the campaign processing schedule. Representatives with an account balance in good standing may submit a completed order to Avon to receive products, sales, and business tools.

Representatives may not enter orders on behalf of another Representative or manipulate another Representative's account or customer's personal information for the Representative's personal gain.

Payment: Full payment is due at the time the order is placed on AvonNow.com or via other means. Representatives may not make payments for or on behalf of another Representative or manipulate another Representative's account for personal gain.

Pricing: Avon maintains the right to change product prices at any time without prior notice. Avon will not adjust prices on products once they have been ordered. The only exception to this is in case of Avon error. Sales pricing or special offers are only offered to customers attached to Representatives. Adjustments will not be made after submission.

Shipping: Avon provides shipping at variable rates based on order size. Please refer to our published rates posted on AvonNow. Representatives residing in Alaska, Hawaii, and Guam are subject to additional shipping fees. **Customers shopping with you on your online store** will pay \$8 shipping on Direct Delivery orders below \$60 and receive free shipping for orders of \$60 or more. Their free shipping fees will be shared by you and Avon. Please see AvonNow for details.

Earnings Level: Earnings Level is the percentage discount that a Representative receives on a AvonNow order (or credit received on an Online Store sale) as determined by a Representatives sales level. All products within the Avon Brochure, Avon Online Store, Specialty or Novelty flyers, Fundraisers, samples, business tools, brochures, sales center orders and a portion of the price of Demonstration products (Demos) count toward Earnings Level. Enrollment fees and recruiting tools DO NOT count toward Earnings Level. Earnings Level discount is based on the product category and sales achievement level. See earnings chart below for current earnings levels. Please note earnings levels are subject to change at any time. Always refer to the Earnings Chart posted on AvonNow for most up-to-date information.

Representative Level:

SALES LEVEL	CAMPAIGN SALES	ANNUAL SALES	BEAUTY	FASHION & HOME
Contender	\$0 - \$39.99	-	0%	0%
Contender	\$40.00 +	-	25%	20%
Premier	No minimum	\$5,000	30%	20%

President's Recognition Level:

SALES LEVEL	ANNUAL SALES	BEAUTY	FASHION & HOME
President's Club	\$10,000	40%	25%
Honor Society	\$20,000	40%	25%
Rose Circle	\$35,000	45%	25%
David H. McConnell Club	\$65,000	45%	25%
President's Council	\$110,000	45%	25%
Inner Circle	\$220,000	50%	25%

President's Recognition and Premier Levels earned in 2020 will be extended through C21, 2021 (September 28, 2021) as you qualify for PRP in 2021.

Personal Award Sales: Includes your personal purchases and your customers' orders. Almost everything you order from Avon counts toward your Personal Award Sales including sales aids such as samples, sales tools, demos, brochures and flyers. Double Dollars and other bonus sales incentives are not included. The program is open to all Active Representatives in good standing, unless they fall into a specifically excluded class. See Sales & Recognition tab on AvonNow for more details.

- Online Store sales are credited to your campaign sales 2 business days after the order is shipped.
- Sales Center orders are credited to your campaign the day following your purchase.
- AvonNow orders are credited at the time the order is billed. (AvonNow orders processed after 5 pm Eastern Time on the final day of the campaign may count towards the following campaign.)

Personal Use: Avon's sales model is built upon direct sales to the ultimate consumer. However, Representatives may wish to purchase products in reasonable amounts for their own personal or family use. Representatives should not purchase large quantities of inventory in unreasonable amounts solely for the purpose of qualifying for Earnings Levels, President's Recognition Program title/achievement, advancement in the Sales Leadership program or any incentives. Returns after qualification periods will be closely monitored and may result in disqualification of the Representative's achievement.

Customers: Avon wants to make sure you are connected with your customers. First, always share your Online Store URL with customers, which will take them directly to your site to shop.

- Representatives must be enrolled in the Programs highlighted below to be included in Avon.com search features for customers, as well as the Search for an Avon Mentor feature for recruits in the Representative sign-up process.
 - New Representatives are automatically enrolled in the Program upon sign-up. They can opt out of the Program at any time or update their preferences on the My Account/ **My Profile page** [link to: <https://www.youravon.com/home/my-account/my-profile.html>] on AvonNow.com.
 - Existing Representatives can sign up on AvonNow.com by going to My Account, then My Profile and scrolling down to Programs and **Let Customers & Recruits Find Me** (<https://www.youravon.com/home/my-account/customer-referral-program.html>) and clicking Enroll Now.
- **'Shop with My Representative'** allows customers shopping on Avon.com to find you by name and select you as the Representative they would like to shop with online. All Representatives with the above criteria will be found in this search option.
- **'Find a Representative Near Me'** allows Avon to recommend a Representative to customers shopping on Avon.com based on geographic area. To be recommended, Representatives must be active and their Avon account must be current. Customers enter their address and search results recommend Representatives from closest to farthest, based on the distance setting chosen when you opted in to the Program.
 - Starting January 7, 2020, Representatives who have achieved the level of Presidents Club or higher, who have placed orders on AvonNow in the past two campaigns, and have had orders through their online store in the previous 3 campaigns, will receive priority within the address search results.

Product Shortages: Avon cannot always guarantee the availability of products.

Sales Tax: Avon provides a service to Representatives by remitting the appropriate sales tax amount to each state or municipality and filing sales tax forms, as required by law, at the time of purchase. The amount of sales tax is based on the product's brochure price and calculated at the local tax rate. The tax that has been paid by Avon is then reflected on the Representative's invoice.

Tax Exemptions: Generally, Representatives are not entitled to sales tax exemptions. See AvonNow for details on special exemptions relating to Avon approved fundraising orders and LABC accounts.

Fees: Avon reserves the right to charge fees for various items, including shipping, handling, and fuel surcharges. Avon will always alert Representatives at least ten (10) days in advance of changing or altering a fee.

End of year and other Government Reporting: By January 31 of each calendar year, Avon will issue 1099 tax forms for the previous year if one or both of the following occurs:

- You made purchases from your Avon account totaling over \$5000 Representative cost.
- You earned \$600 or more in leadership checks, bonuses, trips, incentive prizes or rewards.

