

The Leadership Opportunity including, but not limited to qualifications, method of payment for orders, sales earnings plans and Leadership bonuses, may be modified or discontinued at the sole discretion of Avon at any time. Throughout this guide, all references to he/she, his/her shall refer to both.

The Leadership Reference Guide is your first source for answers to any questions you may have about the Leadership Opportunity. You'll need to read through this guide to ensure a complete understanding of the Opportunity as well as Avon's Policies and Procedures.

mark Representatives who wish to participate in the Leadership Opportunity must convert to traditional core Avon Representatives. Consult your Upline Representative or District Sales Manager for more details.

The Leadership Qualification Process

The Leadership qualification process begins the first time you choose "Leadership Bonus" as your recruiting reward on the contract of a new Representative whom you and your District Sales Manager or upline Leadership Representative have appointed in your presence.

The next step in the Leadership qualification process is to order either the Basic Career Start-Up Kit or the Career Start-Up Kit. Either kit not only contains everything you need to get off to a Fast Start in Leadership, but by virtue of ordering either Kit, you are eligible to begin ordering Avon Appointment Kits-in the same campaign in which you order either the Basic Career Start-Up Kit or the Career Start-Up Kit.

FAST START BONUS

As soon as you have chosen "Leadership Bonus" as your recruiting reward for your very first recruit, you are automatically enrolled in the **FAST START BONUS** opportunity, which is designed to help you attain financial rewards for using the right behaviors to help you achieve success as a Leadership Representative. With the **Fast Start Bonus** opportunity, you are eligible to earn a bonus for recruiting as you progress to Unit Leader!

The Appointment Process:

The appointment process is easy for all Representatives to duplicate with others – even new Representatives like you and those that you will be appointing in the future!

Be sure to follow each page in the Getting Started booklet with your new recruit. This will ensure that you are properly interviewing her, sharing the Avon Opportunity with her, establishing her goals and dreams, and properly training her.

Encourage all of your new recruits who want to engage in Avon's total business opportunity- **Selling** the products, **Sharing** the opportunity, **Showing** others how to do the same thing-to order the Leadership Success Kit in their very first campaign as an Avon Representative.

LEADERSHIP BONUSES

Unit Leader Qualifications:

When you meet specific requirements, both personally and as a total unit, you will achieve the position of Unit Leader. You will then be eligible to receive bonuses on the sales of your unit members whom you have personally appointed and trained.

The specific requirements to achieve Unit Leader status are:

-Purchase either the Basic Career Start-Up Kit or the Career Start-Up Kit

-Meet all performance requirements:

- 5 active recruits^{*}
- Personal Award Sales of at least \$250 per campaign
- Total Unit Sales of at least \$1,200 per campaign

You will be titled Unit Leader in the campaign in which you achieve all of these Unit Leader qualifications. If you achieve all Unit Leader Qualifications *except* ordering either the Basic Career Start-Up Kit or the Career Start-Up Kit:

- You will be titled Unit Leader and earn at the Unit Leader level for only the one campaign in which you achieve your title.
- If you do not order either a Basic Career Start-Up Kit or a Career Start-Up Kit in the very next campaign, you will receive no future Unit Leader bonuses until either Kit is ordered.

Failure to order either the Basic Career Start-Up Kit or the Career Start-Up Kit by the 6th campaign after you are titled a Unit Leader will result in your removal from Leadership.

If you have achieved all of the above qualifications, congratulations! You are now eligible to start earning Leadership bonuses on the sales of your unit members! Consult the Leadership Earnings Chart in this Guide for the appropriate bonus percentages.

If you have **not** achieved any of the above requirements, consult your District Sales Manager or Upline Representative for guidance to help you reach your Leadership bonuses^{***}

^{*} An active recruit is a Representative who has submitted an on-time order in a campaign.

^{**} If a new Leadership Representative has less than 5 recruits after the first 13 campaigns they will be removed from the Leadership Opportunity and will lose their Downline. Please refer to "Removal from the Leadership Opportunity" in the Policies and Procedures for more details.

- Leadership Bonuses
- Recruiting
- Recruiting Reward Options
- 3-Way Link
- Performance Bonus Points
- Position of Achievement Bonus Chart

Leadership Bonuses

Once you become a Unit Leader or above, you are eligible for bonuses earned as a result of your own personal appointing and training efforts. These include earnings of 1% to 12% of the Leadership sales of your unit members' paid orders of \$100 or more in Award Sales within a given campaign. (Please refer to the chart for more details and a later section for a definition of Leadership sales.)

Recruiting

Leadership Representatives are required to personally appoint their First Generation, as well as train, develop and monitor their entire units. All appointments must be conducted face-to-face by using the approved Appointment Kit and/or supplies, and the recruit must pay the required appointment fee. In addition, "Free Appointments" can only occur during a company-sponsored promotion. Be sure to read and study the Leadership Policies and Procedures. Any violation of these Policies could result in immediate removal from the Leadership Opportunity.

Recruiting Reward Options

Leadership Representatives may choose to provide a prospect name to any Representative within their downline who has purchased the either the Basic Career Start-Up Kit or the Career Start-Up Kit, when it is difficult for them to personally appoint, train, motivate and mentor a new recruit because of problems of geography, health or travel/work conflicts. In that event, the actual appointment maker will receive the First Generation Leadership bonus for the new recruit, and the original Leadership Representative will receive a Second or Third Generation Leadership bonus. Leadership Representatives are not permitted to abuse this provision In order to "build" units for members of their Downlines.

