



## UNAUTHORIZED AMWAY BUSINESS OWNER ACTIVITY IN UNOPENED MARKETS POLICY

Updated August 2019

This Policy applies to all Amway Business Owners (ABOs) and other persons registering with Amway in any capacity as a customer or otherwise. This Policy is established with reference to **Rule 3.16** (Unauthorized Amway Business Owner Activity in Unopened Markets) of the Amway Rules of Conduct and various terms & conditions of the ABO Contract, and other terms & conditions of registration with Amway.

Each person/entity (ABO) which has a contract with an Amway affiliate ("**ABO Contract**") that authorizes the ABO to engage in activities within the countries and territories described in the ABO Contract. This may include some activities with respect to authorized countries outside of the Amway affiliate, provided the country is in or relates to a country or territory that has been opened or authorized by Amway for promotion and operation of the Amway business and/or products ("**Opened Market**"). Any activity taken in furtherance of an Amway business in any country or territory other than an Opened Market is considered "**Unauthorized Activity**" and is in violation of the ABO Contract and the included Rules of Conduct and/or Commercial Principles, and Amway's policies. Unauthorized Activity exposes the ABO to action by Amway for breach of that contract, and action in accordance with Amway's contractual Rules of Conduct and/or Commercial Principles.

Amway will announce the opening of new markets through official corporate communications, and will provide the date of launch, what pre-launch activity is permitted (if any), and other information critical for successful ABO participation. No ABO activity is authorized with respect to a market that is not an Opened Market unless otherwise officially announced by Amway. ABOs may not rely on any information or statements about Amway's involvement or potential involvement with respect to any country or territory except for what is communicated through official corporate communications. Because of the unique legal, regulatory and reputation issues associated with Unauthorized Activity in markets that are not supported by Amway, **Amway maintains an "Unauthorized ABO Activity in Unopened Markets Policy" and will take action to enforce the ABO Contract in all cases where it becomes aware of Unauthorized Activity.**

### Opened Markets

Each ABO is authorized to conduct specific activity in the market(s) specified in their ABO Contract. The ABO Contract authorizes ABOs to conduct Amway-related business activity in Opened Markets. Activity even within Opened Markets is always subject to the limitations provided by the ABO Contract. The following Opened Markets have been announced as opened and supported by Amway as of the date of this Policy:

**Anguilla, Antigua, Argentina, Aruba, Australia, Austria, Azores, Bahama Islands, Barbados, Barbuda, Belgium, Bermuda, Bonaire, Botswana, Brazil, British Virgin Islands (includes Virgin Gorda, Tortola, Anegada, Jost Van Dyke, Peter Island), Brunei, Bulgaria, Caicos Islands, Canada, Cayman Islands (Grand Cayman, Cayman Brac, Little Cayman), Ceuta, Channel Islands (Guernsey & Jersey), Chatham Islands, Chile, China, Colombia, Costa Rica, Croatia, Curacao, Czech Republic, Denmark, Dominican Republic, El Salvador, England, Estonia, Finland, France, Germany, Greece, Grenada, Grenadines, Guadeloupe, Guatemala, Guernsey, French Guiana/Guyana, Haiti, Hebrides Islands, Honduras, Hong Kong, Hungary, India, Indonesia, Ireland, Islas Baleares (Balearic Islands), Islas Canarias (Canary Islands), Isle of Man, Isle of Wight, Italy, Jamaica, Japan, Kazakhstan, Latvia, Lesotho, Lithuania, Macau, Madeira Islands, Malaysia, Martinique, Melilla, Mexico,Montserrat, Namibia, Netherlands, Nevis, New Zealand, Norway, Panama, Philippines, Poland, Portugal, Puerto Rico, Reunion, Romania, Russia, Saba, Shetland Islands, Singapore, Slovak Republic, Slovenia, South Africa, South Korea, Spain, St. Eustatius, St. Kitts (f.k.a. St. Christopher), St. Lucia, St. Maarten, St. Vincent, Swaziland, Sweden, Switzerland, Taiwan, Thailand, Tobago, Tortola, Trinidad, Turkey, Turks Island, Ukraine, United Kingdom (Northern Ireland, Scotland, Wales), United States, Uruguay, U.S. Virgin Islands, Venezuela, Vietnam**

ABOs are encouraged to contact Amway to ensure that they have the most current information on Opened Markets, and are responsible for understanding and following the procedures for International Sponsoring and setting up Second Businesses in accordance with the ABO Contract, including incorporated Rules of Conduct and/or Commercial Principles



and other Policies.

Additionally, ABOs are expected to be aware of and comply with the laws and regulations of any country or territory in which they become involved, as well as understand and be considerate of social and cultural customs.

