

# *Canadian Business Policies and Procedures for Avon Independent Ambassadors*

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

Effective 10/01/24

Whether you are new to Avon, or you've been with us for years, please take the time to carefully read these Ambassador policies and procedures ("Policies"). These Policies, in conjunction with your Independent Ambassador 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 Ambassadors and Avon at any time. Avon Independent Ambassadors were formally called Avon Independent Sales Representatives.

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# Policy Overview

**All The Avon Canada Company Limited (“Avon”) Independent Ambassadors (“Avon Ambassadors” / “Ambassadors”) are independent contractors.**

- Ambassadors are not agents, joint-ventures, employees, distributors, partners, or franchisees of Avon and may not represent themselves as such.
- Ambassadors are responsible for meeting their contractual obligations.
- Each Ambassador 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 Ambassadors 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, Ambassadors should comply with applicable Provincial, Municipal and/or local tax and licensing requirements.
- Incorporated within these Policies, the Advertising and Promotion Policies for Avon Ambassadors outline advertising parameters for promoting an Ambassador’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, Leadership Mentor (Upline Ambassador) 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 an Ambassador by enrolling online. The enrollment process ("Enrollment") consists of fully completing the Avon Independent Ambassador Contract ("Contract") and accepting its Terms & Conditions. Please note the following Contract requirements: **Only one Contract/account is allowed per individual and one Representative/account per household.**

### 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 Ambassador 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 Ambassadors 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. Ambassadors must maintain current account information at all times.
- Ambassadors 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 Ambassadors are independent contractors. Ambassadors 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 Ambassadors.
- 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 an Ambassador'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 Ambassador.
- Avon or the Ambassador may terminate the Ambassador Contract at any time, for any reason, or for no reason at all.

For all Contract terms and conditions, please visit [Avon.ca](http://Avon.ca).

**DSA Code of Ethics.** Avon is a proud member of the Direct Selling Association (DSA). As an Avon Independent Ambassador, you are expected to read, understand and honor the DSA's Code of Ethics, which can be found at [www.dsa.ca](http://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 Ambassadors.

- 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](mailto: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 Ambassadors 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 Ambassadors.

## Ethical Conduct

You must avoid all deceptive, misleading, unethical or immoral conduct or practices, and you must exhibit high moral character in your personal and professional conduct. Ambassadors shall not engage in any conduct that may damage the goodwill or reputation of The Avon Company or any related company. While it is impossible to specify all misconduct that would be contrary to this policy, some examples include the following:

- a. Deceptive Conduct - You must ensure that statements and representations to the Company, the public, and to your peers are truthful, fair, accurate, and are not misleading in any fashion. Specific examples of deceptive conduct include but are not limited to:
  - Use of aliases to maintain multiple accounts.
  - Usage of other individuals' passwords, identifying information, or payment methods.
  - Placing orders for reasons other than bona-fide personal or customer demand.
  
- b. Uncooperative or Competitive Behavior – Our Avon Ambassador community is a supportive place built on development and cooperation. In addition, Ambassadors should honor all customers choices to shop with the Ambassador that they prefer—or even to work directly with The Avon Company without an Ambassador.
  
- c. Discrimination and/or Harassment – You should refrain from making and/or relaying statements on social media and/or via other means of communication that may be viewed as discriminatory or harassing.
  - The Avon Company has adopted a zero-tolerance policy concerning any form of harassment or discrimination based on race, religion, color, national origin, ancestry, genetic information, marital status, sex, gender identity/expression, pregnancy, parental status, age, military status, sexual orientation, medical condition, physical or mental disability, and/or any other category protected by local, state/provincial/territorial, or federal law.
  - Harassment or bullying is defined as one-time or repeated personal attacks on any individual, group, or entity that is intended to intimidate, degrade, humiliate, or undermine, or which risks the physical or mental health of any individual. These may be communicated via written, verbal, or electronic means.

