

Comprehensive Advanced **Leadership** Business **Guide**



AVON *advanced leadership*

This Business Guide contains everything you need to know about becoming a successful Sales Leader.

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Welcome to Advanced Leadership!

It gives me great pleasure to welcome you to Advanced Leadership, Avon's exciting multi-level marketing business opportunity. As an independent Sales Leader you will build, train and lead your own team of Avon Representatives, building your own sustainable business. Best of all, you will be doing this with the support of a global giant in the direct sales industry.

Your upline Sales Leader or Area Sales Manager will give you all the training you need to help you start your Advanced Leadership business and will continue to support you as you grow your business. We have many tools available to help you plan and develop your business. What's more, you'll also have the opportunity to attend special events and take part in fabulous incentives.

Sales Leadership is all about people and relationships; about empowering others while building a successful business. All you need is the drive and enthusiasm to build a team and talk to as many people as possible about Avon. Our advertisements on television and in magazines reach thousands of potential customers. Added to that, our flexible earnings opportunity means that more and more people want to become Avon Representatives and Sales Leaders. It's a great time to join us.

This Business Guide will give you advice on how best to find and train team members, and we will teach you the practical side of running your business.

Now is the time to unlock your potential and become the best that you can be.

"All you need to succeed is dedication, self-discipline and sincere belief in yourself."

I wish you every success.
Kind regards,

Mikey Bicknell

Head of Sales, Avon and Justine



Useful Contact Numbers and Information

Contact Centre (SA) 0860 10 23 45

Contact Centre (Namibia) namibia.queries@avon.com

Credit Control creditcontrol.sa@avon.com

Fax Proof of Payments (SA and Namibia) +27 010 205 6350

Service Centre Business Hours: 08h00 – 18h00

Monday to Friday 09h00 – 17h00

Saturday 09h00 – 16h00

Public Holidays Sundays

Closed on: Easter Weekend

22 December to 2 January

Election days

Avon Website www.avon.co.za

Queries (SA and Namibia) queries.sa@avon.com

Advanced Leadership Queries leaderqueries.sa@avon.com

Fast n Furious Couriers
011 552 4900
<http://www.fastnfurious.co.za/>

Fastway Couriers <http://www.fastway.co.za/contact-us>

Avon App
Download the app by searching for Avon Brochure in Play Store or App store
(Only for iPhones / iPads and phones / tablets with an Android operating system)

Office (Namibia) 061 229 822 or 061 223 152 (Depot)

Fax 061 222 855

Self-help Options

SMS Ordering	43116 [To place an order via SMS, type: O Accountnumber Campaign ProductCode Quantity] and send the SMS to 43116. Enter spaces as in the example above.
Account Balance	31394 [To find out how much you owe on your account, SMS the word BALANCE followed by a space and your account number to this number]
Order queries	31394 [To find out where your order is, SMS the word WHERE to this number, followed by a space and your account number]
Track your own Fastway parcel	http://www.fastway.co.za/our-services/track-your-parcel?l=
Online Appointments	Access from My Avon Office

Introduction to Sales Leadership

Tools to support your Sales Leadership business

We will provide you with all the tools you will need to get off to a great start.

Official website: www.avon.co.za.

Our website will help you to manage your business and enable you to support your team's businesses. On the site you will have access to: Professional training materials and business guidelines, all the latest news, selling tips, beauty articles and hot tips, reports, incentives, the latest brochure and the Let's Talk magazine, and access to My Avon Office.

Sales Leadership Bag:

This is 'your business in a bag' containing professional materials to support you with prospecting, appointing, training, and developing your team. As soon as you have signed up as a Sales Leader, this bag will be automatically billed to your account and will be delivered with your next order.

My Avon Office Leads:

This is your online platform for receiving, distributing, processing, and managing Leads. Please refer to the My Avon Office Leads FAQ on www.avon.co.za under the Online Training tab to learn more.

The Avon App (mBrochure)

The Avon App (mBrochure): This application enables you to accept or reject customers' orders and place orders any time and any place using your mobile phone. Please refer to www.avon.co.za under the Online Training Tab for the download guide and a Frequently Asked Questions document.

Your splendid online business tool: My Avon Office

All of this may seem pretty overwhelming, so you will be delighted to hear that there is a free online tool that will make collating all the relevant information and running your business a breeze. Access My Avon Office by logging into your Avon account and then click on the My Avon Office advertisement on your homepage.



My Avon Office is the place where you can:

Information	Look for it under:
See comprehensive information about your team	My Team
See how you are doing	Dashboard
Manage your orders	Order Management
Compare your current performance to past performance	My Performance Comparison
Perform an on-line appointment	Online Appointment Form

Clicking on the different tabs (see below) will allow you to access information on your team's performance and enables you to drill down to detailed information on each of your team members. Here you can also access our on-line appointments tool for fast, easy appointments.



The dashboard, visible on the landing page when My Avon Office opens, is one of the most visited pages on My Avon Office. The **Alerts** on your Dashboard are there to prompt you on the status of the main performance indicators impacting your team and will tell you when you have:

- Title changes
- New Representatives who have not placed an order (LOA 0)
- Late Payers or team members that are about to be removed
- Downline Sales Leaders about to be promoted or demoted

By clicking on your current title on My Goals, your dashboard will appear. This is where you can see, at a glance, how you are progressing towards meeting and exceeding the requirements for your existing title as well as the next title. Green circles indicate that the requirement has been met, while pink circles indicate that the requirement has not been achieved yet. Here, you will also see an indication of what you still need to meet your requirements.

My Goals

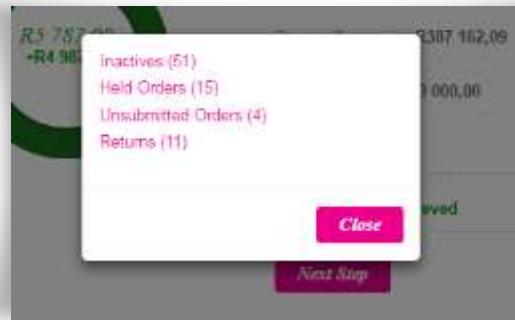
CAMPAIGN 2 DAY 12/28

Campaign to date title **Senior Coordinator**
 ** Indication of Potential Earnings** **R14 193,11**

Executive Leader Show Next Level

<p>Personal Award Sales</p> <p>Current Campaign Result R2 319,01</p> <p>Level target R1 000,00</p> <p>✔ Level target achieved</p> <p>Next Step</p>		<p>Group Award Sales</p> <p>Current Campaign Result R253 027,62</p> <p>Level target</p> <p>Next Step</p>	
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Clicking on Next Steps will open up a dialogue box to show you which segment of team members you can work with to achieve the target for that particular qualifier.



One of the other pages that our Sales Leaders find very useful is the Order Management Page. Here you can see which orders:

- Have been received but not yet invoiced
- Have been invoiced
- Have been returned
- Are pending (have not been submitted yet)
- Are held due to some issue with the order
- Which of your Representatives have not placed an order yet

Once you are in My Avon Office, you can keep track of where you are on the site. Each page shows a navigation trail to let you know where you are so you can go back if you need to. Each page also has a header and an introductory description and also a help link to find out more information.

My Avon Office enables the filtering of information to suit your needs. Each page gives you a number of options to filter the content of the page that you are viewing. By filtering the information you can narrow down those team members you want to view in more detail. Depending which page you are viewing filters will be similar but may vary. You can select multiple filters to narrow the information down and when you select the filters, the information is displayed automatically.

You also have the option to send an email to your team member/s directly from My Avon Office. Simply click on Select All if you wish to communicate to all of your team and Deselect All if you change your mind. You can also select one individual or more by clicking on the check box at the top right of each business card. When clicking on the envelope a drop-down of default emails with different topics will be displayed to choose from. Note: If you apply any Filters, only the accounts relevant to the filter will be available.

To make a call from your mobile phone or tablet when you use My Avon Office on a mobile device, just click on the team member's telephone number. Also, if using your mobile device – and when text is enabled - you can click on the text (SMS) symbol to create a text to one or more of your team. The mobile icon will only be visible when accessing My Avon Office from a mobile or tablet but will disappear when accessing it from your PC.



Please feel free to ask your Upline, Area Sales Manager or Trainer for assistance with My Avon Office. You will also find downloadable training materials in My Avon Office under Information / Guides.

Please note that all Sales Leader support tools have to be used in accordance with Avon's best practice guidelines for each application.

Completing the Sales Leader Agreement

The Sales Leader Agreement and this Advanced Leadership Business Guide contain everything you need to know about Advanced Leadership and together will form the contract between you and Avon Justine. Therefore, before you sign the Sales Leader Agreement and bank details form, please ensure you have read the Agreement as well as this Business Guide, thoroughly and understand their contents. A Glossary of Terms included in Section 5 of this Advanced Leadership Business Guide to explain any unfamiliar terms.



To become a Sales Leader you must have a valid bank account in your name to enable us to deposit your earnings every month. You must also have a mobile number where we can reach you. It is extremely important to use only one number as your official Avon number. If you use a number other than the number that you have filled in on your application form, you will not receive important notifications and you will not be able to use any of our mobile tools. Avon's expectation is that you should have internet access and a valid email address within 6 months after you have signed the Sales Leader Agreement. Your team reports are available, so internet access is crucial if you are going to make a success of your business. We will also be emailing important information like incentive details to all our Sales Leaders. We don't want you to lose out because you do not have internet access and a valid email address.

Please remember to notify our Contact Centre with changes to your email address, telephone number and physical/delivery addresses.

This Advanced Leadership Business Guide will be updated quarterly and will always be the reference point for the most up-to-date policies and procedures.

What if I change my mind about being a Sales Leader?

You can cancel the agreement by writing to the Leader & ASM Team (leaderqueries.sa@avon.com).



Sales Leaders may not make false promises on the earnings potential arising from the recruitment of new representatives. Do not be misled by claims that high earnings are easily achievable.

The Activities of a Sales Leader

- Selling
- Prospecting
- Appointing
- Training
- Developing

As a Sales Leader, you will:

- Sell Avon's iconic products, continuously building your customer base and ensuring that you meet or exceed the minimum Personal Award Sales requirement.
- Prospect for, identify and recommend for appointment to Avon potential new Representatives and downline Sales Leaders and grow your First Generation business.
- Appoint new Representatives and Sales Leaders face-to-face within your First Generation, ensuring that new Downlines are familiar with the Representative and Sales Leader Agreements and that they understand its terms and conditions.
- Train and educate new Representatives on ways of establishing contact with potential customers as well as on the characteristics of Avon products and their practical application.
- Train new Sales Leaders on ways of establishing contact with potential Representatives and on the characteristics of Advanced Leadership (See Section 3 for detail).
- Develop all Representatives and downline Sales Leaders in your First Generation by managing, coaching and motivating them to reach their goals; ensuring that everyone is offered the same opportunity to develop.
- Encourage attendance at training meetings, workshops and events with the aim of explaining strategies and providing further product information.
- Supervise the activities of Representatives and downline Sales Leaders in your team and maintain the number of active Representatives, as well as the number of customers served by Representatives.

Your behaviour should at all times reflect our values (see Section 1). You should behave in a professional, honest and timely manner, operating your business in accordance with *Avon's Advanced Leadership Business Principles* (see Section 1) and adhering to the various processes and guidelines set out in this Business Guide.

The minimum expectation is that you will adhere to the standards and principles of behaviour set out in the Code of Conduct as issued by the Direct Selling Association (or DSA see www.dsasa.co.za).

You should be supportive of your new Representatives at all times and ensure that they are supplied with adequate quantities of literature and brochures to assist them on appointment.

A Sales Leader's responsibilities

As with any other position in any other business, Sales Leaders have a 'job description' without which success will be very hard to achieve. One of the benefits of an Avon business is the fact that you can (and should) plan your own days. We have however found, that our top Sales Leaders regularly perform certain activities. We would like to share these activities with you to assist you in becoming as successful as they are (see Your 'job description' on page 12).



The best you can do for your business is to create your own 20-day planner. Map out what you will be doing every day of the week, enter it into your diary, and be disciplined in following your planner. In this business, unforeseen things often happen, but you should never allow this to distract you from what you have planned to achieve.

As an Independent Contractor, you are responsible for the management of your entire team. Your payment for being a good leader is the commission you receive on the sales of the people you lead. "Good leaders" earn good commission and "Excellent leaders" earn excellent commission. Remind yourself of this every day in your dealings with your team.

Your 'job description':

- Build and lead your own team of Representatives (Prospecting and Recruiting).
- Develop those Representatives and Downlines to build and lead a team of their own.
- Train your team of Representatives and Sales Leaders to do what you do, starting with the *Believe to Achieve Training Manual*.
- Observe your Downlines (1st Generation) conducting the *Believe to Achieve* training.
- Drive the active staff in your own team by contacting your own Representatives every week
- Encourage your Downlines to contact their Representatives and drive their own active Representatives.
- Increase the sales and customer base in your own team.
- Encourage your Downlines to increase the sales and customer base in their own team.
- Show your Downlines how to build their customer base.
- Conduct Earning Planning meetings with your Downlines.
- Conduct Team Management (Held orders, Removal Control, credits/returns, etc.)
 - Contact or visit team members with held orders, encouraging them to pay and assisting them if they have an issue that needs to be resolved.
 - Contact or visit team members who are about to be removed and encourage them to place and pay for another order to prevent the removal. If they have unresolved issues, assist them.
 - Ensure that all credits and returns are dealt with as soon as possible and give them to your Area Sales Manager.
- Place your own orders on the internet, SMS or make use of the Avon App.
- Show your own Representatives and Downlines how to load their own orders ensuring that your Downlines are placing their own orders.
- Conduct Team Meetings with your Representatives and Downlines every month, recognising achievements and developing action plans with your team.
- Constantly motivate your team of Representatives and Downlines.
- Manage your personal administration (telephone, fax, tax returns, etc.).

- Respond to requests or queries from your Upline and Area Sales Manager promptly.
- Manage your own credits and returns.
- Order your own Avon tools every month (brochures, starter packs, recruitment flyers, plastic bags, etc.) and encourage your Downlines to do the same.
- Attend all training session meetings / Brochure launches and encourage your Downlines to join you.

Plot all of these activities on a calendar to plan your days – this will assist in ensuring the success of your Avon business.

1

Terminology and Financial Rewards Contents

The levels and titles in Advanced Leadership
Advanced Leadership Bonus and Earnings Structure
Advanced Leadership Terminology
The Financial Rewards
Avon Values
Avon Advanced Leadership Business Principles

When you first start out in Advanced Leadership, you will be a:

Candidate Sales Leader

A Candidate is a Sales Leader who has signed the Sales Leader Agreement but who has not achieved Sales Leader level commission or who has lost Sales Leader Status.



Please note that the criteria for achieving the different Advanced Leadership levels are updated at regular intervals. You will always be given no less than 60 days' written notice in advance of any changes to the Sales Leadership programme which could affect the level of your Sales Leader title or commission entitlement.

How many levels are there in Advanced Leadership?

Advanced Leadership has different levels that are based on your achievements. These levels are based on the number of active Representatives and Downline Sales Leaders in your team and their Group Sales. There is also a Personal Sales qualifier for you to achieve every month. We have 3 distinct Advanced Leadership levels to achieve, with a total of 11 titles within these 3 levels.

The Advanced Leadership Levels and their titles are listed below and on the next page, together with the requirements for each of the titles.

The Levels and Titles in Advanced Leadership

Coordinator Level *

Levels	Title Name	Qualifiers						Commissions			
		Personal Award Sales	Active	Group Award Sales	Executive Qualifying Sales	Gen 1 Downlines	Executive Gen	Gen 1	Gen 2	Gen 3	Executive Gen 1
Coordinator	Coordinator (C)	R700	4	R6 000				4%	0%	0%	
	Advanced Coordinator (AC)	R700	8	R12 000				4.5%	1%	0%	
	Senior Coordinator (SC)	R700	16	R24 000				5%	1.5%	0.5%	

** Do not be misled that high earnings are easily achievable.*

On Coordinator level, the Personal Sales requirement (based on Award Sales) is R 700 for all three titles. This amount is easily achievable and will enable the Sales Leader to focus on recruiting Representatives into their first Generation and achieving their Group Sales (based on Award Sales). On this level, our Sales Leaders will earn commission on their first Generation, second and third Generation's Net Closed Paid Sales, depending on their title.



If you have many Customers, appoint those with potential as Representatives as you do not earn extra commission – only discount - on your personal sales. Keep growing your customer base, though!

Leader Level*

Levels	Title Name	Qualifiers						Commissions			
		Personal Award Sales	Active	Group Award Sales	Executive Qualifying Sales	Gen 1 Downlines	Executive Gen	Gen 1	Gen 2	Gen 3	Executive Gen 1
Leader	Leader (L)	R700	20	R60 000		1 x AC*		7%	2%	1%	
	Advanced Leader (AL)	R700	30	R120 000		2 x AC*		8%	2.5%	1%	
	Senior Leader (SL)	R700	40	R180 000		3 x AC*		9%	2.5%	1%	
	Premier Senior Leader (PSL)	R700	50	R240 000		4 x AC*		9.5%	2.5%	1.5%	

* Do not be misled that high earnings are easily achievable

As you can see, on Leader level, the Personal Sales requirement remains stagnant for **all 4** titles to ensure that our Sales Leaders have enough time to focus on Group Sales and Active Representatives in their 1st Generation. On this level, our Sales Leaders earn commission on the Net Closed Paid Sales of their first 3 Generations. Apart from building a larger base of active Representatives, Sales Leaders on Leader level has to start developing some of their Downlines into titled Sales Leaders.

Executive Leader Level*

Levels	Title Name	Qualifiers						Commissions			
		Personal Award Sales	Active	Group Award Sales	Executive Qualifying Sales	Gen 1 Downlines	Executive Gen	Gen 1	Gen 2	Gen 3	Executive Gen 1
Executive Leader	Executive Leader (EL)	R700	50		R250 000	4 x AC*	1 x SL*	10%	3%	2%	1%
	Advanced Executive Leader (AEL)	R700	60		R285 000	4 x AC*	3 x SL*	10%	3%	2%	1.5%
	Senior Executive Leader (SEL)	R700	70		R400 000	4 x AC*	5 x SL*	10%	3%	2.5%	2.5%
	Premier Executive Leader (PEL)	R700	80		R450 000	4 x AC*	7 x SL*	10%	3%	2.5%	2.5%

* Do not be misled that high earnings are easily achievable



Our Sales Leaders on Executive Leader Level has the same Personal Sales requirement as Sales Leaders on Coordinator and Leader level. On this level, Sales Leaders no longer has a Group Sales requirement. This is replaced by an Executive Qualifying Sales requirement of R 250 000 to R450 000 (Award Sales) for the titles on this level. Sales Leaders on Executive Leader level have to have between 50 and 80 active Representatives in their first Generation, in addition to titled Sales Leaders. They are rewarded with Generation 1 to 3 commission as well as Executive Generation 1 commission.



EARNING STRUCTURE

Beauty for a Purpose

Levels	Title Name	Qualifiers					Commissions				
		Personal Award Sales	Active	Group Award Sales	Executive Qualifying Sales	Gen 1 Downlines	Executive Gen	Gen 1	Gen 2	Gen 3	Executive Gen 1
Coordinator	Coordinator (C)	R700	4	R6 000				4%	0%	0%	
	Advanced Coordinator (AC)	R700	8	R12 000				4.5%	1%	0%	
	Senior Coordinator (SC)	R700	16	R24 000				5%	1.5%	0.5%	
Leader	Leader (L)	R700	20	R60 000		1 x AC*		7%	2%	1%	
	Advanced Leader (AL)	R700	30	R120 000		2 x AC*		8%	2.5%	1%	
	Senior Leader (SL)	R700	40	R180 000		3 x AC*		9%	2.5%	1%	
	Premier Senior Leader (PSL)	R700	50	R240 000		4 x AC*		9.5%	2.5%	1.5%	
Executive Leader	Executive Leader (EL)	R700	50		R250 000	4 x AC*	1 x SL*	10%	3%	2%	1%
	Advanced Executive Leader (AEL)	R700	60		R285 000	4 x AC*	3 x SL*	10%	3%	2%	1.5%
	Senior Executive Leader (SEL)	R700	70		R400 000	4 x AC*	5 x SL*	10%	3%	2.5%	2.5%
	Premier Executive Leader (PEL)	R700	80		R450 000	4 x AC*	7 x SL*	10%	3%	2.5%	2.5%

Abbreviations

GENERATION (Gen 1 – Gen 2 – Gen 3)

Gen 1: Representatives and Sales Leaders directly appointed by you.

Gen 2: Representatives and Sales Leaders appointed by your Gen 1 Sales Leaders.

Gen 3: Representatives and Sales Leaders appointed by your Gen 2 Sales Leaders.

LOA

Length of Association – How long you have been a Representative from the month you signed and submitted the agreement.

LLOA

Leader Length of Association – How long you have been a Sales Leader from the month you signed and submitted the agreement.

Executive Gen

Executive Generation Leaders – Is the relationship between an Executive Leader and another Senior Leader. The Executive Generations are not tied to the normal Generations.

F&B 870-02 03/2018

Commission is paid on closed net paid sales on fully settled invoices.

** Do not be misled that high earnings are easily achievable.*

Please note that this business guide is updated on a quarterly basis. Last update: 19/03/2018.

Important Advanced Leadership terminology

As you progress in Advanced Leadership, you will learn a whole new vocabulary. Terms you will undoubtedly come across are:

Badge Title	Paid Title	Title Support Phase
Titled Legs	Legs	Executive Generation
Executive Qualifying Sales	Executive Support Phase	Blocked Sales
Unblocked Sales	Executive Commission	

We will now provide you with a short explanation of each of these terms. If you need a more detailed explanation, please feel free to ask your Upline or your Area Sales Manager for additional training. They will be delighted to assist.

Badge Title

Badge Title is your recognition title; the title in which you are known by. All the rules of Advanced Leadership, except calculation of commissions, are based on your badge title.

Paid Title

Paid title is the title on which your commission is calculated and is based on the achievement of the requirements for each title.

