

Canadian 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 01/04/24

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 abide by 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 at any time.

Table of Contents

Page 3 Policy Overview

Page 4 Start Your Business

Page 6 Selling

Page 12 Advertising & Promotion Policies

Page 17 Reinstatements, Reappointments and Removals

Page 18 Glossary of Avon Terms

Addendum A – Leadership Policies

Policy Overview

□ **All The Avon Canada Company Limited. (“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 payment of self-employment or other taxes required by Federal, Provincial and local laws.
- All Representatives are responsible for ensuring that they and their businesses comply with all applicable Federal, Provincial and local laws, and that they do not engage in any practice that violates such laws. For example, Representatives should comply with applicable Provincial, Municipal 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 Avon.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 Avon.ca, and information provided to you by the Avon Care Center, Sales Leadership Mentor (Upline Representative) or any other source, the information contained here and/or on the Avon.ca site will control outcome. 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 Avon.ca for updates and current information on these Policies.

Start Your Business with Avon

A new applicant becomes a Representative by enrolling online. The enrollment process ("Enrollment") consists of fully completing the Avon Independent Sales Representative Contract ("Contract") and accepting its Terms & Conditions. Please note the following Contract requirements:

- Only one Contract/account is allowed per individual
- All Applicants must:
 - Be 19 years of age and the age or the of majority in their Province of residence.
 - Live and be a resident of Canada, and have an address to which products, correspondence and other items may be sent.
 - Provide a valid email address not already associated with another Avon Representative or previous Avon Canada account.
 - Establish their Avon account in their legal name. Nicknames may be used for your public facing customer profile as long as they abide by Avon's policies.

- All Representatives must provide unique contact information when establishing their account, which includes, but is not limited to, mailing address, phone number, and email address. A mentor/upline's contact information MAY NOT be used. Representatives must maintain current account information at all times.
- Representatives will be required to register for Avon Wallet (provided by Hyperwallet) to receive any payments, incentives, or rewards. For this a social insurance number must be provided during registration on the platform.

- 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 are required of Representatives.
- Length of Association with Avon ("LOA") is determined by the number of Campaigns beginning with the Campaign of enrollment and progresses with each passing Campaign (regardless of whether an order has been placed that Campaign or not).
- 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 visit Avon.ca.

- 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.ca or on Avon's website. <http://www.dsa.org/consumerprotection/code-of-ethics>

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 and addresses of all owners of the Entity. The individual who will be the principal contact person with Avon must be the 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.
- Recognition may be done in the name of the business entities' primary contact or the LLC name on the account. Live/in person recognition is always done in the primary account holder's name.
- At the time the Contract is signed, Avon must be provided with a current Federal Business Number for the Entity from the Canadian Revenue Agency and/or if applicable, Provincial jurisdiction business tax number.
- 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 an 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 Avon.ca. Representatives may not make payments for or on behalf of, another Representative or manipulate another Representative's account for personal gain. Only one credit card can be used per order and only for the full amount of the order. It may be combined with any established Avon credit.

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 the case of Avon error. Sales pricing or special offers are only offered to customers attached to Representatives, unless otherwise stated. Adjustments will not be made after submission.

Shipping: Avon provides shipping at variable rates based on order size and how the Customer is attached/not attached to the Representative. Please refer to our published rates posted on Avon.ca. Customers shopping with you on your online estore will pay \$10.95 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; you will pay \$10.95. Please see Avon.ca for details.

Earnings Level: Earnings Level is the percentage discount that a Representative receives on an Avon.ca order (or credit received on an eStore sale) as determined by a Representative's sales level/tier. All products within the Avon Brochure, Avon Online Store, Specialty or Novelty flyers, Fundraisers, samples, business tools, brochures count toward Earnings Level. 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 Avon.ca for the most up-to-date information.

Sales Level	Sales Range	Discount	
		Beauty	Fashion/Home
Bronze	\$0-\$39.99	0%	0%
	\$40 +	25%	15%
Silver	\$1,000	25%	20%
Gold	\$4,500	35%	20%
President's Club	\$10,000	40%	25%
Honor Society	\$25,000	45%	25%
David H. McConnell Club	\$50,000	50%	25%
President's Council	\$75,000	50%	25%

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, preview products, brochures and flyers. Personal Award Sales are the basis of determining your sales tier and, if achieved, your level in the President's Recognition Program. The program is open to all Active Representatives in good standing, unless they fall into a specifically excluded class. See the Sales & Recognition tab on Avon.ca for more details.

- Customer orders placed on Avon.ca are credited to your campaign sales at the time of submission. A small number of orders may be held for review and will be credited upon release.
- Representative orders are credited at the time the order is submitted. A small number of orders may be held for review and will be credited at the time of release.

