

Amway's Policy on International Sponsoring and Multiple Business Requirements

Frequently Asked Questions (FAQs)

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Frequently Asked Questions

The following are answers to commonly asked questions regarding International Sponsoring and the Multiple Business requirement.

1. What is International Sponsoring?

International Sponsoring occurs when an ABO (the International Sponsor) introduces the Amway business to, and subsequently sponsors, a prospective ABO in another market (the Internationally Sponsored ABO). The International Sponsor will provide offshore support to the Internationally Sponsored ABO, who will also be provided an in-market sponsor (the Foster Sponsor).

The International Sponsor is the one who introduces the prospect to the Amway Business Opportunity. The International Sponsor works with their upline or Amway affiliate to identify a proper Foster Sponsor who helps the prospect get started, and trains and supports them just as a Personal Sponsor would. The International Sponsor encourages and provides offshore support to this ABO (e.g., remind the ABO to renew, go to meetings, sell and use the products). The International Sponsor also maintains contact with the Foster Sponsor to support and ensure the Internationally Sponsored ABO's needs are being met and is receiving proper in-market support.

2. Do I have to be at a certain pin level in order to internationally sponsor someone?

A. No, any registered ABO can internationally sponsor an ABO in another Amway market.

3. Should I establish a Multiple Business in another country?

A. Even if you meet the sign-up eligibility, it is not necessarily in your best interest to establish a Multiple Business in a foreign market. Establishing and operating a Multiple Business is usually more costly, more challenging operationally, and more complicated culturally and linguistically than building an Amway business in your home market. Amway recommends ABOs focus on building their home market businesses to Emerald Bonus Recipient (EBR) or above level before considering setting up a Multiple Business overseas. This is because at EBR or above level an ABO is in a position to potentially maximize Sales Plan benefits. However, internationally sponsoring someone else in another market is an

option you can always consider.

4. Are there any requirements for establishing a Multiple Business in another market?

A. Yes. Effective January 1, 2015, in order to establish a Multiple Business in another market, an ABO must be at least at Qualified Platinum level in an Amway market. An ABO residing outside of their home market may be exempt from the Qualified Platinum requirement if the ABO can provide proof of residency and/or has an immediate family member in the target market and is eligible to own and operate an Amway business there. Effective June 1, 2016, the Multiple Business Certification test is no longer required, however, it is strongly recommended that the ABO review the *International Business Building – All You Need To Know* document.

5. Why has Amway instituted the qualified Platinum requirement for opening a Multiple Business in another market?

A. This policy is instrumental in safeguarding the LOS, protecting Amway's reputation, promoting LOS harmony and facilitating proper international business building practices.

The Qualified Platinum requirement is not intended to restrict free enterprise, rather, it is in the best interest of the ABOs. From the ABO leaders' perspective, setting Platinum level as a minimum requirement will help protect new downline ABOs from being enticed or solicited to sign up under other leaders. For those ABOs not yet qualified, this policy will protect them from making investments in new markets without being fully informed of the costs and risks involved. This also helps protect both the ABO leaders and the not yet qualified ABOs from the possibility of feeling pressured into opening a foreign business when it may not be in their best interest.

6. What if I am not a qualified Platinum in any Amway market, and I have already set up a Multiple Business overseas before January 1, 2015?

A. Amway will honor all the Multiple Businesses set up before January 1, 2015, regardless of whether the owners of those Multiples Businesses reached Platinum level.

7. Does the Multiple Business requirement apply to all countries?

A. The requirement applies to all markets that allow foreigners to open a Multiple Business, however, it is important to know that some markets restrict or prohibit foreigners from owning and operating Multiple Businesses at all.

In addition, certain markets may impose more stringent requirements. For example, Amway China Sales Representatives must be at the Sr Sales Manager level or above and they are still required to pass the Multiple Business Certification test, and Amway Japan Distributors must be a Diamond Bonus Recipient (DBR) in the prior Performance Year in order to be eligible to register a Multiple Business in another Amway market.

For those ABOs setting up a Multiple Business withing Europe who already have an existing business there, the Qualified Platinum requirement does not apply however, their Multiple Business must be internationally linked by the original business in Europe.

