



## Leadership Philosophy

### LEADERSHIP PHILOSOPHY

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

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

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

The purpose of this incentive is to partner Representatives currently without a Leader and assigned directly to the Home Office, with Leaders who are active in their business and willing to provide them mentoring and support. Our history tells us that our most successful Representatives accelerate and learn from the benefits of someone else's journey.

To participate in this incentive, Leaders will need to agree to support their team and actively work to uphold our guiding leadership philosophies. These are not "check the box" activities but rather qualities expected of a good Leader.

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

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

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

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

**Lead your team: Connect the dots ....Lead them to success**

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



## Incentive Guidelines

**TIMING: CAMPAIGNS 14 TO 16, 2017 (TS 16-18)**

**PARTICIPANTS: BRONZE AMBASSADORS AND ABOVE**

### **REWARDS:**

This incentive partners you with additional Representatives that currently do not have an upline Leader. This is referred to as "**nesting**".

There is tens of thousands of Representatives currently unattached who are in need of a strong upline.

This is a great opportunity to grow your team and mentor others to success with Avon.

To participate in this incentive you will commit to support your team and follow the Avon Leadership Principles by the close of the incentive period by filling out [this form](#).

### **HOW TO EARN:**

Earn one share of the Representative pool for every **Qualified New Recruit** (QNR) from a **personal source**.

The value of a share will be determined by the total pool of unattached Representatives divided by the total number of shares earned by participating Leaders.

*Example 1: If 5,000 shares were earned in total, and there were a total of 40,000 unattached Representatives, then each share would be worth 8 (40,000 divided by 5,000). If a Leader earned 4 shares they would receive 32 Representatives nested into their first generation downline.*

*Example 2: If 6,000 shares were earned in total, and there were 30,000 unattached Representatives, then each share would be worth 5 (30,000 divided by 6,000). If a Leader earned 7 shares they would receive 35 Representatives nested into their first generation downline.*

You must commit to the incentive philosophy by filling out [this form](#) in order to earn shares.

### **What is a Qualified New Recruit?**

A Qualified New Recruit (QNR) is a Representative who places a paid first or second order order of \$150+ within two campaigns of enrollment (by LOA2). To be eligible for this incentive, the new recruit must place a qualifying order *during* the incentive period, Campaigns 14-16 (TS 16-18). For the purpose of this incentive, all QNRs must be from a personal source.

Avon generated leads, such as ALMA whether assigned or delegated are disqualified.

The \$150 order is based on Award Sales and includes direct delivery, sales center orders, and demos. Gifts with purchase and Double Dollars do not count towards order size.

## **IMPORTANT GUIDELINES:**

- A requirement to participate in this incentive is a commitment to support your team and follow the Avon Leadership principles. Not practicing this leadership philosophy may lead to the removal of nested Representatives.
- As the share value will not be a whole number, the number of nested Representatives will be rounded down after multiplying the number of shares. For example: if the share value is 8.7 and one earned 4 shares, the number of Representatives will be rounded down to 34 (8.7 x 4 = 34.8).
- Any remaining Representatives due to rounding in the pool will be distributed at Avon's discretion to deserving Leadership Representatives who excel in this incentive and will honor their commitment to the incentive leadership philosophy.
- For the purpose of the Lead to Achieve incentive, the requirement that the paid order must be paid during the incentive will be waived for recruits who become a QNR in Campaign 16 (TS 18). However, the \$150 order must be placed during Campaign 16 and Avon expects that these Representative's will pay on time and will audit results for possible fraud. Avon can terminate anyone it deems has violated the spirit of the incentive.
- Avon reserves the right to audit all performance data when determining incentive reward eligibility and reserves the right to disqualify or remove any Representative it determines has violated principles of fairness or program intent.
- Avon reserves the right to adjust rules and regulations or cancel the program at any time, at its sole discretion.
- Avon employee and bulk accounts are not eligible to participate in this incentive.
- Representative's account must be active and in good standing (past due no more than 2 Campaigns). Avon reserves the right to review and withhold rewards for account balances over \$500.
- Avon reserves the right to substitute a nested Representative with something of comparable or greater value, in its sole discretion.

- Avon does not make any claims express or implied about the value of unattached Representatives, whose Avon businesses will vary in sales and activity level.
- Avon will make every effort to assign nested Representatives via language and to nearby geographical regions. However, Avon cannot promise proximity of the unattached pool to Leaders.
- Void where prohibited.

## **KEY DATES:**

Final Value of a Share Available	August 1, 2017
Representatives Are Nested	First week of August
Begin earning off of Nested Representatives	Campaign 17 (TS 19)

## **WHO TO CONTACT:**

- Call the leadership helpdesk at 1-800-468-4600 with any questions regarding eligibility and your nested Representatives.

## **Frequently Asked Questions (Leaders):**

### **What is a Qualified New Recruit?**

A Qualified New Recruit (QNR) is a Representative who places a paid first or second order of \$150+ within two campaigns of enrollment (by LOA2). To be eligible for this incentive, the new recruit must place a qualifying order *during* the incentive period, Campaigns 14-16 (TS 16-18). For the purpose of this incentive, all QNRs must be from a personal source.

Avon generated leads, such as ALMA whether assigned or delegated are disqualified.