Title Support Phase

The Title Support Phase ensures that your Badge Title does not change every month based on your achievement of title requirements. The Title Support Phase starts as soon as you no longer qualify for a title that you previously qualified for. This phase lasts for 3 months. In effect, this means that Avon gives you 3 months in which to re-qualify for a title. In this phase, your Badge Title remains at the higher level that you previously qualified for, while your Paid Title reflects the title that matches your performance.

Here is an example:

Month 1: Lebo qualifies as an Advanced Coordinator.

Badge Title	Advanced Coordinator
Paid Title	Advanced Coordinator
Title Support Phase	Not Applicable

Month 1: Advanced Coordinator

Month 2: Something goes wrong in Lebo's business and he qualifies as a Coordinator.

Badge Title	Advanced Coordinator
Paid Title	Coordinator
Title Support Phase	Starts (month 1 of Title Support Phase)

Month 2: Coordinator

Month 3: Lebo is still struggling to go back up to Advanced Coordinator.

Badge Title	Advanced Coordinator
Paid Title	Coordinator
Title Support Phase	Month 2 of Title Support Phase

Month 3: Coordinator

Month 4: Lebo loses a team member so he stays a Coordinator.

Badge Title	Advanced Coordinator
Paid Title	Coordinator
Title Support Phase	Month 3 of Title Support Phase

Month 4: Coordinator

Month 5: Lebo's new Representative places a late order so he stays a Coordinator.

Badge Title	Coordinator
Paid Title	Coordinator
Title Support Phase	Not Applicable (The Title Support Phase lasts for only 3 months)

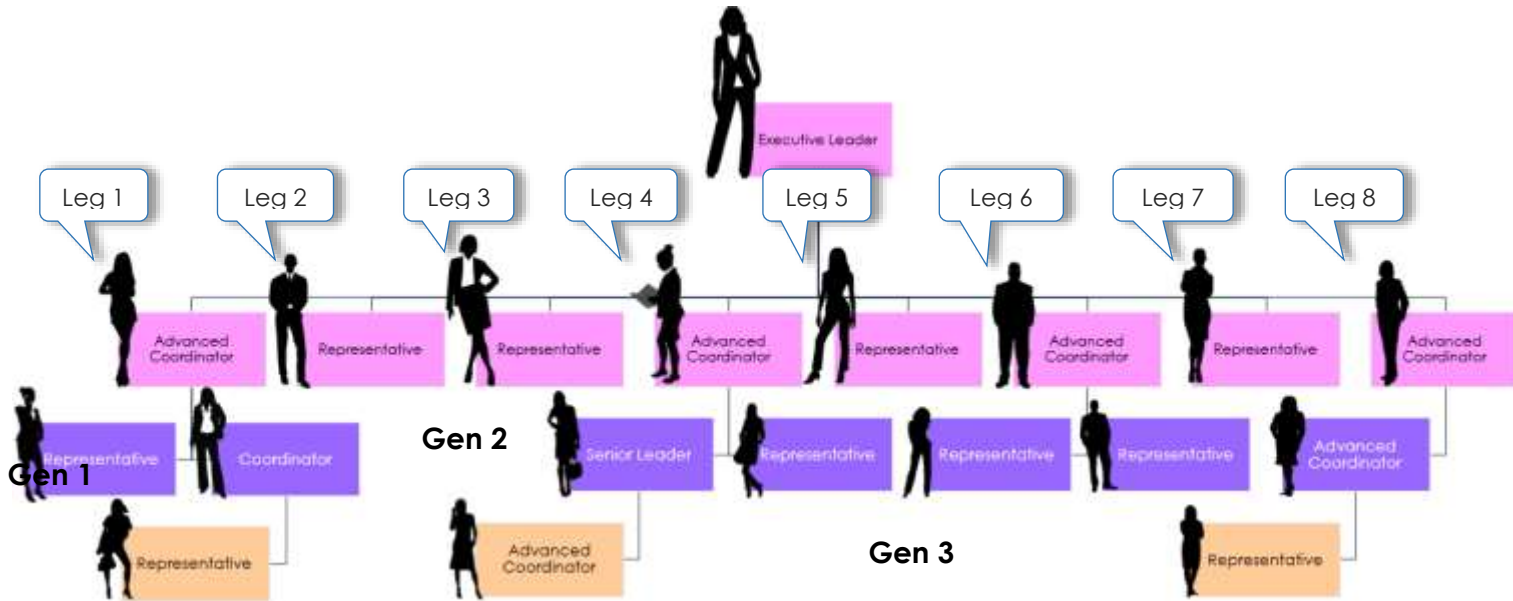
Month 5: Coordinator

During the Title Support Phase, Lebo earned the commission percentage applicable to the title he qualified for, i.e. Coordinator.

His Badge Title stayed Advanced Coordinator for the 3 months in which the Title Support Phase lasted. After 3 months, his Badge Title changed to Coordinator.

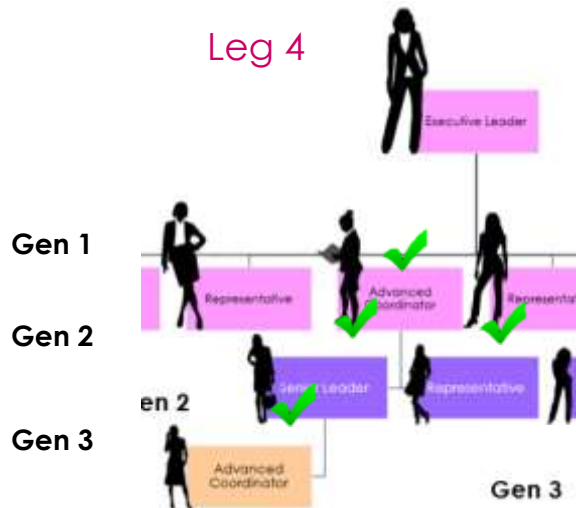
Legs

A Leg starts with the 1st Generation (Gen 1) Sales Leader and includes all the Sales Leaders and Representatives beneath them. A Sales Leader has as many Legs as they have 1st Generation Sales Leaders and Representatives.



In this example, the Executive Leader's team consists of 8 Legs.

Please note: Only Downlines in her Generation 1 count as Legs, although all team members in that Leg form part of the Leg. In the example below, all the Downlines with green tick marks are part of Leg 4.

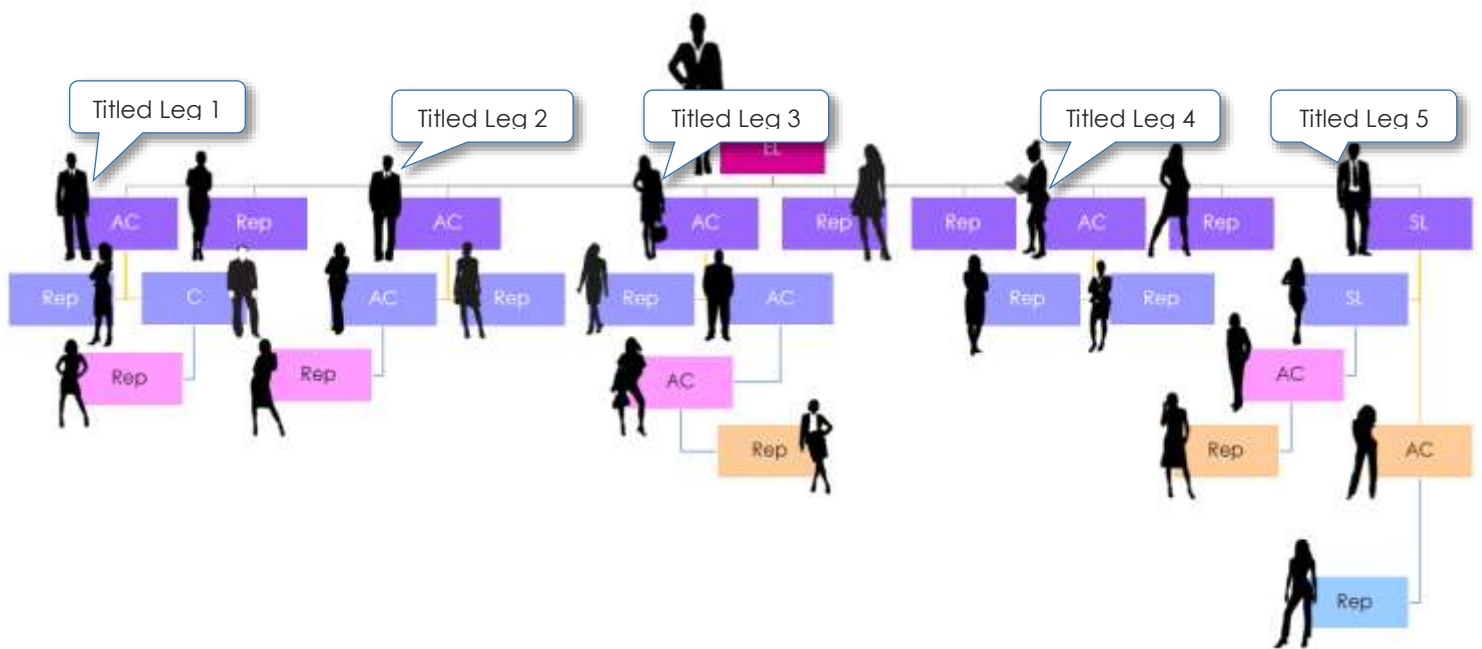


Please note: A Leg can be either a Representative or a titled Sales Leader.

Titled Legs

A Titled Leg is simply a Generation 1 titled Sales Leader. In other words, any team member in our Executive Leader's team who is a Coordinator or higher is a Titled Leg.

In this example, the Executive Leader has 1 Senior Coordinator and 1 Coordinator in her Generation 1, which means that she has 2 Titled Legs. Remember, all the team members in the teams of the Senior Coordinator and the Coordinator form part of the Titled Leg.



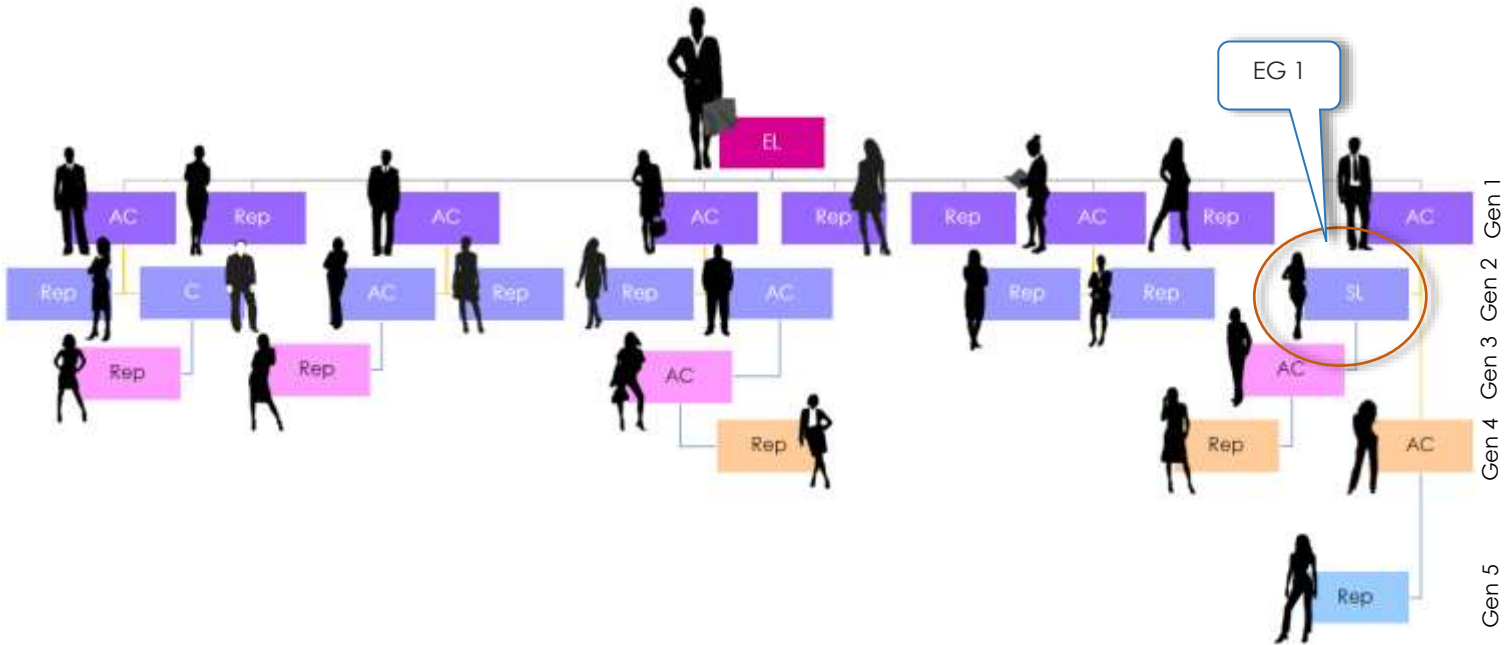
Executive Generation

Executive Generation refers to the relationship between a Sales Leader on Executive Leader Level and their Senior Leader and higher in any Leg and in any Generation.

Executive Generations are numbered based on the number of Senior Leaders and higher in a specific Leg.

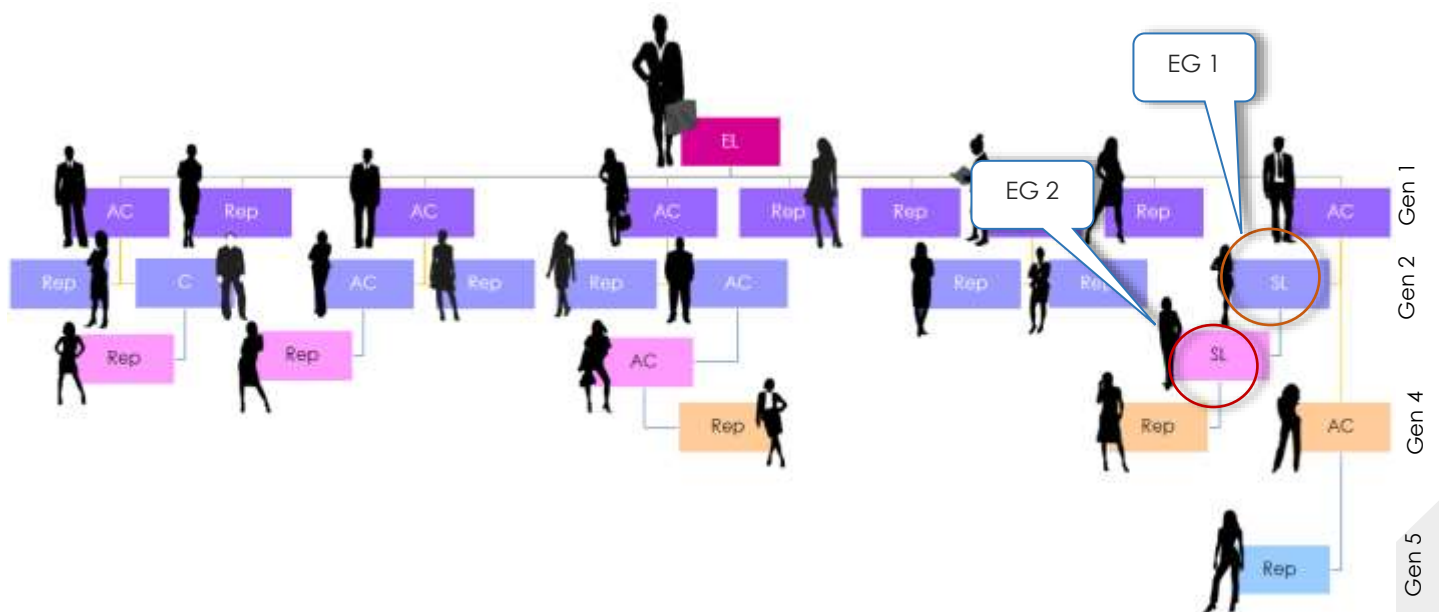
Executive Generation 1

In this example, our Sales Leader has an Executive Generation 1 Downline. You will notice that the one Sales Leader in Generation 2 is a Senior Leader. She is the first Senior Leader (or higher) under our Executive Leader, which means that she is our Executive Leader's Executive Generation 1.



Executive Generation 2

In this example, our Executive Leader, Sally, has helped her Senior Leader develop one of her Downlines into a Senior Leader as well. This now means that Sally has an Executive Generation 1 Downline as well as an Executive Generation 2 Downline.



You will have noticed a few things in this example:

- The Executive Leader's Executive Generations 1 and 2 are in the same Leg.
- Executive Generation 1 is not in Generation 1 and Executive Generation 2 is not in Generation 2. Executive Generations do not have a direct link to the normal Generations.
- Executive Generation 1 is the first Senior Leader or higher under our Executive Leader and Executive Generation 2 is the second Senior Leader or higher in the same Leg under our Executive Leader.



Executive Generation Downlines can be in any Generation.

Executive Qualifying Sales



Executive Qualifying Sales is the minimum sales requirement for Sales Leaders on Executive Leader level, replacing the Group Sales requirement.

Executive Qualifying Sales is made up of the Sales Leader's Group Sales, but it excludes the sales from Senior Leaders and higher that is no longer in the Executive Support Phase (see Executive Support Phase and Blocked Sales below).

Executive Support Phase

As the name implies, the Executive Support Phase only applies to Sales Leaders on Executive Leader Level.

In the 3-month long Executive Support Phase, Executive Leaders¹ will receive the full benefit of Senior Leaders and higher in their team. In this phase, they will not only receive commission and Executive Commission on their Executive Generations, their Executive Generations' sales will count towards their Executive Qualifying Sales Requirement.

The Executive Support Phase starts as soon as the Executive Leader develops one of their Downlines into a Senior Leader (or higher). This happens for every individual Senior Leader (or higher), so an Executive Leader may have a number of Executive Support Phases running at the same time. It is important to note, though, that a Sales Leader who has achieved the title of Senior Leader (or higher) once can never be part of the Executive Support Phase again. That is, if a Senior Leader loses his/her title and achieves that title again at a later stage, his/her sales will not count towards the Executive Leader's Executive Qualifying Sales requirement right from the start.

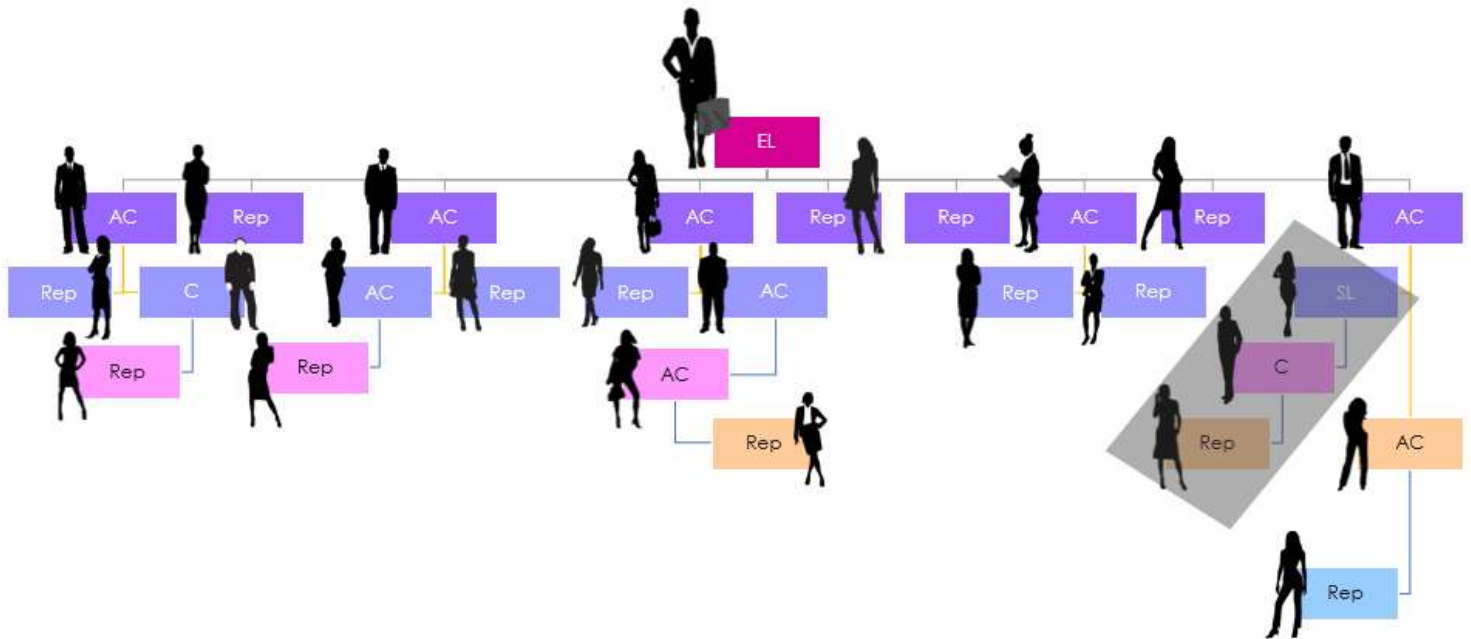
At the end of the Executive Support Phase, the Executive Leader retains the benefits related to their Executive Generations' commission and Executive Commission, but the sales generated by the Senior Leader or higher no longer counts towards the Executive Leader's Executive Qualifying Sales requirement.

In other words, at the end of the Executive Support Phase, Sales Blocking comes into effect.

¹ For the purpose of this guide; when we refer to 'Executive Leader', we refer to all 4 titles on Executive Leader Level.

Blocked Sales

Blocked Sales is the Personal Sales and Group Sales of all Senior Leaders (or higher) in the Executive Leader's first 3 Generations at the end of the Executive Support Phase. Although the Executive Leader still earns Executive Commission and Generation 1 - 3 Commission on these sales, they no longer count towards the Executive Leader's Executive Qualifying Sales. Blocked Sales ensures that the Executive Leader continuously develops more Senior Leaders (and higher) to continue title growth in their business; resulting in higher earnings for the Executive Leader.



In this example, the greyed-out Senior Leader's sales and the sales of her team will not count towards our Executive Leader's Executive Qualifying Sales Requirement at the end of the Executive Support Phase. She will, however, still earn Generation 1 – 3 Commission and Executive Commission on the Senior Leader's sales and that of her team.