For purposes of this policy, such behavior may constitute a violation, even if it is not directly related to The Avon Company.

## Selling

Avon provides its Ambassadors with a broad selection of products for purchase at discounts that vary based upon the volume of the Ambassador'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. Ambassadors are expected to provide consistent and timely service to their customers.

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

**Placing Orders:** Ambassadors are expected to place and pay for orders according to the campaign processing schedule. Ambassadors with an account balance in good standing may submit an order to Avon to receive products, sales, and business tools. Ambassadors may not enter orders on behalf of another Ambassador or manipulate another Ambassador's account or customer's personal information for the Ambassador's personal gain. **Ambassadors should not use their personal account (sometimes referred to as back office) to place orders that ship directly to a customer's address. Customer orders shipped to a customer's addresses should be placed through the direct delivery system.**

**Payment:** Full payment is due at the time the order is placed on Avon.ca or via other means. **Ambassadors may not make payments for or on behalf of another Ambassador or manipulate another Ambassador'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. Ambassadors should not use a customer's or others credit card to pay for orders on the Ambassadors personal account.**

**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 Ambassadors, 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 Ambassador. 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; your portion will be \$8.00. Please see Avon.ca for details.

**Earnings Level:** Earnings Level is the percentage discount that an Ambassador receives on an Avon.ca order (or credit received on an eStore sale) as determined by an Ambassador'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%

President's Recognition Levels earned in 2023 will be continue through 2024, or as you qualify for PRP in 2024.

**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 Ambassadors 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.
- Ambassador 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, Ambassadors may wish to purchase products in reasonable amounts for their own personal or family use. Ambassadors 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 Leadership program or any incentives. Returns after qualification periods will be closely monitored and may result in disqualification of the Ambassador'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.
- Enroll to be included in the Find a Ambassador search for customers, as well as the Search for an Avon Mentor feature for recruits in the Ambassador sign-up process.
  - To enroll or update your preferences please sign in on Avon.com, and on the My Profile page, scroll down to Preferences, where you'll find the enrollment to Let Customers & Recruits find me online.



- Ambassadors must be active, and their Avon account must be current and in good standing. (President's Club Ambassadors may be up to one campaign past due).
- Ambassador must have an active online store. Under the My Profile page, select your favorite Categories, Lifestyles and Interests.
- Customers will have two ways to find an Ambassador:
  1. **'I already know a Rep'** allows customers to find you by name and select you as the Ambassador 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 Ambassadors 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 Ambassador's invoice.

**Tax Exemptions:** Generally, Ambassadors 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 Ambassadors 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 Ambassador it determines has violated principles of fairness and program intent.
- Ambassador'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 Ambassador's responsibility.
- Award Sales include Direct Delivery. Gifts with purchase do not count.

- All Federal, Provincial and local taxes, if any, associated with acceptance of the reward are the Ambassador'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 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 Ambassadors are more successful when focusing on one direct selling business and we do not encourage multiple businesses, nonetheless, should you elect to own a second direct selling business, you must adhere to the following:

- An Avon Ambassador may participate at any time in other direct sales, multilevel, network marketing or relationship marketing business ventures or marketing opportunities with the exceptions listed here. However, during the Term of this Agreement and for one (1) year thereafter, an Avon Ambassador may not recruit any Avon Ambassador, Customer or Associate for any other direct sales or network marketing business.
- The term "recruit" means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way (either directly or indirectly), another Avon Ambassador, Customer or Associate to enroll, purchase or otherwise participate in any direct sales or network marketing opportunity. Advertising another opportunity on the same print document, webpage, or social media account where the Ambassador promotes (now or in the past) Avon products or opportunity would be considered recruiting. This recruiting prohibition expressly includes receiving any compensation based on recruiting rather than selling of products with any other direct sales business, such as receiving a bonus, bounty, override commission, or other forms of compensation based on people recruited, rather than solely paying on direct product sales. This conduct represents recruiting even if the Ambassadors actions are in response to an inquiry made by another Avon Ambassador or customer.
- An Avon Ambassador can promote other Direct Sales Companies with the below noted exceptions:
  - Avon Ambassadors **may not** participate in the Avon Leadership Program with Avon at any level if they choose to be an ambassador/representative/distributor for any Competitive Direct Sales, multilevel, network marketing or relationship marketing business ventures or marketing opportunities. **(Competitive is described as any direct sales company that sells skin care, personal care, color, or haircare or other product categories Avon may offer or define in the future.**
  - Avon Ambassadors may not sell other competitive direct sales products or companies on those same webpages. Social media pages/groups or advertisements. Deleting past Avon content for a social media page in order to circumvent this policy is not permitted. Ambassadors shall not take any action that may reasonably be foreseen to result in drawing an inquiry for other Avon Ambassadors or customers relating to the Ambassador's other direct selling business.
  - Ambassadors may participate in another direct sales business solely as a customer (including as a "preferred customer" or "discount customer"), provided that they are solely purchasing products or services from the other direct sales business for personal use and are in no manner receiving any form of compensation based on selling, recruiting, or otherwise participating as a distributor (which includes payments, free product, prizes, trips, gifts or other benefits, even if such compensation is re-gifted or donated). Receiving any such form of compensation will be deemed as acting as a distributor with such other direct sales company.
- You may not earn a profit from other Avon Ambassadors 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. 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.
  - You may not use any Avon channels or forums (online or offline) to solicit Avon Ambassadors, Customers or Associates for another direct selling business.
  - If you create a profile, page, or other online presence solely devoted to the Avon affiliation and/or products or referencing any Company Name or Trademark in the title, you should focus the content only on your Avon Ambassador business. Inclusion of other brands or earning opportunities is not permitted in such presences. Furthermore, you must deactivate

any such online presence if your Avon account is concluded for any reason. (i.e., Avon by Melissa must be solely Avon, but Melissa Smith can include posts from any non-competitive Direct Sellers. You may not change the name for use with another brand.

- If you operate an online presence featuring other brands or earning opportunities that is not solely dedicated to the Avon Ambassador affiliation and/or products, you are expected to fully comply with the Non-Solicitation Policy. You may not post on your own online presence, nor on any social media/online site, any content that may reasonably be foreseen to invite an inquiry from other Avon Ambassadors relating to your other direct sales business or earning opportunity. This includes request initiated by other Ambassadors either online or offline. Posts stating comments like DM me for details would be considered recruiting.
- You may list other companies you are involved with on your personal social media pages or other personal profile pages (i.e. Linked tree or LinkedIn.)
  - You should keep businesses separate. Do not combine them on business cards, blogs, phone messages Facebook posts or any marketing materials.
  - You may have non-competitive direct sales companies posted on your personal page, but individual digital asset posts should not be combined into one post.
  - If you are a Leadership Ambassador with Avon and a leader with another direct sales company, Avon reserves the right to remove benefits such as any customer or Ambassador lead share programs.
  - Avon and any other direct selling businesses are being recruited for together in any form of social media including but not limited to personal Facebook pages, Facebook groups, YouTube channels, Instagram account etc., then Avon reserves the right to remove benefits from programs like Avon generated new customers, or New Ambassadors. This includes letting other direct sellers advertise their business to your audiences in addition to personally using your resources.
  - 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 twenty-one (21) days. Anything longer than 21 days requires advance approval from Avon.
- 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 a small, curated display of products, preapproved advertising flyers or brochures in a retail setting.
- If you are participating in any event as an Avon Ambassador/Leader (ex.: fair, festival or farmers market), you may not promote any other business and any competitive beauty products in the same space.