The \$150 order is based on Award Sales and includes direct delivery, sales center orders, and demos. Gifts with purchase and Double Dollars do not count towards order size.

### **How many Representatives will be nested?**

The actual number changes daily as Representatives are added or leave the business. There are currently tens of thousands of Representatives that are unattached. The final number will be determined at the end of the incentive.

### **What types of Representatives could be nested under me?**

Nested Representatives are unattached, meaning they do not currently have an upline. They are active Representatives who are not members of President's Club and do not have a downline.

### **How are shares earned?**

The value of a share will be determined by the total pool of unattached Representatives divided by the total number of shares earned by participating Leaders. The value of a share will vary based on leader participation

*Example 1: If 5,000 shares were earned in total, and there were 40,000 unattached Representatives, then each share would be worth 8 (40,000 divided by 5,000). If a Leader earned 4 shares they would receive 32 Representatives nested into their first generation downline.*

*Example 2: If 6,000 shares were earned in total, and there are 30,000 unattached Representatives then each share would be worth 5 (30,000 divided by*

*6,000). If a Leader earned 7 shares they would receive 35 Representatives nested into their first generation downline.*

### **How will rounding be handled?**

As the share value will most likely not be a whole number, the number of nested Representatives will be rounded down after multiplying the number of shares. For example: if the share value is 5.33 and a Leader earned 8 shares, the number of Representatives will be rounded down to 42 (5.33 x 8 = 42.64).

### **If I become a Bronze Ambassador during the incentive period, am I eligible to participate?**

Yes, anyone who performs as a Bronze Ambassador or above by the close of Campaign 16 (TS 18) is eligible to participate.

### **If I have a QNR place a \$150+ 2<sup>nd</sup> order in Campaign 17 (TS 19), will that count towards this incentive?**

No, they must become a QNR during the incentive which runs from Campaign 14 to 16 (TS 16-18).

### **How will you determine which Representatives are nested under me?**

Representatives will be randomly assigned to you based on location and language tag.

### **Will my nested Representatives be in my first generation?**

Yes, all Representatives will be nested in your first generation.

### **Is there a limit to how many nested Representatives I can earn?**

No, the more you recruit the more shares you will earn.

### **Can I transfer my nested Representatives to another team member?**

No, a nested Representative cannot be transferred to a team member.

### **When will Representatives be nested under me?**

Representatives will be nested the first week of August.

**Will nested Representatives count towards total team sales?**

Yes, nested Representatives will count towards total team sales beginning in Campaign 17 (TS 19).

**When will nested Representatives start counting towards my earnings?**

Nested Representatives will count towards your Campaign 17(TS 19) earnings, regardless of when a Representative is nested under you. Campaign 17 earnings are paid out at the close of Campaign 18 due to the paid order requirement.

**Will I earn the Qualified New Recruit Bonus and 3% Sponsoring Bonus for each of the Representatives that are nested under me?**

No, these bonuses are part of the Advanced Leadership Program. You receive the 3% sponsoring bonus for Representatives you personally recruit. Since you did not personally recruit these Representatives you will not receive that bonus.

**Will the nested Representatives count as QNR for other incentives?**

No, these Representatives are not new recruits.

**Can my team participate in this incentive?**

Yes, this is a great way to build your team beyond your first line. Every Representative at Bronze Ambassador and above in your downline can earn shares.

**If I advance in title as a result of nested Representatives, will I earn an Advancement Bonus as part of the Advanced Leadership Program?**

Yes, you can earn the Advancement Bonus.

**If my first generation downline member advances title as a result of the nested Representatives, am I eligible for the Mentor Bonus as part of the Advanced Leadership Program?**

Yes, you can earn the Mentor Bonus.

**How are you communicating which Representatives are nested under me?**

You will receive an email once the Representatives have been nested under you. There will also be a report in VIBE in the first week of August with a list of Representatives that will be nested under you. This will include their contact information.

**Will Avon communicate to my nested Representatives letting them know I am their leader?**

Yes, Avon will email the Representatives informing them of their new Leader. Please allow 48 hours before contacting them.

**My nested Representative asked to be reassigned to someone else. Will I receive a new Representative as a result?**

Avon's first priority is ensuring that unattached Representatives receive upline support. Avon will evaluate reassignment requests on a case by case basis and make limited exceptions. If a nested Representative is reassigned you will not receive another Representative in its place.

**My nested Representative is no longer with Avon, will I receive a new Representative as a result?**

No, as a mentor/upline it is important that you encourage your Representatives to place orders and remain active.

**Frequently Asked Questions (Nested Reps):**

**Why was I nested?**

At Avon, we believe it is important for all Representatives to have the benefit of a Leader and mentor, combined with the continued support from Avon Home Office. This is so all Representatives have the tools and encouragement they need for their business.

**What is my upline/mentor's role?**

Your upline or mentor is there to support you and provide guidance as you grow your Avon business.

**Can I change the upline that was assigned to me?**

Avon has selected a Representative that will be able to support you based on geography and language. Avon may grant limited reassignments and will grant these reassignments on a case by case basis.

**What happens if my upline leaves Avon?**

If your upline leaves Avon, your new upline will be his/her Leader.