Personal Use: Avon's sales model is built upon direct sales to the consumer ultimately. 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, 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:

To help ensure you are always connected to your Customers:

- Always share your Online estore URL with customers, which will take them directly to your site to shop. This estore link is provided to you for free when you join Avon.
- Customers will have two ways to Find a Representative:
 1. **'I already know a Rep'** allows customers to find you by name and select you as the Representative they would like to shop with online. Up to 25 results could be shown.
 2. **'Find My Perfect Rep'** allows Avon to recommend up to 15 Representatives to customers based on criteria the customer selects, such as location, language or common interests. Selecting your own criteria on the Profile page will help you match customers with common lifestyles, interests and the categories they like to shop, and you love to sell.

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

Sales Tax: As required by law, at the time of purchase Avon collects and remits sales taxes to the appropriate Federal and Provincial governments. 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 Avon.ca for details on special exemptions relating to Avon approved fundraising orders and Native Tax Exemptions.

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 altering a fee.

End of year and other Government Reporting: Each calendar year, Avon will issue T4'A and Relevé tax forms for the previous year if you earned \$500 or more in leadership checks, bonuses, trips, incentive prizes or rewards.

Incentives- General Guidelines:

- 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 reserves the right to disqualify or remove any Representative it determines has violated principles of fairness and program intent.
- Representative's account must be active, in good standing and current (President's Club members cannot be past due more than one Campaign with credit). 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 two or more Campaigns will be disqualified. If an account is removed prior to the award distribution, then they will be considered disqualified.
- All Federal, Provincial and local taxes, if any, associated with acceptance of the reward are the Representative's responsibility.
- Award Sales include Direct Delivery. Gifts with purchase do not count.
- To ensure credit for sales in a campaign, orders must be submitted by **campaign cut-off** the final day of the campaign. If an order goes into review and is not cleared prior to the campaign cut-off 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 incentive program's 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, at 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 at its sole discretion.
- Recognition may be done in the name of the business entities' primary contact on the account. Live/in person recognition is always done in the primary account holder's name.
- In addition to the rules stated within these Policies, incentives and promotions are subject to their own terms and conditions.

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.
- Anyone found recruiting for another business or direct selling company at an Avon sponsored event could be asked to leave that event immediately and at their own expense.
- 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 together 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 addition 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 reward 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.

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 five days. Anything longer than five days requires advance approval from Avon. You may not promote Avon at events in the same location more than three times during a month or for more than five 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. You may display any preapproved advertising flyers or brochures in a retail setting.
- If you are participating in any event as an Avon Representative/Leader (ex.: fair, festival or farmers market), you may not promote any other business in the same space.

Customer Receipts

In the event of a product sale conducted directly between a Representative and a Customer, a Representative must provide their customer with a copy of a customer sales receipt and the

Buyer's Right to Cancel Clause at the time of the sale. Representatives should be using the customer invoicing tool provided on Avon.ca (or the exact printed equivalent).

Receipt must specifically include the following language:

THE BUYER'S RIGHT TO CANCEL (CANADA)

You may cancel this contract from the day you enter into the contract until 10 days after you receive a copy of the contract. You do not need a reason to cancel. If you do not receive the goods or services within 30 days of the date stated in the contract, you may cancel the contract within one year of the contract date. You lose that right if you accept delivery after 30 days. There are other grounds for extended cancellation. For more information, you may contact your provincial/territorial consumer affairs office. If you cancel this contract, the seller has 15 days to refund your money and any trade-in, or the cash value of the trade-in. You must then return the goods. To cancel, you must give notice of cancellation at the address below: 5500 Trans-Canada Highway, Pointe Claire, Quebec, Canada, H9R 1B6 Phone: 1-800-265-2866 Fax: 514-630-8787.

You must give notice of cancellation by a method that will allow you to prove that you gave notice such as registered mail, fax, email, personal delivery, etc.

THE BUYER'S RIGHT TO CANCEL (ONTARIO) Your Rights under the Consumer Protection Act, 2002.

You may cancel this agreement at any time during the period that ends ten (10) days after the day you receive a written copy of the agreement. You do not need to give the supplier a reason for cancelling during this 10-day period. If the supplier does not make delivery within 30 days after the delivery date specified in this agreement or if the supplier does not begin performance of his, her or its obligations within 30 days after the commencement date specified in this agreement, you may cancel this agreement at any time before delivery or commencement of performance.

