Representative Earnings Update: Frequently Asked Questions

OVERVIEW OF CHANGES

Why is Avon changing the Representative earnings structure?
We know that the opportunity to earn extra money is one of the biggest reasons new Representatives join Avon. Making the earnings opportunity even more attractive is a huge priority as we work to improve your experience. Ultimately, these changes make Avon’s earnings model simpler and more compelling, both for our newest Representatives and those who have been with us for years.

What are the biggest changes I will see?
The major updates include:
1. eStore earnings levels now match the earnings you receive on your regular YourAvon.com order!
2. No minimum order requirement to start earning. Now you start earning with the first dollar you sell. Check out the updated chart on page 2 for full details.
3. Earnings levels have been simplified and are easier to understand. The earnings levels have been streamlined with rounded dollar amounts.
4. We’ve enhanced the product categories for full and fixed earnings to increase earnings and provide greater clarity.

When do these changes go into effect?
The updated Representative earnings structure will go into effect in C9, 2017 (Trendsetter C11).

REPRESENTATIVE EARNINGS DETAILS (NON-PRP)
(President’s Recognition Program information is located on page 4-5)

How will earnings from my eStore sales be impacted by the changes to the earnings structure?
Great news! Now you will earn the same on your eStore sales as you do on sales from YourAvon.com orders. That means you can sell to all your customers (especially your remote markets!) anytime, anywhere. Your eStore can save you time and money plus, expand your customer base and reach.

Plus, digital brochures can be shared with your friends and customers from your mobile device, desktop and the Social Media Center! Here’s how:

If you’re on a mobile device:
Go to your eStore and access Avon.com by clicking “Shop Now.”
Click on the menu icon - it looks like this: ☰
Scroll to the bottom and click on "Brochure."
Copy the link (URL) that appears in the address bar and paste it in an email, text or post.

As of 3.3.17
If you’re on a desktop:
Go to your eStore and access Avon.com by clicking “Shop Now.”
Click the “Brochure” link at the top of the page.
Copy the link (URL) that appears in the address bar and paste it in an email, text or post.

From the Social Media Center
Go to the Social Media Center and find the “Share Brochure” post.
Share through Facebook, Twitter, Pinterest, Google+ or a text message.

What are the different earnings levels in the enhanced program?
You’ll now see fewer campaign sales levels with rounded dollar amounts that are easy to follow. Check out the chart below to view the sales levels and corresponding earning percentages.

<table>
<thead>
<tr>
<th>Campaign Sales (Brochure + eStore)</th>
<th>Beauty and Jewelry</th>
<th>Fashion and Home</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.01 to $149.99</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>$150 to $299.99</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>$300 to $499.99</td>
<td>35%</td>
<td></td>
</tr>
<tr>
<td>$500+</td>
<td>40%</td>
<td></td>
</tr>
</tbody>
</table>

How have product categories been enhanced?
Great news – watches are now included in the jewelry category, which means that you’ll receive full earnings for every watch sold, including licensed watches. This provides you a greater earnings opportunity on this popular product category.

How do I know which products will give me fixed or full earnings?
Our product lines fall into two earnings categories: full and fixed.

Look for this symbol to indicate fixed earnings items: ✶

<table>
<thead>
<tr>
<th>Beauty and Jewelry*</th>
<th>Fashion and Home**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Earnings</td>
<td>Fixed Earnings</td>
</tr>
</tbody>
</table>

*Color cosmetics, fragrance, hair care, personal care, skin care, jewelry and watches (includes mark.)

**Home décor (Avon Living), candles, outerwear, entertainment & leisure, houseware, footwear, innerwear, accessories, foundations (Hanes).

As of 3.3.17
Please note, there may be occasional exceptions for product earnings levels.

**What is the difference between full or fixed earnings?**
Full earnings is when you receive the maximum amount of earnings based on your sales level or total sales amount. Fixed earnings is for select products and provides you with a specific percentage of earnings no matter your level or sales total. Both full and fixed earnings combine to determine order size.

**Why are fashion and home products fixed earnings?**
We want to make sure that the pricing of our products is competitive within the marketplace and provides you with the best earnings opportunity. As a result, you’ll receive fixed earnings on fashion and home items. Keep in mind that you do receive full earnings on our wide variety of beauty and jewelry products (that now includes watches)!

**How big does my order need to be in order to see earnings?**
There is no longer a minimum order size requirement to start earning! Now all Representatives will receive base earnings of at least 20% with the first dollar they sell.

**How will Avon calculate my earnings based on sales placed through multiple sales channels (brochure, eStore, etc.) within the campaign?**
Same as today, YourAvon.com sales will adjust in real time as additional campaign orders are placed. Starting in Campaign 9, each night we will add your eStore and Sales Center orders to your brochure/YourAvon.com orders to calculate your total sales and earnings level.

