



Amway

Rules of Conduct and Policies



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PART ONE

Rules of Conduct



SECTION 1:

Introduction

The Rules of Conduct (“Rules”) define and establish: (1) certain principles to be followed in the development and maintenance of an Amway Business (“AB”); and (2) the rights, duties, and responsibilities of each Amway Business Owner (“ABO”).

Amway and its ABOs have a binding contractual relationship. The terms and conditions of this relationship are set forth in (1) the ABO Contract; (2) the Business Handbook, which include these Rules of Conduct, and (3) other official Amway literature, policies, or other communications.

From time to time, the contents of these documents are changed. Amway will notify the ABOs of such changes in a timely manner in official Amway literature. The changes will become effective upon publication. In order to preserve the goals and purposes of the Amway Sales and Marketing Plan, Amway reserves to itself the sole right to adopt, amend, modify, supplement, or rescind any or all of these, Rules of Conduct, the Amway Policies and Standards as necessary.

HEADINGS: THE HEADINGS OF THE SECTIONS, PARAGRAPHS AND SUB-PARAGRAPHS ARE INCLUDED FOR PURPOSES OF CONVENIENCE ONLY, AND SHALL NOT AFFECT THE CONSTRUCTION, OR INTERPRETATION OF ANY OF THE PROVISIONS CONTAINED HEREIN.

SECTION 2:

Definitions

Alticor Inc. or Alticor: Alticor Inc., 7575 East Fulton Street, Ada, Michigan, 49355, USA, or any parent, sister or subsidiary, depending on the context.

Amway: Amway South Africa (Pty) Ltd

Amway Business Handbook: The reference handbook supplied to all ABOs which provides key information on: 'Money Management', 'Building your Amway Business', 'Introducing Amway', 'Amway Sales and Marketing Plan', 'Rewards and Awards', 'Operating Policies and Procedures', 'International and Foster Sponsoring'; and these 'Rules of Conduct'.

Amway Business Opportunity: The products, marketing, support and compensation system offered by Amway pursuant to the ABO Contract

Amway Business Opportunity Kit: The collection of literature, sales aids and other products and materials that ABOs receive in connection with acceptance by Amway of their ABO Contract. The Amway Business Opportunity Kit is made up of the: The collection of literature, sales aids and other materials of products provided to a person prior to the submission of an ABO Contract and payment of the cost of the Amway Business Opportunity Kit.

Amway Business Policies: Principles and policies set forth in official Amway literature, including the Rules of Conduct, Code of Ethics, Zero Tolerance Policies and various other policies and bulletins that may be published by Amway from time to time which are incorporated by reference into the ABO Contract.

Amway Produced Business Support Materials ("Amway BSM"): Business Support Materials produced by, or on behalf of Amway.

Amway Products: All goods made available by Amway for sale, marketing and/or promotion by ABOs, except for Amway Produced Business Support Materials.

Amway Sales and Marketing Plan ("Plan"): The system used to calculate the Commission compensation and recognition for ABOs based on product sales as described in the Amway Business Handbook and other official Amway literature.

Amway Satisfaction Guarantee: means that Amway stands behind the quality of Amway products and guarantees customer satisfaction.

Amway Services: All services made available by Amway for sale, supply, marketing and/or promotion by ABOs, except for Amway Produced Business Support Materials.

Business Group: All downline ABOs of an ABO, but not including any downline Platinum ABOs or the ABOs sponsored by a downline Platinum ABO.

Business Support Materials ("BSM"): as used in the Amway Rules of Conduct, Policies and Standards means all products and services (including but not limited to business aids, books, magazines, flip charts, and other printed material advertising, audio, video or digital media, like websites, online literature, applications for mobile and other devices; rallies, meetings and events, and educational seminars, and other types of materials and services) that are (a) designed to solicit and/or educate Prospects, Customers, or prospective Customers of Amway products or services, or to support, train, motivate, and/or educate ABOs, or (b) incorporate or use one or more of the Marks or Copyrighted Works of Amway, or (c) are otherwise offered with an explicit or implied sense of affiliation, connection, or association with Amway

Business Volume (BV): A monetary amount assigned to each product on which commissions are calculated.

Commission: The payment, in whatever form, that ABOs receive from Amway for fulfilling their obligation under the ABO Contract provided in accordance with the Amway Sales and Marketing Plan.

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Cross-Border Activities: Amway Distributors around the world are aware that the activities of each individual Distributor can have a significant and far-reaching impact on the businesses of other Distributors, often across national borders Distributors must follow the Rules of Conduct/Commercial Principles in any market in which they are conducting any activity related to their Amway business. Failure to do so will breach their existing Distributor Contract and could seriously impact the status of their Distributor Contract(s). It is the responsibility of the Distributor to be aware of the Rules of Conduct/Commercial Principles in that market.

Group Volume: This volume is used to calculate an ABO's Performance Incentive Commission percentage level. Group Volume includes all the volume in your group down to, but not including, the first 21% Performance Incentive Commission level ABO.

ABO: Amway Business Owner. A person who has signed an ABO Contract with Amway that has been accepted by Amway. An ABO is an independent contractor. He is not a commercial representative, employee, agent or broker. He buys and sells Amway products and services in his own name and on his own account. Certain ABOs may be referred to by other designations, such as Platinum, Emerald, Diamond, etc., in accordance with qualification awarded by Amway pursuant to conditions set forth in the Amway Sales and Marketing Plan and other official Amway literature.

ABO Contract: Refers to the ABO Registration Form/ Contract along with the incorporated documents that form the terms of the contractual agreement between ABOs and Amway.

ABO in Good Standing: To be eligible for discretionary benefits such as GIP, FAA, and incentive trips, ABOs must consistently demonstrate that they are in Good Standing, as defined in the Good Standing Policy for Southern Africa for more information, please visit www.amway.co.za.

Calendar Day: Unless otherwise stipulated 'day' shall be defined as 'calendar day' in the sense of all days of the week, including Saturday, Sunday as well as bank and public holidays.

Digital communication: as used in these Rules means electronic transmissions (generally by computer or mobile device) of text data, images, video, voice, and other information. Digital Communications include without limitation emails and any posts or publications an ABO/Member Plus makes available within the digital space, including videos, blog posts, mobile applications, advertising, forums, webpages, and through any social media or messaging platform, e.g., Facebook, YouTube, Instagram, Twitter, WeChat, VK, Line, WhatsApp, and Snapchat.

Husband and Wife: considered equivalent to a registered partnership couple (or similar term acceptable by local law), while 'married person' and 'spouse' is considered equivalent to a registered partner (similar term acceptable by local law).

Interim Administrator: An ABO who is appointed by Amway or an ABO, who by agreement, looks after another ABO's AB. This appointment will only be effective after an 'Interim Administrator Agreement Form' has been correctly completed, signed and accepted by Amway in accordance with the Rules of Conduct.

International Leadership Commission: A monthly Commission earned by an International Sponsor for Commissions earned by qualified ABOs in another market, as specified in the Amway Sales and Marketing Plan. Leadership Commission: A monthly Commission earned by those ABOs who have one or more qualified Legs downline and meet the minimum requirements to receive this Commission, as described in the Amway Sales and Marketing Plan.

Line of Sponsorship: All ABOs upline from you: your Sponsor, your Sponsor's Sponsor, continuing up until you reach Amway.

Member: A person who has become a Member by signing a Member Registration which has been accepted by Amway. Unlike ABOs, members cannot sell Amway products, not allowed to act as sponsors and only obtain Amway products for personal consumption.

Official Amway Web site: Any website hosted and administered by Amway, or where Amway is the owner of the site content, informing on Amway, the Amway Business Opportunity or on Amway Products and services, e.g. www.amway.com, www.nutrilite.com, www.artistry.com.

Platinum ABO: An ABO that has achieved the award level of Platinum in accordance with the Amway Sales and Marketing Plan.

Point Value (PV): A numerical assigned to a product to determine Commission and award levels.

Privacy Policy: A policy adopted by Amway that describes Amway's collection, use, dissemination and transfer of personal data held on databases or record systems of Amway as well as Amway's undertakings to protect this data and the rights of data subjects in relation thereto.

Prospect: A potential ABO, Member or Retail Customer.