Incentives:

- Personal Sales Protection cannot be used towards sales qualifications during any incentive.
- Purchasing of a downline, reinstatement of a downline or roll up will not be considered in title advancement bonuses or achievement in incentives.
- Avon reserves the right to audit all performance data when determining incentive reward eligibility and reserve the right to disqualify or remove any Representative it determines has violated principles of fairness and program intent.
- Representative's account must be active and in good standing (past due no more than 2 Campaigns). Avon reserves the right to review and withhold rewards for account balances over \$500. Accounts will be reviewed in the Campaign after the incentive closes and again at the time of invitation or reward distribution, any account past due 2 or more Campaigns will be disqualified. If an account is removed prior to the award distribution then they will be considered disqualified.
- All federal, state and local taxes, if any, associated with acceptance of the reward are Representative's responsibility.
- Award Sales, as always, include Direct Delivery, Sales Center orders, and demos (preview products). Gifts with purchase do not count for our promotions. Bonus Dollars, including Double and Triple Dollars, are not included in order size for promotions.
- To ensure credit for sales in a campaign, orders must be processed by noon on the final day of the campaign. If an order goes on hold and is not cleared prior to 5 pm Eastern Time on the final day of the campaign it will count towards the next campaign.
- Any requests for exceptions must be submitted through the Avon Care Center within one campaign of that campaign closing. Unless the deadline appears sooner in the incentive policies.
- Rewards cannot be transferred or substituted by achievers. Rewards cannot be redeemed for cash.
- Avon reserves the right to substitute a reward (or portion thereof) with something of comparable or greater value, in its sole discretion.
- Avon reserves the right to adjust any incentive program's rules and regulations, and/or cancel any incentive program, at any time in its sole discretion.

Non-Solicitation/Conflicts of Interest: Avon believes our Representatives are more successful when focusing on one direct selling business, but should you elect to own a second direct selling business, you must adhere to the following:

- You may not use any Avon channels or forums (online or offline) to solicit Avon Representatives, Customers or Associates for another direct selling business.
- **You should keep both businesses completely separate (i.e.: do not combine them on business cards, blogs, phone messages or Facebook pages).**
- **If Avon and any other direct selling businesses are being advertised or recruited for in any form of social media including but not limited to personal Facebook pages, Facebook groups, YouTube channels, Instagram accounts etc., then Avon will no longer support those Representatives with Avon generated new customers, or New Representatives.** This includes letting other direct sellers promote their business to your audiences in additions to personally using your resources. We also reserve the right to remove any Representative in your first three generations from receiving this support based on your actions. Any recognition, rewards and incentives could also be reviewed, and we reserve the right to disqualify Representatives based on this behavior. Any allocations will always be at the company's discretion and we reserve the right to change at any time. If a Representative is found in violation of mixing multiple businesses then they may request to have their social media accounts reviewed in 30 days and those privileges could be reinstated at that time.

- You may not earn a profit from other Avon Representatives for products, services or business enhancers. This includes, but is not limited to, charging a fee for training or merchandise above and beyond personal expenses. Any and all subscriptions (print or digital) or recurring costs are prohibited. Example: You may recover the costs of a sales meeting or produce an optional team t-shirt.
- Anyone found recruiting for another business or direct selling company at an Avon sponsored event could be asked to leave that event at their own expense.

Events: The Avon business model calls for direct sales as a method of marketing and retailing services directly to consumers in their home away from a permanent retail location. Therefore, you may not sell or facilitate the sales of Avon products out of stores, kiosks, food establishments, or other retail or commercial outlets on an ongoing basis.

- You may participate in an event held in a retail setting, fairs, trade shows, farmers markets, flea markets, etc., lasting up to 5 days. Anything longer than 5 days requires advance approval from Avon. You may not promote Avon at events in the same location more than 3 times during a month or for more than 5 consecutive days without permission.
- Only one Avon booth is allowed per limited event. It is your responsibility to ensure that there are no other Avon booths at the event and to provide any permits/fees or insurance necessary.
- You may not permanently display Avon products for sale in any retail location with the exception of LABCs. You may display any preapproved advertising flyers or brochures in a retail setting.
- If you are participating in any event (i.e.: fair, festival or farmers market), you may not promote your Avon business and any other business in the same space.

Customer Receipts

In the event of a Product resale conducted directly between a Representative and a Customer, a Representative must provide her or his Customer with two copies of a retail sales receipt at the time of the sale. Representatives should be using the customer invoicing tool provided on AvonNow (or the exact printed equivalent). The retail sales receipt sets forth certain Customer protection rights afforded by federal law.

Receipt must specifically include this language:

NOTICE OF CANCELLATION

_____ [ENTER DATE OF TRANSACTION] For in person sales \$25 and over made in the home, and \$130 and over made at temporary locations, you may CANCEL this transaction, without Penalty or Obligation, within THREE BUSINESS DAYS from the above date. If you cancel, any property traded in, any payment made by you under the contract or sales, and any negotiable instrument executed by you will be returned within TEN BUSINESS DAYS following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your residence, in substantially as good condition as when you received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your Notice of Cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract. To cancel this transaction, mail or DELIVER a signed and dated copy of this

cancellation notice or any other written notice, or send an e-mail message to: _____[name of seller] at _____[address of seller's business] NOT LATER THAN MIDNIGHT of _____ [ENTER 3 BUSINESS DAYS FROM ABOVE DATE].

I HEREBY CANCEL THIS TRANSACTION.

_____ [date]

_____ [buyer's signature]

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Representatives must retain copies of their retail sales receipts for a period of two (2) years and furnish them to Avon at the Company's request. Avon will maintain records documenting the purchases made by Customers through a Representatives Online Store.

Prohibited Sales Methods

Retail Sales: The Avon name is recognized around the world for quality, value and personal service. Avon is a direct-selling company with a strong belief in personal contact with the consumer.

- Representatives are contractually obligated to sell only to consumers.
- Representatives may not knowingly sell products to third parties for resale, to or through any unapproved business Entity or to any type of unapproved retail establishment.
- Representatives may not establish or operate their own unapproved Avon retail business, aside from those Representatives who already have an approved Licensed Avon Beauty Center.

Internet Sales: The only authorized Internet selling is through an Avon Online Store.

Representatives may promote their Avon business online through various social media platforms. The direct sale of products through an online auction site (e.g. Amazon, eBay), a personal social media page, website or blog is strictly prohibited. See Avon's Representative Advertising and Promotion Policies for further details.

Export Sales: Avon Representatives may not export Avon products outside of the United States, nor may they knowingly sell products to other individuals who intend to export those products.

Returning Products

If for any reason, the customer is not completely satisfied with a product, Avon offers its customers 45 days from the date of purchase to return their product to their Avon Representative. Avon allows a Representative 60 days from the date of purchase to return a product. Therefore, the Representative has 15 additional days in which to return the product to Avon. You can request credit for a full refund using Online Returns, where you can print out a return label to send the items back. For Representatives with Instant Credit, the credit will be applied immediately and deducted from their award sales during that campaign. For Representatives whose accounts are tagged as NIC (No Instant Credit), credit will be applied once the items have been received and processed in the National Returns Processing Center. Award sales are deducted from the campaign the return is processed. Avon reserves the right to monitor returns for abuse and to investigate and take any and all appropriate action against suspicious return activity.

Within 6 months after the closure of a Representative's account, Avon will repurchase, at the price paid by the former Representative, or reasonable commercial terms, currently marketable

inventory and required sales aids that the Representative purchased within the previous 12 months. If there is an outstanding balance due to Avon, any product returned will be applied towards clearing said balance.