## Customer Receipts

In the event of a product sale conducted directly between an Ambassador and a Customer, an Ambassador 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. Ambassadors 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 Ambassador, 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 Ambassador 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 Ambassador...
- Address of itinerant merchant...
- Tel. number of itinerant merchant or Ambassador...
- Fax number of itinerant merchant or Ambassador...
- Email of itinerant merchant or Ambassador...

**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...

Ambassadors 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 an Ambassadors 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.

- Ambassadors are contractually obligated to sell only to consumers.
- Ambassadors 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. Ambassadors 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 Ambassador Advertising and Promotion Policies for further details.

**Export Sales:** Avon Ambassadors may not export Avon products outside of Canada, nor may they knowingly sell products to other individuals who intend to export those products.

**Outside Affiliate Programs:** As an Avon Beauty Consultants you are not eligible to participate in any outside Affiliate program to promote Avon products (i.e. Rakuten or LTK). An Affiliate program involves earning commissions based on product sales through a link in addition to earnings as an Avon Beauty Consultant by providing you Avon store links.

## 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 Ambassador. Avon allows an Ambassador 60 days from the ship date to return a product. Therefore, the Ambassador 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.
- Ambassador may use their choice of courier at their cost.
- Credit may take up to six weeks to apply.

## Non-Solicitation of Avon's Ambassadors and Customers

You may not solicit existing or prospective customers or Ambassadors 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 Ambassador 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 Ambassador, 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 Ambassador. 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 should never use the phrase or any version of the phrase Avon Official.

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 Ambassador – CORRECT
- Ex: Mary Smith Avon Ambassador – INCORRECT
- Ex: Mary Smith New Avon Independent Ambassador - 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, Face shop, Dr Belmeur, 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 Ambassador. 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](http://www.avon.ca/repstore/ksmith) default
  - [www.avon.ca/repstore/joinavon](http://www.avon.ca/repstore/joinavon) not acceptable
  - [www.avon.ca/repstore/join](http://www.avon.ca/repstore/join) not acceptable
  - [www.avon.ca/repstore/joinwithkaren](http://www.avon.ca/repstore/joinwithkaren) acceptable
- Avon Ambassadors are contractually obligated to sell only to consumers. Ambassadors 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.
- Ambassadors 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)
  - Ambassadors may not advertise products for export or take action to ship products outside of Canada.
  - Ambassadors 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 through the link on Avon.ca with a minimum of 30 days notice.
    -
  - You may advertise on blogs or non-competitive websites with a link to your Avon replicated web-site or advertising local delivery.
    - 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. When presenting or discussing the Avon opportunity, you must take all reasonable efforts to ensure that Prospects understand that

financial success in Avon requires commitment, effort, and skill. Conversely, you must never represent that one can be successful without diligently applying themselves. Any claims made 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 Ambassadors.

- 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 Ambassadors.
- 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.
- Ambassadors 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 Ambassadors 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-Ambassadors 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 Ambassador 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 A Shareable Gallery. 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 Ambassadors and the company. In all forms of digital advertising, you must disclose your status as an Avon Independent Ambassador, and you may only advertise your own online store. You may not use any Company Marks or any derivatives or variations of such marks, or anything confusingly similar thereto in any effort to direct online traffic to your online presence. Such efforts may include, but are not limited to, display digital advertising, paid search placement, metatagging, domain name registration, redirects, pay-per-click services, and/or Search Engine Optimization (SEO) strategies.

### **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 Ambassador.

### **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 Ambassadors 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 Ambassador, 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](mailto: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](mailto:avonpublicrelations@avonusa.com).

## Email, Phone, and Text Use

- You may create your own email templates for commercial marketing to customers or Ambassadors, 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 Ambassador, former Ambassador, 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 an Ambassador closes his or her account voluntarily, or if they are removed for inactivity or a Past Due Status, an Ambassador may have their association with Avon reactivated under the following circumstances:

- **Self-Reinstatement (within 1-26 Campaigns of removal):** A former Ambassador 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 Leadership status will not be reinstated.
- **Reappointment:** A former Ambassador is eligible for Reappointment twenty-seven (27) Campaigns after removal, provided there is no outstanding balance. They will be enrolled as a new Ambassador 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, Ambassadors whose accounts are written off may be reappointed if the Past Due balance is paid in full.