Qualified Leg: A Leg where at least one ABO downline has achieved the Maximum Performance Incentive Commission level.

Retail Customer: The customer of the ABO but shall not include any ABO or the spouse of an ABO.

Rules of Conduct (Rules), Code of Ethics (COE), BSM Policy, Privacy Policy, Zero Tolerance Policies (ZTP), International Sponsoring Policy and Website Policy: The rules laid down by Amway. These form part of the terms and conditions to which all ABOs agree to adhere when they sign the ABO Contract to become an ABO. They exist to prevent misrepresentations or abuse of the Amway Sales and Marketing Plan and all ABOs must operate their business within both the spirit and letter of these rules.

Sponsor: There can be one of three relationships:

- Personal Sponsor: An ABO who registers a Prospect into the Amway Business Opportunity;
- International Sponsor: An ABO who is introduced to the Amway Business Opportunity by a Sponsor ("International Sponsor") from another Amway market.
- Foster Sponsor: An ABO in the affiliate who is designated to provide training to an Internationally Sponsored ABO.

Stacking: Stacking occurs when an upline ABO places a new ABO under another ABO in the Amway Line of Sponsorship without regard for whether the ABO knows and has a relationship with the frontline sponsor. Accordingly, stacking is deemed to take place when a new ABO doesn't know their sponsor or doesn't agree with whom their registered sponsor is. In all such cases, stacking is strictly prohibited and is a serious violation of Rule 4.22 the Plan Manipulation Rule.

Upline: Any ABO above an ABO in the Line of Sponsorship

Volume: PV and/or BV, as the context requires.

Volume Equivalency: Provides an alternative qualification opportunity for individuals who fail to qualify all twelve months in a qualification period Volume Equivalency provides an ongoing incentive by allowing an ABO who misses one or two months a means to meet the 12-month qualification via an annual volume requirement.



SECTION 3:

Becoming an ABO

- 3.1. **ABO Contract and Amway Business Opportunity Kit:** To become a duly authorised ABO capable of merchandising Amway products and services and sponsoring others, an applicant must purchase the Amway Business Opportunity Kit and complete and sign the ABO Contract. An Amway Business (AB) shall be formed initially by the individual applicants as sole proprietor or as a non- formal partnership as detailed in the ABO Contract. The ABO Contract must be sent to, and accepted by, Amway for authorisation in accordance with the provisions of Rule 3.3.
- 3.1.1 No ABO shall present the Amway Business Opportunity as anything other than a business opportunity available to anyone regardless of race, gender, nationality, religious or political beliefs.
- 3.2 **Husband and Wife ABO:** If husband and wife want to build an Amway Business together, they must be sponsored together on a single AB. If one spouse is already an ABO, the other spouse, upon electing to become an ABO together with his/her spouse, must join his or her spouse's contract with Amway. A legally recognised married person (including Local Law marriages) signing an ABO Contract acknowledges that any action of the non- signatory spouse undertaken in connection with the AB of the signatory spouse shall be deemed to have occurred at the request and with the authorisation of the signing spouse, and the signing spouse shall be responsible under the ABO Contract for any activity of the non-signatory spouse that is contrary to the ABO Contract, including the Rules of Conduct and Amway Business Policies.
- 3.2.1 A husband and wife are deemed to operate their AB together if both are parties of the ABO contract and the application is signed by both spouses. Therefore, each is held accountable for he actions of the other in so far as the Rules of Conduct are concerned. A husband and wife may not operate separate ABs or enter into separate ABO Contracts.
- 3.2.1.1 A married person signing an ABO application acknowledges that as allowed by binding law, assumes the responsibility for any action of the non-signatory spouse undertaken in connection with the AB of the signatory spouse shall be deemed to have occurred at the request and with the authorization of the signing spouse. The signing spouse shall be responsible under the ABO contract for any activity of the non-signatory spouse that violates or is contrary to the ABO contract including the Rules of Conduct and Amway Policies.
- 3.2.2 If two ABO become married to each other, each spouse can keep the business or decide to surrender the business and join the other spouse's AB.
- 3.3 **Requirements:** Without limiting Amway's rights, the following are requirements for becoming an ABO or renewing an ABO Contract:
- 3.3.1 Must not be in jail or otherwise confined to any correctional institution;
- 3.3.2 Must be at least 18 years of age;
- 3.3.3 Must not have been suspended from his current profession or business by any professional association, society, or institution;

- 3.3.4 Must not be unable to manage his or her business due to mental reasons;
- 3.3.5 Must not have been terminated for breach of contract under a previous ABO Contract or contract with another Amway affiliate; and
- 3.3.6 Must comply with Section 6.4 of the Amway Rules of Conduct, Amway Policies and Standards if the applicant previously operated under an ABO Contract that was terminated or expired (and has not been renewed).
- 3.3.9 **Residency Rule:** Reside within South Africa, if this is the ABO's first business in any market where Amway operates: For multiple businesses, please refer to Rule 4.29 Fulfill the residency rule requirements being a South African, Namibian, Botswana, Lesotho or Swaziland citizen or have residential permit in one of these markets

- 3.4 **Acceptance or Rejection of ABO Contract or Renewal of ABO Contract:** Amway reserves the right to accept or reject any ABO Contract. Likewise, Amway reserves the right to refuse any renewal request and can revoke an ABO Contract if an ABO's activities have not been in accordance with the Rules of Conduct or if the ABO is not an ABO in Good Standing. In case the registration has been completed on the official Amway website and the information about Amway acceptance of the registration has been delivered to the applicant as set forth in Rules of Conduct the ABO is authorized to conduct Amway Business according to Rules of Conduct and Amway Policies.

The ABO has the obligation to submit a signed version of the application form no later than 30 calendar days after the registration, either:

- a) By delivering a signed hard copy either in person, by post or hand delivery; or
- b) By sending the hard copy via e-mail or fax to Amway

The contract will be automatically terminated in case this deadline is not met.

In addition, Amway may unilaterally without explanation or reason, terminate the ABO Contract within 14 calendar days after receiving a signed hardcopy version of the ABO registration form that was submitted timely. In such a case Amway will refund the ABO any sums paid to Amway in connection with the contract. Upon expiration of 14 calendar days the contract may be terminated only pursuant to Section 12 of the Rules of Conduct.

- 3.5 **Date of Authorisation:** An ABO Contract shall be considered accepted by Amway when it receives a completed and signed ABO Application and its contents are verified with Amway's ABO records database.

- 3.6 **Prohibited Sponsoring Practices:** Neither a Prospect, as a condition to becoming a new ABO, nor any currently authorised ABO, as a condition to receiving from the Sponsor assistance in the development of such person's AB, shall be required to:

- 3.6.1 Purchase any specified amount of products or services.
- 3.6.2 Maintain a specified minimum inventory.
- 3.6.3 Purchase any non-Amway produced "starter," "decision," or other "pack" or "kit."
- 3.6.4 Purchase CDs, literature, audio-visual aids, or other materials or participate in any "tape of the month" or "tape of the week" programmes.
- 3.6.5 Purchase tickets for and/or attend or participate in rallies, seminars, or other meetings.

The only requirement which a sponsoring ABO can impose upon a Prospect whom he is willing to sponsor is that the new ABO shall purchase an official Amway Business Opportunity Kit (without substitution or alteration of the contents) and sign an ABO Contract and mail it to Amway.

- 3.7 **Term and Expiration:** Generally, the term of an AB is 1 January to 31 December of each year. Unless the ABO Contract is renewed in accordance with Rule 3.8 of the Amway Rules of Conduct, Amway Policies and Standards, an ABO Contract expires or may be terminated in accordance with the Amway Rules of Conduct, Amway Policies and Standards. As specified in the ABO Contract, unless earlier terminated by the ABO or Amway, the ABO Contract shall automatically terminate on December 31 of the initial contract

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year, if it is signed on or before August 31, or December 31 of the next year if the ABO Contract is signed after August 31.

3.7.1 **Buy-Back Rule:** Upon expiration or the termination of the ABO Contract, an ABO may apply to Amway to return any unsold inventory of Amway products and services that he may possess, provided that such products are in new, unused and saleable condition. Amway will repurchase such products at the cost for which such ABO purchased such Amway products from Amway, less a 10% administrative handling and restocking charge and any non-recoverable taxes, less any commission amounts that have been paid on the respective purchases, and less any amounts that are due and owing by the ABO to Amway. In the event that an ABO Contract is terminated for an ABO's breach, Amway shall have discretion as to the repurchase of products and services under this Buy-Back Rule.