Non-Solicitation of Avon's Representatives and Customers

You may not use or solicit existing or prospective customers or Representatives using information obtained from Avon through any Avon website, or any other Avon generated source as a lead source for any other business – whether related to direct selling or outside the direct selling channel. You may not use such customer or Representative information as a lead source for a private or outside business. This includes any business you may be involved in either on a commission or consignment basis. For example, you may not solicit your team or customers to buy car insurance from your brother; purchase an App or software whereby you or a family member are compensated with commissions or bonus; or recruit your Avon-generated downline members to join another direct selling company. This is in violation of Avon's Terms and Conditions of Use, and considered a conflict of interest and violation of your Contract.

Advertising & Promotion Policies - Promoting your Avon Business

Local advertising and social networking are great ways to promote your business. We encourage you to make your presence known! As an Avon Representative, you represent Avon in your actions, advertisements, posts, and content and as such must adhere to the Principles and Policies stated below.

The Basics

The Avon name is recognized around the world for quality, values and personal service. Avon is a direct-selling company with a strong belief in personal contact with the consumer.

- You must always identify yourself as an Avon Independent Sales Representative. You should use the approved Avon logo where appropriate. You should not use the company name TheAvon Company (or any predecessor including New Avon Company, New Avon LLC and Avon Products Inc.) in any of your communication or promotions. You may add your current leadership or sales level title.
 - Ex: Mary Smith Avon Independent Sales Representative – CORRECT
 - Ex: Mary Smith Avon Representative – INCORRECT
 - Ex: Mary Smith New Avon Independent Sales Representative - INCORRECT

- We recommend that you use a dedicated email address for your Avon business; however, the email address may only contain the word Avon with prior written approval from Avon. It cannot contain any Avon/LG trademark (Anew, Skin So Soft, Espira, Boss Life, Green Goddess, Face shop, Dr Belmeur, belif, etc.) in the email address or the word Avon or any trademark in any website address or URL. You may use the word Avon in titles on blog pages or your team social media page (for example: Susie's Avon Team or Karen's Beauty Page with Avon) as long as the page clearly and very visibly states you are an Avon Independent Sales Representative. You may not use any other Avon trademarks in the title of blogs, web pages or your Facebook page. (Example: In Facebook, the title would appear in the "about" copy on the page.)
 - Ex: www.SusiesTeam.com - CORRECT
 - Ex: www.SusiesAvonTeam.com – INCORRECT
 - Ex: Avon4You@yahoo.com – INCORRECT

- Referral code: Your Avon online store referral code should be unique to you. The default is your first name or initial and last name. You have the ability to change or simplify this, but it should not be changed to just a generic word or phrase. It cannot contain the word Avon or any Avon branded keyword.

Examples:

- www.youravon.com/ksmith default
 - www.youravon.com/joinavon not acceptable
 - www.youravon.com/join not acceptable
 - www.youavon.com/joinwithkaren acceptable
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- Avon Representatives are contractually obligated to sell only to consumers. Representatives may not knowingly sell products to third parties for resale, to or through any business Entity or any type of retail establishment or marketplace, online or offline, without Avon's specific written permission.

 - The selling of Avon products through Amazon, eBay, or any online selling, reselling or marketplace websites is prohibited.

☐ Representatives may not establish or operate their own Avon retail business, aside from those Representatives who already have an approved Licensed Avon Beauty Center.

Acceptable:

- Temporary events in partnership with a local retailer
- Leaving brochures at a retail business with a small display (i.e. a sign and/or a product demo)
- Selling at a temporary table at a flea market

Not Acceptable:

- Stocking inventory and selling at any retail business
- Selling at a flea market in a consistent location (i.e. a store or permanent booth)

☐ Representatives may not advertise products for export or take action to ship products outside the United States.

☐ Representatives are allowed to use any current Avon home office created images, videos and other print ready material housed in the Official Avon Representative Social Selling group, the Avon brochure, the Avon sharable gallery on AvonNow, The Avon Insider Blog or downloaded from the digital catalog within 6 campaigns of publishing.

- You may not manipulate or change any Avon home office created images. You may not edit or retouch those images. For Avon home office created images you may crop non-text portions of the image for sizing purposes, but no product claims or statements can be altered.
- You cannot use images with models or celebrities or images not in current Avon materials.
- Any content reposted from any Avon Social media channel (i.e. Pinterest, YouTube, Instagram, Facebook) you must use #repost with the original account tagged. (i.e. #reposts@AvonInsider).
- You may not boost any old social media posts with outdated assets – more than 6 campaigns old.

☐ Use only approved product claims and earning statements from brochures, training materials or current Avon advertising. You may not use any unauthorized product or earnings claims. This applies to all offline and online advertising and marketing, including social media and social networking channels.

☐ You may not post on social media, websites or advertise in any forum content that is sexually explicit, obscene, pornographic, offensive, profane, hateful, threatening, defamatory, libelous, harassing, or discriminatory or in violation of any law.

Online/Social Media

☐ The only authorized internet selling vehicle is through your Avon Online Store.

☐ The direct sale of products through an online auction or marketplace site (e.g. Amazon, eBay), a personal social media page, website or blog is strictly prohibited.

☐ You may not create online deals (for Groupon, Living Social, etc.) or list coupon codes for products or recruitment offers, including kit rebates.

☐ Representatives may promote their Avon business online through various social media platforms.

Acceptable:

- Doing a live stream to promote your favorite products with a link to your online store or contact me for local delivery.
- Promoting the hours and location of an event (ie: craft show or farmers market) where you will be selling products.
- Selling on hand product in a private Facebook group.
- ISO (in search of) groups that are for Representatives looking for out of stock or discontinued items for customers.

Not Acceptable:

- Doing a live stream that publicly offers discounts beyond those that Avon provides you.
- Promoting an event listing products and pricing of items below the current brochure price that will be available for purchase.
- ISO groups that sell to non-Representatives or post "lots" products for sale (i.e. 10 shower gels for \$9.99).

You may not promote (tag) your Online Store through Avon Corporate Sites. (i.e.: the Avon YouTube Channel, Facebook Pages, Pinterest or Twitter)

You may create a redirect to your Online Store through a personal website, social media page (a business page on Facebook, for example) or blog to spotlight products and trends, promote your Avon business, or bring your team together. Use YouTube to post and share videos you create that showcase products and encourage your team.

You are responsible for monitoring your social networking channels.

- You are expected to delete comments that are abusive, obscene, disrespectful, threatening, and intimidating or that contain deceptive or misleading claims or links to inappropriate or irrelevant websites. Deleting a comment because you disagree is not acceptable.
- If you have any online group formed for the purpose of communication with your team, you may not omit a member of your team unless it is agreed upon by you and the Representative being excluded.
- As the administrator of your group, it is expected that you will monitor conversations to ensure a positive tone. It is your responsibility to communicate individually with people who post comments that could or will negatively affect your team morale and/or add no value (i.e.: inappropriate or hurtful comments).

All content must comply with the requirements listed in this document. Regardless of content, if Avon requests that you remove content you shall do so immediately.

You may not promote or advertise any other direct sales or retail business on the same online page, group or blog as your Avon business.