### **Unauthorized Activity**

The following is a non-exclusive list of the sorts of activities that Amway will consider to be Unauthorized Activity (i.e., with respect to a country or territory which Amway has not designated as an Opened Market):

1. Visiting the country or territory for the purpose of interesting one or more prospective ABOs or customers in the Amway business or AMWAY™ products;
2. Holding meetings (even one-on-one meetings) in any way connected to the Amway business;
3. Communicating with persons in the country or territory, whether directly or through intermediaries, for the purpose of identifying or attracting prospective ABOs or customers;
4. Advertising or publishing, on Internet web sites, through social media or otherwise, in any way that is connected to the Amway business;
5. Sharing the Plan, inviting participation in a meeting or event (regardless of the location of such meeting or event) or otherwise educating a person in or from the country or territory about the Amway business (other than a person who happens to be in the country or territory but who is a lawful resident of an Opened Market and may legitimately be or become a ABO of the Amway affiliate in the Opened Market, and provided the information being shared relates to such Opened Market);
6. Soliciting other ABOs or requiring other ABOs to sign any agreement with respect to any market that is not an Opened Market, including any agreement to provide prospects or to sign up in a particular group or to be sponsored by a particular ABO in the event the market is later opened by Amway (including, e.g., "lead forms" and "pre-applications");
7. Importing, promoting, publicizing, displaying, demonstrating, using, or selling AMWAY™ products, except for a small amount of product personally carried by the ABO for the ABO's own personal use (that is, consumption – never distribution or sharing with others) while traveling to a country or territory, and only to the extent that such activities comply with local laws and regulations, the policies of the Amway affiliate from which the products are purchased, and the other provisions of this Policy;
8. Importing, promoting, publicizing, using, or selling of any Business Support Materials, including literature and other printed materials, audio-visual materials (in whatever fixed or digital media), or other such training materials (including the use of web sites, social media, broadcast / simulcast events, streaming or downloadable digital content, e-mail and other electronic means of advertisement or communication of whatever nature) in relation to the Amway business, regardless of whether or not such has been previously reviewed and authorized by Amway for use in an Opened Market;
9. Interacting with media about the Amway business, granting interviews with the media or with any public official in which Amway or the Amway business is a topic or is discussed, including even the identification of the ABO as having any affiliation with Amway in an Opened Market;
10. Stating or implying that the ABO is a representative, agent, employee, authorized ABO or has any other relationship with Amway in the country or territory;



11. Advising or supporting other ABOs to act contrary to the provisions of this Policy;
12. Failing to educate personally sponsored frontline ABOs about this Policy and, if the ABO is a Platinum ABO, failing to educate downline ABOs in the Platinum group about this Policy.

#### **Complaints, Investigation, Remedial Action and Appeals**

Complaints of unauthorized activity are to be submitted in writing to the appropriate Sales/Business Conduct & Rules Department staff for review and handling on a case-by-case basis. Amway may, at its discretion, follow up on any reported activity to make a determination of its accuracy and viability.

In the event that Amway takes remedial action, any ABO(s) involved will have the opportunity to challenge and/or appeal the action in accordance with their ABO Contract(s).

**Amway reserves the right to take any or all of the following actions in response to violations of this Policy, among other actions that may be provided under the ABO Contract, including any incorporated Rules of Conduct and/or Commercial Principles:**

1. Refuse to enter into a ABO Contract (or deny any application to become a ABO or otherwise engage with Amway) in the market once it becomes an Opened Market;
2. Deny rewards and recognition determined to have been derived from Unauthorized Activity;
3. Deny any or all discretionary rewards and recognition, such as Growth Incentive Bonuses, Amway Core Plus Discretionary Incentive Bonuses, Founders Achievement Awards (FAA), non-cash awards, etc., regardless of whether the rewards or recognition were derived from any Unauthorized Activity;
4. Cancel or refuse to issue invitations to any Amway-sponsored seminars or events, including award trips, whether or not the offending ABO would otherwise have qualified for the same;
5. Revoke the offending ABO's good standing status;
6. Prohibit the offending ABOs from entering into other markets, including establishing second businesses or engaging in International Sponsoring in Opened Markets;
7. Require the offending ABO to provide Amway with a mailing list, complete with names and addresses, of all persons solicited/contacted by him or her as prospective ABOs or customers as a result of unauthorized activity;
8. Re-educate the ABO, or any group of ABOs who may have been involved with, informed of or educated concerning the activities that were found to violate this Policy;
9. Notify other ABOs of the violations; and/or
10. Suspend and/or terminate the ABO's primary and/or any second business(es). In the event of a suspension or termination action, the appeal rights as granted by the Rules of Conduct, Commercial Principles or applicable policies in an Amway affiliate may be invoked by the ABO.