3.8 **Renewal:** An ABO's initial approval expires as described above in Rule 3.7. The membership fee and renewal procedures are published annually via electronic communication. An ABO who seeks to renew is required to follow the process as outlined in the communication and pay the renewal fee. Without limiting Amway's discretion to deny renewal of an ABO contract the following automatically disqualify an ABO from renewal of his ABO contract:

- 3.8.1 The ABO was operating in a manner that was contrary to the reputation and interests of Amway; or
- 3.8.2 The ABO did not comply with, or is in breach of, the ABO Contract within the twelve (12) months preceding the period for which renewal is sought; or
- 3.8.3 Failure to meet the requirements outlined in Rule 3.3 of the Amway Rules of Conduct, Amway Policies and Standards.

3.9 **Termination:** An ABO may terminate the ABO Contract at any time by providing Amway with written notice of termination at Amway's specified address. Notices to ABOs will be sent to the address listed on Amway's records. Amway may terminate the contract for intentional, severe breaches of the Amway Rules of Conduct, Amway Policies and Standards only after having followed the procedures as set forth in section 11 of the Amway Rules of Conduct, Amway Policies and Standards and if all reasonable efforts to gain a mutual consent failed. Upon termination by Amway ABO may not only take legal action but also will be eligible before the International Review Panel (section 14 of the Rules of Conduct)

3.10 **Members:**

3.10.1 An ABO who resigns may immediately register as a Member under his original Sponsor and has to remain in that position for a period of 12 months. Upon completion of the 12 months the Member can move to another ABO as a Member or as an ABO. A Member may register again as an ABO under a different Sponsor only on completion of 12 months as a Member under his original Sponsor.

3.10.2 **To maintain the existing Line of Sponsorship a Member:**

- 3.10.2.1 who was a former ABO may not encourage any former ABOs or Members to move from his original position in the LOS to another position in the LOS for a period of 2 years;
- 3.10.2.2 for a period of two years may not register existing ABOs or Members who were downline in the LOS sign an ABO Registration Form and join his or her spouse's AB.

3.11 **Informal Partnerships:** In the case of an informal partnership, the Amway AB shall be only under the names of the individuals who are partners and not under a business name that the partnership might use for transactions.

3.12 **ABs Operated through a Legal Entity:** An Amway Business Owner may apply to Amway to operate the AB through a legal entity, provided it complies with certain requirements and conditions, and the entity's sole purpose is the operation of the Amway Business Opportunity. The person signing the ABO Contract on behalf of a legal entity must be an authorized representative of that legal entity and must personally meet the qualifications set forth in Rule 3.3 above. A legal entity may be required to submit, in addition

to other documents, proof of existence and qualification to conduct the activities anticipated in the ABO Contract, proof of compliance with applicable registration requirements, a document (such as an Authorisation for Legal Entity Form) containing various information about and agreements of both the legal entity and the founders and management of the legal entity, or such other similar information and documentation as Amway may request.

- 3.13 **Invitations Limited to Two Persons:** Invitations for business seminars, leadership seminars, incentive trips and other events organised by Amway are issued at Amway's absolute discretion and in any event will only be extended to two individuals per AB. These individuals shall be the ones listed on Amway's records as the owners of the AB. In the case of a legal entity AB, the principals must indicate at the beginning of the ABO performance year, in writing, which two individuals should be considered for such invitations.
- 3.14 **Conspiracy; Inducement to Breach:** An ABO shall not conspire with any other person to breach or induce a breach of an ABO Contract or to induce or attempt to induce another ABO to breach an ABO Contract. Any such activity shall constitute a breach of the ABO Contract.
- 3.15 **Exceeding Scope of Authorisation:** An ABO shall not exceed the scope of authorisations granted pursuant to the ABO Contract. Any such activity shall constitute a breach of the ABO Contract.
- 3.16 **Representations and Warranties:** An ABO shall not make any false representation or statement to Amway, nor induce Amway to enter into an ABO Contract under false pretenses, nor breach any representation or warranties implied in this contract or by law. Any such activity shall constitute a breach of the ABO Contract.
- 3.17 **Multiple Breaches:** It is a breach of the ABO Contract for an ABO to allow any breaches to remain uncorrected following notification from Amway of the existence of the same, or to have multiple simultaneous, serial or repeating breaches of the ABO Contract.
- 3.18 **Zero Tolerance Policy: Unauthorised Activity in Unauthorised Markets:** It is a breach of the ABO Contract for an ABO to conduct ABO activities in markets in which he or she is not authorised to conduct business. It is a breach of the ABO Contract to conduct ABO activities in markets in which Amway is not doing business, activity such as posting a website. Such unauthorised activity may result in, without prejudice to any rights and remedies otherwise available, the immediate suspension of the ABO's rights and privileges for an indefinite period of time.
- 3.18.1 Amway defines "ABO activity" as engaging or benefiting from any activity which promotes or builds the Amway Business Opportunity. Inactivity is defined in Rule 6.4.2.
- 3.18.2 Prospecting websites directed at a market(s) in which the ABO is not authorised to conduct business are considered "unauthorised activity".
- 3.19 **Activity Outside the Region or Activity Outside the Market Where the ABO Is Registered:**
- 3.19.1 ABOs who engage, directly or indirectly, in any activity related to the Amway business in a jurisdiction outside of the Region must do so in a manner that complies with the letter and spirit of the applicable laws, regulations, rules, policies and procedures of the Amway affiliate in that jurisdiction, regardless of whether they are registered ABOs in that jurisdiction. For the purpose of complying with this provision, ABOs must inform themselves with laws, regulations, rules, policies and procedures of the Amway affiliate in the respective jurisdiction. Failure to do so shall be a breach of the ABO Contract in all jurisdictions in which the ABO holds a contract with Amway. In such case Amway may take action and sanctions as described in Section 11 of Rules of Conduct.
- 3.19.2 No ABO shall conduct ABO activities in markets Amway has not opened (also refer to Global Zero Tolerance Policy on Unopened Markets, available on www.amway.co.za). Amway defines ABO activity" as any activity which is designated to promote or build the Amway Business as defined in the rule 6.4.2 of the Rules of Conduct.
- 3.20 **Circumvention of the Rules of Conduct:** In the case of an attempt to circumvent or acting against the intent of the Rules of Conduct, Amway may at any time take corrective action at the Amway affiliate's discretion.



SECTION 4:

Responsibilities and Obligations of all Amway Business Owners

- 4.1 **Abide by the Amway Business Policies/Amendments/Duty of Good Faith:** At all times, ABOs must strictly adhere to the guidelines, procedures and policies stated in the Amway Business Policies of which these Rules of Conduct are a part, in addition to the Amway Sales and Marketing Plan, and, in each case, any amendments made to such from time to time. All ABOs are charged with the duty of good faith and fair dealing under the terms of the ABO Contract.
- 4.1.1 **Duty to Report Violations:** An ABO shall promptly advise Amway of any information relating to another ABO's actual, potential or threatened violation of the ABO Contract, including the Amway Business Policies, or any applicable laws or regulations.
- 4.1.2 **Cooperation with Investigations:** ABOs shall cooperate in any investigation undertaken by Amway into activities that are potentially in contravention of his or her ABO Contract or the ABO Contract of another ABO.
- 4.2 **Cross Group Buying or Selling:** No ABO shall engage in cross-group buying or selling. "Cross group buying and selling" occurs when an ABO sells Amway distributed or supplied products and/or services to another ABO.