You lose the right to cancel if, after the 30-day period has expired, you agree to accept delivery or authorize commencement of performance. If the delivery date or commencement date is not specified in this agreement and the supplier does not deliver or commence performance within 30 days after the date this agreement is entered into, you may cancel this agreement at any time before delivery or commencement of performance. You lose the right to cancel if, after the 30-day period has expired, you agree to accept delivery or authorize commencement of performance. In addition, there are other grounds that allow you to cancel this agreement. You may also have other rights, duties and remedies at law. For more information, you may contact the Ministry of Consumer and Business Services. To cancel this agreement, you must give notice of cancellation to the supplier, at the address set out in the agreement, by any means that allows you to prove the date on which you gave notice. If no address is set out in the agreement, use any address of the supplier that is on record with the Government of Ontario or the Government of Canada or is known by you. If you cancel this agreement, the supplier has fifteen (15) days to refund any payment you have made and return to you all goods delivered under a trade-in arrangement (or refund an amount equal to the trade-in allowance). However, if you cancel this agreement after having solicited the goods or services from the supplier and having requested that delivery be made or performance be commenced within ten (10) days after the date this agreement is entered into, the supplier is entitled to reasonable compensation for the goods and services that you received before the earlier of the 11th day after the date this agreement was entered into and the date on which you gave notice of cancellation to the supplier, except goods that can be repossessed by or returned to the supplier.

STATEMENT OF CONSUMER CANCELLATION RIGHTS (QUEBEC)

You may cancel this contract for any reason within 10 days after you receive a copy of the contract along with the other required documents. If you do not receive the goods or services within 30 days of the date stated in the contract, you may cancel the contract within one year. You lose that right if you accept delivery after the 30 days. There are other grounds for an extension of the cancellation period to one year, for example if the itinerant merchant does not hold a permit or has not provided the required security at the time the contract is made, if the goods are never delivered or the services never performed, or if the contract is incorrectly made or worded. For more information, you may seek legal advice or contact the Office de la protection du consommateur.

If you cancel the contract, the itinerant merchant must refund all amounts you have paid, and return to you the goods received in payment, as a trade-in or on account; if the merchant is unable to return the goods, you are entitled to receive an amount of money corresponding to the value indicated in the contract or the cash value of the goods, within 15 days of cancellation. You also have 15 days to return to the merchant any goods you received from the merchant. To cancel, you must return the items received from the merchant to the merchant or the merchant's representative, send the merchant the cancellation form (printed below), or send the merchant written notice of cancellation. The form or written notice must be sent to the merchant or the merchant's representative at the address indicated on the form or at any other address indicated in the contract.

You must give notice of cancellation by personal delivery or by any other method that will allow you to prove that you gave notice, including registered mail, email, fax and courier.

CANCELLATION FORM TO BE COMPLETED BY THE MERCHANT:

- Name of itinerant merchant or Representative...
- Address of itinerant merchant...
- Tel. number of itinerant merchant or Representative...
- Fax number of itinerant merchant or Representative...
- Email of itinerant merchant or Representative...

TO BE COMPLETED BY THE CONSUMER: *By virtue of section 59 of the Consumer Protection Act I hereby cancel the contract.*

- Name of consumer...
- Date on which form is sent ...
- Contract number, if any...
- Date of contract...
- Address where contract was signed by consumer ...
- Telephone number of consumer ...
- Fax number of consumer...
- Address of consumer...
- Email Address of consumer...
- Signature of consumer...

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.

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 Canada, 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 warehouse ship date to return their product(s) to their Avon Representative. Avon allows a Representative 60 days from the ship date 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 an RMA to send the items back. Immediate credit will be issued for damaged, discarded items. For all other items, 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.

Guidelines for returns packages:

- The packing list must be enclosed in the return parcel to ensure the credit is applied to your Avon Account
- Only one campaign per RMA, but multiple RMAs can be included in the package. Only items on the RMAs will be credited.
- Representative may use their choice of courier at their cost.
- Credit may take up to six weeks to apply.

Non-Solicitation of Avon's Representatives and Customers

You may not 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 The Avon Company Canada Ltd (or any predecessor including Avon Canada, 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. You should never use the phrase or any version of the phrase *Avon Official*.

- 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, Green Goddess, Face shop, Dr Belmeur, belief, 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 Barb'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.avon.ca/repstore/ksmith default
- www.avon.ca/repstore/joinavon not acceptable
- www.avon.ca/repstore/join not acceptable
- www.avon.ca/repstore/joinwithkaren acceptable

□ 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. This includes all products purchased through Avon, including LG H&H products and any products purchased through Avon LG Partner Store.

□ 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.

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 of Canada.