It is your responsibility to ensure that any claims made in promoting your Online Store are truthful and consistent with Avon approved product and earnings claims. In addition, any earnings statements should be qualified by referring to the fact that earnings will depend on time and effort expended and should otherwise comply with the Direct Selling Self-Regulatory Council's Guidance on Earnings Claims, to ensure that all earnings claims are truthful and non-misleading. Specifically, any earnings statements should exercise care not to convey the claim that such results are typical or can be generally expected for all Representatives

Paid Advertising

Take advantage of local/community newspapers and classified publications to promote your Avon business.

☐ You may use current Avon authorized images and logos from the Avon U. The Advertising module has approved templates and images. You may use only current Avon authorized product and earnings claims and other content from current Avon brochures and web pages.

Acceptable:

- Photos shared through AvonNow, the digital brochure or photos you take yourself of the products or using the products.

Not Acceptable:

- Screen capturing photos from our brochure and manipulating them for social media or paid advertising.

☐ We encourage you to promote current Avon incentive programs or promotions. You must always include program/promotion summary or rules, entry details, start and end dates and a link to the official program/promotion rules.

- If you choose to run your own contest or promotion, you should always clearly disclose all promotion rules, including entry details, start and end dates, prize details and any eligibility restrictions (i.e. age, residency), etc. Social media platforms like Facebook and Instagram have their own guidelines for promotions run on their platforms, so make sure you read and understand their rules

☐ You are encouraged to promote your business on social media platforms and other related sites in addition to groups/events that are joined to your personal pages (i.e. Personal/Business Facebook page, client groups, team groups, etc.), except where prohibited within this document.

- You may advertise on Facebook or boost your personal posts in compliance with Facebook's advertising policies.
- You are permitted to advertise locally. Locally is defined as within a 100-mile radius of your home street address or approved Avon business (ex: LABC). You are allowed to promote your business on social media platforms and other related sites in addition to groups/events that are joined to your personal pages (i.e. Personal/Business Facebook page, client groups, team groups, etc.), except where prohibited above.
- You may advertise on Facebook or other social platforms or boost your personal posts within a 100-mile radius.

You may not participate in national social media Advertising.

☐ You may only purchase non-branded keywords locally within a 100-mile radius (example - work from home or direct selling).

☐ Influencers, Bloggers, Vloggers, and the like: If you have a relationship with a social media influencer, she or he should follow the Federal Trade Commission (FTC) guidelines on endorsements and testimonials which require disclosures for material relationships and free products. Endorsements and testimonials must always be truthful, accurate and non-deceptive.

☐ Use only Avon-authorized logos from the [Avon U Resource Center](#) to create personalized sales tools (e.g. business cards, recruiting flyers, t-shirts, etc.) or use Avon authorized vendors. These items may be handed out or used as incentives for your team members and your customers, but cannot be sold. You may not sell any personalized sales tools with Avon's name or trademarks. You may not alter or crop the Avon-provided logos.

- You may not advertise nationally, offline or online. Examples of national advertising are national catalogs, magazines, newspapers, trade or direct selling publications or other distribution methods and website or national social media advertising.
- You may not advertise on any form of radio, or television or outdoor advertising (vehicle wraps, billboards, etc.) without prior approval from the Advertising Council. Those requests should be submitted through the link in AvonU with a minimum of 30 days' notice.
- Outdoor advertising signs obtained through Avon Perks Partners or otherwise authorized by Avon do not need prior authorization. This includes yard signs, car magnets or window decals purchased through any approved Avon Perks Partner.
- You may not advertise in classified/list sites directly or indirectly with the intent to sell product, to sponsor new Representatives or to promote your business in general. Examples of classified/list sites: Craigslist, sell-it, swap, work-from-home or sites where individuals manipulate the sales of products through swapping sales, selling or bartering.
- You may not purchase Avon "keywords" from a search engine or other online service to direct online users to your Avon business (examples – Skin So Soft, Boss Life, Avon, etc.).
- The direct sale of products through an online auction or marketplace site (e.g. Amazon, eBay, offer up, Facebook Marketplace, Walmart.com, Poshmark), a personal social media page, website or blog is strictly prohibited.
- You may not create online deals (for Groupon, Living Social, etc.) or list coupon codes for products or recruitment offers, including kit rebates.

Business Cards

- You must purchase your Avon business cards from an Avon approved vendor or use the Avon approved business card template only.
- You may not list any other business, profession or experience on an Avon business card.

Publicity

- As an Avon Representative, you may participate in an interview with local print or online publications (with a local focus) with prior written permission from Avon Public Relations at avonpublicrelations@avonusa.com.
 - All radio or local television interviews are strictly prohibited without prior approval from the Avon Home Office.
 - National media promotions must be initiated by Avon. If you are contacted by any national media, please contact avonpublicrelations@avonusa.com.

Email, Phone, and Text Use

- You may create your own email templates for commercial marketing to customers or Representatives but such emails must be in compliance with applicable laws and regulations, such as the CAN-SPAM Act.
- You may use your own email account to communicate with your Avon team and operate your Avon business with family, friends and current client base.
- You may not use emails, robocalls, or texts to blast or spam any customers or non-customers. □ If a customer, prospect or any individual indicates they no longer wish to receive further email, phone, or text communications, you must cease such communication immediately.
- You must honor any "do not email", "do not call", or "do not text" requests made by any Representative, former Representative, Customer or lead. Under Federal law, requests to unsubscribe must be honored. This includes all email, telephone and text communications.

You must comply with applicable laws, regulations and guidelines when emailing, calling and texting, including but not limited to the CAN-SPAM Act, the Telemarketing Sales Rule, the Telephone Consumer Protection Act, and applicable state laws.

Reinstatements/Reappointments

If a Representative closes his or her account voluntarily, or if he or she is removed for inactivity or a Past Due Status, a Representative may have his or her association with Avon reactivated under the following circumstances:

- **Self-Reinstatement (within 1-26 Campaigns of removal):** A former Representative can reinstate his or her Avon business, with no reinstatement fee, provided the account balance is paid in full. Sales Achievement Level and President's Recognition Program (PRP) titles are maintained as per program guidelines, but Sales Leadership status will not be reinstated after 6 Campaigns of inactivity (see below).
- **Reappointment:** A former Representative is eligible for Reappointment twenty-seven (27) Campaigns after removal, provided there is no outstanding balance. He or she will be enrolled as a new Representative with a new account, pay an enrollment fee and complete onboarding process. Sales Achievement Level and LOA will start anew and any Incentive or Rewards points will be lost. At Avon's discretion, Representatives whose accounts are written off may be reappointed if the Past Due balance is paid in full.

Removal as an Avon Independent Sales Representative

Either a Representative or Avon may terminate a Representative's association with Avon at any time and for any reason. Circumstances that may lead Avon to terminate its association with a Representative include but are not limited to:

Inactivity: If a Representative does not submit an order for 6 consecutive Campaigns, he or she is considered inactive and will automatically be removed from Avon's active file. This will result in the immediate breakage of any downline linkage, which is irreversible. Inactivity for 26 campaigns will result in discontinuation.