- 4.2.1 An ABO must only purchase Amway products and services and Amway literature supplies directly from Amway in order to be eligible for the awards and rewards of the Amway Sales & Marketing Plan.
- 4.2.2 An ABO must not sell Amway products and services to another ABO
- 4.3 **Retail Stores:** No ABO shall permit Amway products or services to be sold or displayed in retail establishments whose main purpose is the sale of products and services to the public, including, but not limited to places like schools, fairs, ships, flea markets, auctions, kiosks, unauthorised internet websites or military bases; nor shall he or she permit any Amway products or services to appear in such locations even if the products or services are not for sale. No promotional material related to Amway products or services or Amway literature shall be displayed in retail establishments.
 - 4.3.1 An ABO who works in or owns a retail store must operate his or her AB separate and apart from the retail store. Such ABOs must secure customers for his Amway business in the same manner as ABOs who have no connection with a retail store and otherwise abide by this Rule 4.3. Other types of retail establishments, which are not technically retail stores, such as barber shops, beauty shops, or professional offices, etc., likewise may not be used to display Amway products, information about Amway services, or promotional material related to Amway products or services or Amway literature.
 - 4.3.2 An ABO may not present the Amway Sales and Marketing Plan or solicit participation in the Amway Sales and Marketing Plan through any broadcast communication methods including mass mailings, telemarketing, national or international advertising, radio, television, facsimile services, computer communication networks including the Internet, or any other means by which personal contact with a Prospect is not present. However, ABOs may use digital media or maintain an Internet website for use with Prospects, provided the contents of such media or website meets the requirements set out in the ABO BSM Policy, and otherwise complies with the Rules of Conduct.
 - 4.4.2 In any way whatsoever, represent Amway incorrectly with regard to prices, quality, standards, grades, contents, style or model, place of origin or availability of Amway's products or products distributed by Amway;
 - 4.4.3 State that Amway's products or products distributed by Amway are backed, approved, or present any features as regards to yield, accessories, uses or benefits that they do not have, or
 - 4.4.4 Act or present in any way whatsoever Amway, its products or the products Amway distributes, in a fraudulent manner or promote products that do not belong to Amway as if they did.
 - 4.5 Repackaging: ABOs may not repackage products or Amway Business Opportunity Kits, change the content of products or Amway Business Opportunity Kits, or otherwise change or alter any of the packaging labels of Amway products, Amway Business Opportunity Kits or services.
 - 4.6 Written Sales Receipt: An ABO who takes and/or delivers an order in person shall deliver to the Retail Customer at the time of sale, a written and dated order or receipt which shall: (a) describe the product(s) sold, (b) state the price charged, (c) give the name, address, and telephone number of the selling ABO, and (d) include Amway's Satisfaction Guarantee (as stated in Rule 4.7 of the Rules of Conduct).
 - 4.7 Satisfaction Guarantee: Whenever a Retail Customer requests Satisfaction Guarantee service within the stated guarantee period, an ABO shall immediately offer the individual his or her choice of a) full credit toward the purchase of another product; b) exchange for a like product; or c) full refund.
 - 4.7.1 ABOs shall advise Amway of any complaint regarding the Satisfaction Guarantee from a Retail Customer and provide copies of all correspondence and details of all conversations regarding the complaint as requested.
 - 4.7.2 ABOs are not authorised to make any type of offer or compromise or render Amway liable for any complaint or product return.

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4.7.3 ABOs will be held strictly liable for claims they make which exceed the terms of the Satisfaction Guarantee and shall indemnify and hold Amway harmless for claims made to that effect.

4.7.4 The South African Consumer Protection Act needs to be complied with by ABOs.

This Satisfaction Guarantee Rule does not cover all Amway products in Southern Africa as there are products identified which is covered by a separate guarantee and explained in the information contained in the product packaging.

4.8 Compliance with Applicable Laws, Regulations and Codes: ABOs shall comply with all laws, regulations and codes that apply to the operation of their AB wherever their business may be conducted. ABOs must not conduct any activity that could jeopardise the reputation of the ABO and/or Amway. Upon request, ABOs shall without delay provide any information requested about an ABO's activities or any other activities known by the ABO (even with respect to other ABOs). In all such communications with Amway, the ABO shall act with absolute candor and good faith.

4.8.1 Specific requirements for Amway activity for Lesotho and Swaziland ABOs: The responsibility of obtaining a respective trade license to be able to retail Amway products to consumers will be for the ABO. All ABOs must comply with their local laws. ABOs can purchase Amway products in South Africa, but will be responsible for transporting the Amway products into Lesotho Swaziland, along with filing any necessary customs declaration and paying any applicable import duties

4.9 Deceptive or Unlawful Trade Practices: No ABO shall engage in any deceptive or unlawful trade practice.

4.10 Unlawful Business Enterprises or Activities: An ABO shall not operate any illegal or unlawful business enterprise, engage or participate in any illegal or unlawful business activity.

4.11 Professionalism: An ABO shall at all times conduct himself in a courteous and considerate manner and shall not engage in any high-pressure tactics but shall make a fair presentation of the Amway Sales and Marketing Plan and/or Amway products or services.

4.12 **ABO Relationship:** No ABO shall represent that he or she has any employment relationship with Amway or any of its affiliated companies and/or other ABOs.

4.12.1 ABOs shall not give a false representation as to the nature of the relationship between Amway and its ABOs, or make any representation, except in accordance with the explanation given in the Amway Business Handbook and Amway Business Policies or other official literature of Amway.

4.12.2 ABOs own their ABs and operate as independent contractors of Amway. They shall not imply that they are employees of Amway, nor shall they refer to use such terminology or descriptive phrases on their stationery or other printed materials.

4.12.3 ABOs may not use their ABO identification cards to create the impression that they are in an employment relationship with Amway.

4.13 **Franchises and Territories:** No ABO shall represent to anyone that there are exclusive franchises or territories available under the Amway Sales and Marketing Plan. The Sales and Marketing Plan cannot be described in a manner that represents the Amway Business Opportunity as a franchise opportunity.

4.14 **Non-Amway Selling Activities:** If ABOs engage in other than the business activities as described above, related to non-Amway products and services or non-Amway authorized BSM they have to comply with the following:

4.14.1 No ABO who personally sells products other than Amway products or who sells services (e.g., tax services, insurance, investments, et cetera) shall induce another ABO to buy or sell such products or services, nor shall he offer to sell such products or services to any ABO. Induce means, persuade (or attempt to persuade) another ABO to sell any product or service whether or not this is done to obtain revenues or for any other reason. This rule also applies to investments, securities and loans, regardless of their source.

- 4.14.2 No ABO may sell, promote or profit from the sale or promotion of BSM except in accordance with any policies or procedures established by Amway as set forth in Rule 7 of the Rules of Conduct and any BSM Policy or other Amway policies and procedures.
- 4.14.3 Except as provided in Rule 6.11, ABOs may engage in selling activities related to non-Amway approved or non-Amway- produced products and services if they personally desire to do so, but they may not take advantage of an activity organised especially to promote Amway products or Amway, or any other ABO's efforts or resources, or of their knowledge of, or association with, other ABOs, especially those not personally sponsored by them, to promote and expand their non-Amway businesses. To do so constitutes an unwarranted and unreasonable interference in the business of other ABOs. For example, this does not prevent an ABO regularly engaged in the operation of a gasoline station, repair garage, retail establishment, barber or beauty shop, or a professional service (law, medicine, dentistry, or accounting) from serving clients or customers who are ABOs and who have sought them out, but it does mean that such ABO may not actively solicit the patronage of other ABOs.
- 4.14.4 With respect to married couples, a spouse who signs the ABO Contract is held accountable for the actions of a non-signing spouse as well as for a spouse signing as Applicant 2 and/or any other person nominated on the ABO Contract with limited rights and duties so far as the ABO Contract and the Amway Business Policies are concerned. Activities conducted by a non-signatory spouse or other person nominated on the ABO Contract which would be in violation of the Amway Business Policies or otherwise in breach of the ABO Contract shall be attributed to the ABO. Amway further reserves the right to terminate the ABO Contract or take other actions under the Amway Business Policies in the event that either the ABO or the ABO's spouse or other person nominated on the ABO Contract takes advantage of his or her knowledge of, or association with, other ABOs to promote and expand his or her non-Amway Business.

4.15 Interference in Another ABO's AB; Inducement: It is a breach of the ABO Contract for an ABO to:

- 4.15.1 Interfere or attempt to interfere with another ABO's AB; or
- 4.15.2 Induce or attempt to induce another ABO to change his position in the Line of Sponsorship, to transfer or abandon his AB, or to sponsor or not sponsor a particular Prospect; or
- 4.15.3 To induce or attempt to induce another ABO to deny training, education, motivation or other support to a downline ABO; or
- 4.15.4 To induce or attempt to induce another ABO to breach his/her ABO Contract.