Unblocked Sales

If an Executive Leader² has at least 1 more Senior Leader (or higher) than the minimum requirement in their Executive Generation 1, one or more of these Senior Leaders' sales may be unblocked to meet their Executive Qualifying Sales (EQS) requirement.

Unblocking may only occur from their Executive Generation 1 titled Senior Leaders, in other words, the very first Senior Leader or higher under them – in any Leg and in any Generation.



Please note that Executive Commission cannot be earned from any Senior Leader (or higher) whose sales are unblocked. The normal Generation 1 – 3 Commission will, however, still be earned.

²

For the purpose of this guide; when we refer to Executive Leader, we are referring to all 4 titles on Executive Leader Level.

Sales Leaders do not have to perform unblocking themselves. Should the Executive Qualifying Sales requirement not be met, the system will automatically select the Executive Generation 1 Sales Leader with the smallest blocked sales and unblock them.

There may be multiple unblocking until the required EQS volume is achieved. In other words, if the system has unblocked the smallest Blocked Sales and the Executive Qualifying Sales Requirement has still not been met, the system will select the second smallest Blocked Sales amount and unblock them.

The system will not unblock only a portion of the blocked sales. For example, if an Executive Leader requires another R8, 000 (eight thousand rand) to meet the Executive Qualifying Sales Requirement and the smallest Blocked Sales amount is R10, 000 (ten thousand rand), the system will not unblock only R8, 000 (eight thousand rand). The full R10, 000 (ten thousand rand) will be unblocked, which will result in the Executive Leader not earning Executive Commission on that amount.

Levels	Title Name	Qualifiers					Commissions				
		Personal Award Sales	Active	Group Award Sales	Executive Qualifying Sales	Gen 1 Downlines	Executive Gen	Gen 1	Gen 2	Gen 3	Executive Gen 1
	Executive Leader (EL)	R700	50		R250 000	4 x AC	1 x SL*	0%	3%	2%	1%

2 EG1 SENIOR LEADERS REQUIRED TO BE ELIGIBLE FOR UNBLOCKING.

The table above illustrates the requirement that an Executive Leader needs to have at least **2** Senior Leaders (or higher) in order to be eligible for Unblocking.

Executive Commission

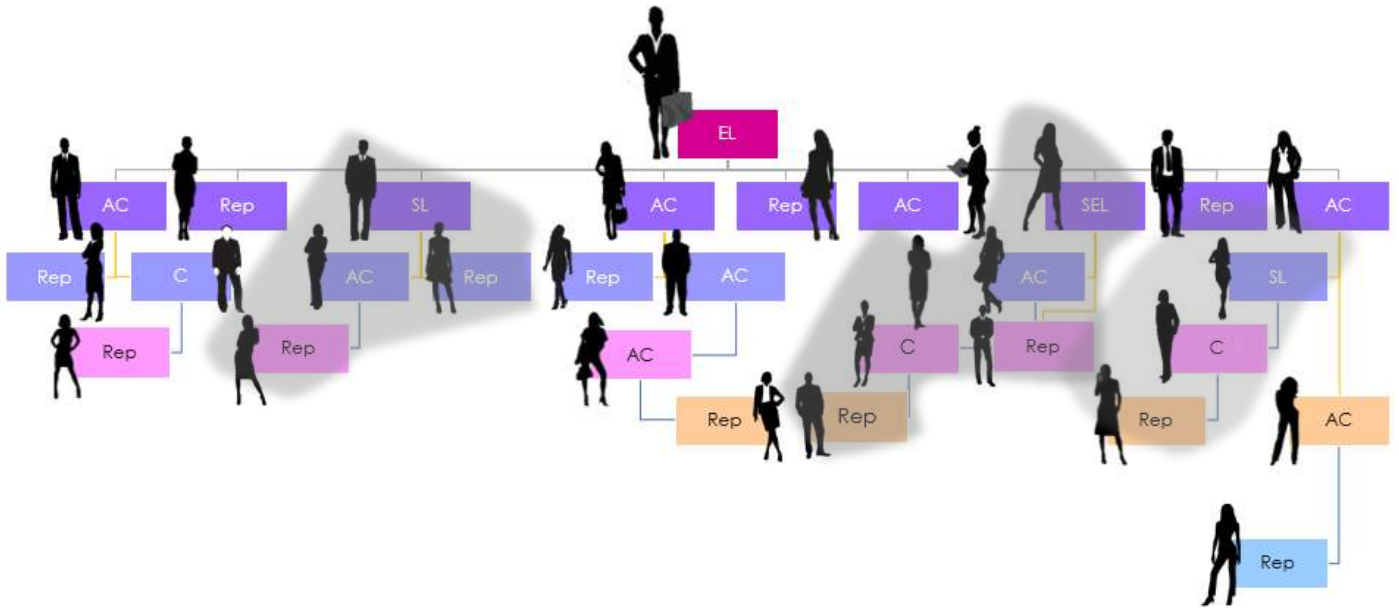
Executive Commission is earned when an Executive Leader promotes a Senior Leader (or higher) within their network. Executive Commission is paid on the Generation 1 – 3 Group Sales of the first Senior Leader (or higher) in the Titled Leg (Executive Generation 1).

Remember that Executive Commission is paid in addition to Generation 1 – 3 Commission. It is important to note that Executive Leaders will not receive Executive Commission on networks that are led by Sales Leaders who have a higher title than themselves, although they will still receive the usual Generation 1 to 3 Commission if applicable.

Executive Leaders will, however, receive Executive Commission on networks that are led by Sales Leaders of the same title as themselves.

In the example on the next page, our Executive Leader will receive Executive Commission on the Personal and Group Sales of her Executive Generation 1 Downlines on the left and far right (coloured pink).

She will not receive any Executive Commission on the Personal or Group Sales of the Executive Generation 1 Downline on the right (SEL – coloured grey), as this Downline's title is higher than hers.



The Financial Rewards

Sales Leaders are compensated for their Activities with earnings as described below ("Commission" and "Advanced Leadership Bonuses")



Commission

How do I generate commission?

The more people in your team, and the higher their Award Sales, the more commission you can generate. Appoint Representatives and other Sales Leaders (Downlines) to grow your business, and your commission will increase with each new downline team.

When will I start earning commission as a Sales Leader?

First, return the signed Sales Leader Agreement and Banking Details form to Avon Justine via your Upline Sales Leader or Area Sales Manager. Commission will then begin once you achieve the criteria to qualify as a Coordinator. (To see how it works, look at the commission structure chart on page 16.)

Commission Structure

Commission Rules

Sales Leaders at any level or title must place a personal order equal to or above their Personal Sales qualifier level (minus returns at Brochure price) each month to qualify for commission on their team's Net Closed Paid Sales. The Sales Leader's personal order counts towards his/her Group Sales and the Sales Leader is still eligible for the usual Representative discount.

In addition to Personal Sales, Sales Leaders have to achieve all the qualifying criteria:

- The minimum number of active team members in Generation 1
- The minimum Group Sales or Executive Qualifying Sales amount
- The minimum number of Generation 1 Leaders (on Leader and Executive Leader level)
- The minimum number of Executive Generation 1 Leaders (on Executive Leader level)

How commission is calculated

Commission is payable on the team's Net Closed Paid Sales. This means that commission is calculated on Award Sales minus the following:

- VAT
- Discount
- Returns and
- Demonstration product purchases from the Let's Talk.

Remember, if your Representative pays an invoice within or below R10.00 of the total invoice value, the invoice **will be considered closed** and you will receive commission on that invoice. However, the outstanding amount will be added to the Representative's balance for the next month.

Example:

The invoice amount is R1005.00 and the Representative pays R1000. For your commission calculation, the invoice will be considered closed. The outstanding R5.00 will automatically be added to your Representative's balance in the following month.

How you will be paid

Sales Leader payments are calculated at the end of each month, and are paid directly into your bank account between the **18th** and the **20th** of the following month.

Once you have registered as a Sales Leader you will receive an Infoslips welcome letter containing a PUK and other important information that will help you get started as an Infoslip user. The Infoslip is your electronic earnings statement. If you earn R100 (one hundred rand) or more in any given month, you will receive an Infoslip containing your earnings amount via email. If your earnings amount is less than R100 (one hundred rand), that amount will be paid into your Avon account.

Should your account be overdue, the money owed will be transferred to your Avon account - should the overdue amount be less than your total earnings. The balance will be transferred to your bank account, provided that it is more than R100 (one hundred rand).

Below you will see a calendar that shows payment and cut-off dates for 2018.

Month	Bank Detail Cut-off	Closed Paid Sales Cut-off	Final Earnings Report	Payment Date
Jan	31 January 2018	31 January 2018	16 February 2018	20 February 2018
Feb	28 February 2018	28 February 2018	16 March 2018	20 March 2018
Mar	31 March 2018	31 March 2018	18 April 2018	20 April 2018
Apr	30 April 2018	30 April 2018	16 May 2018	18 May 2018
May	31 May 2018	31 May 2018	18 June 2018	20 June 2018
Jun	30 June 2018	30 June 2018	18 July 2018	20 July 2018
Jul	31 July 2018	31 July 2018	17 August 2018	20 August 2018
Aug	31 August 2018	31 August 2018	18 September 2018	20 September 2018
Sep	30 September 2018	30 September 2018	17 October 2018	19 October 2018
Oct	31 October 2018	31 October 2018	16 November 2018	20 November 2018
Nov	30 November 2018	30 November 2018	18 December 2018	20 December 2018
Dec	31 December 2018	31 December 2018	16 January 2019	18 January 2019

The different headings mean the following:

Heading	Meaning
Bank Detail Cut-off:	Bank details received after this time will not be processed for the current month;
Closed Paid Sales Cut-off / Commission run	This is when closed paid sales is calculated and the commission amounts determined
KPIs & Team Structure Report	This report is sent to Area Sales Managers;
Team Changes Cut-off	Any team change requests submitted after this time will only be processed in the following month
Overdue Invoices Report	On this day, a report is generated for all invoices that are overdue. These amounts will then be deducted from the Sales Leader earnings;
Final Sales Leader (SL) Earnings Report	This report is sent to all Area Sales Managers
Payment date (of Sales Leader earnings):	This is the day on which you will be paid

Business Development Bonuses

To help you develop your Sales Leader business, Avon has a structured Advanced Leadership Bonus programme. This programme is designed to help you plan your business and rewards you for each milestone you achieve. These milestones are shown in the tables below. The Bonus awards are all paid into your bank account with your commission. To be clear on how to achieve the bonus criteria, please work with your upline Sales Leader or Area Sales Manager.

What does the Advanced Leadership Bonus Structure consist of?

This bonus programme consists of 3 separate bonuses:

1. Appointment Bonus
2. Downline Development Bonus
3. Fast Start Bonus
4. Achievement Bonus + Maintenance Bonus

* Please do not be misled by claims that high earnings are easily achievable.

1. Appointment Bonus

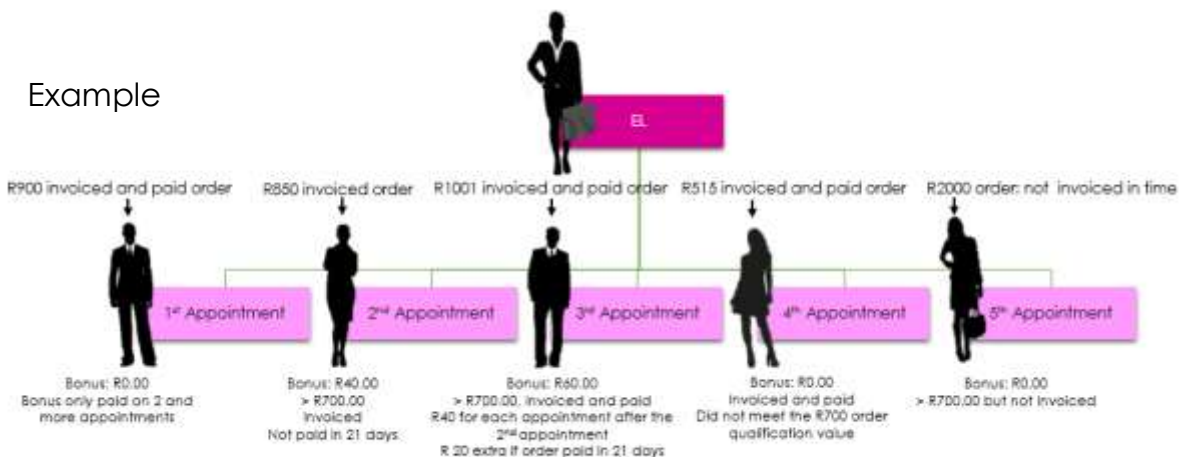
The Appointment Bonus is an unlimited monthly bonus that will be paid out to all Sales Leaders. The bonus is paid for **2** or more new Representatives or reinstatements who have been successfully appointed in your First Generation and who has placed (an) invoiced Award Sales order(s) of more than **R700** (seven hundred rand) within 21 days of invoice. In order to be considered a reinstatement, 6 months must have elapsed since the date of the last invoice.



Please note that you **do not** qualify for the Appointment Bonus if you have appointed only **1** new Representative in any given month.

For 2 new or reinstated Representatives with LOA1 invoiced orders above R700, you will receive an Appointment bonus of **R40** and an **additional R20 bonus** for every addition who has paid their invoices in full within 21 days of the date of the invoice. For every new Representative or reinstatement with an LOA1 invoiced order of more than R700 thereafter, your Appointment Bonus will increase by **R40**, in addition to the R20 bonus for each full payment within 21 days of invoice.

Example



This Executive Leader could have earned R 260 in Appointment Bonuses if all her new Appointments had invoiced and fully, timeously paid orders of at least R 700 in their appointment Campaign.

Please note: the R700 qualifier is based on accumulative sales.

Please note that this business guide is updated on a quarterly basis. Last update: 19/03/2018.

2. The Downline Development Bonus

This fantastic bonus rewards all titled Sales Leaders for developing their Downlines. Titled Sales Leaders will receive this bonus the first time a Downline achieves the title of Advanced Coordinator, Senior Coordinator, Leader, Advanced Leader and Senior Leader. If the Downline manages to maintain that title for the following 2 months, the Upline Sales Leader will receive another bonus.

Downline Title	Title Achievement	Title Maintenance
Advanced Coordinator	R200	R300
Senior Coordinator	R300	R400
Leader	R400	R500
Advanced Leader	R500	R600
Senior Leader	R600	R700



Example

	Campaign 1	Campaign 2	Campaign 3	Campaign 4	Campaign 5	Campaign 6	Campaign 7	Campaign 8
Alice's title	Candidate	Coordinator	Advanced Coordinator	Advanced Coordinator	Advanced Coordinator	Senior Coordinator	Senior Coordinator	Senior Coordinator
Upline Bonus	R 0 No bonus for Candidates	R 0 No bonus for Coordinators	R 200 Achievement bonus. The Downline has reached this title for the first time.	R 0 This is the first maintenance month for this title.	R 300 Maintenance bonus. Maintained title for Campaigns 3 and 4.	R 300 Achievement bonus. The Downline has reached this title for the first time.	R 0 This is the first maintenance month for this title.	R 400 Maintenance Bonus. Maintained title for Campaigns 6 and 7.

3. The Fast Start Bonus

The Fast Start Bonus is applicable to all new Sales Leaders in their first 9 months as Sales Leaders (LLOA 0 – 8). In order to qualify for this bonus, you need to meet Personal Award Sales target, An Active Representative target and a Group Award Sales target. If you meet the one target but not the others in a given month, you will no longer be eligible for the bonus in that particular month. You will, however, not be disqualified from the Fast Start Bonus Programme in the months that follow.

These are the target requirements for the Fast Start Bonus:

Month	1	2	3	4	5	6	7	8	9
LLOA	0	1	2	3	4	5	6	7	8
PAS	R700	R700	R700	R700	R700	R700	R700	R700	R700
Actives	2	4	6	8	12	16	20	24	28
GAS	R4 000	R6 000	R9 000	R12 000	R18 000	R24 000	R30 000	R36 000	R42 000
Bonus	R200	R400	R600	R800	R1 100	R1 400	R1 800	R2 200	R2 600

Even though you will not be disqualified from the Fast Start Bonus programme if you fail to meet your targets in any given month, it is advisable to achieve all targets every month. Failing to achieve in one month will mean that you will have to work that much harder to achieve the targets in the next month.

Fast Start bonuses range from R200 in LLOA 0 to R2 600 in LLOA 8.

4. The Achievement and Maintenance Bonus

This bonus is linked to both the Achievement of a title and the maintenance of that title for 3 months after first achieving the title. If you achieve a title for the first time in any given month, you will be eligible for the Achievement Bonus. If you achieve a title for the first time and achieve a greater title in the following month, you will be entitled to both bonuses, as long as you maintain the higher title.

	Advanced Leadership Level	Month 1	Month 2	Month 3
Coordinator	Coordinator (C)	R100	R200	R300
	Advanced Coordinator (AC)	R200	R300	R400
	Senior Coordinator (SC)	R300	R400	R500
Leader	Leader (L)	R600	R700	R800
	Advanced Leader (AL)	R700	R800	R900
	Senior Leader (SL)	R800	R900	R1 000
	Premier Senior Leader (PSL)	R900	R1000	R1 100
Executive Leader	Executive Leader (EL)	R1 100	R1 200	R1 300
	Advanced Executive Leader (AEL)	R1 300	R1 400	R1 500
	Senior Executive Leader (SEL)	R1 600	R1 700	R1 800
	Premier Executive Leader (PEL)	R1 900	R2 000	R2 100

Example	Month 1	Month 2	Month 3	Month 4	Month 5
Title	C	AC	AC	SC	SC
Bonus (C)	R100	R200	R300	-	-
Bonus (AC)	-	R200	R300	R400	-
Bonus (SC)	-	-	-	R300	R400
Total	R100	R400	R600	R700	R400

If you achieve a title for the first time, you will be eligible for the Achievement Bonus. If you achieve a title for the first time and achieve a greater title in the following month, you will be entitled to both the Achievement and Maintenance bonuses. However, if you drop in title, you will not receive any further bonuses until you have achieved a higher title than before.

Avon Values

Avon is proud of its heritage, and our 5 values form the basis for everything we do as a Company. These may help you as you develop your business as a Sales Leader.



Trust

If you trust people to do the right thing and they understand the underlying reasoning and philosophy, they won't disappoint you.

Respect

Value differences and appreciate each person for their unique qualities. Through respect, we help bring out the full potential of each person.

Belief

If you believe in someone and show it, that person will move mountains to prove you're right.

Humility

Means knowing you're not always right – you don't have all the answers. You're no less human than the people in your team and you're not afraid to ask for help.

Integrity

In setting and observing the highest ethical standards and doing the right thing, you fulfil a duty of care to your own team of Sales Leaders and Representatives, and to customers in the community.

Avon Advanced Leadership Business Principles

Transparency in Communication

Sales Leaders are expected to engage in clear, open, and honest communication.

Brand Image of Avon

Sales Leaders must not do anything which may impair or jeopardise the distinctive quality of Avon's trademarks or trade names or tarnish Avon's reputation. Sales Leaders must follow the advertising and promotional guidelines established from time to time by Avon (see page 83).

Confidentiality / Information

Information provided on a confidential basis must remain confidential and personal information must be handled in accordance with applicable personal information protection laws (see page 89).

Fraudulent Activity

Any activity of a fraudulent or dishonest nature or which seeks to take unfair advantage of other Sales Leaders or Representatives is unacceptable and will not be tolerated. Report any such activities to your Upline, your Area Sales Manager, or your Divisional Sales Manager, depending on the circumstances.

Unauthorised Activity

A Sales Leader may not place an order on behalf of a team member without their prior written consent. In addition, no agreement other than the official Avon Representative and Sales Leader agreement may be used to appoint new Representatives and Sales Leaders and no additional agreements of any nature may be developed by Uplines.

Collection of Monies

Sales Leaders do not have authority to collect any monies from team members on behalf of Avon and must refrain from doing so.

Being a Role Model

Sales Leaders are expected to act as role models, to inspire other Sales Leaders and Representatives within their team and to share best practice at all times. Sales Leaders should therefore ensure that their own Representative Accounts are consistently maintained in good order and with all payments up to date.

Returns

The correct returns process should always be followed (for more details, refer to Section 2). Representatives should submit their returns to their Sales Leader, the Sales Leader will submit the returns to the Area Sales Manager, and the Area Sales Manager will submit the return to Head Office. The only person authorized to return products to Head Office is the Area Sales Manager.

2

Systems and Processes

Contents

Appointment Materials

Reinstating a Representative who has left your team

Sales Leader Movement, Removal, and Consequences

Questions about Earnings

Credit Management

The Returns Process

Processes behind the Scenes

Problems that have to be resolved by Head Office

Advanced Leadership Frequently Asked Questions

Appointment Materials

It is important that you have at least 5 Appointment Packs on hand to appoint and train your new Downlines. The materials you will need are:

- Appointment packs
- Current Avon brochures
- Training modules (to be downloaded from www.avon.co.za)
- Samples and demonstration products



When you receive your Sales Leadership Bag, you will have the most important appointment and training materials. The bag contains:

- Start Smart Guides
- Prospecting flyers
- Five Appointment Packs
- Introduction to Advanced Leadership Booklet
- Advanced Leadership Business Development Flyer (Earnings and Bonus Structure)

The Sales Leadership Bag costs **R225** (two hundred and twenty five rand) and will be *automatically* billed with your next order after your signed Sales Leader Agreement has been processed.

You may be wondering where to obtain Appointment Packs once you have used the 5 Appointment Packs in your Sales Leader Bag. These packs can be purchased from the Business Builders section in the Let's Talk, but the good news is that Avon will provide you with a replacement Appointment Pack for every successful appointment in the month following the appointment. Remember the definition for a successful appointment: it is a new Representative who has signed the Representative agreement and who has placed an order that has been invoiced, and Reinstatements who had been removed for longer than 3 months.

Samples can also be ordered from the Let's Talk in the Business Builders Section. Once prospective Representatives have experienced the quality of our products, they will have additional motivation to join your team.

Apart from the training materials in your Sales Leadership Bag, we also provide all training materials online. They are available for download under the Training & Development tab on the official Avon website (www.avon.co.za). Click on Online Training in the drop-down box to access and download these free materials.

