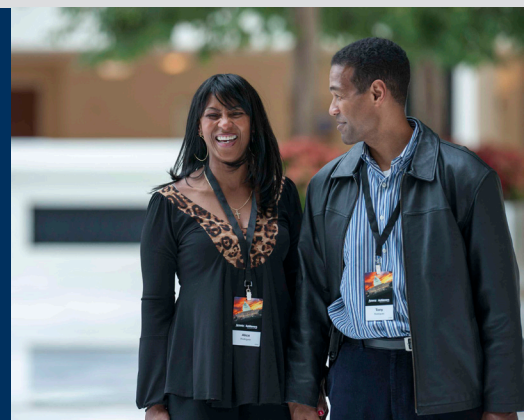


# AMWAY PRINCIPLES ON QUALIFICATION



Dear Leader,

Amway encourages ABOs to expand their business by producing greater and greater sales volume. However in order to protect the integrity of the Amway Sales and Marketing Plan, Amway has an interest in ensuring that this expansion occurs only in accordance with the Rules of Conduct and Policies applicable to the ABO under his/her ABO contract.

Although Amway values every PV of additional volume that is created by its ABOs, it is of utmost importance that the additional volumes are generated in a sustainable way through sales to the final consumers. Products purchased for the purpose of reaching a certain qualification target or GIP bonus without the necessary sales and organization structure behind is therefore not acceptable.

Above principles and/or the Tracking and Verification process have already been parts of several communication and ABO training in Europe on the Amway Rules and policies. For your ease of reference, we would like to include the most relevant Amway Rules in this context as an attachment to this communication:

We trust you understand that these rules and processes exist for the protection of the business and it is in the interest of all ABOs and Amway that they are complied with.

## Tracking and Verification Process

To analyse and evaluate volumes that lead to qualifications and GIP bonuses, Amway has introduced a Tracking and Verification process globally and in Europe more than 5 years ago. Today, we would like to take the opportunity to provide all European Leadership with reminder information for ease of reference for all.

When Amway reviews a qualification, various parameters of business building are looked into. Below we would like to remind you of the key parameters that are part of this Tracking and Verification process and their average values.

- Average number of downline ABOs of an upline ABO reaching the 21% level is more than Europe: 150 / ZA: 200.
- Average number of ordering ABOs more than Europe: 50 / ZA: 70
- The average personal volume of the ABO tracking for qualification West: 450 / CLOS: 350 / ZA: 350
- The average personal volume of the highest PV producers in a qualified group is Europe: 500 PV / ZA: 300 PV.
- The average group volume generated during the last week of the month is 35% (Europe & ZA).
- The average group volume of the ABOs in the month before the qualification starts is Europe: 4.500 PV / ZA: 5.000 PV.

- The average group volume that an ABO achieves in non-qualified months when tracking for qualification is 5.000 PV (Europe & ZA).
- The average product return % is 1.5% in West /1.0% in CLOS / 1.5% in ZA.

It is natural that there may be some differences from business to business depending on retailing habits business building practices and other factors. Therefore, variances in these parameters from the averages are normal. However, if the deviation is significant and/or there is significant deviation in several of the above parameters, Amway will review the qualification in more detail to understand the underlying reasons of the deviation.

In most cases the ABO will provide satisfactory evidences, clarifying such deviation, and give the respective explanations. This will result in the approval of the qualifications and related bonuses by Amway. If the result of the review is not satisfactory to Amway, it can withhold or deny qualifications and any discretionary payments such as GIP and FAA.

It takes hard work, patience and endurance to build the business properly with a long term perspective. Our efforts are to ensure that those who achieve this get the full benefits of rewards and recognition without having to share their rewards with others who take shortcuts for short term results.

We are confident that your preference as a key leader in Amway business is the same as ours. We believe that you support our sensitivity for more than half a decade to ensure that proper business building practices are implemented throughout Europe all the time.

Best regards

Peter Strydom  
Managing Director  
Amway Europe