4.16 Exporting/Importing Amway's Products Advertising/Digital Communication: No ABO may export or import, or knowingly sell to others who export or import, Amway's products to or from any other country in which Amway has established operations, into or from any country regardless of whether or not Amway is doing business in that country.

- 4.16.1 ABOs shall not export or import, or knowingly sell for import or export, Amway products from any country in which Amway has established operations, into any other country
- 4.16.2 ABOs may, however, take Amway products across borders for personal use, with the following limitations; when visiting another country:
 - 4.16.2.1 The ABO must personally place the product order in the home market or country.
 - 4.16.2.2 No couriers, shipping companies, or freight forwarders may be involved.
 - 4.16.2.3 The order cannot be placed as a customer order for an overseas Customer if the ABO has a multiple business in that country.
 - 4.16.2.4 The products are for the ABO's personal use only and may not be resold, distributed, or given away under any circumstances.

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- 4.16.2.5 The ABO's order should not be more than a reasonable amount of product, estimated at 4800 per annum
 - 4.16.2.6 Durables (e.g. water treatment systems, air treatment systems) may not be carried from one market to another under any circumstances.
 - 4.16.2.7 The personal use exclusion may not be used more than once per year or as a business building strategy.
- 4.17 **Sound Business Practices:** An ABO must operate his or her AB in a financially responsible, solvent, and businesslike manner. Amway shall have the right to take action against any ABO that it knows or reasonably believes is operating his AB in a financially irresponsible or un-businesslike manner. If the ABO has outstanding debts with Amway, for instance, among others, the amount of Amway Products ordered, Amway may deduct such amount from the Commissions payable to the ABO or ignore his qualification until the debt is liquidated.
- 4.17.1 **Bankruptcy or Insolvency:** The ABO acknowledges and agrees that:
- 4.17.1.1 The ABO shall notify Amway immediately upon commencement of any bankruptcy or insolvency proceedings involving the ABO, or if a receiver, trustee or similar office is appointed to manage the ABOs assets, or if any assets are seized by the court or regulatory order or taken in execution of an unsatisfied judgment or a debt.
 - 4.17.1.2 Amway may terminate the ABO Contract with an ABO or alter its terms of conducting business with the ABO, or negotiate with the trustee in bankruptcy or responsible official concerning arrangements for the disposal of any products belonging to Amway which are in the possession of the ABO.
 - 4.17.1.3 Amway may negotiate with any trustee in bankruptcy, receiver or other responsible official concerning arrangements for the disposition of the ABO Contract and the ABO's AB.
 - 4.17.1.4 If as a result of bankruptcy an AB is sold, assigned or otherwise transferred, in part or whole, such sale, assignments or transfer shall not become final and no changes in ownership shall be implemented until such has been approved by Amway. In determining whether or not to approve such sale, assignment or transfer, Amway may consider, without limitation, the following factors:
 - 4.17.1.4.1 The ABO Buyer's expertise in the business and demonstrated knowledge of the Amway Sales and Marketing Plan and the Amway Business Opportunity;
 - 4.17.1.4.2 The ABO Buyer's understanding of the Rules of Conduct and willingness to abide by them;
 - 4.17.1.4.3 The ABO Buyer's resources to operate the Seller's AB and ability to provide necessary downline training and support;
 - 4.17.1.4.4 Any relevant market factors that may impact the ABO Buyer's operation of the AB, including their relationship with the Line of Sponsorship;
 - 4.17.1.4.5 Whether the Buyer is currently engaged in any dispute or possesses any conflict which may impact their ability to operate the Seller's AB.

- 4.18 **Inventory Control Rule:** Amway does not require stock keeping or purchase of inventory. ABOs may not purchase or counsel other ABOs to purchase products for any purpose other than the provision of such product to end consumers.
- 4.18.1 **Sales to End Consumers:** Amway pays Commissions under the Amway Sales and Marketing Plan based on sales to end consumers. For an ABO to be entitled to compensation under the Amway Sales and Marketing Plan, products must be sold to end consumers in amounts proportionate to the ABO's purchases. Amway reserves the right to withhold all qualifications, awards and rewards if in Amway's judgment it is determined that purchases are not proportionate to sales to end consumers.
- 4.19 All ABOs may designate an individual as Interim Administrator to manage his/her Amway business if the ABO is away from it. If the ABO does not designate an Interim Administrator and his/her Amway business is not operated in conformity with the Amway Sales and Marketing Plan and the Rules of Conduct with occasional amendments, or if the Interim Administrator does not cover the ABO's responsibilities as provided in the Sales and Marketing Plan and the Rules of Conduct with occasional amendments, at Amway's request, the ABO must designate an Interim Administrator or a substitute Administrator, as the case may be. If the ABO did not act promptly in reply to Amway's requests based on this Rule or if he did not satisfactorily designate an Interim Administrator, the AB may be terminated at Amway's absolute discretion. At its sole discretion, Amway reserves the right to designate an Interim Administrator if the ABO does not act promptly in reply to Amway's requests based on this Rule.
- 4.20 **Unsolicited E-mail Messages:** No ABO shall send, transmit, or otherwise communicate any unsolicited electronic mail messages in whatever format to persons with whom the ABO does not have a pre-existing personal or business relationship. (This includes, but is not limited to, sending e-mails, postings in newsgroups, mass SMS messages (Short Messaging System) purchased mailing lists, "safe lists", or other lists of individuals or entities with which the ABO does not have a relationship.)
- 4.21 **Fundraising:** No ABO shall use Amway products in conjunction with any type of fundraising activity. Fundraising includes but is not limited to the solicitation for the purchase of Amway products or services based on the fact that all, or some, of the gains, proceeds, commissions, or profits generated by such sale will benefit a particular ABO, group, organisation or cause.
- 4.22 **Amway Sales and Marketing Plan Manipulation:** No ABO shall manipulate the Amway Sales and Marketing Plan or award volume in any way which results in the payment of Commissions or other awards and recognition that have not been earned in accordance with the terms of the Amway Sales and Marketing Plan and/or the Amway Business Handbook. The strategic and artificial structuring of the Line of Sponsorship for the purpose of depth building by using the concept of 'stacking' is considered to be manipulation and an unacceptable business practice. Stacking is a violation of this Rule. Amway in its sole discretion will determine what constitutes manipulation or stacking (Stacking occurs when an upline ABO places a new ABO under another ABO in the Amway Line of Sponsorship without regard for whether the ABO knows and has a relationship with the frontline sponsor. Accordingly, stacking is deemed to take place when a new ABO doesn't know their sponsor or doesn't agree with whom their registered sponsor is. In all such cases, stacking is strictly prohibited and is a serious violation of Rule 4.22 the Plan Manipulation Rule).
- 4.23 **Personal/Business Information Update:** All ABOs are responsible for communicating any updates or changes to their personal information (e.g., name, address, and telephone numbers, etc.) or business information (e.g., addition/deletion of partner, change of business status, etc.) to Amway.
- 4.24 **Proprietary Information and Confidentiality:** All ABOs to abide by the Amway Privacy Policy contained on the www.amway.co.za as well as the provisions contained in Section 9 of the Rules of Conduct, pertaining the use of the Amway trade name, trademarks and copyrighted materials, Amway is the holder and the owner of confidential and proprietary information and trade secrets relating to its products, business and the Line of Sponsorship ("LOS") as defined in the Amway Rules of Conduct, ("Confidential Information"). website

All ABOs acknowledge and agree that all such Confidential Information shall at all times remain the property of Amway, and that, to the extent that access is granted for the use of Confidential Information in the course of performance of the Contract, such Confidential Information shall only be used to the extent and for the purposes authorized in the Contract. Confidential Information shall not be transferred

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or disclosed to any third party, including another ABO, except in accordance with express terms of the Contract, without the prior written authorization of Amway. Upon termination or non-renewal of the Contract, all Confidential Information in an ABO's possession shall be returned to Amway. All ABOs acknowledge and agree that any breach of this provision shall cause irreparable damage to Amway, entitling Amway to immediate injunctive or similar relief to prevent further breach of the Contract or disclosure of the Confidential Information. Any confidentiality obligations under this provision shall survive the termination of the Contract.