As a Sales Leader you are responsible for ordering your own Avon brochures. The minimum expectation is for you to provide each of your new Representatives with 5 brochures upon appointment. If you choose to provide more brochures to your Representatives, this will be a significant benefit to your business. Your aim is to keep your Representatives engaged and loyal and the best way to accomplish that is to help them earn. Each brochure can be compared to an Avon store – the more stores out there, the higher the earnings.

If a Representative has one Brochure, he/she will show that to people that he/she comes into contact with on a daily basis. Afterwards, he/she may send the Brochure to work with one of his/her friends. We know that this is beneficial, because customers find it extremely difficult to resist our lovely Brochures.

Now, imagine if he/she has five Brochures instead of only one. All five of those Brochures can be distributed to generate sales - at the same time. This means that he/she is likely to generate five times the sales that he/she would have generated with only one Brochure.

Let's imagine for a moment that the Representative has ten Brochures. It is clear that he/she could generate ten times the sales he/she would have generated with only one Brochure.

Investing in Avon Brochures is crucial for steadily growing an Avon business and seeing improved earnings. Brochures can be ordered from the Business Builders Section in the Let's Talk.

Reinstating a Representative who has left your team

If a Representative does not place an order for 3 consecutive months, the account is deemed "inactive" and is therefore given a status of "Removed".

It is important to note at this point that, if the removed individual is also a Sales Leader, their team will "roll up" to their Upline.

Representatives often 'take a break' from Avon and then decide to return. The next section shows the rules regarding reinstatement of a Representative.

A Representative reinstated *within* 3 months including month of removal:

- Keeps the same account number
- Is reinstated by submitting an order
- Has to pay any outstanding money before the account will be reinstated and only then will the order be released
- Continues with LOA at the same point as when removed

A Representative reinstated *after* 3 months of being removed:

- The application form must be completed again and an order submitted
- Has to pay any outstanding money and an administration fee
- Keeps the same account number
- Continues with LOA at the same point as when removed

A Representative reinstated within 3 months (including month of removal) is automatically reinstated into their original team and is not entitled to join an alternative team (i.e. they cannot move from the team of an Area Sales Manager to that of a Sales Leader or from the team of one Sales Leader to that of another Sales Leader upon reinstatement).

If the Sales Leader who originally appointed the reinstated Representative is no longer a Sales Leader at the time of the reinstatement, then the reinstated Representative will become part of the upline Sales Leader's team or, if there is no upline Sales Leader, then part of the local Area Sales Manager's team.

What happens after 6 months following removal?

After 6 months following the month of removal, the Representative will undergo another credit check and his/her account type and credit limit will be revisited. He/she will be reinstated with his/her old account number, as our Representatives keep their account number for life.

Sales Leader Movement, Removal and Consequences

Movement

Once appointed, Sales Leaders cannot move to another team. The same is true for team members (Sales Leader's Representatives or Area Sales Manager's Representatives).

If there is an issue within a network, it is Avon's expectation that every Sales Leader will behave in a professional manner. Avon therefore recommends that Sales Leaders try to resolve any issues that have arisen amicably. Mediation by the Area Sales Manager may help to resolve the matter, but as an independent contractor, it is advisable to resolve the issue yourself. If mediation by an Area Sales Manager is not an option or if the issue cannot be resolved by the Area Sales Manager, the Sales Leader can request mediation by the Division Sales Manager.

After 3 months following the month of termination, the Sales Leader can apply for reappointment as a Sales Leader or Representative. If Avon agrees to the reappointment, the Sales Leader will be entitled to join another team. However any return to Avon **before** 3 months have elapsed will be considered as a reinstatement and, as such, the individual will return to their original Sales Leader's team. On reinstatement as a Sales Leader or Representative, a new contract between the Sales Leader or Representative comes into effect.

Notwithstanding the above, Avon does specifically reserve the right to authorise or require a Sales Leader to move from one team to another if Avon, in its absolute discretion, determines that there are exceptional circumstances which result in such a move being necessary or desirable.

General Removal

The Sales Leader Agreement continues until it is terminated either by the Sales Leader or the business.

If you wish to terminate your own Sales Leader Agreement, the Leader & ASM Team requires a written request to terminate the agreement one month prior to the removal date. The email address to use is advanced.leadership@avon.com.

The timing of a Sales Leader's removal is critical to Avon's processing schedules and our aim is to ensure that the Sales Leader, and/or any upline Sales Leaders, are paid correctly.

A Sales Leader may choose to terminate their Sales Leader Agreement but continue as a Representative. The Sales Leader Agreement will also terminate automatically if a Sales Leader's Representative account remains inactive for **3** consecutive months.

Consequences of Removal

Following termination of a Sales Leader Agreement, the Representatives and downline Sales Leaders will automatically roll up and become part of the team of the immediate upline Sales Leader in the network. Where there is no upline Sales Leader, they will roll up to their local Area Sales Manager.

If the removed Sales Leader subsequently enters into a new Sales Leader Agreement with Avon, he/she will not be entitled to the return of their original team and he/she must start to build up a new team. Avon also reserves the right to exclude the returning Sales Leader from participating in the Business Development Bonus opportunity.



Please note that the termination of the Sales Leader Agreement does not automatically result in termination of the Representative agreement. The latter will remain in effect until such time as the former Sales Leader chooses to terminate that agreement, or if the former Sales Leader is removed as a Representative because her Representative account has been inactive for 3 consecutive months.

Removed Sales Leaders should ensure that they are compliant with the requirements of the Protection of Personal Information Act (No. 4 of 2013), upon termination of their Sales Leader Agreement, specifically with regard to personal information they may hold relating to their team members.

Questions about earnings

What should you do if you think your earnings amount is incorrect?

In most instances your earnings amount may seem incorrect, but it could be because you or your team has not achieved the qualifying criteria (see the Commission structure and rules in Section 1 for full details).

Examples include:

- One or more of your team sent a late order or haven't ordered, so you don't have the required number of active Representatives in your First Generation.
- A team member's order is below the minimum order value: R515 (five hundred and fifteen rand).
- A team member's order is being held by Avon as s/he has money owing.
- Your order hasn't reached the Personal Sales requirement of R800.
- Your personal order was late.
- A new team member hasn't been registered in your team in time.
- You haven't achieved the required Group Sales amount or Executive Qualifying Sales (depending on your Advanced Leadership level)



A few important points about being considered an active Representative

Representatives are considered to be active when:

- They have placed an order that has been invoiced.
- Their order consists of brochure products of more than R515 (five hundred and fifteen rand).
- Returned products' value must not be higher than the value of the order.
- Shorted products must be subtracted from the order and the remaining order value must still reach the minimum order value of R515 (five hundred and fifteen rand).

If you have ruled out any of the above as the reason for your incorrect earnings amount, contact the Leader & ASM Team (contact details can be found in *Useful Contact Numbers and Information* section of this manual).

Credit Management

A new Representative

New Representatives are responsible for a significant percentage of all debt, so it's important to reduce the risk to your business. As a Sales Leader, it is your responsibility to ensure that your Representatives pay their accounts in full. Remember to point out Avon's banking details, where and how to pay for orders in the Start Smart Guide.

All new appointments are credit scored by TransUnion; the higher the score the higher the Representative's purchase limit. Our New Business staff or Credit Control staff is prohibited by law to provide the reason for a particular account type or credit limit to Sales Leaders.

If prospective Representatives receive a poor credit rating from TransUnion, they will be appointed as **Cash (Pay-as-you-Go) Representatives**. This means that they have to pay for their orders and provide Avon with proof of payment before their order will be released.

Prospective Representatives with no credit history or with a TransUnion credit score under a specific limit will be appointed as **Deposit to Buy Representatives**. New Representatives who qualify for a 'Deposit to buy' account will be able to pay a small deposit to receive credit. This is to limit the risk to Avon and to your business. (Please refer to the Deposit-to-Buy Frequently Asked Questions on www.avon.co.za under the Online Training tab.)

- If they pay a deposit of R 300 (three hundred rand), they will have R 750 (seven hundred and fifty rand) credit.
- If they pay a deposit of R 500 (five hundred rand), they will have R 1,250 (one thousand two hundred and fifty rand) credit.
- If they order and pay for those orders before the due date for 3 consecutive months, they will be eligible to receive a credit limit.

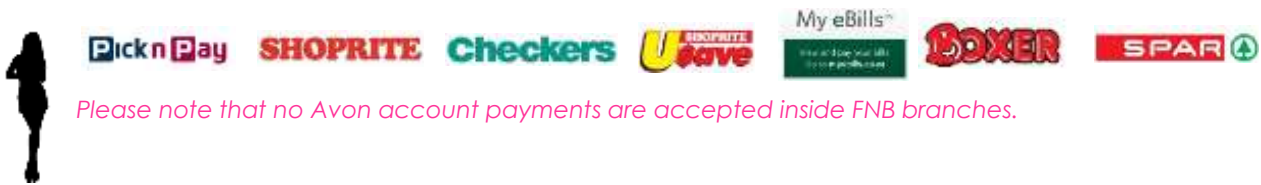
A credit-reference check can only be carried out once Avon receives the completed and signed Application Form. Avon reserves the right to refuse any potential Representative and, if it does so, will advise you as soon as possible. The applicant concerned will also be advised.



If a Representative exceeds his/her credit limit, he/she will have to pay the amount exceeding the credit limit to Avon and provide proof of payment in order for the order to be released. In other words: if a Representative has a credit limit of R750 (seven hundred and fifty rand) and he/she places an order of R800 (eight hundred rand), the order will not be released until he/she has paid the amount with which his/her credit limit has been exceeded, i.e. R50 (fifty rand).

Payment methods:

- Cash deposits inside Absa banks (account number: 4089 6083 48)
- Cell phone banking
- EFT (Electronic Funds Transfer) (FNB account number: 5886 0024 760, branch code: 250655);
- Using your MasterCard or Visa Debit or Credit card on www.justine.co.za (see below for instructions)
- At any EasyPay or Pay@ outlet. (Visit www.easypay.co.za and www.payat.co.za to find out who is part of their networks. Examples of outlets are:



You can also pay your account online. Here is how to do it:

- Log into your account on the Avon website.
- Hover over the My Account menu button.
- Click on Make a Payment.
- In the amount field, enter the amount you wish to pay – Click Pay Now.
- You will see a confirmation screen come up with your name and the amount - Click Send Details.
- You will be redirected to a secure payment page where you will fill in your credit card details.
- Click Pay Now. You will immediately know if the payment is successful or not.



The Returns Process


Below you will find the people involved in the returns process and the responsibilities of each person in the chain.



A Picking Slip will be attached to every invoice you receive in your order box. This form can be used to initiate the processing of returns and adjustments as well as the processing of Product Not in Box claims. The areas indicated in pink should be used for this purpose.

PICKING SLIP

1 2 3 4 5 6 7 8 9 0 2



AVON *Justine*

BEAUTY FOR A PURPOSE

CD4 ORDER WWW1362079 INV 23666846

ACCOUNT 107120437 DATE: 2016/04/22 08:04:00
 NILTON MENDES PAGE: 1 of 2
 102 WESTERN SERVICES ROAD BATCH: 1604212230
 WOODMEAD, 1863 <Priority Level>
 TEL: 0828971583
 BOX C 1 OF 1 WEIGHT 5.17 KG PIECES 23

100% Check

Name: _____

Date: _____

Signature: _____

Choose from one of these reason codes.

Enter the quantity of the particular product and the reason code here.

ST	BIN	Q	FSC	DESCR	WHT	R&A QTY	R&A CODE
B3	16E	2	3357	AVON LOCK VEH S-SPR 150ML WET	151		
	6	6	878170	TISSUE 011 VOUCHER			
	3	3	878179	BROCHURE SINGLE MAY 05 (2014)			
B2	14F	6	33451	AVON LOCK VEH S-SPR 150ML WET	90		
C3	19F	3	25930	FL SPD ROY HPY 150M WET	130		
D2	13E	5	53471	AC GENTLE ALOE LOT CR 400M FA	443		
B3	19F	1	41400	ODDY MINERAL WHI MEN 50M WING	93		
F2	13E	2	89848	BLACK JESSIE D-SPY 150M WET	150		
F3	18F	6	41249	ODDY MINERAL WHI MEN 50M WING	93		
I2	11E	3	11067	CT HAILWEAR BROWN 80ML ALL	48		
	12G	4	39843	ASPIRE MAN S-SPRAY 150ML WET	150		
	15E	7	10448	BLACK JESSIE ROLL ON 90ML V1	90		
I3	14F	3	35311	ILLUMINATING PEARLS 200M ALL	63		
	17E	5	04828	DRS HEAV AMON S-SOAP 250 VING	250		
I4	09D	3	11774	DRS REFLECT LIQ SOAP 250M VING	280		
B2	14E	3	89384	DRS MULTI WASH BLACK 100ML WICK	100		
					150		
					250		

RETURN & ADJUSTMENT (R&A) CODES

- 01 Damaged Products
- 02 Allergy/skin irritation
- 03 Wrong colour/looked different in brochure
- 04 Product did not work
- 05 Wrong Size
- 11 Late Delivery
- 21 Duplicate Order
- 22 Product Not in Box
- 23 Incorrect box received due to incorrect labels
- 31 Back order item returned
- 33 Price incorrect
- 34 Substitute product received - not wanted
- 42 Unable to collect money from customer

ORDER WWW1362079
 INVOICE 23666846
 ACCOUNT 107120437

FSC: QTY:

1 2 3 4 5 6 7 8 9 0 2

CD4
 107120437
 102 WESTERN SERVICES ROAD,
 WOODMEAD, 1863
 BOX C 1 OF 1
 WEIGHT 5.17 KG
 23 PIECES

NO RETURNS 23

SA

FNF
 HD 001 SA

ACCOUNT HOLDER: SALES LEADER: AREA MANAGER:

SIGNATURE SIGNATURE SIGNATURE

DATE DATE DATE

CD4 ORDER WWW1362079 INV 23666846 RETURN & ADJUSTMENT

A Return and/or adjustment request for this order was received by:

____ (NAME) _____ TOTAL RETURNS VALUE

____ (DATE) _____ (SIGNATURE)

Keep this for your records.

Use this tear-off slip as proof with your invoice in the event of future queries

How to submit an adjustment, a full box claim, or a product return

1. Write the quantity that is missing in the R&A QTY column.
2. Write the reason code as to why you are returning the products in the R&A CODE column.
3. The account holder, Sales Leader and Area Sales Manager is required to sign.
4. The following must be completed:
 - a) Sales Leader's name
 - b) Total value of the returns
 - c) Date you handed the return in
 - d) Sales Leader's signature
5. Keep the tear-off slip for your reference (*you might need to enquire about your return and you will need to provide this slip and copy of invoice to the returns team to investigate*).

Representatives should submit their Returns to their Sales Leader, the Sales Leader will submit the Returns to the Area Sales Manager, and the Area Sales Manager will submit the Return to Head Office. The only person authorized to return products to Head Office is the Area Sales Manager.



How to submit a Not in Box claim

1. Identify the product that was not received.
2. In the R&A QTY column write the quantity that is missing.
3. In the R&A CODE column write the code for NIB as per the Returns & Adjustment codes (in this case it will be code 22).

22	Product Not In Box
----	--------------------
4. Sign as the account holder (you don't need your Upline or Area Sales Manager to sign).
5. Submit the picking slip as well as a copy of your ID to nib.credits@avon.com.
6. If you would like the NIB claim to be processed in any particular month, please submit the claim before the last 3 days of the month. NIB claims have a 48-hour turn-around time, which means that claims submitted during the last 3 days of the month may only reflect in your account the following month.



There is a 40-day window period for the submission of NIB claims, i.e., you have 40 days after the date on which you received the incomplete to submit a NIB claim. NIB claims submitted later than 40 days after receipt of the incomplete order will not be processed.

A credit for returned products will not be passed if any of the following applies:

- Products returned later than 90 days from date of invoice.
- Returns of sales aids, brochures and incentive products.
- Products returned with incomplete Picking Slip form.
- Incomplete forms include:
 - Missing names and signatures of the Representative, Sales Leader or Area Sales Manager.
 - Return & Adjustment Code not specified.
- Returned product(s) not received.
- Return summary sheet not received.

Your role in the process

- Ensure that the returned product(s) you have received from your Representative are in a good condition and are separated from any leaking or damaged products.
- Verify the product(s) against the attached invoice and picking slip.
- Sign and date the Picking Slip as proof that you have received the products or credits.
- Complete the Returns Summary Sheet for all credits (if you need assistance with this, please ask your Area Sales Manager).
- Seal the bag and give it to your Area Sales Manager.

The Area Sales Manager's role in the process

The Area Sales Manager will:

- Verify the product(s) against the attached invoice and Picking Slip and ensure that they are in good condition.
- Sign and date the Picking Slip.
- Submit the Returns Summary Sheet and products to the Returns Department for Processing.

The Returns Department's role in the process

- The Returns Receiving Clerk will open the sealed bag and check the contents against the Returns Summary Sheet. If there is no Returns Summary Sheet, the Returns Manager will immediately contact the Area Sales Manager for clarification.
- If everything is in order, the return or credit will be processed.

How to claim Credit if the incorrect price is charged (a Billing Adjustment)

Follow the same steps as above. The only difference is that, because you only wish to make sure that the correct price is charged, there will be no products to return

On the form, indicate the incorrectly charged brochure price as well as the correct brochure price that should be charged. These are the Reason Codes that should be used when completing picking slip:

Code	Reason
01	Damaged
02	Substitute product received – not wanted
03	Not ordered but charged for
04	Late delivery
05	Allergy / skin irritation
06	Wrong colour / looked different in brochure
07	Price incorrect
08	Duplicate order
10	Products not in box
14	Products did not work
18	Unable to claim money from customer

Our promise

Avon is committed to providing a quality service and achieving the highest standards. One of the ways in which we can continue to improve our service is by listening and responding to the questions and views of our Sales Leaders and Representatives.

Therefore we aim to ensure that:

- Asking a question or raising a concern is as easy as possible for you
- We treat each question and concern seriously
- We deal with each issue promptly, politely and, where appropriate, informally
- We respond in the right way - with the information you need, or an apology if we're wrong
- We learn from your questions and views and use them to improve our service
- We actively involve the Sales Leader Council

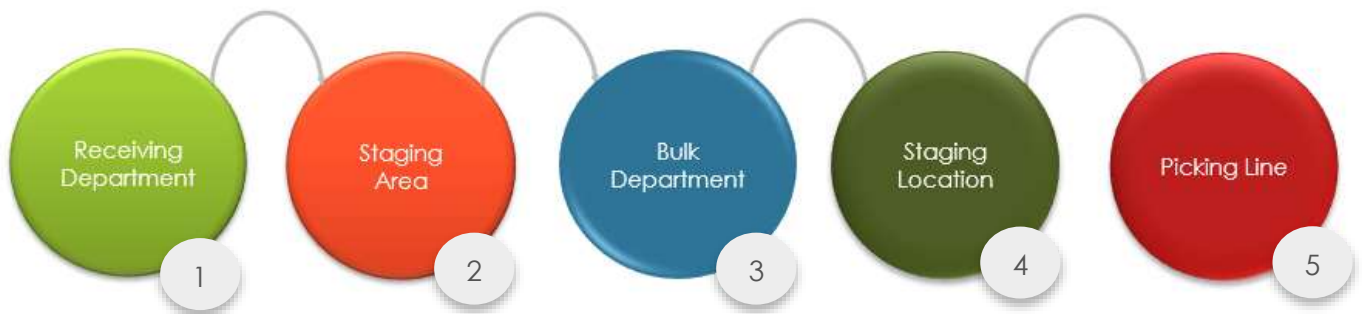
Processes behind the Scene

In this section, we will tell you more about the processes that happen behind the scenes at Avon's Distribution Centre.



Avon Justine's distribution centre

1. Stock arrives at Distribution Centre



1. Products arriving from our manufacturers first get taken to the Receiving Department in our warehouse. Stock is processed through our Warehouse Management System (WMS) system and a handover sheet is produced. This document states how many products we have in stock and what their expiry dates are.
2. After the products have been invoiced, it goes to the Staging Area where Quality Control checks to see if all the products that have been invoiced are present.
3. It then goes to the Bulk Department where the stock is sorted according to where it should go, based on isle number and location.
4. The stock then gets sent to the Picking Line based on the quantities required on the stock report. This report gets generated 3 to 4 times daily to ensure that there is enough stock on the picking line.

After you have placed your order



1. After you have placed your order, your invoice is generated.
2. Invoices are printed and placed in neat stacks where they are collected by Collation Staff.
3. It is then taken to the Collation Department where it is sorted and scanned into our system. The courier company also gets the scanned invoice at this point.
4. Next, the invoice goes to the Order Preparation Area where box size is determined based on the number of products on the invoice and their size.
5. It goes on to the Box Making Area where boxes are folded and glued and the invoice is placed in the box.
6. The box containing the invoice goes onto the picking line where the stub on the invoice is torn off and stuck on the side of the box. The account number and invoice number are written on the box and the invoice goes back into the box. On the picking line, our Pickers pick the products on the invoice from the bin on the picking line where it is located.
7. After all the products on the invoice have been packed, it may be chosen at random to go through the Quality Assurance process where every order is checked against the invoice to make sure that all the products on the invoice have been picked and packed. Our Quality Assurance staff have to check a minimum of 6 500 units per day.
8. Packed orders then go to an area on the line where they are sealed and scanned once again. This is proof that the order has gone through the entire process and is now ready to go to the courier.
9. A tracking number is generated for each box.
10. The packed, scanned boxes with their tracking number are then taken to the courier company.

2. When your order arrives at the courier company



1. The 'shuttle truck' arrives at the courier company.
2. Upon arrival, the order boxes are scanned into the system.
3. The order boxes are then taken to the sorting area where they are sorted by destination and by the contractor who will be delivering the orders.
4. A manifest is created.
5. Orders are shipped.



When you need help

The following section explains how to raise a question about Avon's services, how we handle your enquiries, and about a number of specialist services. It is Avon's expectation that all issues be dealt with quickly. For a quick response make contact via e-mail/telephone to discuss any concerns.

Do you have any questions?