## Removal as an Avon Independent Sales Ambassador

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

**Inactivity:** If an Ambassador 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:** An Ambassador 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 an Ambassador at any time for any, or no reason, at its sole discretion.

## Avon Glossary

### *Achiever*

An Ambassador who reaches the goals of an incentive program, sales level or Leadership title.

### *Active Ambassador (Active Account)*

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

### *Ambassador Commissions*

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

### *Ambassador Delivery*

One of the delivery options you can offer customers on your online store. With Ambassador 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.

### *Attached Customer*

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

### *Avon.ca*

The website where Avon Ambassadors 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 Ambassadors' 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 Connect*

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

### *AVON YouTube*

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

### *Avon Wallet*

Avon Wallet is used to support the transfer of funds earned through an Ambassadors online store, leadership earnings or incentives to a Ambassadors. An Ambassador must register for Avon Wallet to receive those funds.

### *Award Sales*

The official measure used to qualify for 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 Ambassadors 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 Ambassador'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, Ambassador 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 an Ambassador recruits her first team member. Candidates must attain the title of Unit Leader within 13 campaigns.

### *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 Ambassador. 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 Ambassador'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 an Ambassador 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 Ambassador. Formerly referred to as appointing.

### *eStore*

The free Avon website provided to each Ambassador where customers can shop 24/7. All sales are credited directly to the Ambassador 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 Ambassadors grow their business as they connect with worthy organizations in their community. The Ambassador 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 an Ambassador and her team members. For example, if an Ambassador recruits a new team member, that new person will be part of the Ambassador's first generation. If the first-generation Ambassador, then recruits their own new team member, that person will be in the original Ambassador's second generation, and in the first generation of the Ambassador who directly recruited her.

### *Homepage*

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

### *Incentives*

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

### *Independent Contractor*

All Avon Independent Ambassadors 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 Ambassador 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. Ambassadors 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 Ambassador. 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 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, an Ambassador has been with Avon.

### *Mentor*

The Sales Leader in a team who has personally recruited and signed up an Ambassador. 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 Ambassador 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 Ambassadors 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.

### *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 Ambassadors 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*

An Ambassador's account that's inactive for more than **six campaigns or past due more than four campaigns** will have their online store deactivated. Removed Ambassadors become active again by placing an order and paying their account in full. After 26 campaigns in removal status, an Ambassador will become Discontinued and lose her account number.

### *Sales Leader*

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

### *Sales Tools*

Items such as shopping bags, samples etc. offered to Ambassadors 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 Ambassadors 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. Unit Leaders and above who fail to maintain their title after three consecutive campaigns will be retitled to the next lowest level up to Candidate. Candidates have 13 campaigns to achieve Unit Leader. If a candidate has not achieved Unit leader in 13 campaigns then their team is disconnected from them and they are removed from the Leadership program.

### *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 an Ambassador.

### *Webinars*

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

### *Web Office*

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

### *What's New*

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

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, Leadership Mentor (Upline Ambassador) 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 - Leadership Policies

Ambassadors participating in the Leadership Program ("Leadership Ambassadors") are responsible for meeting their contractual obligations as Ambassadors and abiding by both the general Ambassador Policies and the Leadership policies, which govern matters specific to the Leadership program. Please also refer to the 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" Ambassador) is not to do everything for your Ambassadors, 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 Ambassadors to have the benefit of a Leader and Mentor, combined with the continued support from Avon Home Office so that all Ambassadors 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 Ambassadors
- Operate with a high level of integrity
- Encourage team collaboration and create a community where Ambassadors 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 Ambassador'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 Leadership Ambassadors based on the success of recruiting, training and developing team members. Leadership Ambassadors 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 Ambassador 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 Ambassadors.