□ Representatives are allowed to use any current Avon home office created images, videos and other print ready material housed in the, the Avon brochure, Avon sharable videos on Avon.ca, The Avon Insider Blog or downloaded from the digital catalog within six 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. You must abide by any conditions stated regarding use of the images, including usage term restrictions.
- 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 six campaigns old. Use only Avon-authorized logos from Avon.ca to create personalized sales tools (e.g. business cards) 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 with the exception of online social media. Examples of national advertising are national catalogs, magazines, newspapers, trade or direct selling publications or other distribution methods and websites.

- 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 though to Avon Public Relations with a minimum of 30 days' notice.
- 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.
- It is your responsibility to ensure that any claims made in promoting your Online eStore 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 Association's Code of Ethics and 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.
- 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.
- When making any endorsement or testimonial about Avon products or the Avon opportunity, your statements must always be truthful, accurate and non-deceptive. For further guidance, you can refer to Ad Standards Disclosure Guidelines and the Competition Act requirements. Additionally, disclosures for material relationships are required, including free products. These rules also apply to any influencers, bloggers, vloggers and the like that you may engage with on social media.

Online/Social Media

- The only authorized internet selling vehicle is through your Avon Online eStore.
- The direct sale of products through an online auction or marketplace site (ex. 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 products 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 (ex. 10 shower gels for \$9.99).

☐ You may not promote (tag) your Online eStore through Avon Corporate-run social media or other websites. (i.e.: the Avon YouTube Channel, Facebook Pages, Pinterest or Twitter).

Any social media post promoting Avon products, or the Avon opportunity, must clearly and conspicuously disclose your relationship with Avon, by using #AvonRep in the top 80 characters of your post.

☐ 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.

☐ You may not use the words “Avon Official” in any keyword targeting or ad copy for advertising.

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 products and earnings claims and other content from current Avon brochures and web pages. Acceptable:

- Photos shared through Avon.ca, 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 permitted to advertise locally. Locally is defined as within a 100-mile radius of your home street address. 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.

Digital Advertising

We test and learn the most effective ways for the Brand to target new potential recruits and customers with the goal to create further value for you the Representatives and the company. In all forms of digital advertising, you must disclose your status as an Avon Independent Sales Representative, and you may only advertise your own online store.

Paid Search:

You may not bid on the keywords, "Avon" or any Avon trademarks like, "Anew, Skin So Soft, belief" on any search engines such as google.com, yahoo.com, bing.com, AOL.com, Ask.com, Youtube.com, DuckDuckGo.com, Baidu.com etc.

Organic Search:

You may use Avon trademarks and non-branded keywords, ex. skincare, beauty, work from home in both meta title and meta descriptions to maximize your organic reach for both recruiting and products on your separate personal website/blog. All SEO keywords must align with Avon approved claims. Ensure you are creating your own unique content and don't duplicate content, and you must identify you are writing as an Independent Avon Representative.

Paid Social:

- 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 other social platforms or boost your personal posts.

Marketplaces:

- The direct sale of products through an online auction or marketplace site (e.g. Amazon, eBay, offer up, Facebook Marketplace, Varage Sale, Carousel, Walmart.ca, Poshmark), a personal social media page, website or blog is strictly prohibited.
- You may not create online deals (for Groupon.ca, Living Social, Rakuten, etc.) or list coupon codes for products or recruitment offers, including kit rebates.
- 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.

Business Cards

- You must purchase your Avon business cards from an Avon approved vendor (ex. VistaPrint) 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 publication (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 Canadian Anti-Spam Legislation, Canadian Radio-Television and Telecommunications Commission (CRTC), Unsolicited Telecommunications Rules (UT Rules) and the National Do Not Call List (DNCL).
- 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 Canadian Anti-Spam Legislation, Canadian Radio-Television and Telecommunications Commission (CRTC), Unsolicited Telecommunications Rules (UT Rules) and the National Do Not Call List (DNCL).

Reinstatements/Reappointments

If a Representative closes his or her account voluntarily, or if they are removed for inactivity or a Past Due Status, a Representative may have their 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. They will be enrolled as a new Representative with a new account, pay an enrollment fee, if applicable, and complete the onboarding process. Sales Achievement Level and LOA will start a new 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, they are 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 they fail 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, at 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.ca

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

Avon Care Center

The primary resource for Representatives' questions. Specialists are available Monday-Friday, 8:00 AM-8:00 PM ET, at 514-694-0810 (Rep. Line), 1-800-265-2866 (Customer line).

Avon Wallet

Avon Wallet is used to support the transfer of funds earned through a Representatives online store, leadership earnings or incentives to a Representatives. A Representative must register for Avon Wallet to receive those funds.