For queries/concerns with orders, deliveries, balances on your own account or your 1st Generation team members' accounts, clarity on policies and procedures, please send an email to leaderqueries.sa@avon.com, or call the Leader & ASM Team at 086 010 2345.

The expectation is that the majority of complaints are resolved at local level. Your first point of contact should be Contact Centre, Queries or the Leader & ASM Team, then your upline Sales Leader, or your Area Sales Manager if you don't have an Upline.

Do you have a problem that you cannot resolve yourself?

The best option will always be to contact your Upline Sales Leader for advice. In cases where your Upline is unable to assist, please approach your Area Sales Manager for assistance.

Advanced Leadership Frequently Asked Questions

We have set out some of the most common questions and concerns below:

Q I have been with Avon Advanced Leadership for 5 months. Why haven't I earned any money?

A You need to ensure you have met the commission criteria (see Section 1). If you have not met the criteria, then you have not earned any Business Development Bonus or commission. In this instance, contact your upline Sales Leader, the Leader & ASM Team or your Area Sales Manager who can give you further coaching and training to help you achieve in future.

Q I feel I am not receiving sufficient training or support. What should I do?

A Contact your Upline Sales Leader or Area Sales Manager in the first instance, and discuss your training needs. If you do not know who your Area Sales Manager is, please contact the Leader & ASM Team who will contact them on your behalf.

Q I have inherited a team member who is located very far from me and who I feel unable to support. What should I do?

A Contact the team member and discuss their needs and how much face to face contact they feel they need. You may be able to agree on how to support the team member with little face to face contact.

Q I have recruited a team member who is not showing in my team. What should I do?

A First, ensure all paperwork was fully completed and submitted to Head Office. Call Contact Centre to see whether an account exists. If the Representative has previously held an Avon account in the last 3 months s/he will automatically revert to his/her original team. If this is not the case, contact the Leader & ASM Team who can investigate further on your behalf.

Q I don't want to build my team or increase the size of my business any further. Do I have to do so? I am happy with the team size and the amount of commission I am receiving.

A As a self-employed Sales Leader, the growth of your business is up to you. As long as your team are fully supported and trained by you, there is no expectation to achieve a particular title. There is an expectation, however, that you will offer others the same opportunity of Sales Leadership as you were offered. For example, if a team member wishes to become a Sales Leader and you have no desire for a Downline, it is expected that you will still train and support your team member, allowing them to fulfil their goals as a self-employed Sales Leader.

Q I have a team member who I believe may not be running their Representative account appropriately. What should I do?

A If you believe a Representative account is being run inappropriately, for example misuse of the returns system, then in the first instance try to coach your team member in best practice. If this is not an option, or they still behave inappropriately please contact the Leader & ASM Team who will contact the Sales Leader's Divisional Sales Manager. The matter will then be investigated.

Q I believe my upline Sales Leader may be behaving inappropriately. What should I do?

A It is expected that all Sales Leaders will follow the Avon Advanced Leadership Business Principles. If you believe your Upline, Downline or a Sales Leader from another network is not following these principles, or is behaving inappropriately in some other way, please contact the Leader & ASM Team who will contact the Sales Leader's Divisional Sales Manager. The matter will then be investigated.

Q I want to be removed as a Sales Leader. What should I do?

A Please refer to the explanation of removals in this Section.

Q What is an Area Sales Manager?

A Area Sales Managers are full-time employees of Avon who are assigned a Zone to manage and who are responsible for meeting certain performance targets that Avon sets for them.

Q How can I work with my Area Sales Manager?

A If you are a downline Sales Leader, your upline Sales Leader will provide training and support to you. However, your Area Sales Manager may run Sales Leader meetings and workshops which you may be invited to attend and which may also help you grow your business. As an upline Sales Leader, it is best to encourage your team to attend any meetings offered by Area Sales Managers in their geographical areas to gain additional training.

Q What are Group Sales?

A Please refer to the Glossary, in Section 5, for the definition of Group Sales. The "Group Sales Qualifier" which applies in order to qualify for commission at each Sales Leader level of achievement is set out in the commission table contained in Section 1 of this Guide.

3

Training

Training

Contents

Introduction
Prospecting
Appointing
LOA 1 Training: Believe to Achieve
Building and Maintaining your Team
Developing your Team
Motivating your Team
Top Sellers Club
Ambassador's Club

Introduction

To begin to build a successful business as a Sales Leader your most important activity is finding and training new Representatives and downline Sales Leaders.

This section is designed to outline a step-by-step process to enable you to do this, using best practices and tried and tested training methods. It will teach you how to sell the self-employed Avon opportunities to everyone you approach and develop the team members you gain using the following fundamentals:



1. **Prospecting**
 - Finding and recruiting new people to join your team.
 - Using name generation to identify and recruit people who have the potential to maximise Avon's earning opportunities at Sales Leader and Representative Level.
2. **Appointing**
 - Converting and preparing a prospect to become a Representative or Sales Leader.
3. **Training**
 - Training, demonstrating, guiding or showing a Representative how to gain success from Avon, and how to fulfil their personal goals.
4. **Developing**

Using various techniques and tools to develop your team members to become:

 - Downline Sales Leaders;
 - President's Club achievers; and/or
 - Ambassador's Club achievers.

Prospecting, Appointing, Training, and Developing (**PATD**) is tried and tested. Follow this system every time and you can be sure that your team of Sales Leaders and Representatives will be trained to the highest standard. Teach everyone how to do what you do and build your business the Avon way.

You will find that this section is split into the four key sections of P, A, T and D, where you will find lots of hints and tips for each element as well as information on the tools that are available to support you with each stage. We have also included information on the other fantastic tools and technology available to you to help run your Sales Leader business efficiently and effectively.

Prospecting

In this section you will find lots of hints and tips on how to plan and prepare to find your new team members. We will also show you different techniques to use when prospecting.

Next we will then look at what to actually say to potential prospects when you approach them. Remember, first impressions really do count, so with our guidance you can be sure to engage and excite your prospects in the Avon opportunity.

Planning/Preparing

Important things to know:

- Product knowledge – brochure content, special offers and incentives
- Business potential – local knowledge
- Networking – generating names or 'Leads'

Product knowledge – brochures, offers and incentives

Always keep up to date with Avon's new products and special offers so you can generate excitement when talking to your Representatives and potential new Representatives.

Know your brochure! Make sure you can answer questions on any of the current products and particularly on the brochure offers. The Let's Talk magazine is produced exclusively for Avon Representatives and keeps you informed of all the latest news and products.

Check out the Avon website too: www.avon.co.za. Always carry a current brochure and products to promote. For example, fragrance is an effective product to demonstrate – spray it or wear it!

Business potential – local knowledge

Think about the areas where you live or work:

- What happens in your area ... and when? For example, is there a flea market nearby?
- What about nurseries, baby clinics, taxi ranks, and schools?
- Work smart. Avoid peak times and sitting in traffic jams. Use the time that you spend on a bus or in a taxi to start a conversation about Avon.
- Know what the competition is doing and be business aware.



Start a conversation
that matters

Networking – generating names or 'Leads'



Networking is the art of generating names or 'Leads'. It's a way of starting new relationships to help you develop and expand your business. It generates interest in the opportunity so that a prospective Representative/Sales Leader will want to hear more.

Avon has a favourite saying when it comes to networking. It's known as the four A's:

- Anywhere • Anytime • Always • Ask

The more people you talk to, the more people you will engage in the Avon opportunity. There are four techniques that you can use to find these people.

Technique 1: Who do you know? Build your own list

You will have already started to build your team by talking to people you know, such as family, friends, neighbours, etc. If you haven't done so already, make a list of everyone you know. It's important not to pre-judge. Write down every name you can think of, even if you don't know them very well. Update the list on a daily basis. Each and every one of them can help you to build your business.

They could be:

- A Downline Sales Leader in your team
- A Representative
- A Customer

Who do they know to help you build your business? Ask them! This is what networking is all about.

Technique 2: Creative prospecting

This can be done as you go about your daily life. Talk to people you meet in shopping centres, in the street, your children's school, hairdressers, hotels, at work, in church and at the gymnasium, club, etc. Wherever you go make sure you have an Avon brochure and some prospecting flyers. Talk about Avon – tell everyone about the fantastic Avon offers and earnings opportunity.

Always ensure you have the essential tools for prospecting available, e.g. prospecting flyers can be handed out to help you expand your business. To help engage and excite potential prospects in the Sales Leadership opportunity, the Bonus and Earnings flyer has been specifically designed to capture the essence of Sales Leadership, show these to everyone.

Technique 3: Recommendations

Recommendations really work. If you wanted to go out for a special meal or if you needed a plumber, your first step would be to ask friends or family to recommend somewhere or someone.

Ask every person you meet who they can recommend to talk to about Avon.

Ask lots of questions:

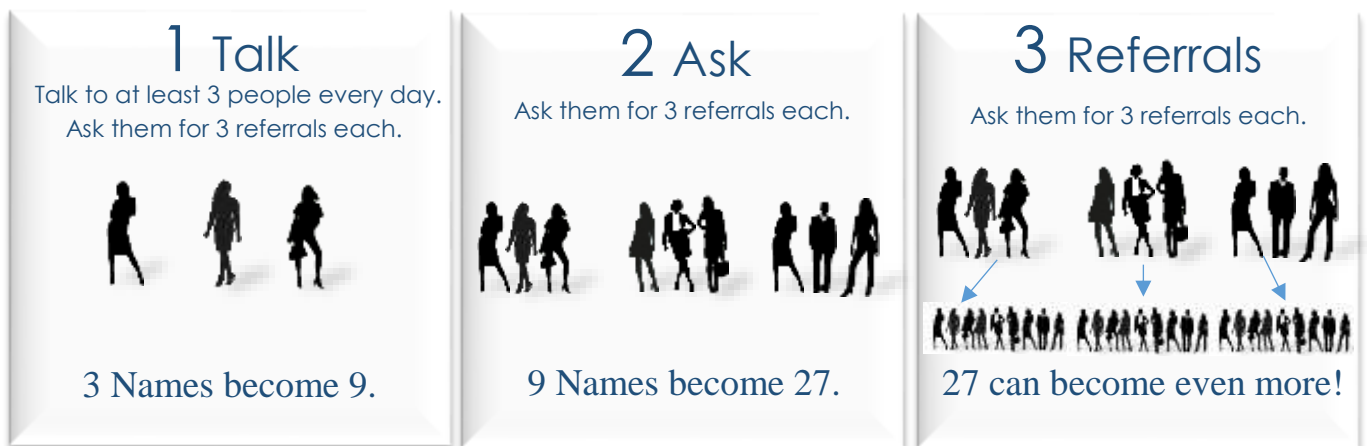
- Where do they live?
- Where do they work?
- How many children do they have?
- Are they a member of a gymnasium, stokvel, or social club?

This is called 'qualifying names'. It gives you the chance to tailor the Avon earnings opportunity to the person you've approached. For example, if they work with lots of people, maybe they would like to show the brochure at work to increase their sales and perhaps interest someone in our earning opportunity.

The Power of Three

In Avon, we strongly believe in The Power of Three. It is a very simple concept. Ask everyone you meet for the names of 3 people that may be interested to become Avon Representatives. When you meet with those 3 new contacts, ask each of them for 3 names and so forth. Your network will expand very quickly, as you can see in the illustration below:

The idea is simple yet powerful: just show your Avon brochure to at least 3 new people every day. For even more success, ask every new customer to recommend 3 of their friends or show their brochure to 3 friends – everyone loves to pass along a good deal!



3 + 9 + 27 = 39 names in 1 day. Imagine 39 a day x 5 days a week = 195 leads a week!

Do not be misled by claims that high income is easily achievable.

Technique 4: Advertising

Advertising can bring good rewards. Please ensure you follow the Advertising Guidelines in Section 4. There are many places to advertise, including local papers, free papers, shop windows, church newsletters, notice boards in supermarkets, leisure or community centres and the internet. Always stay within the scope of Avon's Advertising Guidelines, but be creative and find out what works best for you.



Summary Advice

Planning and preparation are vital. They will give you the ability to sell the Avon earnings opportunity to everyone you meet.

Familiarise yourself with the brochures, products and special offers so that you are confident when talking to your Representatives or approaching people. Plan where you're going each day – and why. Never miss an opportunity to talk about Avon.

Use these four techniques to network:

1. Who do you know? Build your own list
2. Creative prospecting
3. Recommendations
4. Advertising

Don't pre-judge people – talk to everyone! Always carry a brochure, prospecting flyers, Bonus and Earnings flyers and Avon demonstration products.

Opening

Remember: You only get one chance to make a first impression!

Sales Leadership is a serious business opportunity from which people can earn an excellent income, so it's important to:

- * Look professional – dress smartly and smile
- * Be professional – treat your business as a business
- * Be punctual, well prepared and polite

Everyone can be successful when using the right opening

- Be enthusiastic
- Have a positive attitude
- Be friendly and approachable

Engage the prospect – make them feel comfortable. Getting people interested is the first step, so show everyone how enthusiastic you are about the fantastic opportunities Avon offers.

What can I say?

When you open a conversation, you want to show the person you are genuinely interested; this sets the tone for the remainder of the conversation.

The 4 C's

- Engage the prospect in a **Conversation**
- Establish **Common** ground. You want to find something in common that you will use to introduce Avon.
- Establishing common ground shows that you **Care**.
- Give a **Compliment** – everyone likes a compliment. Compliment something that he/she is wearing or doing.

For example: You are waiting to go into the cinema, the queue is really long and the person in front of you is carrying a bag that looks similar to one featured in the brochure.

'Hi, I just wanted to say I really like your bag, it is similar to one that is available from Avon. When was the last time you saw an Avon brochure?'



There are several different techniques you can use at different times, practise them all and find out which one works best and is most natural for you.

If it's someone you know ...

If you know the person's name, use it. It attracts people's attention as it shows you are interested in them.

"Hi Sue, I've taken up a great business opportunity with Avon. I'm really excited about it and immediately thought of you. Which day can I come to talk to you about it – Wednesday or Friday?"

If you don't know the person - yet!

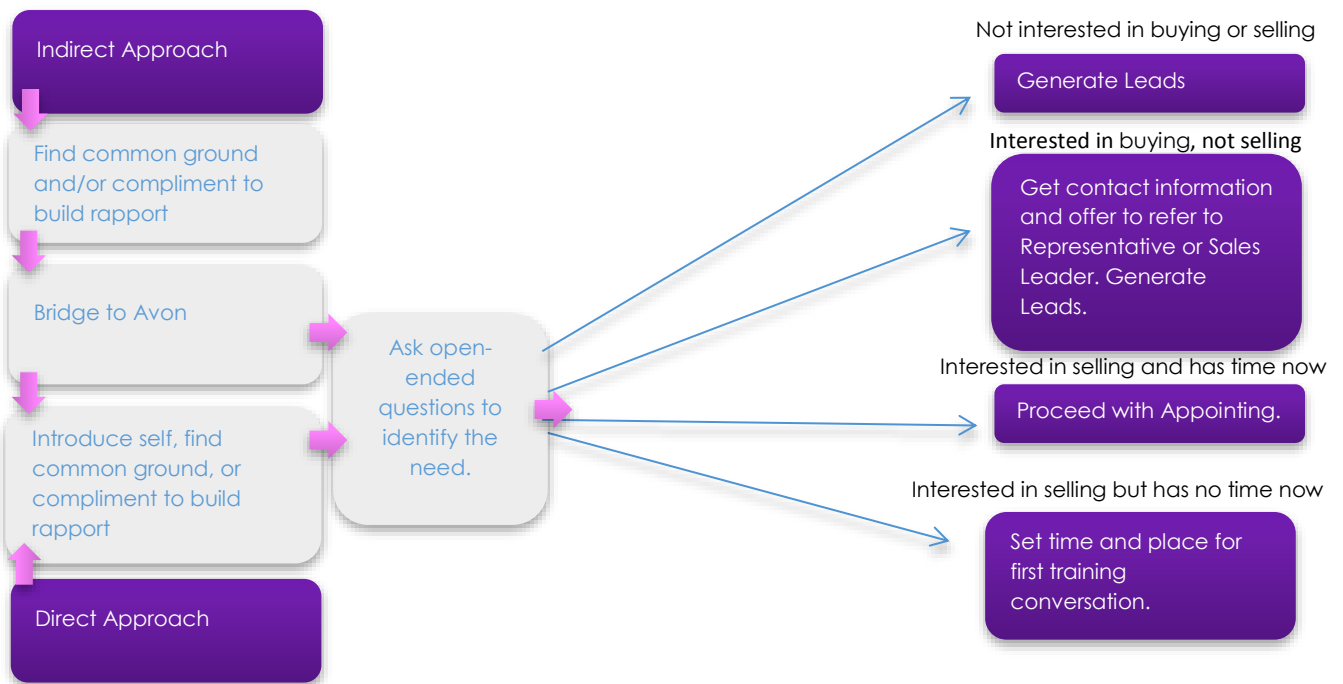
"Hello, my name's Ann. I'm an independent Sales Leader for Avon and I'm working in the area today. Can you tell me when you last saw one of Avon's lovely brochures?"

At this point have your brochure ready to show the latest offers.

Always make sure that you are carrying an Avon brochure and prospecting flyers. Remember that most people have never thought of becoming an Avon Representative, so give them the opportunity to relax. Use your brochure as an ice breaker to give you a chance to build a rapport.

Conducting Prospecting: Prospecting Decision Tree

Approach ➡ Create excitement ➡ Book Appointment



Summary Advice

Be friendly and professional, and remember to smile! • Keep practising your approach until you feel comfortable. Remember the 4 C's. • Use the technique that is right for you. A "no" still has business potential ... and may give you a customer or a contact name.

If someone is interested, make the appointment while their interest is still hot. To bring someone into your team as a Representative you will cover the next steps in their own home or at an agreed meeting place.

- Interviewing
- Presenting
- Responding to concerns
- Closing
- Follow up

You should allow approximately one hour for the first appointment which should always be conducted face to face. If you are consistent in the way you appoint and train, you will ensure that your Representatives get the best possible start, becoming successful members of your team. You will also be setting the high standard for any Representatives who go on to be your downline Sales Leaders.

If you're new to prospecting, the decision tree provides an 'at a glance' snapshot of how to prospect.

Appointing

During your time prospecting you will have found people who are interested in the Avon earnings opportunity. This is when it is appropriate to book an Appointment with the prospect, allowing 45 minutes to an hour to complete the Appointment.

In this section you will find information on the Appointment process and lots of hints and tips to implement when actually carrying out the appointment and maximising the content of the Believe to Achieve guide (see Section 3).

Appointing, Training and Supporting a Representative

When you are appointing a new Representative you must ensure:

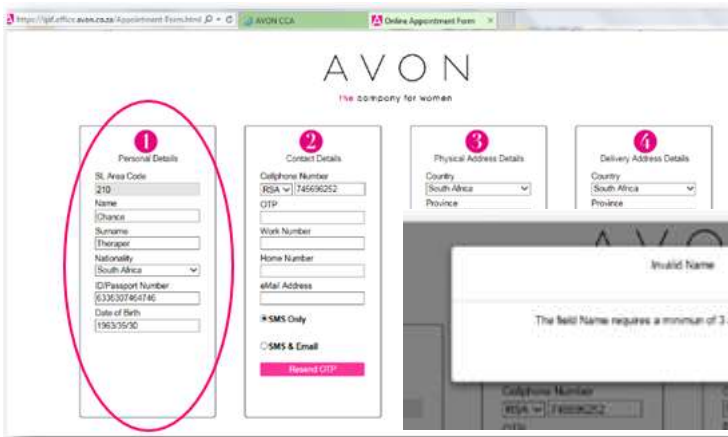
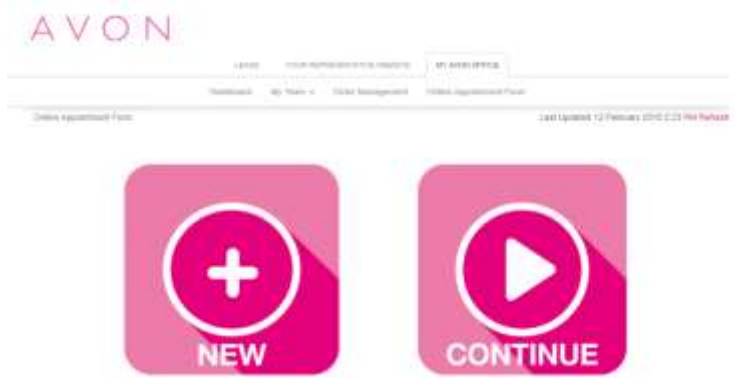
- They are over 18 years of age.
Avon reserves the right to remove a Sales Leader who contravenes this requirement. A person under 18 years of age cannot operate as an Avon Representative Account, even if a parent or guardian is willing to sign the Representative Agreement and to act as the contact point. Only minors who are legally emancipated will be eligible to join Avon.
- The initial appointment is made face to face by the appointing Sales Leader.
- A copy of the Representative's ID document must be provided.
- They are informed that a credit-reference check will be carried out.
- They are informed that their personal information may be passed to other team members (Uplines) and that, by signing the Application Form, they thereby consent to the release of their personal information.
- They are reminded not to disclose their password to anyone, including yourself.
(This refers to the password they will be using on www.avon.co.za.)
- They are advised about the administration fee (R23).
- They are given sufficient time to read the Representative Agreement before they sign.
- Tell them about the joining fee (R85).

Appointing a Representative:

Representatives can be appointed by using our on-line appointments tool or paper applications process.

On-line Appointments

You can access the on-line appointments tool via My Avon Office – either on your PC or on your smartphone. When you click on the Online Appointment Form tab in My Avon Office, you will have the option to start a new application, or continue with an existing application that you have started at another time. Click on the button with the + sign to start a new application.



Next, complete the fields on the screen that follows. Your Sales Leader Area Code will already be in the required field. If you should make a mistake on the form, you will receive a notification from the tool telling you how to correct the mistake.