- 4.24.1 Amway is the exclusive owner of all Proprietary Information, which is derived, compiled, configured, and maintained by Amway. The ABO acknowledges all proprietary information is owned by Amway through the considerable expenditure of time effort and resources.
- 4.24.2 ABOs are granted a personal, non-exclusive, non-transferable and revocable right by Amway to use Proprietary Information only as necessary to facilitate their Amway Business as contemplated under the Rules of Conduct including, for example, the Confidentiality Policy and other terms and conditions of the ABO Contract. Amway reserves the right to deny or revoke this right, upon reasonable notice to the ABO stating the reason(s) for such denial or revocation, whenever, in the reasonable opinion of Amway, such is necessary to protect the confidentiality or value of Proprietary Information.
- 4.24.3 All ABOs shall maintain Proprietary Information in strictest confidence and shall take all reasonable steps and appropriate measures to safeguard Proprietary Information and maintain the confidentiality.
- 4.24.4 An ABO shall not compile, organize, access, create lists of, or otherwise use or disclose Proprietary Information except as authorized by Amway. A ABO shall not disclose Proprietary Information to any third party, or use Proprietary Information in connection with any other businesses.
- 4.24.5 Use or disclosure of Proprietary Information, other than as authorized by Amway, shall cause significant and irreparable harm to Amway, and Amway may claim appropriate, compensation for damages as well as demand a ABO refrain from the harmful conduct as well as seek any other remedies under applicable laws.
- 4.24.6 In case of disclosure of the Proprietary Information, voluntary or not, by a ABO to any third person, the ABO should immediately notify Amway about that fact and take the necessary measures in order to (a) prevent further disclosure by such third party and (b) oblige such third party to sign a confidentiality and non-disclosure agreement for the benefit of Amway and under no less stringent terms that those provided within this Rule 4.24.
- 4.24.7 An ABO shall promptly return any and all Proprietary Information or any copy of same to Amway upon resignation, expiration, failure to renew, denial of extension or termination of his or her ABOship and shall refrain from any further use.
- 4.24.8 The confidentiality obligations set out in this Rule 4.24 shall survive during the term of the ABO Contract as well as after the date of its expiration or termination by any cause.

4.25 Risk to Reputation

- 4.25.1 As a part of normal business activities including, but not limited to, statements made from stage, ABOs may not:
 - 1. Promote religious, political, and/or personal social beliefs;
 - 2. Advocate that success is dependent on holding certain beliefs;
 - 3. Recommend certain religious or spiritual writings and practices;
 - 4. Conduct worship services;
 - 5. Exaggerate income, by making representation that incorporate other income source (e.g. income from BSM; an ABO's non-Amway business, etc.) and suggest or imply that it is the result of building an AB;
 - 6. Promote from stage or in any BSM any non-Amway business opportunity, solicit during an Amway event attendance at meetings for the purpose of presenting another business opportunity;

7. Substitute group or non-Amway organisational identity for the Amway business;
8. Advocate that success is possible only if the ABO makes use of a BSM system in a defined manner;
9. Imply that Amway is “just a supplier,” or that the ABO represents a business opportunity of which “Amway is a part” or that the ABO is a “E-Amway” or some other web-based ABO, or that the ABO “out- sources” administrative support from Amway, etc.
10. Misrepresent the nature of income from the Amway business as being, including but not limited to, residual, passive or royalty based income.

4.25.2 Personal reflections on the following are not appropriate:

1. Preferences regarding specific political views, parties, candidates or elected officials, or
2. Social and cultural issues.

4.25.3 Discussions from a business stage must only pertain to those ethics and attitudes directly relating to business or business building.

4.25.4 Income representations, whether direct or implied, must reflect a realistic income potential from participation in the Amway Sales and Marketing Plan.

4.25.5 Participation in a BSM system must always be framed as an optional aspect of supporting the building of an AB.

4.26 **Cross-Border Activities:** Amway Distributors around the world are aware that the activities of each individual Distributor can have a significant and far-reaching impact on the businesses of other Distributors, often across national borders. Distributors must follow the Rules of Conduct/Commercial Principles in any market in which they are conducting any activity related to their Amway business. Failure to do so will breach their existing Distributor Contract and could seriously impact the status of their Distributor Contract(s). It is the responsibility of the Distributor to be aware of the Rules of Conduct/Commercial Principles in that market.

4.27 **Sales of Products by ABOs:** Amway products may only be demonstrated and/or sold by ABOs.

4.28 **Presentation of the Business Opportunity by ABOs:** The Amway Business Opportunity may only be presented to a prospective ABO by an ABO. Only ABOs may sponsor a new ABO.

4.29 **International Sponsorship:** When an ABO initiates a second business in a market different from the market of his original business, the second business must be internationally sponsored by the original business. Subsequent businesses (third, fourth etc.) must also be internationally linked to either the original business or his other business. Refer to the International Sponsoring Policy on www.amway.co.za



SECTION 5:

Responsibilities and Obligations of all Sponsors

5.1 Upline Involvement Each ABO is responsible for building his/her own Amway business. Amway recognizes that proper support, training and motivation from the upline are also important to the continued growth of Amway businesses in the business group. However, upline activities must never undermine the independence and personal effort of each Amway business owner or improperly interfere with the relationship between Amway and each ABO, including MEMBERS.

Further, Rule 5 prohibits excessive or improper upline involvement which may also constitute manipulation of the Amway Sales and Marketing Plan (ref. Rule 4.22).

By way of example, the following behavior could be considered improper upline involvement (but not limited to):

- Prospecting on behalf of a downline and/or registering prospects in the business group of a downline without their knowledge and involvement in the sponsoring activity or building a business group for a downline without their knowledge and activity
- Regularly providing support to customers of a downline on their behalf
- Regularly placing orders on behalf of the downline without their knowledge and consent
- Regularly sharing personal data (e.g. the address, email address, bank data etc.); in general, only own personal data should be used in the Amway Business.

Amway reserves the right to evaluate the type and frequency of upline involvement to determine whether it constitutes interference in violation of the Rules of Conduct

- 5.2 **Duties and Responsibilities of Sponsors:** An ABO who engages in sponsoring activity or who sponsors an ABO shall:
- 5.2.1 Sell to the sponsored ABO an unaltered Amway Business Opportunity Kit; and
 - 5.2.2 Be in compliance with the ABO Contract, and meet all requirements as set forth in the ABO Contract including Amway Business Policies; and
 - 5.2.3 Train and motivate the sponsored ABO in accordance with Amway Rules of Conduct, Amway Policies and Standards, or cooperate with the upline Platinum ABO to ensure that this training and motivation occurs; and
 - 5.2.4 A Sponsor must preserve the Amway relationship between himself/herself and those ABOs sponsored by him or her; and
 - 5.2.5 Use his best efforts to ensure that personally sponsored ABOs fully comply with the ABO Contract, including the Amway Rules of Conduct, Amway Policies and Standards, and all applicable laws and Regulations and;
 - 5.2.6 Use his best efforts to encourage personally sponsored ABOs to attend official Amway meetings and functions and;
 - 5.2.7 Explain the responsibilities and obligations of an ABO under the ABO Contract, including the Amway Business Policies and instruct the sponsored ABO on how to operate an AB in accordance with the ABO Contract, Amway Business Policies, in addition to the Amway Business Handbook and other official Amway literature.
- 5.3 **ABOs at the Platinum Level:** To attain and retain the title and privileges of an ABO at the Platinum level or above, an ABO must initially qualify and then requalify within each qualification period (September 1 to August 31). The requirements of qualification and requalification are specified in the Amway Business Handbook.
- 5.3.1 **Responsibilities:** Included among the responsibilities and functions of a Platinum ABO are the duties to:
- 5.3.1.1 Subject to any approvals or restrictions set forth by Amway with respect to BSM, conduct or provide access to periodic sales meetings for the purpose of training and inspiring the ABOs who are in the downline Business Groups from them and maintain frequent mail or phone contact with the same;
 - 5.3.1.2 Support and comply with the Rules of Conduct and educate and assure that other downline ABOs do the same;
 - 5.3.1.3 Protect the sponsorship rights of each ABO in the Platinum's downline Business Group;
 - 5.3.1.4 Encourage the Business Group to properly complete and submit ABO Contracts and, as applicable, to follow the requirements for renewal set out in Rule 3.8; and,
 - 5.3.1.5 Provide training to the ABOs in the Business Group in the operation of the Satisfaction Guarantee on products and services sold to end consumers as stated in the Amway Business Handbook and Rule 4.7.
 - 5.3.1.6 In addition to the provisions as set forth in rule 4.14, once an ABO is, or ever has been, qualified at the level of Platinum or above, he/she shall inform Amway, prior to engaging in or carrying on any business or service, either directly or indirectly, which may be considered to be in competition with, or similar to the businesses of Amway, whether for his/her own account, or for the account of any other person using or exploiting any confidential information belonging to Amway, its customers or ABOs/Member.