Past Due Account: A Representative may be removed if he or she fails to submit payments to Avon in a timely manner. Past due 4 campaigns will result in immediate removal and will break any Downline linkage, which is irreversible.

Management Decision: Avon always reserves the right to remove a Representative at any time for any or no reason in its sole discretion.

Avon Glossary

Achiever

A Representative who reaches the goals of an incentive program, sales level or Leadership title.

Active Representative (Active Account)

A Representative who is consistently placing orders every two weeks (each campaign period), or who has submitted an order at least within the last six campaigns.

Attached Customer

A customer who shops with a Representative on the Representative's online store or through her brochure. Attached customers enjoy special pricing and exclusive offers.

Avon Care Center

The primary resource for Representatives' questions. Specialists are available Monday-Friday, 8:00 AM-11:00 PM ET, and Sundays 3:00 PM-12:00 AM ET at (866) 513-2866.

[Spanish: (866) 588-2866]

Avon Convention

Our biggest national, annual event for all Representatives, featuring the latest business updates, new product previews, keynote speakers, certification and training seminars, recognition celebrations and more.

AvonNow.com

The website where Avon Representatives manage their business, get product information, place orders, make payments, view invoices and access training.

Avon Perks

[link to: <https://avon.perkspot.com/login>]

A program for Avon Representatives that provides access to special offers on a range of products and services, including health insurance, online higher education and more.

Avon Rewards

[link to: <https://www.youravon.com/home/rewards-recognition.html>]

Our recognition program that rewards Representatives for sales and title achievements, Avon milestones and other special occasions.

AVON U

[link to: <https://avonu.youravon.com/grouped-home-page>]

Our free online learning center on AvonNow.com for training webinars, online courses, videos and more.

Award Sales

The official measure used to qualify for Sales Leadership title, President's Recognition Program sales levels and some Avon-sponsored incentives. Almost everything you order from Avon counts toward Award Sales, including samples, sales tools, preview products, brochures and flyers.

Beauty Buzz

[link to: <https://www.youravon.com/home/article.html>]

Our weekly blog on AvonNow.com featuring news on product launches, events, incentives, offers and more.

Brochure

The catalog that Representatives hand out to customers, featuring the latest products and special offers. New brochures come out every two weeks (every campaign period). Customers can also shop a digital version of the brochure on their Representative's online store.

Campaign

The two-week cycle for selling and ordering. We typically have 26 campaigns in a calendar year.

Commissionable Products

All products that are sold at full or discounted customer price, including What's New preview products. Commissionable products do not include brochures, Avon bags, business tools, Representative samples and shipping fees.

Commissions Charts

[link to: <https://www.youravon.com/home/earnings/commissions-and-sales-levels.html>]

Charts that show the sales levels and commission percentages for Contender and Premier levels and for President's Recognition Program levels.

Contender

An Avon Representative with annual sales of less than \$5,000.

Customer Price

Both the brochure and your online store list two customer prices for each product: Customers who shop with a Representative (attached) enjoy the lower, special pricing; customers who shop without a Representative (unattached) pay the full, regular price.

Customer & Prospective Representative Referral Program

[link to: <https://www.youravon.com/home/my-account/customer-referral-program.html>]

Avon's program that matches online customers and leads with an active Representative to shop with or to sign up to join their team.

Cycle to Date

The time period beginning at the start of Campaign 1 through the current campaign used by the President's Recognition Program to track the annual sales of each Representative. Year-to-date sales are the net personal or team sales of all campaigns from Campaign 1 to the current campaign. Also referred to as Year to Date.

Diamond Club

[link to: <https://www.youravon.com/home/rewards-recognition.html>]

A reward program that recognizes Avon Leaders for building higher team sales. Achievers earn a half-carat Swarovski® diamond to go on an exclusive chain necklace for every million dollars in team sales.

Digital Brochure and Digital Catalog

[link to rep's store: <https://www.avon.com/brochure?rep=Really>]

Digital versions of the Avon brochure on each Representative's online store. Customers can click on product images to order.

Direct Delivery

[link to: https://office.sole.avonrepresentative.com/personalization_tool#tab=customer]

One of the delivery options you can offer your online customers. Your customer pays for their order on your online store and it's shipped directly to them. Customers enjoy free shipping on orders of \$60 or more (the shipping fee is paid by you.)

Direct Deposit

[link to: <https://www.youravon.com/home/my-account/get-paid-by-avon.html>]

A payment option that lets Avon deposit your earnings directly into a bank account of your choice as part of the Rapid Pay program. Payments can include Direct Delivery earnings, incentive rewards, credits, Leadership bonuses, etc. Also referred to as Rapid Pay.

Direct Selling

A selling method offering products and personal service directly to a customer.

Discontinued Product

An item that is out of stock and cannot be reordered. An alternative recommendation may be offered.

Earnings Level

The sales achievement level that determines the commissions percentage a Representative is entitled to earn on product sales. Earnings level is calculated based on Award Sales. Also called commissions level. For details, see **commissions charts**. [link to:

<https://www.youravon.com/home/earnings/commissions-and-sales-levels.html>]

Enrollment

The process by which a prospect signs up and becomes an Avon Representative. Formerly referred to as appointing.

First Generation

The first level of team members recruited and personally enrolled by a Sales Leader.

Fundraising

[link to: <https://www.youravon.com/home/fundraising>]

An Avon program that helps Representatives grow their business as they connect with worthy organizations in their community. The Representative partners with an organization to sell Avon's products, then shares a portion of their earnings from sales generated by the fundraiser.

Generation

A level of connection between a Representative and her team members. For example, if a Representative recruits a new team member, that new person will be part of the Representative's first generation. If the first-generation Representative then recruits their own new team member, that person will be in the original Representative's second generation, and in the first generation of the Representative who directly recruited her.

Homepage

The main webpage for AvonNow.com, Avon.com or any business, organization or person.

Incentives

Programs sponsored by Avon in which Representatives can earn rewards for hitting certain targets. These rewards are in addition to their usual campaign earnings.

Independent Contractor

All Avon Independent Sales Representatives are independent contractors and must always identify themselves as such in communications, promotion and business cards. They are not agents, employees, partners or franchisees with Avon. Each Representative is responsible for her own business decisions and expenditures.

Invoice

A statement for each order (available on AvonNow.com) that includes an accounting of all items ordered and billed, messages from Avon and any amount due with the next order. Representatives also create a customer invoice for each order they deliver, itemizing the products ordered and the amount owed.

Lead

A person who has expressed interest in Avon products or in becoming an Avon Representative. Also refers to those who may have started, but not completed, the enrollment process to join Avon.

Leadership

An enhanced earnings opportunity offering rewards and bonuses for recruiting, sponsoring and mentoring as you build a team and rise in title from Promoter to Platinum Executive Leader. For more details, refer to the **Sales Leadership** [link to: <https://www.youravon.com/home/leadership.html>] page and the **Career and Compensation Guide**. [link to: <https://www.youravon.com/dam/pdf/rewards-recognition/avon-2020-career-and-compensation-guide-en.pdf>]

Leadership Bonuses

Leaders receive bonuses based on performance in recruiting, training, mentoring and promotions, as well as team earnings.