When a Leadership Representative can neither personally appoint a new Representative nor provide the prospect's name to an appropriate Downline Representative, the District Sales Manager will make the appointment of the new Representative. In that event, the recommending Leadership Representative will select a standard recruiting award. The new Representative will not be part of the Leadership Representative's Downline and the Leadership Representative will not be eligible for Leadership bonuses from this new Representative.

3-Way Link

You and any of your First Generation non-Leadership Representatives can both receive credit for recruiting new Representatives when the following occur:

- Your First Generation non-Leadership Representative knows someone who wishes to sell Avon and shares the prospect's information with you.
- You personally appoint the prospect.
- The new Representative submits a paid order of at least \$50 in her first or second campaign. The non-Leadership Representative will then receive the standard recruiting reward of her choice.
- The new Representative submits a total of \$350 or more in Award Sales within her first 3 campaigns. The new Representative will then be linked to your First Generation and you will receive a Leadership bonus. (If the new Representative does not submit a total of \$350 or more in Award Sales within her first 3 campaigns, you will not receive a Leadership bonus and the new Representative will not be linked to your First Generation.)

Please refer to the contract instructions contained in the Leadership Success Kit (or posted under Leadership at www.YourAVON.com) when filling out 3-Way Link appointments.

Leadership Representatives may not use any type of reward other than the 3-Way link to encourage their Downline to forward leads to them, thus ensuring fairness and consistency in the way the Avon Opportunity is promoted across the country and the manner in which Representatives are recognized for their recruiting efforts.

Performance Bonus Points

Once you achieve the Unit Leader position, you receive 250 Performance Bonus Points. These may be used to supplement your sales, when necessary, to meet the \$250 Personal Award Sales qualifier. These points are not used in calculating earnings, do not count toward Unit Award Sales requirements, and do not count toward qualification for a higher Position or Achievement.

Performance Bonus Points are automatically redeemed based on availability. For example, if in one campaign your sales totaled \$200, you could use 50 of these bonus points to make up the difference (4200 plus 50 bonus points = \$250 Personal Award Sales qualifier), provided you met all other performance requirements for your level of achievement in any given campaign. This would then qualify you to receive your Leadership bonus earnings for that campaign. You would not, however, be eligible to advance to a higher Leadership position in that same campaign.

Performance Bonus Points are awarded as follows:

Position of Achievement	Performance Bonus Points
Unit Leader	250
Advanced Unit Leader	600
Executive Unit Leader	1,400
Senior Executive Unit Leader	1,600

Please note the following: Performance Bonus Points are not cumulative. After they are paid out, you are responsible for again building up your account. Your Personal Award Sales must be in excess of the Personal Award Sales required for your level. Any excess will be added to your account as points for future use, up to the maximum for each level.

Please see chart on the next page.

The following chart outlines the bonus opportunity at each Position of Achievement within the Leadership Opportunity.

Position of Achievement	Personal Award Sales	Minimum # Recruits	Total Unit Sales Requirement	Minimum Order Size to Earn	Bonus
Unit Leader	\$250	5	\$1,200	\$100 \$150 \$315 \$625	3.0% 5.0% 6.0% 7.0%
			2 nd Generation	\$100 \$150	0.5% 1.0%
Advanced Unit Leader	\$300	12 Including 3 Unit Leaders	\$4,000	\$100 \$150 \$315 \$625	3.0% 6.0% 7.0% 8.0%
			2 nd Generation	\$100 \$150	1.0% 2.0%
			3 rd Generation	\$100 \$150	0.5% 1.0%
Executive Unit Leader	\$350	20 including 7 unit Leaders	\$17,500	\$100 \$150 \$315 \$625	3.0% 8.0% 10.0% 12.0%
			2 nd Generation	\$100 \$150 \$315 \$625	1.5% 3.0% 4.0% 5.0%
			3 rd Generation	\$100 \$150	1.0% 2.0%
Senior Executive Unit Leader	\$400	20 Including 9 unit Leaders Of which 2 are Executive Unit Leaders	\$40,000	\$100 \$150 \$315 \$625	3.0% 8.0% 10.0% 12.0%
			2 nd Generation	\$100 \$150 \$315 \$625	1.5% 3.0% 4.0% 5.0%
			3 rd Generation	\$100 \$150	1.0% 2.0%

Avon reserves the right in its sole discretion to change these qualification levels or to modify the Leadership program at any time.

Leadership bonuses are earned on any Downline member's first paid order regardless of order size. Bonuses are paid on the second, third and fourth consecutive campaign orders of \$50 or more, and the fifth and all subsequent campaign orders of \$100 or more.

Senior Executive Unit Leaders earn an additional 2% on the Total Unit Leadership Sales of each First Generation Executive Unit Leader's unit. In addition, the Senior Executive Unit Leader is eligible for an executive cash bonus of up to \$400 per campaign (\$150 for the initial First Generation Executive Unit Leader performing at that level and \$50 for each additional up to a maximum total of six).

NATIONAL LEADERSHIP HOTLINE

1-800-468-4600

The National Leadership Hotline is an information resource whose main purpose is to address any questions necessary to complete a new Representative contract. Its secondary purpose is to help you address Leadership policies and procedures when making a new appointment. That's why you must always tell the operation your Position of Achievement.

This hotline cannot be used for any other purpose.

How to Use the Hotline

When you are conducting an interview or appointment, it is crucial to establish a relationship with the new Representative and to create a partnership with the appropriate District Sales Manager. Use the National Leadership Hotline to identify the appropriate District Sales Manager for your new appointment.

Call that District Sales Manager before and after the appointment has been made.