SECTION 6:

Preservation of the Line of Sponsorship

- 6.1 **Protection of the Line of Sponsorship:** Preservation of the Lines of Sponsorship is Amway's paramount objective. The sale of an ownership interest in an AB, transferring an AB, merging two ABs, or separating or dividing an AB requires prior approval by Amway. This approval will be at Amway's sole discretion.
- 6.1.1 The transfer of an ABO (with or without his group) moves the sponsorship of that AB from one ABO to another.
- 6.1.2 When an AB is sold, such AB shall remain in the same position in the Line of Sponsorship; it is not transferred anywhere in the Line of Sponsorship.
- 6.1.3 Transfers may not be used to strategically restructure an ABO Business Group.
- 6.1.4 Amway reserves the right to deny any application to sell, transfer, or change in the Line of Sponsorship of an AB, or the merger of ABs, or the separation or division of an AB, notwithstanding any Amway Rules of Conduct, Amway Policies and Standards or other terms of the ABO Contract that describe procedures that an ABO must follow when undertaking such action
- 6.2 **Individual Transfers:** An individual transfer involves the transfer of an ABO without any of his sponsored ABOs. Without limiting or restricting in any way Amway's powers and discretion under Rule 6.1 above:

- 6.2.1 Any ABO who wants to change Sponsors must submit a written request to Amway accompanied by (1) a written release signed by all upline ABOs in the Line of Sponsorship up to and including the first qualified Platinum or Above, and (2) a written acceptance from the new Sponsor and new Platinum or Above. The written acceptance from the new Sponsor and Platinum or Above confirms that they will incur all responsibilities of the transferring ABO.
 - 6.2.2 Amway will also contact any International Sponsor and International Leadership Commission recipients and will allow 30 days for comment.
 - 6.2.3 Amway reserves the right to deny a transfer request at its absolute discretion.
- 6.3 **Group Transfers:** A group transfer involves the transfer of an ABO with all or some the downline Business Group. Without limiting or restricting in any way Amway's absolute discretion under 6.1 above:
- 6.3.1 An ABO who wishes to transfer to a different Sponsor with all or part of the downline Business Group must submit a written request to Amway accompanied by the written consent from all ABOs in the Line of Sponsorship up to and including the first ABO who is qualified at the Platinum or above level and all ABOs who are qualified at the Platinum or above level up to and including the first ABO who is qualified at the Emerald or above level.
 - 6.3.1.1 If the first upline ABO who is qualified at a formal award level is a qualified Emerald or above, written consent must be received from the next ABO who is qualified at the Platinum or above who is upline from that Emerald.
 - 6.3.1.2 Amway will then notify the first qualified upline Diamond ABO and allow 15 days for comment.
 - 6.3.2 The transfer request must be accompanied by written consents of all those ABOs, including those internationally sponsored, who the transferring ABO wishes to take with him and the written acceptance of the transfer, signed by the new Sponsor and Platinum or above ABO to which the requester wants to be transferred.
 - 6.3.2.1 Amway will also contact any International Sponsor and International Leadership Commission recipients and will allow 30 days for comment.
 - 6.3.3 No ABO currently recognised by the company as a Group Leader (e.g., Silver Producer, Gold Producer, Platinum, or Ruby, etc.) can be transferred with the downline Business Group.
 - 6.3.3.1 A former Group Leader ABO may be transferred with the downline Business Group only if more than (2) two full years have elapsed since the last month in which the ABO was recognised as such, provided there has been compliance with the procedures outlined above.
 - 6.3.3.2 Amway reserves the right to deny a transfer request at its absolute discretion.
- 6.4 **Six Month Inactivity:** An ABO who wishes to TERMINATE (by resignation or failure to renew) his AB under his present Sponsor and who thereafter becomes inactive for a period of six or more consecutive months shall cease to be an authorised ABO and may, following the lapse of the inactivity period, be sponsored as a new ABO under a new Sponsor. The date on which Amway receives the letter of resignation begins the inactivity period. A letter of confirmation is sent by Amway to the ABO and his former Sponsor and Platinum acknowledging the start of the inactivity period. A person who has not renewed his ABO Contract and has not submitted a letter of resignation will be considered to have not Renewed on the date his AB expired and must remain inactive six months from that date except as allowed in Rule 3.2, Applicants may not apply under this Rule to become a partner in an already existing AB. Any breach of the six months' inactivity period and at the sole discretion and approval of Amway, requires the re-start of the inactivity period from the date of the breach.
- 6.4.1 To sponsor an ABO under this Rule, the applicant must complete a new ABO Contract which may be obtained from Amway. When Amway receives an ABO Contract, it notifies the original ABO at

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the Platinum or above level of the fact and grants him 15 days to file an objection to the inactivity claim. If evidence of activity during the six-month period is substantiated, Amway will refuse to honour the sponsorship under the new Sponsor. The right of an ABO to contest the sponsorship of a former ABO who is now sponsored under a different Sponsor ceases when two years have elapsed since the date Amway accepted the application under the new Sponsor.

6.4.2 Definition of Inactivity: Inactivity for purposes of this Rule shall mean that during the period of inactivity, the ABO shall be completely inactive, which means such ABO:

6.4.2.1 Shall not have purchased products or services of Amway as an ABO for personal use (although he may do so as a Retail Customer)

6.4.2.2 Shall not have sold any products or services of Amway except pursuant to the “buy-back” rule, shall not have engaged in any phase of a product sale/purchase (e.g., taking an order, making a delivery, or accepting payment);

6.4.2.3 Shall not have presented the Amway Sales and Marketing Plan to any Prospect;

6.4.2.4 Shall not have Renewed his AB;

6.4.2.5 Shall not have attended any recruiting, training, or motivational meeting conducted by any ABO or any Amway-sponsored meetings; and

6.4.2.6 Shall not have accepted or received any payment of Commissions, such as ongoing Commissions or normal monthly Commissions.

6.4.2.7 For purposes of this Rule, the following shall NOT constitute activity and do not, therefore, interrupt the running of the six-month inactivity period so long as the former ABO is otherwise inactive:

6.4.2.7.1 Procuring and/or submitting a written request for transfer;

6.4.2.7.2 Filing a request for the review of an Amway decision; or

6.4.2.7.3 Directing an inquiry to Amway as to the status of his AB.

6.4.2.8 During the inactive period, the former ABO must not participate in any activity under another AB in the name of his parents, siblings, or others acting on his or her behalf or he shall be determined as “active” for the purposes of this Rule.

6.4.2.9 When either a husband or wife is an ABO, both must fulfill the six-month inactivity requirements before one or both can be sponsored again as an ABO.

6.4.2.10 If the ABO who is changing Sponsors under this Rule also has any internationally sponsored ABOs, the ABO’s internationally sponsored ABOs are forfeited once the six-month inactivity period has begun and Amway has acknowledged it in writing.

6.4.2.11 If the ABO who is changing Sponsors under this Rule also owns Amway businesses in other markets, he must elect one of them to be the International Sponsor of his new AB when completing the new ABO Contract. If the ABO who is changing Sponsors has any internationally sponsored ABOs, the internationally sponsored ABOs are forfeited once the six-month inactivity period has begun and Amway has acknowledged it in writing.

6.4.3 Two Year Inactivity: An ABO who transfers to or who following six or more months of inactivity applies for sponsorship under a new Sponsor pursuant to the provisions of this Rule, may not be sponsored by any ABO who was previously above him or her in his or her original position in the Line of Sponsorship up to and including the first ABO qualified at the Platinum or above level, or below him in his former Business Group down to and including the first ABO qualified at the Platinum or above level, unless at least two years have elapsed since the termination of his AB.