Leadership Dashboard

A section of AvonNow.com specifically for Leadership Representatives with tools and reports to help grow and manage their business. Formerly known as VIBE.

Length of Association (LOA)

The number of two-week cycles, or campaigns, a Representative has been with Avon.

Licensed Avon Beauty Centers (LABC)

Avon-authorized retail stores.

Mentor

The Sales Leader in a team who has personally recruited and signed up a Representative. Formerly known as an upline.

Net Items

Generally business-building Items such as brochures, sales aids, sales tools and samples that are not resold for profit. The Representative pays the stated price for these items and receives no earnings or discounts.

Networking

The process of connecting with new people in a business or social context to help grow your customer contact list or team and build your business.

Online Store

The free Avon website given to each Representative where customers can shop 24/7. All sales are credited directly to the Representative and factored into her earnings. You can find your online store address by clicking on **My Store** at the upper right of AvonNow.com.

Past Due

If a payment is not made in accordance with Avon's payment terms, the account balance will be considered "past due."

Pathway to Premier

[link to: <https://www.youravon.com/home/pathway-to-premier.html>]

An incentive that rewards new Representatives in their first eight campaigns with extra bonuses to help get them to Premier Level (annual sales of \$5,000-\$9,999) and the higher guaranteed commissions of Premier.

Performing

Performing at title means that a Leader has satisfied the title requirements in a given campaign and is eligible to receive earnings.

Premier Level

[link to: https://www.youravon.com/dam/pdf/rewards-recognition/premier-level-faq-en.pdf?_v5]

A sales level for Representatives who earn \$5,000-\$9,999 in annual Award Sales. Premier Level guarantees 2020 earnings of 30% on Beauty and 20% on Fashion & Home, and is a stepping stone toward the President's Recognition Program(\$10,000+).

Prepaid Card

The Mastercard® Prepaid Card is a personalized and reloadable prepaid card issued to Representatives in place of paper checks. Earnings, rewards, credits, etc. are automatically loaded to your prepaid card. You can sign up under My Account, then **Get Paid by Avon**. [link <https://www.youravon.com/home/my-account/get-paid-by-avon.html>]

President's Club

The first level of achievement, for sales of at least \$10,000, within the President's Recognition Program that recognizes Award Sales.

President's Recognition Program

[link to: <https://www.youravon.com/dam/pdf/rewards-recognition/avon-2020-career-and-compensation-guide-en.pdf>]

Avon's program that celebrates and rewards Representatives for outstanding achievement in Total Sales, Sales Increase and Leadership each year. Consists of six sales levels, starting with President's Club, that provide perks including higher earnings, exclusive offers, trips and other recognition.

Preview Products

Products available to Representatives at a special discount (based on sales achievement title) to help them showcase products to customers. Featured two campaigns in advance in the What's New brochure. Representatives at all levels can order up to two preview products. Formerly known as demos.

Promoter

The first level of Avon's Leadership program, which begins when a Representative recruits her first team member.

Prospecting

The search for potential customers or team members.

Qualified New Recruit (QNR)

In the context of Avon incentive programs, a new Representative who places an order of at least \$150 by their third campaign and pays for it on time.

Rapid Pay

[link to: <https://www.youravon.com/home/my-account/get-paid-by-avon.html>]

A direct deposit program that lets Avon deposit your earnings directly into a bank account of your choice. Payments can include Direct Delivery earnings, incentive rewards, credits, Leadership bonuses, etc.

Recruiting

[link to rep's Join page, example:

<https://www.youravon.com/home/join?siteid=avon&p=BaRTop&c=BaRTop&s=BaRTop&shopURL=Really>]

The process of promoting the benefits of joining Avon, including inviting a prospect to join your team and helping them sign up.

Region

Avon U.S. is divided into two geographical territories or regions, East and West.

Regional Vice President (RVP)

An officer of Avon who is responsible for sales activities within a geographical area of the United States.

Reinstatements

Avon Representatives who have reactivated their Avon account after having been removed for 26 campaigns or fewer, provided the account is paid in full. They begin to place orders again using their original account number and are linked to their original Mentor, if applicable.

Removal

A Representative's account that's inactive for more than six campaigns or past due more than four campaigns will have their online store deactivated. Removed Representatives become

active again by placing an order and paying their account in full. After 26 campaigns in removal status, a Representative will become Discontinued and lose her account number.

Representative Commissions

[link to: <https://www.youravon.com/home/earnings/commissions-and-sales-levels.html>]

The difference between the retail price paid by the customer and the price the Representative pays for the products — your percentage of profit.

Representative Delivery

[link to: https://office.sole.avonrepresentative.com/personalization_tool#tab=customer]

One of the delivery options you can offer customers on your online store. With Representative Delivery, you handle submitting the order on AvonNow.com, collecting payment and delivering the order. These orders will be added to your My Open Orders page for you to submit. You can also edit the customer order, in case you have any of the items they may be ordering already on hand.

Sales Leader

A Representative participating in the Avon Leadership Program by building a team and mentoring others. Also known as a Leadership Representative.

Sales Tools

Items such as jewelry forms, shopping bags, ring sizers, etc. offered to Representatives to help them build their business. Some are free, others are nominally priced.

Shorts

A product that is temporarily out of stock but expected to become available at a later date. When ordering online, you can add the item to your Wait List and be notified when it is available to order again.

Site Map

[link to: <https://www.youravon.com/home/footer-links/site-map.html>]

A listing of where key resources and elements of AvonNow.com are located.

Social Selling

Selling products and promoting your business through social interactions like conversation, coffee dates and product parties, as well as through social media such as Facebook, Instagram, email, etc.

Team

All the generations (1-3) of Representatives under a Sales Leader. Formerly referred to as a downline.

Title at Risk

A Sales Leader who is not performing at their achievement title level in the current campaign. Ambassadors who fail to maintain their title after six consecutive campaigns will be retitled at the level at which they are performing. Titles for Leaders and Executive Leaders will be held for twelve campaigns.

Titled Representative

A Sales Leader currently performing at a given Leadership level of achievement.

Total Team Sales

The total of a Sales Leader's qualifying personal sales and the total personal award sales of her first through third generation team members. Formerly referred to as Unit Sales.

Trackers

[link to: <https://www.youravon.com/home/my-trackers.html>]

Charts on AvonNow.com that show progress toward an incentive or sales goal.

Unattached Customer

A customer who orders through Avon.com and chooses not to link with a Representative. Customers who shop without a Representative pay the full, regular price for products.

Virtual Sales Meeting

A monthly online meeting that provides the latest business updates and info on products, incentives and strategies.

Web Office

[link to: <https://office.sole.avonrepresentative.com/>]

A section of AvonNow.com with tools that help Representatives manage their online store, customer address book, invoicing and more.

