

## New Compensation Plan 2020 Frequently Asked Questions

You're in business for yourself, but not by yourself. That's why we've outlined some important FAQs that reflect the updates we've made when it comes to simplifying the business so that you have the answers you need. For more information, reach out to your Mentor or Coach. Don't forget to check out Avon U for training modules and product education.

### COMPENSATION

#### How will this new plan affect my compensation?

We understand there may be questions and feedback in regard to Avon's updated Representative compensation plan. The updated plan simplifies commissions — now Representatives don't have to worry about different sales levels to understand what they will make from their sales. Eighty-six percent of our Representatives are currently earning 20%. Now with the most recent updates, anyone with an order over \$39.99 will earn 25%. We're happy to share that Representatives have the potential to increase their earnings under the updated plan as well.

#### 2020 COMMISSIONS: REPRESENTATIVE LEVEL

Effective January 8, 2020

SALES LEVEL	CAMPAIGN SALES	ANNUAL SALES	BEAUTY	FASHION & HOME
Contender	\$0 - \$39.99	-	0%	0%
Contender	\$40.00 +	-	25%	20%
Premier	No minimum	\$5,000	30%	20%

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## 2020 COMMISSIONS: PRESIDENT'S RECOGNITION PROGRAM LEVEL

Effective January 8, 2020

SALES LEVEL	ANNUAL SALES	BEAUTY	FASHION & HOME
President's Club	\$10,000	40%	25%
Honor Society	\$20,000	40%	25%
Rose Circle	\$35,000	45%	25%
David H. McConnell Club	\$65,000	45%	25%
President's Council	\$110,000	45%	25%
Inner Circle	\$220,000	50%	25%

President's Recognition and Premier Levels earned in 2019 will expire at the end of 2020. We look forward to sharing all the exciting updates to our 2021 programs later in 2020.

## PRICING

### Why are the prices increasing even though the products are exactly the same?

Pricing is established with consideration for products inclusive of components, ingredients and packaging which from time to time do increase the overall pricing. As part of our partnership, LG has reviewed the quality pricing of all of our products in order to be competitive.

### How can I convince my customers to continue to buy these products at a higher price?

Our enhanced product offering will provide your customers a destination to shop for the latest in Korean beauty along with innovations from collaborations such as The Face Shop and Avon Chi Essentials. Offering new and exciting products to your customers will give them a competitive advantage in the beauty market.

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## **What should I tell my customers/downline about the price increases?**

Avon has always been known for quality products and its commitment to its Representatives. By partnering and offering exclusive collaborations, Avon is bringing exciting new premium products to customers with exclusive pricing available only when they shop with a Representative. We are expanding our product education so that you can convey the quality and usage of these amazing products to customers. Check out all of the available training modules on AVON U.

## **Since you are raising the prices will the number of samples/What's New products increase?**

Representatives of all levels can purchase two What's New products in each campaign.

We saw on average most PRP Representatives order less than two What's New products, meaning that as a business owner, it's about giving your customers more products to experience and love.

## **OUTLET DISCONTINUATION**

### **My customers love the clearance deals – why did Avon decide to eliminate this?**

While customers love deals, they were also frustrated by service disruption due to the limited nature of clearance products. And we want to ensure that they love shopping from you every time! Our focus will be to enhance product offerings at the best prices consistently, and there will still be seasonal offers.

### **Will you still have sale items?**

Yes, from time to time, you will see seasonal offers and special promotions throughout the year.

### **Are you still going to carry lower priced skin care items?**

Our portfolio of products will offer a variation of price points to ensure there are skin care products for all budgets.

### **How will we be informed of all the changes?**

Regular updates are included in Beauty Buzz and AvonNow.com, as well as on social media. You can also follow us on Facebook, Instagram and Twitter.