- 8. Are there other exceptions to the criteria for setting up a Multiple Business in another market, for instance in Philippines or in Europe where a foreigner can become a Marketing Advisor?
- A. In Philippines, a qualified Platinum (Qualified Diamond and above in China and a Diamond Bonus Recipient in the prior ABO performance year in Japan) is eligible to qualify to become a Marketing Advisor. A Marketing Advisor is an ABO with demonstrated leadership capabilities in another market providing offshore business consultancy to an ABO group in the Philippines. They must abide by certain limitations and requirements in Philippines. For detailed information and requirements, please contact Amway Philippines.

In Europe, the Marketing Advisor (MA) program allows ABOs to expand within the European markets where Amway offers the business opportunity (with the exception of Turkey) beyond their borders without having to fully register as an ABO in those markets that are participating in this program. A European ABO having achieved the Platinum level in his first business within Europe may apply to become a Marketing Advisor in another participating European country. Foreign ABOs need to be at the Diamond level (pin) in their home market or any other countries where they have a multiple business in order to participate in the MA program in Europe. They also need to have a fully registered AB in Europe (to be the home-market) where they will receive all bonus payments and are subject to taxation.

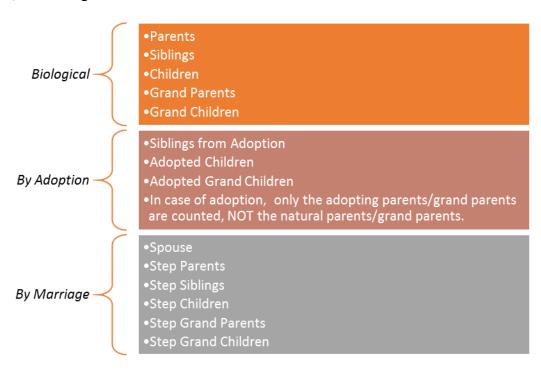
- 9. Even though I am not a Qualified Platinum or above, I am a resident (or natural citizen) of the target market. Can I start a Multiple Business in the target market?
- A. Yes, as long as you meet the criteria of our residency exception and can provide proof of residency to the target market where you are about to establish the new Multiple Business.

For the purpose of the policy, residency is defined as:

- 1. ABO or their spouse is a Citizen or Naturalized Citizen in the target market/country. Identified documents include: ID card, and Passport.
- 2. ABO or their spouse is a Permanent Resident in the target market/country. Identified documents include: Permanent Resident Card (such as Green Card, Maple Card), Resident Permit, and Social Security Card.
- 3. ABO or their spouse is a Long-Term Visa Holder (one year and over). Identified documents include: Student Visa, Working Visa, Study Permit, and Work Permit. Tourism visa and Business Visa are not applicable.

The options to confirm residency may vary slightly by market. Please check with the target market to confirm the options available.

- 10. I have a family member in the target market but am not a Qualified Platinum or above. Can I start a Multiple Business in the target market?
- A. Only if you have an immediate family member as defined by Amway in the target market. Amway defines immediate family member as: parents; siblings; children; spouse; grandparents or grandchildren either biologically, or by adoption, or marriage. Please refer to the chart below for details:



11. If I meet either the residency exception or the immediate family exception, what should I do to set up a Multiple Business in the target market?

A. Please contact the Sales staff or Customer Service in the target market. You will be asked to confirm your exception status.

12. If I open a Multiple Business in another market, who will be the International Sponsor?

A. Your existing Amway business <u>must be</u> the International Sponsor of your new business. And your new business must be linked to your existing business as a Multiple Business. At the sign-up, you should make sure you fill out the Multiple Business section of the registration with the correct and complete information. You may confirm the Multiple Business link by contacting your local Amway Sales department.

13. If I open a Multiple Business in another market, who will be the Foster Sponsor?

A. When you are ready to open a Multiple Business in another market, Amway strongly suggests you consult with your upline to help find a foster sponsor in the target market. While Amway does not mandate the duplication of an LOS in all markets, before establishing a Multiple Business, you should check with your upline. ABOs are strongly encouraged to follow the original home-market LOS as much as possible.

14. What are the responsibilities of Amway Multiple Business Owners?

A. The Amway Multiple Business Owners must meet all the local requirements, laws and Amway Rules and Policies. They should be aware of the laws and regulations of each market, as well as understand and be considerate of social and cultural customs. Detailed Market Requirements information can be found on amwayglobal.com.

The Multiple Business Owners must also fulfill the roles and responsibilities of an ABO and a sponsor, including providing day-to-day mentorship, training, motivation and service to the customers and downline groups in the target market.