Webinars

Web-based seminars on AvonNow.com that provide Representatives with training, product news and business updates.

What's New

[link to: <https://www.youravon.com/home/ordering/virtual-catalog-list.html>]

A special brochure for Representatives featuring preview products and offers two campaigns in advance. Representatives at all levels can order up to two preview products at a special discount (based on sales achievement title) to showcase to customers.

Note: The information found in these Policies and on AvonNow site, in their entirety, constitutes the complete and current policies and procedures. Therefore, in the event of a conflict between information contained here and/or AvonNow, and information provided to you by the Avon Care Center, Sales and Leadership Coaches, Sales Leadership Mentor (Upline Representative) or any other source, the information contained here and/or on the AvonNow site will control.

Exceptions may be made to any of the policies, rules or program content on a case by case basis. These Policies may be modified by Avon at any time in its sole discretion by express amendment of these Policies or by the adoption of separate policies, rules, codes of ethics or the like that may have the effect of modifying those contained in the following pages. Always reference AvonNow for updates and current information on these Policies.

Addendum A - Sales Leadership Policies

Representatives participating in the Advanced Leadership Program ("Sales Leadership Representatives") are responsible for meeting their contractual obligations as Representatives, and abiding by both the general Representative Policies and these Sales Leadership policies, which govern matters specific to the Sales Leadership program. Please also refer to the Sales Leadership tab on AvonNow for more details.

Leadership Philosophy

Leadership is one of the most satisfying opportunities Avon has to offer. Helping your team members achieve their goals and celebrating their success with them is a fulfilling experience. Combining these activities with the Leadership Compensation Program turns helping others into a very rewarding opportunity.

The role of the Mentor (or "Upline" Representative) is not to do everything for your Representatives, but rather provide guidance to help them achieve their business goals. Do this by leading by example with your business, recognizing them for their success and mentoring them in their Avon business.

It is important for all Representatives to have the benefit of a Leader and Mentor, combined with the continued support from Avon Home Office so that all Representatives have the tools and encouragement they need for their business.

Qualities expected of a good Leader:

Believe: Your belief sets the tone for the success of your team

- Demonstrate a positive attitude toward Avon and fellow Representatives
- Operate with a high level of integrity
- Encourage team collaboration and create a community where Representatives feel comfortable seeking your support

Set an example: Your team will do what they see you do (building customers, recruiting)

- Provide team members with consistent, timely communications
- Model a consistent business with sales and recruiting
- Participate in Avon sponsored incentives and promotions
- Attend Avon sponsored meetings and events

Lead your team: Connect the dotsLead them to success

- Train and mentor team members
- Follow Avon's Onboarding Guidelines to support New Representative's success
- Identify and develop new Leaders thru goal setting and mentoring
- Understand and sell Avon's compensation plan
- Celebrate team victories
- Recognize team members for their achievements

Eligibility

The Advanced Leadership Program rewards Sales Leadership Representatives based on the success of recruiting, training and developing team members. Sales Leadership Representatives accept responsibility for complying with the following guidelines:

- Referring potential recruits to enroll with Avon and support new team members with the best onboarding experience through online and face to face training, coaching and mentoring tools Avon has to offer. See Mentor tools on AvonNow for full details.
- Maintaining an Active Representative status in good standing.
- Understanding the earnings as defined in the Advanced Leadership earnings chart on AvonNow.
- Understanding the compensation structure and earning opportunities / incentives for newly appointed Representatives including Pathway to Premier on AvonNow

Recruiting Policies

Sales Leadership Representatives are encouraged to develop their team through their own personal recruiting efforts. Sales Leadership Representatives may not create or place Enrollments under a new Representative without that Representative's knowledge or permission.

- Recruited Representatives must fully complete the Enrollment process, and completing the Avon Representative Contract and accepting its Terms & Conditions.
- Once a new recruit has completed the Enrollment process and Avon has approved, the account status is defined as a Pending Appointment. A recruited Representative will only count as an Appointment after the recruit has positive net sales in a Campaign. Sales from the Sales Center, traditional brochure orders and Online Store orders all count towards positive net sales for a Campaign. A new Representative counts as a Qualified New Recruit (QNR) when they place a \$150 order in their first or second campaign (or by Length of Association "LOA" 3) and they pay for that order on time.
- If a Pending Appointment does not submit a first order within 26 Campaigns from Enrollment, the pending Representative Contract is terminated, the linkage to the Mentor (Upline) is broken, and the individual is considered an unsponsored lead. Should the individual decide to join Avon in the future, they would be considered "new" and are required to re-apply and complete the Enrollment process. There is no guarantee expressed or implied that the original Mentor ("Upline") will be relinked should this person return to Avon at some point in the future.
- An appointed recruit becomes attached as a "Downline" member to his or her recruiting Representative (also known as the "Mentor" or "Upline" Representative) when the new recruit enrolls through the Mentors' Online Store or on SellAvon.com/StartAvon.com when Mentor's referral code is entered. A Downline member that is recruited and appointed will join the First Generation of his or her Mentor.
- Should a new self-enrolled Representative be linked to an unintended Mentor, he or she will have up to 5 business days from the time of enrollment and before the first order is placed, to be relinked to the intended Mentor. The new Representative must direct this request to the Avon Care Center, **personally**.
- Fictitious or gratuitous contracts are prohibited. These including individuals who have little or no interest in Avon, other than enrolling as a favor to someone, such as a friend or family member, or in exchange for some benefit, such as free products or some other form of compensation.
- Change of Sponsorship: To protect the integrity of the compensation plan and to discourage unethical cross-recruiting practices, Avon does not allow Mentor changes.
- **Leadership Earnings:** Qualifications for Sales Leadership earnings are based on achieving the minimum requirements as outlined in the Advanced Leadership Earnings Chart on AvonNow.
- **Team Award Sales:** Includes your Personal Award Sales plus the Personal Award Sales of all your downline Generations: G1, G2, and G3.
- Leadership earnings are not paid until the downline member pays for their order in full and any returns would adjust accordingly.

- Avon reserves the right to offer incentive or bonus dollars that may or may not be eligible for Leadership Earnings (refer to AvonNow for specific terms and conditions).
- **Past Due Accounts:** If a Sales Leadership Representative's account is Past Due for three Campaigns, any Leadership earnings will automatically be applied towards the current balance in that third Past Due Campaign until the account balance is cleared. If a Downline Member has reached a Past Due status of four (4) Campaigns, any Leadership earnings from his or her Award Sales will be forfeited by the Mentor (Upline), even if the balance is subsequently paid. To ensure Mentors (Upline Representatives) maintain their current eligible earnings and also to help reduce bad debt, Downline Members should be encouraged to pay in full and on time.
- **Removed Accounts:** If a Representative is removed from the Sales Leadership program, he or she will receive a final earnings payment and will no longer be entitled to receive earnings on his or her former Downline after the date of removal.
- At the close of each Campaign, Sales Leadership Representatives have access to their Sales Leadership Earnings Statement on AvonNow, which details Sales Leadership activity for a specific Campaign.
- **Personal Sales Protection** (formerly called Performance Points): For Bronze Ambassadors and above, when you exceed your Personal Sales requirement in a campaign, the additional amount can be held over to help meet the requirement for a future campaign. As an Ambassador you can accumulate up to \$200, as a Leader or Executive Leader \$600.
 - Personal Sales Protection is automatically redeemed based on availability. For example: if you have sales of \$150, you could use \$50 in personal sales protection to make up the difference in required personal sales, provided you met all other performance requirements for your level of achievement in any campaign. This would then qualify you to receive your Advanced Leadership Bonuses.
 - Personal Sales Protection is not cumulative. After you use all or a portion, you replenish it by exceeding your personal sales qualifier. For example: \$250 in sales would give you \$50 in personal sales protection to be used in a later campaign.