Award Sales

The official measure used to qualify for Sales Leadership title, 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.

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.

(The) Buzz

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

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. Commissionable products do not include brochures, Avon bags, business tools, Representative samples and shipping fees.

Earnings and Commission Charts

Charts that show 1.) the sales levels and commission percentages for all sales levels, 2.) commission and bonuses offered to Leaders at various titles.

Candidate

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

Customer Price

Both the brochure and your online store list two customer prices for each product: registered customers enjoy the lower, special pricing; non-registered customers pay the full, regular price.

Cycle to Date

The time period beginning at the start of the President's Recognition Program 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 of all campaigns from the start of the President's Recognition Program to the current campaign. Also referred to as Year to Date.

Digital Catalog

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

Direct Delivery

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.) See full shipping details on Avon.ca.

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.

Enrollment

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

eStore

The free Avon website provided 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 Avon.ca

First Generation

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

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 Avon.ca, 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 Avon.ca) 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 Candidate to Advanced Executive Leader. For more details, refer to the Sales Leadership Compensation Plan.

Leadership Bonuses

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

Length of Association (LOA)

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

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.

Past Due

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

Paid Title/Performing Title

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

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

A program which celebrates and rewards Representatives for outstanding achievement in Total Sales, Sales Increase and Leadership achievements each year. Consists of four sales levels, starting with President's Club, that provide perks including higher earnings, exclusive offers, and other recognition. Note: this program may not be in effect as of January 2024. Updates will be provided.

Prospecting

The search for potential customers or team members.

Recruiting

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

Reinstatements

Avon Representatives who have reactivated their Avon account after having been removed for 27 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

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

One of the delivery options you can offer customers on your online store. With Representative Delivery, you handle submitting the order on Avon.ca, 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 Sales Leadership Program by building a team and mentoring others. Also known as a Leadership Representative.

Sales Tools

Items such as shopping bags, samples 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

A listing of where key resources and elements of Avon.ca 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. Leaders 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

Charts on Avon.ca that show progress toward an incentive or sales goal.

Unattached Customer

A customer who orders through Avon.ca 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.

Webinars

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

Web Office

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

Note: The information found in these Policies and on the Avon.ca 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 information provided to you by the Avon Care Center, Sales Leadership Mentor (Upline Representative) or any other source, the information contained here and/or on the Avon.ca 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 at 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 Avon.ca for updates and current information on these Policies.

Addendum A - Sales Leadership Policies

Representatives participating in the Leadership Program ("Sales Leadership Representatives") are responsible for meeting their contractual obligations as Representatives and abiding by both the general Representative Policies and the Sales Leadership policies, which govern matters specific to the Sales Leadership program. Please also refer to the Sales Leadership tab on Avon.ca 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 (previously “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: Lead them to success

- Train and mentor team members
- Follow Avon’s Onboarding Guidelines to support New Representative’s success
- Identify and develop new Leaders through goal setting and mentoring
- Understand and share Avon’s Compensation plan
- Celebrate team victories
- Recognize team members for their achievements

Eligibility

The 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 Avon.ca for full details.
- Maintaining an Active Representative status in good standing.
- Understanding the earnings as defined in the Leadership earnings chart on Avon.ca.
- Understanding the compensation structure and earning opportunities / incentives for newly appointed Representatives.

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 complete the Avon Representative Contract and accept its Terms & Conditions.
- Once a new recruit has completed the Enrollment process and Avon has approved, the account status is defined as an Appointment. Sales from traditional brochure orders and Online Store orders all count towards positive net sales for a Campaign.
- If an Appointment does not submit a first order within 6 Campaigns, the Representative will be Removed and at 26 Campaigns, the 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 <https://www.avon.ca/becomearep> 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, they 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 Leadership Compensation Plan 2004.
- Team Award Sales: Includes your Personal Award Sales plus the Personal Award Sales of 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 Avon.com 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 their 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, they 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 Avon.ca, which details Sales Leadership activity for a specific 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.

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 Insurance Number, mailing or shipping address, Postal code, email address, and signature). Accounts must have a unique Social Insurance Number 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.avon.com/information/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, they 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 their 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 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. Any Representative who has an LOA <=6 at time of roll-up, once they attain LOA 7, will go through Meritocracy to be reassigned to a new Upline.

Survivorship

Upon the death of a Sales Leadership Representative 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.

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 the prior 6 campaigns.

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.avon.com/magnoliaPublic/dam/jcr:8154c133-0e82-4ece-bce7-afa3f3814cd7/approval-for-purchase-and-sale-en.pdf>
- Seller's position within the President's Recognition Program, and other rewards programs are non-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 Advanced Unit Leader Title 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.