15. What is a Single Line of Sponsorship (SLOS) or Consolidated Line of Sponsorship (CLOS)?

A. Single Line of Sponsorship (SLOS) and Consolidated Line of Sponsorship (CLOS) markets refer to those markets where Amway has combined multiple countries into one market and allows ABOs from one SLOS/CLOS country to Personally Sponsor new ABOs in another country within the same SLOS/CLOS market. An ABO can only set up one Multiple Business within a SLOC/CLOS market. For a

complete listing of CLOS or SLOS markets, refer to amwayglobal.com.

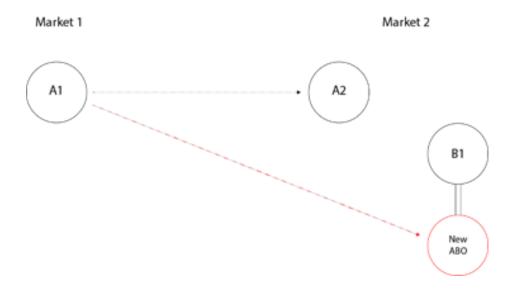
16. What if I have internationally sponsored myself in another market, then later request to have it become a Multiple Business?

A. If the international sponsor link was established on/after January 1, 2015, and you were a Qualified Platinum (or met the exception criteria), your request will be approved as specified in the International Linkage Policy.

However, if on/after January 1, 2015, this link was established, and you did not meet the policy requirement (Qualified Platinum/exception) the internationally sponsored business will be terminated because you did not meet the requirement to establish a Multiple Business. Additionally, Amway and its Affiliates reserve the right to take additional action under the Rules of Conduct, in any or all markets in which you have Amway businesses, if appropriate and justified under the circumstances.

17. If I have a Multiple Business in a market, can I Internationally Sponsor a new ABO into a crossline group?

A. Effective September 1, 2017, once an ABO establishes a Multiple Business in an Amway market, the ABO may only Internationally Sponsor new ABOs downline of that business instead of internationally sponsoring in a crossline group. ABOs may not internationally sponsor ABOs crossline to their existing Multiple Business as illustrated below. However, ABO may choose to internationally sponsor new ABOs anywhere downline from his/her Multiple Business. Amway does not require the new ABOs to be personally sponsored by the Multiple Business or being in the personal group of the Multiple Business.



18. If I have a Multiple Business in a market and attempt to Internationally Sponsor in a crossline group, is an option to just change the International Sponsor to someone else?

A. The registration form is considered a contract with the ABO and once accepted by Amway, the sponsor and international sponsor information is not easily changed in order to protect the integrity of the Line of Sponsorship. The International Sponsor, as defined above, is the person who introduced the Amway business to, and subsequently sponsors, a prospective ABO in another market. The ABO who introduces the Amway business to a prospective ABO does not change therefore, the International Sponsor cannot simply be changed once the registration form is accepted by Amway.

19. What will happen if the application is submitted in a way that is not allowed by this policy?

- A. If this happens, one of the following options would correct the issue:
 - 1) Resign the Multiple Business;
 - 2) Have the International Sponsor links removed from the ABOs in the crossline group, or;
 - 3) The ABO who has been Internationally Sponsored in the crossline group of the Multiple Business can request an individual or group transfer, according to the Rules of Conduct, to be placed under the Multiple Business.

20. What if I Internationally Sponsor someone and then they resign their business? Do I lose that link?

A: If an ABO resigns their business and there is an international link involved it will be acquired as follows in order to protect the integrity of the global Line of Sponsorship in accordance with Amway's Sales & Marketing Plan:

- If an ABO who is also an international sponsor is deleted for any reason, the international sponsor link from the deleted business automatically passes upline (never downline) to the next sponsor above the former ABO business.
- If an internationally sponsored business is deleted for any reason, the link between the former ABO and the international sponsor automatically passes downline (never upline) to any personally sponsored ABOs who do not already have an international sponsor. If

- the former ABO has no personally sponsored ABOs or if those ABOs already have an international sponsor, the link will simply drop off.
- However, if a former Amway business was both internationally sponsored and sponsored other ABOs internationally, the position in the global line of sponsorship will be 'held' so all awards tracking and bonus calculations correctly flow to the appropriate market.

21. Where can I find more information on Amway's International Sponsoring Policies?

International Sponsoring policies and information are available from your local Amway affiliate. You may also find such information on amwayglobal.com.