Recruiting Restrictions:

- A Sales Leadership Representative may not recruit his or her spouse or domestic partner into his or her own Downline. *Exception:* a previously existing Downline relationship that was established at least one (1) year prior to the marriage or partnership. Must be documented with the Avon Care Center Leadership Department.
- Sales Leadership Representative may not recruit or be linked to any team member within the same household.
- **Former Avon Field Associates** may be appointed by a Leadership Mentor (Upline). However, they may not use any Avon leads or Representative information from their former role as an Avon employee.

Leadership Training Centers:

Leadership Training Centers may be operated for team meetings and trainings. They may have a display of current Avon products, but cannot be used to publicly stock and sell product. They must be registered with the Avon Care Center Leadership Department.

Prohibited Activity:

Leadership Representatives are expected to conduct their businesses in an ethical manner, and always keep the best interests of their Downline Members in mind. Avon reserves the right to prohibit any type of recruiting activity, at any time. Some types of recruiting activities that are prohibited include but are not limited to:

- Falsifying an enrollment or encouraging falsification of any information on the account (e.g. Social Security number, mailing or shipping address, zip code, email address, credit score

information, and signature). Accounts must have unique Social Security/TIN, mailing address, email address and phone numbers. **Providing misleading information is a violation of Avon policy and violators are subject to removal.**

- Using a Mentor's (Upline's) credit card for payment of Enrollment fees and/or product orders on behalf of a Downline Representative. A pre-paid debit card is allowable for enrollment fees.
- A Mentor (Upline) may not make a payment directly on the Account or through a Downline Member's Online Store.
- The offering of money, free gifts, products, rebates on enrollment fees, or any other inducement to agree to be appointed as an Avon Representative is strictly prohibited.
- Making representations about earnings potential or product claims that go beyond those made by the Company.
- Using other Representatives' personal information in a way that does not comply with Avon's Privacy Statement or contract terms. See <https://www.youravon.com/home/footer-links/privacy-statement.html>. Any violation of these policies could result in immediate removal from the Sales Leadership program and/or Avon.

Removal from Sales Leadership

Should a Sales Leadership Representative, for whatever reason, cease to be an Avon Representative, he or she will be automatically removed from the Sales Leadership program and will receive no further Sales Leadership earnings on the sales of his or her former Downline Members. Linkage to Downline will be irrevocably broken and Representative forfeits future earnings. A Representative may terminate her participation in the Sales Leadership program at any time by submitting a written and signed notice, indicating her desire to withdraw from the program. Circumstances that may lead Avon to terminate participation in the Sales Leadership program may include but are not limited to:

- **Management Decision:** Avon always reserves the right to remove a Representative for any or no reason in its sole discretion.
- **Inappropriate Actions:** Avon may remove any Sales Leadership Representative who violates his or her contractual obligations or any of Avon's policies. Inappropriate Actions may also include disparaging the Avon Brand or Earnings Opportunity and/or unprofessional comments on social media or other channels that are in conflict with Avon's values.
- Avon reserves the right to freeze any Sales Leadership account pending an investigation for inappropriate action. This will temporarily suspend any earnings and or incentive reward. If an investigation is cleared, all earnings and rewards will be released for payment.

Titled Relink Request

Avon will not grant Sales Leadership Representatives any one-time relink requests allowing re-linkage to former Mentor (Upline Sales Leaders).

Roll-up

When a Sales Leadership Representative is no longer participating as an Active Representative, the removed Representative's Downline will "roll up" to the removed Representative's Mentor (Upline). If the removed Representative did not have an Upline, the impacted Downline Representatives will no longer be attached to an Upline.

Survivorship

Upon the death of a Sales Leadership Representative (where there is no registered co-applicant on the account), the Contract is automatically terminated.

- Death of a Representative must be reported immediately. Using the account of a deceased Representative is not permitted and may be considered fraud.
- Heirs of a deceased Sales Leadership Representative will not be eligible for any future earnings.

- In the case of an incorporated account with more than one officer, the account will remain in the operation of the corporation officers.
- A co-applicant listed on the account prior to his or her partner's death, may assume primary responsibility for the account within 30 days. A new Contract must be completed that accurately reflects the co-applicant as the Primary Representative on the account. Refer to the Co-applicant section within these policies for details.

Achievement Title Review/Title at Risk

The Achievement title is the title you are recognized for at events and in print. It is the highest Performance Title over prior 6 campaigns for Promoters through Gold Ambassadors and 12 campaigns for Bronze Leaders and above.

Purchase and sale of an Avon Business

An Avon business and the rights and obligations associated with it are personal to the Representative and may not be sold, assigned or transferred to any other person or Entity without the express written approval of Avon in its sole discretion.

Non-Sales Leadership Business Requirements:

- Representative notifies the Avon Care Center of her desire to discontinue her Avon business and close her Representative account and fills in the below Contract request form:
 - <https://www.youravon.com/dam/pdf/my-community/policies-and-procedures/approval-for-purchase-and-sale-en.pdf>
- If there is a co-applicant involved, reference and follow Co-applicant policy.
- If LABC involved, reference and follow LABC Policies.
- Seller's position within the President's Recognition Program, and other rewards programs are not transferable.

Sales Leadership Business Requirements:

- Seller must first offer Unit to immediate Upline Representative, if one exists.
- If the first offer is declined, Seller must then offer to other Upline Representatives, if any exists, on same terms and conditions.
- If all offers to Upline Representatives are declined, Seller may then offer to other Leadership Representatives on same terms and conditions.
- Buyer must be an Active Avon Representative for at least 1 year.
- Buyer must have attained and maintained the Bronze Ambassador Position or above for the last six consecutive months or more immediately preceding date of purchase/sale request.
- If Buyer is in a different Leadership line: Buyer must relinquish all rights to her original Leadership Unit.
- Leadership businesses in different Leadership lines may not be merged.
- Buyer may not be enrolled in two Leadership Units at the same time.
- Buyer will not be rewarded with title advancement bonuses or current incentives based on this purchase.
- Sponsoring Bonus earned through both the Buyer's former unit and purchased unit will be forfeited. Once the sale is complete, Buyer may begin to establish a new personal Sponsoring Bonus. Buyer will assume the promotional history of the purchased unit.