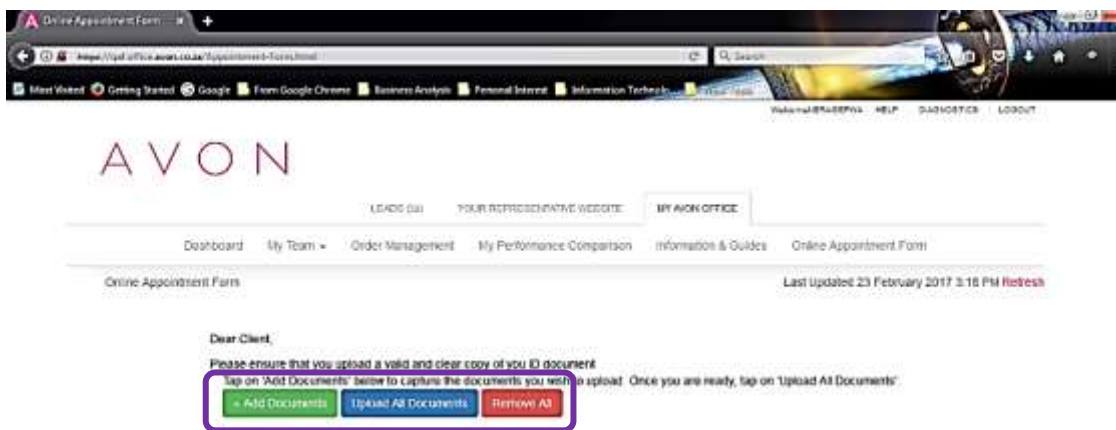
An OTP (one time pin) will be sent to the cell number provided. This is needed in order to continue with the application. After entering the OTP, the rest of the information can be completed.



You can search a street name to ensure that the correct town and postal code is used. You will see a list of possible towns and postal codes. Simply click on USE to select the correct address. At this point, you can save the application or continue after entering physical and delivery addresses.



Your next step is to upload a copy of the applicant's ID document or ID Card. There is a comprehensive guide on www.avon.co.za under Online Training on how to upload clear ID copies.



The tool will show a **Successful Application** message and the new Representative will receive a text message stating that her application was successful, including her account number, account type and credit limit.

Your next very important step is to help the new Representative to register on the Avon website and to place her first order.



Remember: if you don't close the deal by having her place her first order, you will derive no benefit from your new Representative and she will not earn any discount. Representatives who do not earn are likely to leave Avon, which means that all your hard work to recruit her will have been in vain.

Completing the Avon Representative Application form

The critical piece of paperwork which opens the new Representative's Avon account is the Avon Representative Application form. Your Upline or Area Sales Manager will show you how to complete the Avon Representative Application form accurately when appointing your first team members.



Please note that failure to complete the entire Representative Application form correctly will result in a delay in processing, which can endanger your title achievement and impact your earnings negatively.

The new Representative must:

- Complete the form herself/himself in his/her own handwriting;
- Complete all the fields in full;
- Use a black pen;
- Write neatly in the blocks provided; and
- Sign the application form and acknowledgement of terms.

Make sure that a clear copy of the new Representative's identity document, driver's license, or passport is attached to the application form. You should compare the original document with the copy to make sure that the document does belong to the new Representative.

After the appointment

- Provide the next month's brochures (at least 5) and any of the information that was not available at the time of the appointment
- Conduct the follow-up calls
- Continue to train, motivate, and nurture the Representative

Appointing Representatives who live far away from you

If you propose to appoint a Representative who lives far away from your home, you must be willing to attend the initial meeting personally and conduct at least one follow up call. Follow-up calls must also be made, and it is best practice for them all to be made in person.

Appointment Training: Start Smart Guide

The Start Smart Guide is a **one** page document that contains all the most crucial information that a new Representative needs to know. All Representatives have to receive a copy of this document. If you do not know where to find a copy of the Start Smart Guide, please ask your Area Sales Manager for assistance.

Because the Start Smart Guide is only one page long, it is a very useful document for Sales Leaders to have with them when appointing Representatives. The Guide contains handy contact details as well as Avon's banking details.

LOA 1 Training: Believe to Achieve

The world-class Believe to Achieve Training Manual is in the Sales Leadership bag and is also available for download on www.avon.co.za. This is an ideal opportunity for you to discuss the Avon earnings opportunity with your Representative in enough detail to generate excitement and to ensure that the Representative knows exactly what his/her next steps are.

There are many benefits to conducting the Believe to Achieve Training Manual with your Downlines:

- The Direct Selling Association (DSA), of which Avon is a founder member, has a Code of Conduct which requires us to give prospective Representatives all the information they require regarding the Avon opportunity before signing them up;
- The *Believe to Achieve Training Manual* has been designed to excite and engage our Representatives, so they will start their business in the right frame of mind; and
- The manual can be used very effectively to help the Representative set his/her own goals and start on a customer list.

In this guide we will discuss the **Believe to Achieve Training Manual**. Our training manuals will be replaced by new materials from time to time, and as soon as they do, we will update this guide for you. The Believe to Achieve Training Manual (available in your Business Leader bag) is an easy, step-by-step guide to success for any new Representative. Below you will find a content list for the training manual in addition to suggestions on how to deliver the content of the *Believe to Achieve Training Manual*.

The Believe to Achieve Training Manual Contents

Looking at the contents of this training manual, you will no doubt agree that it contains everything needed for a smooth and problem-free start-up of an Avon business.

<p>1 What's in it for YOU? page 3 My possible EARNINGS</p>	<p>7 Finding customers pages 10 to 11 Finding more customers My First Customer List</p>
<p>2 The 3 types of Avon Representative accounts page 3 Manage my account type – Pay-As-You-Go Account – 21-Day Account – Deposit to Buy</p>	<p>8 The Avon Brochure – Your Shop Window pages 11 to 13 Getting brochures to my customers Know your brochure and Let's Talk Lumpy brochure Brochure investment</p>
<p>3 Deliver to my customers pages 4 to 6 How do I read my Invoice? Receiving my box Customer Order Slip How to deliver to my customers</p>	<p>9 Selling to my customers pages 13 to 14 5 Easy Steps to Selling Success Advanced Selling Techniques Power of Skincare</p>
<p>4 Paying my Avon account page 7 to 8 How do I pay my Avon account? Money Management Tips Payment information</p>	<p>10 What do you need to earn to make your dreams and goals come true? page 15 Let's Plan to Achieve</p>
<p>5 Where to from here? page 9 Find – Show – Sell</p>	<p>11 Placing my customers' orders page 15 How do I place my orders every month?</p>
<p>6 What do you want to do with your earnings? page 9 Goals and dreams</p>	<p>12 What else can I achieve with Avon? page 16 Becoming a Top Seller Sales Leadership Opportunities</p>
	<p>13 Important contact information page 17</p>

Before you open the Believe to Achieve Training Manual

The interviewing or 'pre-interview' stage is simply a five minute chat at the beginning of the meeting to:

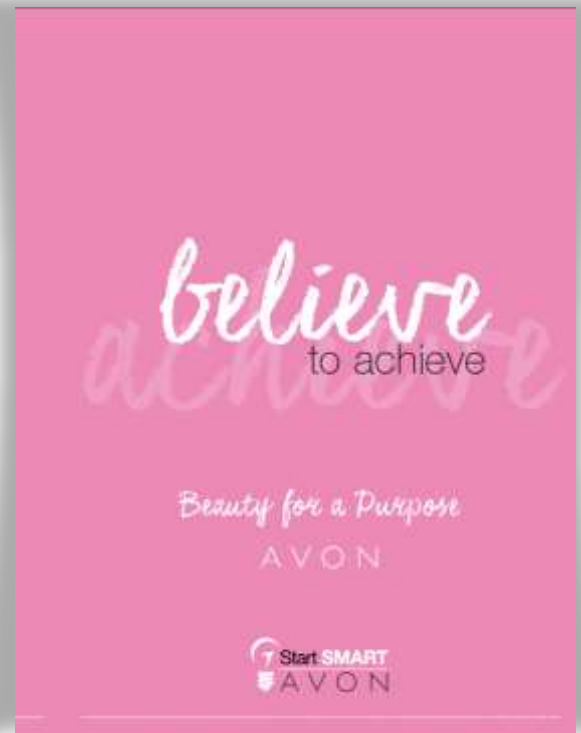
- Help the prospect relax and show genuine interest in them
- Find out what's important to them and what their needs are so that you can match them later to the Avon opportunity

Use open-ended questions (how, what, where, when, why) to start to find out about the prospect. Listen carefully to the answers and show you're listening by nodding, smiling, etc.

Examples of open-ended questions are:

- How long have you lived here/in the Zone?
- Have you ever bought from Avon?
- Have you ever been a Representative before?
- What interests/hobbies/social activities do you enjoy?
- How much time do you have to yourself, now that your child/children are at school?

The interviewing stage is crucial in getting to know your new Representatives. You will be using the information you gather to show them how their needs can be satisfied by joining Avon and, later in your association, you will keep using this information to motivate them. Remember to dress appropriately and wear Avon accessories and make-up to show that you believe in the brand.



How to use the Believe to Achieve Training Manual

It is best to sit next to your new Representative, working through the manual together. Choose a quiet place with enough space to view the training materials, brochure and products.

You will find a downloadable copy of this guide on www.avon.co.za. Work through the manual in a methodical manner, starting at Page 1. Do not skip any pages. *The Believe to Achieve Training Manual* contains all the basic information to get your new Representatives started. Skipping any information can cause them to have a slow start to their business, which may have a negative influence on how they experience Avon.

To maximise the impact of this training session, be sure to assist the new Representative in completing all the exercises in the manual (pages 6, 7 and 9). This is important for goal setting, motivation and a fast start to your new Representative's business.

Your Appointment tools and where to find them

Item	What to do with it	Where to find it
Appointment Pack	Pack designed to help you appoint a new Representative. Contains all the materials required for appointing someone in your team.	In your Sales Leadership bag. Avon will provide you with a replacement pack for every successful appointment.
Representative Agreement Form	Complete all sections of the Agreement and promptly send to Avon.	In the Appointment Pack.
Customer Calling Book	Show your new team member how to complete the Customer Calling Book, explaining the benefits as you progress.	Available for download on www.avon.co.za .
Believe to Achieve Training Manual	Use it to generate excitement in the Avon earnings opportunity and to help the new Representatives set goals and make action plans.	In the Appointment Pack and available for download on www.avon.co.za .
Start Smart Guide	Use it to give prospective new Representatives an overview of the benefits and best practices and to ensure that they always have all the most crucial information at hand.	In the Appointment Pack and available for download on www.avon.co.za .
Brochures	Engage and excite your Representative and assist them getting their business started.	Get one for free with every order, or order via Let's Talk under Business Builders. The more you buy, the less you pay. E-brochures and v-Brochures are available for free on www.avon.co.za and the Avon APP (mBrochure with a mobile version of the brochure) is available for iPhones and mobile phones operating on an Android system. (Download for free from Play Store or App Store.)
Demonstration products and samples	Engage and excite your Representative and assist them in getting their business started.	Order from the Business Builders page in the Let's Talk magazine.
Global Recruitment Flyer	Flyer specific to promoting Sales Leadership – hand out to potential prospects.	Order via Let's Talk – Business Builders under Business Boutique, Product Code 45080
Application / Order Form Packs	Complete them correctly and give them to your Upline or Area Sales Manager to submit to Head Office.	Order via Let's Talk – Business Builders under Business Boutique, Product Code 65048.

To maximise the potential of your new team members to increase their Sales and your earnings, Avon recommends that you complete best practice training calls with each team member.

To support you when carrying out your training calls, we suggest that you compile a Business Training File.

In Section 3 there's a list of items that you could include.

Remember: when you recruit new downline Sales Leaders into your team, show them how to complete Representative training calls to maximise their team potential and, of course, strengthen your second Generation of Representatives too!

You will also find useful guidelines on what to do should a team member leave. Carrying out a replacement call is our best practice guideline to ensure you maintain your team size and earnings.



Follow-up

It's important that all your Representatives receive thorough training, so that they reach the very highest standards. Teach everyone to do exactly what you do, and build your business the Avon way.

Our Avon APP (mBrochure) training can be used very effectively to encourage your Representatives to use our online tools for ordering purposes. You can find it on www.avon.co.za in the Training tab under Online Training.

Building and maintaining your team

Replacement call

It is always disappointing to lose a team member; however, you can turn this into a positive experience for the person who is leaving and for yourself and your business.

There are many reasons why it is good practice to conduct Replacement calls. You are in control of your business instead of letting your business control you. You can protect your title by talking to your team members who are leaving, which in turn will protect your earnings.

Replacement calls will save you time on prospecting. It fosters Representative goodwill and gives you an opportunity to talk and find out vital information. It is a fundamental part of Avon's best practice and is a tried and tested way of maintaining good relations and continued customer service – in turn, this will protect your whole business.

Start with the pre-interview

Ask a few open-ended questions to build rapport and confirm current circumstances - what has changed?

Say thank you...

They have contributed to Avon and to your business. Thanking them and maintaining goodwill may result in them continuing as a customer or returning as a Representative at a later stage.

Establish their reasons for leaving

Confirm and re-state their reasons for wanting to leave.

Discuss options

Offer them an opportunity to stay as a 'Family and Friends' Representative, selling only to their loved ones.

Offer the opportunity to come back to sell Avon later

Agree if and when you may re-contact them. Some people like to sell at certain times of the year, such as the Festive Season.

Make arrangements for closing the account

Be specific in agreeing on final delivery/payment/returns.

Ask to review the customer list or request to see their Customer Calling Book

Review the customers they served. Highlight the best customers; and ask who has the potential and might want to take over. 'Tell me about this customer?' 'Who used to place large orders?' 'Who ordered every time?' etc. Take addresses/phone numbers for customers who might be stranded by their Representative leaving.

Replacement

Ask for suggestions for a replacement. Encourage the Representative to ask his/her customers if they would like to become a Representative as he/she delivers the final orders.

Diarize

If they have agreed to being re-contacted at a later stage, make an entry in your diary on the corresponding date to ensure that you don't forget.

Re-contact

You should re-contact team members who have left, either with a view to re-instating them, or for new names. 'Who has asked them about Avon since they left?'

Remember: when someone tells you that they no longer wish to sell Avon always ask WHY not just WHEN!

A Replacement Call will ensure the Representative leaves with goodwill and provides you with information and leads to replace quickly.

Replacement Call Checklist

- Did you set the scene?
- Did you ask open-ended questions to build rapport and establish current circumstances? What has changed?
- Did you thank them for their contribution to Avon and to your business?
- Did you maintain goodwill for Representative to continue as a customer?
- Did you establish the reason for leaving and listen to what was said?
- Did you discuss options, e.g. offering the opportunity to stay and sell only to loved ones?
- Did you discuss Advanced Leadership?
- Did you offer the opportunity to return and agree when to re-contact?
- Did you set expectations for closing his/her account - delivery/payment/returns?
- Did you update the customer list? Did you ask for the Customer Calling Book?
- Did you highlight the best customers to potentially take over the area?
- If they agreed to being contacted at a later stage, did you diarize the date?
- Did you use Replacement call checklist to structure the call and use as a self-help list for personal improvement?
- Did you successfully appoint a replacement through networking from the customer names?
- Did you leave him/her with a positive feeling about Avon?

Building your own Business Training File

A business training file is invaluable because it ensures that you are fully prepared for any call you make as a Sales Leader. You will always have the right forms and information to show to people when you're talking about Avon.

Here's a list of suggested items for your file. Build on the content as you progress with your business. Your upline Sales Leader or Area Sales Manager will also be able to help and advise.

- Your copy of the Believe to Achieve manual
- Brochures
- Examples of completed customer order slips
- Customer Calling Book filled out as an example
- Delivery bags
- Example invoice
- Fast Start bonus details
- Example of picking slip
- Top Sellers Club flyer
- Ambassador's Club Flyer
- New product information
- Current promotions
- Let's Talk Magazine
- Guides to training, replacement and development calls
- Recruitment flyers
- Copy of Start Smart Guide
- Avon App material
- Copies of Bonus and Earnings Flyers
- Deposit to Buy materials
- Payment Z-card



Always remember to check the training section of our website for updated Sales Leader-specific training to help you build your business.

Developing

As you have seen throughout the guide, best practice training is a key focus for you to cover with your team; however this is only the beginning!

The next stage is developing your team of Representatives and downline Sales Leaders. This could be in the form of planning towards President's Club achievements or even Sales Leadership success.

Building and Developing a Downline Team

Downline growth is essential to achieve higher earnings from your Advanced Leadership business. Recruiting Downline Sales Leaders will lead to an increase in your Status and earnings.

Advanced Leadership should be discussed during every contact, giving every Representative the opportunity to become a Sales Leader. Talk to absolutely everyone about Advanced Leadership, showing them how to do what you do – it's that simple!

Share your own story about Advanced Leadership and of course use the tools that are available to you to help excite new prospects about the Sales Leadership opportunity. Remember, even if a Representative initially showed no interest in Advanced Leadership, you can revisit this at any time, as their circumstances may have changed.

As with new Representatives, best practice training is critical to new Sales Leaders too. In this section you will see what guides and tools are available to you to support this.

Development



Recruiting for Advanced Leadership

As a Sales Leader, you not only need Representatives in your Downline, you need Sales Leaders. These are the Representatives that you are going to introduce to Advanced Leadership and, if they are interested in maximising their earnings, you will appoint them as Trainee Sales Leaders and grow them through the Sales Leadership levels. The only way for you to increase your earnings significantly is by rising through the levels yourself.

The first step is to identify Representatives who would be good Sales Leaders. They are easy to identify. You need Representatives who:

- Order each Campaign
- Have 20 or more customers
- Order sales tools like brochures, demonstration products and samples
- Submit and pay for their orders on time
- Attend training

Also be on the look-out for Representatives who:

- Want to be their own boss
- Believe in the Avon earnings opportunity
- Are willing to be trained and coached
- Are willing to invest time into their business
- Enjoy helping others succeed

You are allowed to recruit Sales Leaders who are not Avon Representatives, but this is not best practice.

Ideally, recruit Representatives first, and after 4 months, when they've done their Believe conversations and have had the opportunity to experience Avon as a Representative, recruit them into Advanced Leadership. This way, they will know all there is to know about how to run their businesses and they are more likely to achieve success in Advanced Leadership. This will mean that you are working towards a team of strong and dedicated future Sales Leaders.

You have access to amazing tools that will assist you in recruiting Sales Leaders to join your team. As you have seen in Section 1, you require titled Downlines to help you achieve higher titles and increased earnings.

The tools available to you are:

Item	Use it to:	Where to find it
<i>Advanced Leadership Recruitment Flyer and Bonus and Earnings Structure</i>	Generate excitement in the Advanced Leadership opportunity	In the Sales Leadership Bag
<i>Coordinator Workshop Leader Workshop Executive Leader Workshop</i>	Train Sales Leaders on Leader Level on how to move up to Executive Leader Level	Available for download on www.avon.co.za

Appointing your Candidate

After you have spoken to your Representatives and they have indicated that they would like to join Advanced Leadership, you have to appoint them. There are a few things to keep in mind when appointing your new Candidate:

- Your Representative must complete and sign the Sales Leadership Agreement;
- Tell your new Downline about the Sales Leadership Bag that will be invoiced to him/her Avon account (R225 [two hundred and twenty-five rand]) together with his/her next order. His/Her title will be Trainee until he/she has paid for the bag. After payment, his/her official title is Candidate;
- He/She must complete a Bank Detail Form. Please note that the form will be rejected if any changes are made to the details filled in on the form. The original of this form must be submitted to the Area Sales Manager, together with the signed Sales Leadership Agreement and a letter from the bank;
- All the documents have to be submitted to banking.details@avon.com;
- Once registered, the start date of the Candidate cannot be changed;
- You must inform the Candidate of the Zone Number and area code he/she must use when registering new Representatives; and
- The Candidate Sales Leader only becomes eligible to receive Sales Leadership Bonuses and Commission **after** he/she has met the three qualifying criteria.

Also keep the following in mind:

- Sales Leaders can choose to stop being a Sales Leader, but this needs to be in writing. The notification must be given to the Area Sales Manager who will then submit it for approval to the Divisional Sales Manager, or it can be sent to leaderqueries.sa@avon.com;
- Sales Leaders who choose to cancel the Sales Leadership Agreement **can** continue to be Avon Representatives; and
- Sales Leaders may be removed from the active base and their Sales Leadership Agreements automatically cancelled if their Avon accounts are inactive for 3 months.

Training your Candidate

Training your downline Sales Leaders means that they are more likely to be successful and their earnings will grow. Avon recommends a simple but effective plan over a few weeks that covers best practice Sales Leader training based on the 'Show, Share, Observe' (SSO) principle.

Show

Show your Candidate how to conduct a Believe meeting. This is best done with the first team member your Downline appoints into their team.

Share

Share the second appointment, each taking an active part. Make sure you agree which part you both will play. Ensure your new Candidate feels comfortable. Discuss the appointment afterwards to find out how they felt. Offer your help and support.

Observe

Allow your Candidate to conduct the whole of the **Believe to Achieve** training whilst you observe. Encourage and motivate during the call. Again, discuss the appointment afterwards to make sure your Candidate is happy to continue without your help.

It is for your own benefit to ensure that this training happens. You are directly responsible for the training of your First Generation Downlines – you are, also responsible for ensuring that they train their own Downlines.

Motivating your Downlines - Useful Tools

The secret to success in terms of keeping your team active is using the many motivational tools that Avon provides to you. Remember that some of your team members may not be self-motivated. This is true for any industry and every country in the world.

Avon recognises that different people are motivated by different things, so this is why we have invested greatly in assisting you with this. Many people are motivated by the need to become the best of the best. Avon has a programme that taps into this need.



Top Sellers Club

Top Sellers Club is a programme designed to recognise our Representatives for their personal achievements. It is an excellent tool that you can use to boost your Representatives' loyalty to Avon, their sales and therefore their earnings – and your earnings as well. When training your new Representatives, ensure that they are aware of the benefits of belonging to this exclusive club.

Representatives can achieve four membership titles in Top Sellers Club: Bronze, Silver, Gold and Platinum.