## Recruiting Policies

Leadership Ambassadors are encouraged to develop their team through their own personal recruiting efforts.

Leadership Ambassadors may not create or place Enrollments under a new Ambassador without that Ambassador's knowledge or permission.

- Recruited Ambassadors must fully complete the Enrollment process and complete the Avon Ambassador 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 Ambassador will be Removed and at 26 Campaigns, the Ambassador 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 Ambassador (also known as the "Mentor" or "Upline" Ambassador) 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 Ambassador 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 Ambassador 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 Leadership earnings are based on achieving the minimum requirements as outlined in the Leadership Compensation Plan
- 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).

**Grace Period** is defined as a determined number of campaigns wherein a Sales Leader keeps their achievement title even if they have not achieved the qualifying requirements for a specific performance title.

- All sales Leaders having the title of Unit Leader or above have a grace period of three campaigns. Unit Leaders and above will downgrade to the next lowest title if they have not achieved the qualifications of that title. Downgrading will happen each campaign that title requirements are not met.
- Candidates have a thirteen campaign grace period. If a candidate has not achieved the title of Unit Leader in 13 campaigns, then they will lose their team and be removed from the Leadership program.

**Past Due Accounts:** If a Leadership Ambassador'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 Ambassadors) 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 an Ambassador is removed from the 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, Leadership Ambassadors have access to their Sales

Leadership Earnings Statement on Avon.ca, which details Leadership activity for a specific Campaign.

### Recruiting Restrictions:

- A Leadership Ambassador 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.
- Leadership Ambassador 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 Ambassador information from their former role as an Avon employee.

### Prohibited Activity:

Leadership Ambassadors 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 Ambassador. 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 Ambassador is strictly prohibited.
- Making representations about earnings potential or product claims that go beyond those made by the Company.
- Using other Ambassadors' 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 Leadership program and/or Avon.

### Removal from Leadership

Should a Leadership Ambassador, for whatever reason, cease to be an Avon Ambassador, they will be automatically removed from the Leadership program and will receive no further Leadership earnings on the sales of his or her former Downline Members. Linkage to Downline will be irrevocably broken and Ambassador forfeits future earnings. A Ambassador may terminate her participation in the 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 Leadership program may include but are not limited to:

- **Management Decision:** Avon always reserves the right to remove an Ambassador for any or no reason in its sole discretion.
- **Inappropriate Actions:** Avon may remove any Leadership Ambassador 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 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 Leadership Ambassadors any one-time relink requests allowing re-linkage to former Mentor (Upline Sales Leaders).

### Roll-up

When a Leadership Ambassador is no longer participating as an Active Ambassador, the removed Ambassador's Downline will "roll up" to the removed Ambassador's Mentor (Upline). If the removed Ambassador did not have an Upline, the impacted Downline Ambassadors will no longer be attached to an Upline. Any Ambassador who has an LOA  $\leq 6$  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 Leadership Ambassador the contract is automatically terminated.

- Death of an Ambassador must be reported immediately. Using the account of a deceased Ambassador is not permitted and may be considered fraud.
- Heirs of a deceased Leadership Ambassador 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.

## Purchase and Sale of an Avon Business

An Avon business and the rights and obligations associated with it are personal to the Ambassador 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-Leadership Business Requirements:

- Ambassador notifies the Avon Care Center of her desire to discontinue her Avon business and close her Ambassador 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.

Leadership Business Requirements:

- Seller must first offer Unit to immediate Upline Ambassador, if one exists.
- If the first offer is declined, Seller must then offer to other Upline Ambassadors, if any exists, on same terms and conditions.
- If all offers to Upline Ambassadors are declined, Seller may then offer to other Leadership Ambassadors on same terms and conditions.
- Buyer must be an Active Avon Ambassador 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.