**When do I receive sales credits for YourAvon.com, Sales Center, and my eStore?**
Check out the details below for information on when you’ll see your sales credits.
- eStore sales orders are credited to your campaign sales 48 hours after the order is shipped.
- Sales Center orders are credited to your campaign sales 48 hours after the purchase.
- YourAvon.com orders are credited at time the order is billed.

**Why did you remove earnings levels above 40% for Representatives outside of the President’s Recognition Program?**
In order to create a more balanced model, we needed to adjust some of the earnings levels. There’s still an opportunity to earn 45% or 50% when you achieve PRP!

**If I backorder items from C8 in C9, what structure will Avon use to calculate my earnings?**
A C9 order that includes items back-ordered from C8 will be eligible for earnings at the new levels. However, earnings for a late C8 order will be calculated at the old levels.

As of 3.3.17
Will this change impact the Sales Centers in Los Angeles and Miami?
Yes, in order to simplify the business the Sales Center earnings will now match the earnings structure going into place with Campaign 9.

Do I still need to place a $50 order to receive a discount on demos?
Great news! Effective Campaign 9 (National), you no longer are required to have a $50 order size to receive a demo discount. Please see chart below.

<table>
<thead>
<tr>
<th>Demo Discount and Rebates for Contenders</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $49.99</td>
</tr>
<tr>
<td>$50 - $499.99</td>
</tr>
<tr>
<td>$500+</td>
</tr>
</tbody>
</table>

FUNDRAISING

Will fundraising earnings be impacted by the overall new earnings structure?
You'll still earn 50% on registered fundraisers when using Avon’s fundraising flyers. Check out YourAvon.com > Earnings Opportunities > Fundraising for details on how you can earn while giving back to your community.

Do I need to register my fundraisers to get 50% earnings?
Yes, fundraisers must be registered with Avon and utilize the products that are featured within the quarterly fundraising flyers to be eligible for 50% earnings.

Can I still do a full brochure fundraiser? How much will I earn if so?
Yes, you can still do a full brochure fundraiser, but earnings will vary. Maximum earnings for a full brochure fundraiser would be as follows*:
- Beauty and Jewelry: 40%
- Fashion and Home: 20%

*PRP members will earn at their normal levels and receive 25% on fashion and home.

PRESIDENT’S RECOGNITION PROGRAM: EARNINGS DETAILS

How does this new earnings structure affect Representatives in the President’s Recognition Program?
Great news! Representatives in the President’s Recognition Program will continue to enjoy their current earnings levels. Plus, now you’ll also enjoy those same PRP earnings on all your eStore sales!
<table>
<thead>
<tr>
<th>Campaign Sales (Brochure + eStore)</th>
<th>Beauty and Jewelry</th>
<th>Fashion and Home</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 to $924.99</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>$925 to $1,574.99</td>
<td>45%</td>
<td>25%</td>
</tr>
<tr>
<td>$1575+</td>
<td>50%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Level</th>
<th>Title</th>
<th>Award Sales to Qualify</th>
<th>Guaranteed Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>President’s Club</td>
<td>$10,000</td>
<td>Beauty &amp; Jewelry - 40%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Fashion &amp; Home - 25%</td>
</tr>
<tr>
<td>2</td>
<td>Honor Society</td>
<td>$20,000</td>
<td>Beauty &amp; Jewelry - 40%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Fashion &amp; Home - 25%</td>
</tr>
<tr>
<td>3</td>
<td>Rose Circle</td>
<td>$35,000</td>
<td>Beauty &amp; Jewelry - 45%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Fashion &amp; Home - 25%</td>
</tr>
<tr>
<td>4</td>
<td>David H. McConnell</td>
<td>$65,000</td>
<td>Beauty &amp; Jewelry - 45%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Fashion &amp; Home 25%</td>
</tr>
<tr>
<td>5</td>
<td>President’s Council</td>
<td>$110,000</td>
<td>Beauty &amp; Jewelry - 45%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Fashion &amp; Home 25%</td>
</tr>
<tr>
<td>6</td>
<td>Inner Circle</td>
<td>$220,000</td>
<td>Beauty &amp; Jewelry - 50%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Fashion &amp; Home 25%</td>
</tr>
</tbody>
</table>

When I achieve President’s Club or a new sales level for the first time, how soon am I eligible to receive those PRP earnings?

When you achieve President’s Club (or a new sales level) for the first time, you’ll start receiving the level’s minimum guaranteed earnings in that campaign and for the remaining campaigns of that year. Plus, you maintain your PRP status and benefits for the entire next year’s cycle!