Bronze

In order to qualify for Bronze membership, Representatives have to achieve brochure sales of at least R123 000 between January and December 2018. Bronze qualifiers can look forward to:

- A personalised Bronze Top Sellers Club certificate
- An invitation to a special Bronze luncheon hosted by their Area Sales Manager in 2019
- A beautiful bronze-toned metallic badge with a crystal gemstone

In 2019, Bronze members will also receive:

- 5 Free brochures per month
- Exemption from the administration fee
- Exclusive demo offers in the Let's Talk
- Access to a dedicated customer care line
- 1 Free product per quarter



Silver

In order to qualify for Silver membership, Representatives have to achieve brochure sales of at least R180 000 between January and December 2018. Silver qualifiers can look forward to:

- A personalised Silver Top Sellers Club certificate
- An invitation to a special Silver luncheon hosted by their Divisional Sales Manager in 2019
- A beautiful silver-toned metallic badge with a crystal gemstone

In 2019, Silver members will also receive:

- 10 Free brochures per month
- Exemption from the administration fee
- Exclusive demo offers in the Let's Talk
- Access to a dedicated customer care line
- 1 Free product per month



Gold

In order to qualify for Gold membership, Representatives have to achieve brochure sales of at least R310 000 between January and December 2018. Gold qualifiers can look forward to:

- A personalised Gold Top Sellers Club framed certificate
- An invitation to the 2019 Gold and Platinum Top Sellers Club banquet hosted in Johannesburg. Accommodation will be provided and, where necessary, travel arrangements will be made.
- A beautiful gold-toned metallic badge with a crystal gemstone

In 2019, Gold members will also receive:

- 10 Free brochures per month
- Exemption from the administration fee
- Exclusive demo offers in the Let's Talk
- Access to a dedicated customer care line
- 2 Free products per month



Platinum

In order to qualify for Platinum membership, Representatives have to achieve brochure sales of at least R620 000 between January and December 2018. Platinum qualifiers can look forward to:

- A personalised Platinum Top Sellers Club framed certificate
- An invitation to the 2019 Gold and Platinum Top Sellers Club banquet hosted in Johannesburg. Accommodation will be provided and, where necessary, travel arrangements will be made.
- A beautiful platinum-toned metallic badge with a crystal gemstone

In 2019, Platinum members will also receive:

- 15 Free brochures per month
- Exemption from the administration fee
- Exclusive demo offers in the Let's Talk
- Access to a dedicated customer care line
- 3 Free products per month
- Top Sellers Club trophy

Top Achievers' Council

If Representatives want to be a part of the Top Achievers' Council, the total value of their Personal Brochure Sales in 2018 must place them in the top 40 nationwide. However, should there be a 10 (ten) percent or more decline in a winner's sales growth over 2 (two) or more consecutive years, they may be disqualified.

Our Top Achievers do get spoiled. In 2019, all 40 Representatives who qualify for the Top Achievers' Council will be treated to a four-night cruise to Pomene Bay, Mozambique, aboard a luxurious MSC cruise ship.



Ambassador's Club

Ambassador's Club is Top Sellers Club's sister program for Sales Leaders. This programme recognises top achievements in team brochure sales between 1 August 2017 and 31 July 2018.

Ambassador's Club also boasts Bronze, Silver, Gold and Platinum membership levels, and members are treated like royalty.



Bronze

In order to qualify for Bronze membership, Sales Leaders have to achieve team brochure sales of R1 635 000 between 1 January 2017 and 31 July 2018. They will be rewarded with:

- A personalised Bronze Ambassador's Club certificate
- An invitation to a special Bronze luncheon hosted by their Area Sales Manager
- A beautiful Ambassador's Club bronze-toned metallic badge with a crystal gemstone

From 1 August 2018 to 31 July 2019, Bronze Ambassador's Club members will receive:

- 10 Free brochures per month
- Exemption from the administration fee
- Exclusive demo offers in the Let's Talk
- Access to a dedicated customer care line
- 1 Free product per quarter



Silver

In order to qualify for Silver membership, Sales Leaders have to achieve team brochure sales of R2 725 000 between 1 August 2017 and 31 July 2018. They will be rewarded with:

- A personalised Silver Ambassador's Club certificate
- An invitation to a special Silver luncheon hosted by their Divisional Sales Manager
- A beautiful Ambassador's Club silver-toned metallic badge with a crystal gemstone

From 1 August 2018 to 31 July 2019, Silver Ambassador's Club members will receive:

- 15 Free brochures per month
- Exemption from the administration fee
- Exclusive demo offers in the Let's Talk
- Access to a dedicated customer care line
- 1 Free product per month



Gold

In order to qualify for Gold membership, Sales Leaders have to achieve team brochure sales of R3 960 000 between 1 August 2017 and 31 July 2018. They will be rewarded with:

- A personalised Gold Ambassador's Club framed certificate

- Gold Achievers for 2017/2018 will receive an invitation to the 2018 Inspire Sales Leaders Conference in Johannesburg. Accommodation will be provided and travel arrangements will be made where required.
- Accommodation will be provided and travel arrangements will be made where required.
- A beautiful Ambassador's Club gold-toned metallic badge with a crystal gemstone

From 1 August 2018 to 31 July 2019, Gold Ambassador's Club members will receive:

- 20 Free brochures per month
- Exemption from the administration fee
- Exclusive demo offers in the Let's Talk
- Access to a dedicated customer care line
- 2 Free products per month



Platinum

In order to qualify for Platinum membership, Sales Leaders have to achieve team brochure sales of R7 360 000 between 1 August 2018 and 31 July 2019. They will be rewarded with:

- A personalised Platinum Ambassador's Club framed certificate
- Platinum Achievers for 2017/2018 will receive an invitation to the 2018 Sales Leaders Conference in Johannesburg. Accommodation will be provided and travel arrangements will be made where required.
- A beautiful Ambassador's Club platinum-toned metallic badge with a crystal gemstone

From 1 August 2017 to 31 July 2018, Platinum Ambassador's Club members will receive:

- 25 Free brochures per month
- Exemption from the administration fee
- Exclusive demo offers in the Let's Talk
- Access to a dedicated customer care line
- 3 Free products per month
- Ambassador's Club trophy

Top Achievers' Council

To qualify for the Top Achievers' Council in Ambassador's Club (valid from 1 August 2017 to 31 July 2018), your team brochure sales must place you amongst the top 40 Sales Leaders in the country and your total team sales have to be higher than the prior 7-month cycle. Our 2018 Top Achievers in Sales Leadership will be treated to a 3 night, 4 day stay in beautiful Cape Town.



4

Advertising Guidelines and Complying with the Law

Contents

The Avon Name and Trademarks
Complying with the Law
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Sales Leaders must follow these guidelines in advertising and in promoting their Avon business. Violation of these guidelines may result in removal. Avon reserves the right to change, modify or discontinue these guidelines at any time.

The Avon Name and Trademarks

Protecting the Avon Name

Since 1886, Avon has worked hard to build an outstanding reputation for quality products, personal service, and integrity.

The Avon name must be carefully preserved and protected. Avon cannot permit its name and trademarks to be weakened. To do so would be to devalue the Avon name and eventually cause Avon to lose an important asset. The Avon name and the names of our individual products are valuable “calling cards” that tell consumers they are receiving genuine, guaranteed Avon products and services. Any time the Avon name, trade name or trademarks are used improperly or by someone other than the owner – Avon Products, Inc. – their importance can be greatly diminished.

Once the Avon name or its trademarks are jeopardised, it is impossible to regain their full value.

As always, the Leader & ASM Team is available to assist you and answer any questions or concerns you may have.

What is a Trademark?

A trademark is a word, name, symbol, or device used by a manufacturer to distinguish its goods or services from others. With Avon, this protection includes such names as ‘Avon’, Avon symbols and the various names we give our many products and services. For example, there is only one Skin-So-Soft and one Anew – each belonging solely to Avon.

All Avon products, services, and symbols enjoy this protection under the law and may not be used by any other company. In this way, when consumers buy Skin-So-Soft, for example, they know they are getting the one and only product by that name.

Advertising/Promotion Policies

In order to fully protect all Avon names, the following rules must always be followed when Sales Leaders advertise or promote their Avon businesses:

1. Sales Leaders must always clearly and prominently identify themselves by their own name and include the description “Avon Independent Sales Leader”. For example, Jane Smith, Avon Independent Sales Leader.
2. Avon provides advertising and promotional items for use by Sales Leaders. If a Sales Leader chooses **not** to use these pre-approved materials, then any alternative materials referring to Avon names or trademarks will require written approval in advance of use. Such approval will be entirely discretionary and may not always be given.

3. Sales Leaders may not copy or reproduce images, graphics, product photographs or photographs of any person, model or celebrity found in Avon's brochures, other promotional materials or literature of any kind or on any Avon website.
4. Only approved performance or ingredient claims, as found in Avon's brochures or on Avon's website are allowed in promoting and advertising Avon products.

Advertising that is prohibited

Avon, as a leading beauty company, has an image that must be protected in order to help your business grow. That's why Avon Independent Sales Leaders cannot participate in several types of advertising. They include, but are not limited to:

Printed Materials:

Avon Independent Sales Leaders are **prohibited** from using the Avon name or any other trademark names of Avon in printed advertising materials such as:

- All national magazines;
- All national / regional magazines;
- National newspapers;
- Multi-level marketing publications;
- All outdoor advertising, such as billboards, etc.;
- Directories (such as Yellow Pages) or catalogue listing services; and
- Promotions with other companies, for example, producing Avon place mats for a local restaurant are prohibited.

Radio and Television:

Avon does not authorise the use of the Avon name or any other trademark names of Avon by any Avon Independent Sales Leader on any radio or television broadcast advertising.

Online Advertising and the Internet:

Any website or webpage

Avon Independent Sales Leaders may not publish, create, or maintain any website or webpage using the Avon name or any other trademark names of Avon.

E-mail addresses

Avon does not authorise the use of the Avon name or any other trademark names of Avon by any Avon Independent Sales Leader as part of their e-mail address.

Domain names, URLs, keywords, metatags

Sales Leaders are prohibited from any of the following actions:

- a) Registering, acquiring, hiring or exploiting any domain name, keywords or metatags that include in whole or in part any trade name or trademark of Avon;
- b) Incorporating within the title of any URL registered to you any keyword metatag, word, phrase, or trademark, which relates to any Avon trade name, trade mark or brand name.

Please also note: Sales Leaders should not post advertisements in any street or on any lamppost, telephone box or other street furniture, or in any other unauthorised area.

Advertising that is permitted

While advertising in national and regional media is prohibited, Sales Leaders may use certain local resources to recruit new Representatives and downline Sales Leaders. Millions of people are looking for access to Avon and the personalised service only a Representative or Sales Leader can offer. Advertising that you are an Avon Independent Sales Leader can really pay off in both sales and earnings. Here are examples of great ways to let people know you can offer them the opportunities they're looking for:

Community Newspapers and Local Publications

Local newspapers and weekly publications are widely read by the people in your community. School or church newsletters are other good choices. A small advertisement in the classified section will get the word out that, if people are interested in Avon, all they have to do is call their Avon Independent Sales Leader! Remember, materials referring to Avon names or trademarks will require written approval from Avon's Public Relations Department in advance of use.

Online Classifieds

Many local newspapers and weekly publications are available online. Some publications automatically run the same advertisements when classified space in the 'hard copy' paper is purchased. Others charge an additional fee to run the advertisement online and/or allow you to create a different version of the same advertisement to include e-mail addresses and links when publishing online.

It is important to check with the publication's advertising department to determine: required format (if any), use of graphics or any other Internet advertising options that may be available to you.

Supermarket Bulletin Boards

Some local supermarkets have a bulletin board where local residents fill out cards advertising services such as babysitting, cars for sale and accommodation for rent. This is a great way, usually free, to advertise. If you do use one of the blank cards, please type or clearly print your message. Or, you may wish to simply place your authorised Avon business card in the rack.

Approved Promotional Tools

There are many promotional tools that will help you increase the number of new Representatives and downline Sales Leaders you can attract. They include:

Business Cards

Many Avon Independent Sales Leaders carry business cards. They help establish you as a professional business person and provide a handy reminder of how to reach you to find out more about how to buy Avon products or how to become an Avon Representative or Sales Leader.

Sales Leaders who choose to have a local printer make their business cards must follow these guidelines:

1. The word 'Avon' must be in capital, block letters.
2. Sales Leaders must identify themselves by name and as Avon Independent Sales Leaders.
3. No other business name should be included. If, for example, a Sales Leader also sells 'XYZ Toys' that name should not appear on the business card alongside 'Avon'. Otherwise, customers might mistakenly assume that Avon and XYZ Toys are related companies.
4. A proof of the proposed business card must be sent to Avon for written approval from Avon's Public Relations Department in advance of use.

Newsletters

Some Sales Leaders like to produce a newsletter to help encourage higher orders and better recruiting in their downline team. Sales Leaders who choose to do so must identify the newsletter as theirs alone and not officially endorsed by or connected to Avon. In addition, Sales Leaders must identify themselves by their name and as Avon Independent Sales Leaders. The use of the word 'Avon' must be in capital, block letters only.

Sales Leaders must provide a sample of the newsletter to their Area Sales Manager for approval by Avon's Public Relations Department before it is first issued, and must then send their Area Sales Manager a copy each time it is produced.



A special note about use of articles about Avon: Sales Leaders may include articles or news releases from official Avon publications. Articles about Avon from other publications are subject to copyright laws and should not be used unless written permission is obtained from the copyright owner of the publication. Avon will not assume responsibility for any unauthorised copying by an Independent Sales Leader.

Car Signs

Avon Independent Sales Leaders who want to promote their Avon business on a car or at their homes by designing their own signs must identify themselves on the car or home signs as an Avon Independent Sales Leader. Signs not authorised by Avon are not allowed.

Sales Leaders who choose to have a local business make their car signs must follow these guidelines:

1. The word 'Avon' must be in capital, block letters.
2. Sales Leaders must identify themselves by name and as Avon Independent Sales Leaders.
3. No other business name should be included. If, for example, a Sales Leader also sells 'XYZ Toys' that name should not appear on the car sign alongside 'Avon'. Otherwise, customers might mistakenly assume that Avon and XYZ Toys are related companies.
4. A proof of the proposed car sign must be sent to Avon for written approval from Avon's Public Relations Department in advance of use.

Other Promotional Items

No one, including Avon Independent Sales Leaders, can manufacture for sale or distribution any product with the Avon name. However, Sales Leaders can have promotional items, (e.g. ballpoint pens, mugs, or caps) made for personal use or for free distribution to customers, recruits or others.

For example, many Representatives or Sales Leaders have T-shirts printed with slogans like 'I Sell Avon' or 'Ask me about Skin-So-Soft'. Such promotional items are acceptable only if:

1. They do not use the official Avon logo;
2. They are not offered for sale; and
3. They have been approved in writing by Avon's Public Relations Department in advance of use.

Only official promotional items issued by Avon may contain the Avon logo or trademarks. Sales Leaders who have an inventory of promotional items containing unauthorised use of the Avon name, logo, or trademark must dispose of them and in no instance may they be offered for sale.

Additional Ways to Grow Your Business

There are many opportunities to enhance an Avon business in a public setting. These include group events, local job fairs and organised recruiting events. Please note the following guidelines, which summarise Avon's current policies.

Avon Parties / Group Events / Fund-raising

An Avon party is a great way to promote Avon and the Avon earnings opportunity to a large group of people at the same time. A group atmosphere and the Sales Leader's personal enthusiasm will be highly motivational. Fund-raisers are also a wonderful way to grow your business and help a worthy cause.



Any time Sales Leaders gather a group together for the purpose of promoting Avon and the Avon earning opportunity they should:

- Clearly identify themselves as Avon Independent Sales Leaders and not as employees of the company.
- Only use official Avon materials, such as brochures, marketing materials and Avon-approved recruiting flyers and/or promotional tools. Sales Leaders may, of course create posters and games to help generate interest, as long as these items do not incorporate the Avon logo or product trademarks.
- Encourage to take out adequate public liability insurance cover where appropriate.
- Specify the purpose of the meeting and explain that those invited are under no obligation to purchase anything.
- Not misrepresent or exaggerate the earnings opportunity, nor imply that earnings are easily or quickly achieved.

The more traditional one-on-one conversation continues to be the most effective way to recruit new Sales Leaders and Representatives. However, the locations for these conversations have become more unique. Proper identification and support materials are required in all settings.

Remember, Avon is a direct-selling company and believes strongly in direct, personal contact with the consumer. This is why Avon Representatives are expected to sell only to consumers and not for resale to third parties, to any business entity or to any type of retail establishment.

Classified Advertising for Your Business

How to Place a Newspaper Advertisement

A sales representative at your local newspaper can help you get started. Call the newspaper's Advertising Department, and ask for a quote. You will be given the rates for advertisements of various sizes and tips on when to run them.

Always check the rates before placing an advertisement. Often you can get a reduced rate by running an advertisement in more than one issue.

You may find that the charges for posting your advertisement on the right-hand page are higher than for advertisements posted on the page on the left. This is because research has shown that copy on the right-hand page is more likely to be read by readers. It may be worth investing a little more in order to get an improved response rate.

Approval Process:

Alternative materials, referring to Avon names or trademarks, will require written approval from Avon's Public Relations Department in advance of use. In order to request this approval, you must get approval from your Area Sales Manager first and then you must submit your request and proposed advertisement or flyer to Avon by emailing the Leader & ASM Team. This team will then pass your request on to Avon's Public Relations Department.

Complying with the Law

Regulatory and Tax Compliance

As a Sales Leader, you are a self-employed, independent contractor and therefore you are responsible for paying all costs and liabilities associated with your business activities, including all tax and business expenses. We recommend that you keep all appropriate records.

As an independent contractor, you will not receive an IRP5 certificate from Avon. Instead, the ITR12 form provided by SARS should be used for tax purposes.

It is generally more favourable, from a South African tax perspective, to be classified as an independent contractor rather than an employee. The salary earned by an employee will be subject to PAYE and SDL to be withheld and paid over to SARS on a monthly basis. The expenses which can be deducted from this remuneration is limited by Section 23(m) of the South African Income Tax Act, No. 58 of 1962.

As an independent contractor you will be able deduct certain expenses from your taxable income that an employee cannot. Income earned by an independent contractor will also not be subject to PAYE and SDL deductions.

Commission earners and business owners are eligible to the following expense claims:

You may deduct Section 11(a) expenses against your income if your commission earned is more than 50% of your total income.

These expenses include, but are not limited to, the following:

1. Motor vehicle expenses (depreciation, fuel, repairs, Insurance, finance charges, etc.). Important: by keeping a proper logbook you may claim your actual business expenses. The logbook can be done by hand or with an electronic devices like the Trip Track or Little Logbook;
2. Home office (finance charges on your bond, rent paid, insurance, cleaner, security, levies. It is important to note, your home office needs to be used exclusively for work. You may claim the expenses by the formula of the square meters of your study to the total square meters of your house;
3. Telephone / mobile phone;
4. Accounting fees;
5. Travel and accommodation; and/or
6. Computer expenses.

Avon and its employees are not qualified to give any independent advice or guidance on financial or legal matters; please consult a qualified independent advisor.

Protection of Personal Information

The aim of the Protection of Personal Information Act, No. 4 of 2013, is to ensure that the use of personal information is fair and that no harm is caused to individuals through careless or irresponsible use of data.

Personal Information broadly means any information relating to an identifiable, - natural person or persons (including companies) and includes, but is not limited to:

- Contact details: email, telephone, address, etc.

- Demographic information: age, gender, race, birth date, ethnicity, etc.
- History: employment, financial, educational, criminal, medical history, etc.
- Biometric information: blood type etc.
- Opinions of and about the person
- Private correspondence etc.

Processing broadly means anything done with the Personal Information, including collection, usage, storage, dissemination, modification or destruction (whether such processing is automated or not).

Some of the obligations under Protection of Information Act are to:

- Only collect information that you need for a specific purpose
- Apply reasonable security measures to protect it
- Ensure it is relevant and up to date
- Only hold as much as you need, and only for as long as you need it
- Allow the subject of the information to see it upon request

As an Independent Sales Leader, you **must** comply with the requirements of the Protection of Personal Information Act.

By signing your Sales Leader Agreement, you are consenting to your personal details being held and processed (including processing by automatic means) by Avon and its authorised third parties (including any upline Sales Leaders who may qualify for commission by reference to orders that you place) for the purposes of performing functions on our behalf. This may include, for example, order fulfilment and delivery, marketing, research, customer service, administration, payment processing, the production of electronic invoices, alpha listings and statements of earnings, which may be provided to other team members as well.

To help Avon perform more effectively and efficiently in the future, it may be necessary to transfer your personal details to Avon affiliates and service providers located in other countries, such as the United States, which may provide a different level of protection than South Africa or Namibia. By signing your Sales Leader Agreement, you are also consenting to your personal details being transferred to these third parties.

Private information of your Customers and Downlines

You are likely to find yourself in possession of personal information relating to your customers and also relating to those whom you recruit into the business. Their personal information (data) may include their name and address, phone numbers, email address and, possibly, their bank details. It is very important that you take all reasonable steps to protect all such data.

The following guidelines are suggested:

- Do not take any hard copy of such data out of your house/office, except if needed, e.g. data relating to someone you are going out to visit.
- Within your own house, keep private data in a safe place, removed from locations to which guests to your house might have easy access.
- Never transfer such data to a memory stick or similar device as these are easily mislaid.
- Make sure that a password is required for access to any computer on which you keep such data and do not divulge or share passwords.

- (e) If you have a desktop computer, keep such data on that computer rather than on any laptop which you take out and about with you.
- (f) Never leave a laptop (whether or not it contains such data) on open view in a vehicle.
- (g) Be particularly careful with any financial data (e.g. bank details). Do not keep these financial details for longer than may be necessary.
- (h) As soon as you cease to have a connection with someone (e.g. they cease to be a customer or Representative), destroy **all** records of their data.
- (i) Institute a practice of regularly (e.g. once a month) checking your databases (whether electronic or hard copy) and removing any obsolete entries (including all those relating to people who have ceased to be customers or Representatives).

Operating hours and respecting Customers, Representatives and Sales Leaders

It is important to establish a good business relationship with existing and new customers, Representatives, and downline Sales Leaders by limiting your business contacts to reasonable hours.

A few important points:

As a Sales Leader, you have to refrain from using misleading, deceptive, or unfair sales practices. You have to immediately and truthfully identify yourself to your prospective Representatives and customers. You also have to mention that you represent Avon; you have to describe the nature of our products and the purpose of your approach.

You always have to offer consumers accurate and complete explanations regarding prices and, if applicable, credit terms, terms of payment, return rights, terms of guarantee, after-sales service and delivery dates.

You have to give accurate and understandable answers to all questions from consumers. To the extent claims are made with respect to product efficacy, you have to make only those verbal or written product or earnings claims that are authorised by Avon.

Partnerships

We offer Sales Leaders, who qualify as Senior Leaders or higher, an opportunity to operate with another Avon Sales Leader in a Sales Leader Partnership. Sales Leaders who qualify can decide if they want to join with another person to form a Partnership (direct Downlines).

Working as a Partner Sales Leader is a personal choice for those people who prefer to work this way.

Reminder: It is illegal for a promoter or participant in a trading scheme to persuade anyone to make a payment by promising benefits from getting others to join a scheme. Do not be misled by claims that high earnings are easily achieved.

There are mainly two benefits of working in such a partnership:

1. To ensure longevity of the teams under the Partner Sales Leaders in the event that one of the Partners dies or becomes incapacitated.
2. To manage administration on one another's accounts as well as to request payment releases for Downlines within the confines of Avon Justine's rules for release of payments.

Partners also have the benefit of working together to support each other with complementary skills (one 'business head' and one 'people person', for example), which would benefit both.

How any benefits or profits are shared is the choice of the Partners. Sales Leaders considering a Sales Leader Partnership are advised to seek independent legal and financial advice and may wish to draw up a legally binding agreement between themselves.

The Sales Leader Partnership is not transferable and if the Sales Leader agreement of either Partner is terminated, it will automatically terminate the Partnership. (This does not apply to instances where one of the partners dies or becomes disabled.)

Eligibility Criteria

The right to operate as a Partner Sales Leader is discretionary and is always subject to our written approval. In order to apply for approval, you must satisfy the following criteria:

1. The maximum number of applicants is two, of which one has to be a Senior Leader or higher. Applications to operate a Sales Leader Partnership consisting of more than two Sales Leaders will not be considered.
2. Both applicants must have been earning as Sales Leaders for at least one campaign at the date on which we receive the application. Trainee Sales Leaders will be required to sign and return the Sales Leader Agreement as well as achieve Coordinator level prior to being accepted.
3. Applicants must be direct Upline and Downline Sales Leaders within the same network. Applications from Sales Leaders who are in different networks will not be considered.
4. Both applicants must have no overdue balance on their respective Avon accounts at the time of their application. Applications from Sales Leaders owing money to us at the time of their application will not be considered.

The Sales Leader Partnership application form must be fully completed, with all the relevant personal details, and must be signed by both applicants.

Avon Justine field employees are not allowed to take part in Sales Leader Partnerships and other employees need to obtain approval from the Avon Justine Sales Director.

How to Apply

Download the Sales Leader Partnership application form from our website, complete the details and send to leaderqueries.sa@avon.com. Please note that the application form must be completed in full, including all personal details and must be signed by both applicants.

Also note that the two impacted Sales Leader accounts will remain open and their structures will run independently. In the event of one of the Partners' death or proven status of incapacity, the teams will then be merged into the other partner's account number and the Partnership will then cease to exist. It is important to note that the usual team change business rules will apply.

Once we have received your application to operate as a Partner Sales Leader, you will be notified within 21 days whether your application is approved and, if successful, you will be advised when your Sales Leader Partnership will become effective. If your application is approved, your direct Upline and your Area Sales Manager will be notified at this time.

If you become a Partner in a Sales Leader Partnership, you will be taking on legal obligations towards your Partner, in addition to further legal obligations in relation to Avon. These are serious commitments and we do recommend that you consider taking professional advice if you are at all uncertain about the implications of proceeding with a Sales Leader Partnership.

Frequently asked questions on Sales Leader Partnerships

Q What are the benefits of being a Partner Sales Leader?

A Working as a Partner Sales Leader is a personal choice for people who prefer to work that way. The main benefit is the longevity of the existing teams which will not dissolve, but rather roll up into the account of the existing Partner in the event of death or disability. Some might see the fact that you can divide the work between Partners as a benefit and that you can support each other as beneficial to a lot of people. You may have complementary skills (one 'business head' and one 'people person', for example), which would benefit both partners.

Q Can we earn more as Partner Sales Leaders?

A We're unable to advise on this as it is dependent upon so many variables – like the number of hours you choose to work, your current situation and your ability to build a team. In some instances, being able to work jointly in support of one another may see an improvement in the business' earnings. We strongly recommend that you take financial advice before embarking on a Sales Leader Partnership.

Q Do both Partners have to live at the same address/be married/be related in order to become a Partner Sales Leader?

A This opportunity is aimed at married couples, life partners, or close associates and those who wish to work as business partners. They do not have to live at the same address, but both addresses will be required for our records.

Q What happens if we no longer wish to operate as Partners in a Sales Leader Partnership?

If you request that we end the Partnership, then both accounts will once again become independent on condition that all the debts of the Partnership are settled in full, including any debts or liabilities on both Avon accounts, irrespective of whether those liabilities were incurred before or after the Partnership started.

Neither of you will be allowed to enter into a Sales Leader Partnership again as you are only allowed to have one Sales Leader Partnership per lifespan of your account.

A Avon will not be involved in any disputes between the Partners.

To ensure both Partners are clear about their personal position in any unfortunate event, they should consider drawing up a contract with their Partner, having taken independent legal advice. As with any Sales Leader account, we reserve the right to terminate a Sales Leader Partnership business due to misconduct, fraud, debt, etc. Termination of a Sales Leader Partnership agreement will terminate the Independent Sales Leadership agreement and Representative agreement of both Partners.

Q Do we both have to be Representatives and Sales Leaders?

A You must both have entered into a Representative agreement and Sales Leadership agreement with Avon, as well as having applied to operate in a Sales Leader Partnership. In addition, if you both recruit and train, you must both be able to demonstrate that you can serve your customers. However, the way you conduct the Partnership is to be agreed between you.

Q What happens if one of the accounts become inactive?

If one of the Partners' accounts become inactive, the Sales Leader Partnership will immediately dissolve and both partners will be held liable for any outstanding debts on both accounts, including any debts or liabilities on the joint Avon account, irrespective of whether those liabilities were incurred before or after the Partnership started.

Neither of you will be allowed to enter into a Sales Leader Partnership agreement again as you are only allowed to have one Sales Leader Partnership during the lifespan of an account.

A We will not be involved in any disputes between the Partners.

To ensure both Partners are clear about their personal position in any unfortunate event, they should consider drawing up a contract with their Partner, having taken independent legal advice. As with any Sales Leader account, Avon reserves the right to terminate a Sales Leader Partnership due to misconduct, fraud, debt, etc. Termination of a Sales Leader Partnership agreement will terminate the Independent Sales Leadership Agreements and Representative Agreements of both Partners.

Q My wife/friend is currently my Downline. May we become Partners in a Sales Leader Partnership?

A Yes, provided you meet the rest of the eligibility criteria.

Q My husband/friend is a Downline of my Downline (second Generation). May we become Partners?

A No, this isn't possible as it could compromise the first Generation Sales Leader.

Q I have a friend who is a Sales Leader and we would now like to become Partners in a Sales Leader Partnerships. We are both Sales Leaders in different networks with different Uplines. Is this allowed?

A No, a Sales Leader Partnership agreement is permitted between Sales Leaders and direct Downline Sales Leaders within their network only, therefore a Sales Leader Partnership would not be possible in this situation. Please note that at least one of the Partners have to be a Senior Leader or higher.

Q My friend and I are both Sales Leaders under the Area Sales Manager, hence we do not form part of a network. Can we become Partners in a Sales Leader Partnership?

A No, a Partnership is only allowed between Avon Sales Leaders and direct Downline Sales Leaders within their network only.

Q As Partners, could we both get information about the business, for example if we need to contact the Leader & ASM Team?

A Each Partner in the Sales Leader Partnership will have access to the same information and will have the same rights/abilities to maintain their teams. Due to the Protection of Personal Information Act, when calling the Leader & ASM Team, you will be asked to confirm your details so that we know we are speaking to one of the Partners.

Q My wife and I are Partners and she needs to take time off (to care for her mother). May we continue the Partnership?

A As long as you continue to meet the criteria for the business, the arrangement does allow for one Partner in the Sales Leader Partnership to cover for the other in the short-term, provided that you are both trained to recruit and develop team members and maintain the accounts as per the Sales Leader Partnership business criteria.

Q We have achieved Ambassador's Club. Will we both get a badge?

A No, your independent accounts will need to qualify separately.

Q One of us has achieved Ambassador's Club, and qualifies for a place at the gala dinner. May we both go?

A Only the account holder whose account qualifies for Ambassador's Club status will be allowed. We can offer a second place to enable your Partner to attend. However, a fee will be applicable.

Q We have been invited to a Top Achievers trip. May we both go?

A Only the account holder whose account qualifies for the trip will be allowed to attend. We can accommodate both Partners on the trip; however a fee will be applicable.

Q We both want to attend the annual Sales Conference but only one of us can be 'the primary'. As it's a motivational event and we may achieve recognition, how does that work?

A Each company event will be considered individually and options may be offered at our discretion when details of the event are publicised.

Q Why is a credit check done on both Partners before agreeing to the Partnership?

A Both Partners will be liable for all the debts of the Partnership, irrespective of whether those liabilities were incurred before or after the Partnership started. A joint bank account is an option for those who would like to set this up. If you decide to open a joint bank account, the Partners will need to give us dates of this as soon as they can, so that we can make payments into it. Bearing this in mind, we must ensure that there is no reason related to a poor credit rating why this would not be possible for the proposed Partners being considered.

Q What if my Partner dies and the Partnership is dissolved – can I find another suitable person to become my business Partner?

A At present, only one Partnership per Sales Leader is permitted, although we do reserve the right to review this decision in the future.

Q Will we have joint access to all the business tools such as Gi3 (website) and My Avon Office, or will we have separate access?

A As Partners, you may decide to share login information if you believe it is to the benefit of your Partnership Sales Leader business.

Q When will my agreement commence after Avon has received my application?

A If the eligibility criteria has been met, your Partnership will commence one full campaign later. This allows a calendar month for a 'cooling off' period to take place for any changes to be made to the accounts.

Q I previously had a Sales Leader Partnership which was dissolved. However, I would like to set up a new Sales Leader Partnership with a different Partner. Is this all right?

A Not at present, as Sales Leaders can only operate within a Sales Leader Partnership agreement once in their Avon 'lifetime'.

Q My Upline/Downline Sales Leader and/or I have applied to become a Partnership, but we have changed our minds. The application has been accepted, but the Sales Leader Partnership has not yet started. How do we cancel our application?

A Either Partner must e-mail their cancellation request to advanced.leadership@avon.com, as cancellation is subject to approval from Avon Justine.

Avon's Causes

As the company for women, Avon strongly supports the causes that are important to women around the world, and works tirelessly in supporting the breast cancer cause and speaking out against domestic violence.

iThemba Crusade of Hope

Avon's crusade against breast cancer was launched in the U.K. in 1992 to bring the company's vision to life. Through Avon's sales channel, an army of independent Representatives was mobilised to raise awareness and funds for the cause, starting with the sale of a breast cancer awareness pin. Proceeds from the sales of the pin were donated to Breakthrough, a British organisation which needed funding to build a centre for breast cancer research.

By 2001, Avon had established the **iThemba Crusade of Hope in South Africa**, working primarily with the Breast Health Foundation (and Bosom Buddies support group) as well as the Look Good...Feel Better organisation (an organisation that helps women in active cancer treatment in a practical and empowering way). Working hand in hand with these organisations,

Avon has enabled over 730 000 women with breast cancer, to be reached. They created awareness and provided education through mobile education units. 22 000 women also attended a **Look Good ... Feel Better** workshop. In these workshops, cancer patients undergoing chemotherapy are taught skin care regimens for their particular needs as well as ways to enhance their appearance while they undergo treatment.



Last year the iThemba Walkathon in Johannesburg attracted a record 21 500 participants making it the biggest single day breast cancer awareness event in the Avon world. The iThemba Walkathon is one of numerous Avon breast cancer walks that take place in October each year.

Since the start of the Avon Walk in the U.S. a decade ago, participants have supported critical community outreach and education, raising awareness about breast cancer and the importance of early detection. Year after year, the Walk continues to pick up the pace.

Avon Breast Cancer Crusade Today

Avon's global crusade against breast cancer is a powerful global force. Avon is the leading corporate supporter of the breast cancer cause **worldwide**. The company has donated more than eight hundred and fifteen million dollars to accelerate research progress and improve access to care. Its impact has been far and wide-reaching:

- Linking more than 18 million women around the globe to early detection programs and mammography screenings;

- Educating more than 145 million women on breast health;
- Expanding into more than 50 countries;
- Enabling access to care for underserved populations;
- Providing more than 200 million dollars to breast cancer research projects since 1999;
- Creating Love/Avon Army of Women, a program designed to accelerate the pace of prevention research by enlisting more than 350,000 women (potential study volunteers) for this effort.

Speak Out Against Domestic Violence

Avon launched its Speak out against Domestic Violence programme in South Africa in 2008 and works with the key organisations listed below in its commitment to ending violence against women:

- POWA (People Opposing Women Abuse);
- Tears;
- Wheat (Women's Hope Education and Training Trust);
- The Saartjie Baartman Centre; and
- Yokhuselo Haven.

Research by the Medical Research Council indicates that a woman is killed every 8 hours by her male intimate partner. Femicide (murder by a male intimate partner) has become the leading cause of all female homicides at 56%. At Avon we are committed to change these numbers.

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Glossary of Terms

These are terms used across the Avon business and may be used within this business guide, supporting business tools, and materials.

Term	Explanation
<i>Achievement and Maintenance Bonus</i>	A bonus paid to titled Sales Leaders who achieve higher titles and who are able to maintain their titles.
<i>Activity</i>	Percentage of Representatives placing an order which is invoiced.
<i>Active Representative</i>	A Representative who places a brochure order which has been invoiced. This amount must exceed the total of returns for that Campaign.
<i>Addition</i>	Successful sign-up of a new Representative who receives an Avon account number.
<i>Ambassador's Club</i>	Annual incentive programme for top-selling Sales Leaders.
<i>Appointment Pack</i>	Contains all the materials required to appoint a new Representative, including the Believe to Achieve manual.
<i>AOM</i>	Avon Opportunity Meeting is a presentation that promotes the Avon opportunity to your invited prospects.
<i>Appointment Bonus</i>	A bonus for Sales Leaders who bring in two or more new Representatives with a paid order of at least R700 in the same month as the appointment.
<i>Area Sales Manager</i>	An employee of the company who oversees the business in a certain geographical area
<i>Avon App (mBrochure)</i>	A mobile application that allows customers to browse the Avon brochure on their mobile phones, and to find Representatives in their areas.
<i>Award Sales</i>	Total value of a Representative's order, including brochures and demonstration products.
<i>Believe</i>	Training manual for new Representatives, consisting of Conversation 1 and 2.
<i>Blocked Sales</i>	The sales of Senior Leaders and higher that do not count towards their Upline's Executive Qualifying Sales. Sales blocking starts in the 4th month after the Downline has been promoted to Senior Leader Level or higher.
<i>Brochure Launch</i>	A presentation developed by Head Office Training Department and distributed to Area Sales Managers to generate excitement about the latest brochure.
<i>Business Development Bonus and Earnings flyer</i>	A flyer displaying Earnings and Bonuses applicable to Sales Leaders qualifying in all levels.
<i>Candidate</i>	A person who has signed the Sales Leadership Agreement.
<i>Campaign / month</i>	A selling cycle: one calendar month.
<i>Closed Paid Net Sales</i>	Award Sales less the value of Representative discount, VAT, or any returned products.

<i>Demonstration products</i>	Demonstration products are featured in the Let's Talk. Representatives can buy them in the month before they feature in the brochure. No discount can be earned from them.
<i>Direct Selling Association (DSA)</i>	A voluntary Association whose members agree to abide by the highest standards of trading practice and consumer protection in direct sales. Avon is a founder member. Website: www.dsasa.co.za .
<i>Discount</i>	All Representatives and Sales Leaders qualify to receive a discount of 15% to 30%, depending on the size of the sales.
<i>Division Sales Manger</i>	An employee of Avon assigned a Division to manage and who is responsible for ensuring that the Zones within their Division meet the performance targets that Avon has set out.
<i>Downline</i>	A Sales Leader and/or Representative who has been appointed by the Upline.
<i>eBrochure</i>	An Avon brochure which you page through, available on www.avon.co.za .
<i>Executive Commission</i>	The commission paid to Sales Leaders on Executive Leader level on their personal sales and the sales of their Downlines.
<i>Executive Qualifying Sales</i>	The sales requirement for Sales Leaders on Executive Leader level.
<i>Fast Start Bonus</i>	A bonus based on the achievement of active Representatives and Sales targets paid to Sales Leaders within their first 12 months in Advanced Leadership.
<i>First Generation</i>	Representatives and Sales Leaders that are directly appointed by a Sales Leader.
<i>Forecast</i>	Avon's expectation to achieve KPI results for each Zone over a Campaign, Quarter, and Year.
<i>Growth</i>	This is the difference between Additions and Removals.
<i>Group Sales</i>	Group Sales are the total Award Sales of all Representatives and Sales Leaders in an Upline Sales Leader's network (to a maximum of 3 Generations) plus the Sales Leader's own Award Sales, minus any returns made by the Sales Leader and the Sales Leader's network (to a maximum of 3 Generations). The Group Sales target shown in the commission table in Section 1 is the amount to be reached after deduction of returns.
<i>Held Order</i>	An order which is not released due to insufficient payment, exceeding the credit limit or overdue account balance.
<i>Inactive Representative</i>	Representatives who have not placed an order.
<i>Invitation List</i>	Invitation List is a document where you can list all your potential and existing Customers (Also known as AOM Invitation List).
<i>Leads</i>	Individuals who have indicated that they are interested in joining Avon either as a customer, a representative, or a Sales Leader.
<i>Leaders</i>	Any Sales Leader.

<i>Leadership LOA</i>	The number of months a Representative has been with Avon in the capacity of a Sales Leader.
<i>LOA (Length of Association)</i>	The number of months a Representative has been with Avon in the capacity of Representative.
<i>Level-Specific Workshops</i>	Fun, simple, and interactive Workshops designed to meet the requirements for each title in Advanced leadership (Coordinator Workshop, Leader Workshop, and Executive Leader Workshop).
<i>Lumpy brochure</i>	A brochure containing samples and labels for easy reference and selling.
<i>MOV (Minimum Order Value)</i>	The minimum order value (R515) that must be achieved in order for the order to be processed.
<i>National Sales Trainer</i>	Employee of Avon who works in the Training Department and who supports the Field to achieve key performance indicators.
<i>Net Sales</i>	Award Sales less the value of Representative discount, VAT, or any returned products.
<i>Net Closed Paid Sales</i>	Net sales, fully paid.
<i>On-time Order</i>	An order processed before the monthly cut-off date.
<i>Online Training</i>	Free training material available on www.avon.co.za .
<i>Past Due Amount</i>	Amount not settled on overdue invoices including VAT (on a Representative account).
<i>PATD</i>	Prospect, Appoint, Train, and Develop.
<i>Ambassador's Club</i>	Annual incentive programme for top-selling Representatives.
<i>Prospect</i>	A person you find who has an interest in Avon. You arrange to meet your prospect to talk about the Avon opportunities and may go on to appoint them into your team.
<i>Reactivation or Replacement Call</i>	Conversation conducted when one of your team members indicate that they no longer wish to sell Avon.
<i>Regional Sales Manager</i>	An employee of Avon who is assigned an Avon Region to manage and who is responsible for ensuring that the Divisions within that Region meet the performance targets that Avon has set for those Regions.
<i>Re-instatement</i>	The return of a removed Representative who has previously been an Avon Representative.
<i>Removal</i>	Representatives or Sales Leaders who have not placed an order in 3 consecutive Campaigns are removed from Avon's database of Representatives.
<i>Representative Count</i>	The number of Representatives in a defined group i.e. Network (to 3 Generations).

<i>Sales Leader</i>	Builds, coaches and leads their own team of Avon Representatives and Sales Leaders. Sales Leaders are self-employed and in control of their earnings and working schedule.
<i>Sales Leadership Bag</i>	Contains professional materials to support you with Prospecting, Appointing, Training, and Developing your team.
<i>Sales Leadership Levels</i>	Three different levels – Coordinator, Leader, and Executive Leader.
<i>Second Generation</i>	Representatives and Sales Leaders appointed by 1st Generation Sales Leaders.
<i>Third Generation</i>	Representatives and Sales Leaders appointed by your 2nd Generation Sales Leaders.
<i>Total Team Sales</i>	This includes your personal sales plus your Representatives and Sales Leaders for 3 Generations.
<i>Top Sellers Club</i>	Annual incentive programme for top-selling Representatives.
<i>Trainee</i>	Someone who has completed the Sales Leadership Agreement Form and Bank Form, but who has not yet paid for the Sales Leadership bag with the first order.
<i>Unblocked Sales</i>	The sales from Senior Leaders and higher that have been unblocked to assist the Upline on Executive Leader level to meet their Executive Qualifying Sales requirement.
<i>Upline</i>	A Sales Leader who has personally recruited the Sales Leaders in their own team.
<i>vBrochure</i>	Virtual brochure is a 'clickable' brochure you can email to your customers which allows them to place orders by clicking on the products they want.
<i>Widget</i>	A unique online sales tool which will assist you in attracting more customers from your own profile page (i.e. Facebook, Twitter, etc.).
<i>www.avon.co.za</i>	Avon's website where you have access to professional training materials, latest news, and online ordering.
<i>Zone</i>	This is a geographical area which is the responsibility of an Avon Area Sales Manager.

THIS IS THE COMPANY

that puts mascara on lashes and food on tables, that fights wrinkles with one hand and breast cancer with the other. That knows the value of a perfect lip, and still opens its mouth and speaks out against domestic violence and for women's financial independence.

This is the company that not only brings beauty to doors, but also opens them. The company that supports more than 6 million Representatives in over 100 countries. This is Avon. The company that, for more than 130 years, has stood for beauty, innovation, optimism and, above all, for women.