- 6.4.4 An ABO who transfers to, or who, following six or more months of inactivity, is sponsored under a new Sponsor pursuant to the provisions of this Rule, shall have no right to sponsor in his new Business Group any ABO who was previously above him in his original position in the Line of Sponsorship up to and including the first ABO qualified at the Platinum or above level, or below him in his former Business Group down to and including the first ABO qualified at the Platinum or above level. However, an ABO who has been inactive for a period of two years following his resignation may be sponsored by any sponsor, including his former Sponsor who may have since been transferred to or sponsored by a different Sponsor.
- 6.4.5 An ABO's continuing business activity in another country will not affect his eligibility to be authorised again as an ABO after six months of inactivity as an ABO in any other country in which Amway conducts business.
- 6.4.6 A formerly foster sponsored ABO may sponsor again subject to paragraphs 6.4.1, 6.4.2, 6.4.3, and 6.4.4 and the following conditions:
- 6.4.6.1 At the time of application, the former ABO must specify whether or not he wishes to be internationally and foster sponsored again, and
- 6.4.6.2 A former ABO may not be personally sponsored by a Sponsor who was previously above him in his original position in the foster Line of Sponsorship up to and including the first ABO qualified at the Platinum or above level, or below him in his original Business Group down to and including the first ABO qualified at the Platinum or above level unless two or more years have elapsed since the termination of his AB.
- 6.4.7 **Corrective Action:** If any provisions to this Rule are violated, Amway may take corrective action, which may include, but is not limited to, the termination of the violating ABO's AB, and transferring downline Business Group and/or the Business Volume generated during the period of violation to the appropriate qualifying ABO

- 6.5 **Sale of an AB:** An ABO who owns an AB (whether or not qualified as a Platinum AB or above) may sell his AB only to another authorised ABO as prescribed by this rule. Amway requires that specific terms of sale be included in any sales agreement. Such terms and a sample sales agreement may be obtained from Amway. In order to preserve the Line of Sponsorship, the selling ABO must offer his AB in the order of priority stated below and the ABOs interested in purchasing the AB must meet all of the terms and conditions as set forth in these Rules.

The sale of an Amway Business is subject to Amway's express written approval. An ABO selling his Amway Business shall state the minimum acceptable conditions of sale, including price, in writing, and shall offer the Amway Business for sale at the same conditions to ABOs in the order of priority set forth in Sections 6.5.1 – 6.5.5 of the Rules of Conduct.

- 6.5.1 The first option to purchase belongs to his International Sponsor, who retains throughout the sales negotiations the right to acquire the same by meeting the price and conditions of any bonafide offer received by and deemed acceptable to the seller;
- 6.5.2 The second option to purchase belongs to his local Foster Sponsor so long as the first option has not been exercised. In the event the selling ABO has no International Sponsor, the local Sponsor retains the right to acquire the AB by meeting the price and conditions of any bonafide offer received by and deemed acceptable to the seller;
- 6.5.3 The third option, exercisable so long as the first or second options above have not been exercised, belongs to any one of the seller's personally sponsored ABOs
- 6.5.4 The fourth option, exercisable so long as the first, second, or third options above have not been exercised, belongs to any qualified Platinum ABO or above either up or down the Line of Sponsorship to the next qualified Diamond;
- 6.5.5 The final option, exercisable so long as the first, second, third, or fourth options above have not

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been exercised, belongs to any ABO in Good Standing.

- 6.5.6 All purchasing ABOs must be in good standing as determined by Amway. All sales must be reviewed and approved by Amway before they become final. Amway reserves the right to approve all sales at its own discretion. No changes in ownership will be implemented until the sales agreement has been received and approved by Amway.
- 6.5.7 If the ABO wishes to sell his AB under terms and conditions different from those of his first offer, the AB must be once again offered for sale under the revised terms and conditions in accordance with the order of priority indicated above.
- 6.5.8 All purchasing ABOs must meet the following criteria as reasonably determined by Amway. Failure to meet the following criteria will act as if the offer to purchase was revoked or the option to purchase was never exercised:
 - 6.5.8.1 Possess sufficient expertise in the business so as to demonstrate a complete and accurate understanding of the Amway Sales and Marketing Plan and the Amway Business Opportunity;
 - 6.5.8.2 Possess a complete and accurate understanding of the Amway Rules of Conduct, Amway Policies and Standards and demonstrate a willingness to abide by them;
 - 6.5.8.3 Possess adequate resources to operate the seller's AB and to provide necessary training and support;
 - 6.5.8.4 Possess an understanding of any relevant market factors that may impact the operation of the seller's AB;
 - 6.5.8.5 Not currently be engaged in any dispute or possess any conflict which may impact their ability to operate the seller's AB.

6.6 **Mergers and Combinations of ABs:** Mergers of ABs resulting from failure to file a renewal application, termination, resignation, death (with no designation of succession by heirs) or some involuntary event or cause beyond the control of any of the owners, are permitted, only with the express approval of Amway in writing.

- 6.6.1 Only those mergers or combinations resulting from failure to renew, termination, resignation, death (with no designation of succession by heirs), or some involuntary event or cause beyond the control of any of the owners, shall be permitted, provided, however, that the merging business has fewer than two (2) qualified legs. A permissible merger and combination must not be implemented until the same has been reviewed and approved by Amway.
- 6.6.2 Under no circumstances will Amway approve a merger which results in an ABO attaining a higher award level.

6.7 **One Amway Business Rule:** An ABO may own, have an interest in, be a signatory on or be listed as a designee on only one ABO Contract in only one AB except as provided in Rules 6.7.1– 6.7.4 of the Rules of Conduct. Only under the following circumstances may an ABO have interest ownership in more than one AB:

- 6.7.1 Where two ABOs marry
- 6.7.2 Where an existing AB purchases another AB pursuant to Rule 6.5.
- 6.7.3 Where an ABO (transferor), in order to facilitate the transfer of his AB in the event of his death, requests the name of another existing ABO be added to his AB. The name of the transferor(s) must continue to be on the AB until his death and supporting estate-planning documentation must be provided to Amway;

6.7.4 Where an existing ABO inherits all or a portion of an AB.

6.7.5 In the event an ABO owns or has an ownership interest in two or more ABs pursuant to this Rule, he may operate such ABs jointly under a single legal umbrella, but Amway shall continue to deal with such ABs as separate ABs and will only recognise them as separate, individual ABs for award and Commission purposes.

6.8 **Divorce, Separation or other Dissolution of a non-spousal partnership or legal entity:** Whenever an AB is ordered to be separated or divided as the result of a legal marital separation, divorce, dissolution of a non-spousal partnership or corporation (where applicable), the separation or division must be accomplished in such a way as not to adversely affect the interests and income of the AB in the Line of Sponsorship.

6.8.1 **Divorce and Legal Separation:** Upon legal separation of a married couple one of whom is a signatory to an ABO Contract, Amway shall continue to recognize the signatory to the ABO contract as the ABO and shall pay bonuses and grant awards and rewards to this ABO only.

6.8.1.1 If in the married couple both partners signed the Contract, the legally separated couple may continue to operate the AB together.

6.8.1.2 In case of a legal separation, prior to the final decree of divorce, or the dissolution of a non-spousal partnership, one Applicant may leave the original business and may apply for an Amway business of his/her own. Such business shall be sponsored by the original business.

In case of a legal separation, a copy of the legal documents which grant separation to the former couple must be submitted to Amway with the new Application form. Non-Group Leaders may be transferred to the new business from the original business in compliance with Rules 6.2 and 6.3 of the Rules of Conduct and subject to Amway's approval.

6.8.1.3 ABOs qualified at Platinum or above level, in addition to the options offered in Rule 6.8, may divide their AB so that one of the ABOs is registering a new AB, being inserted as sponsor of the other ABO keeping the original AB. In such a case, all group leaders will remain registered in the business group of the existing AB.

- a. The respective request needs to be submitted to Amway for review and approval together with the written consent from the first ABO qualified at Platinum level and the first qualified Emerald. Amway may notify the first qualified Upline Diamond and allow 15 days for comment.
- b. Non-Group Leaders may be transferred to the new business from the original business in compliance with Rules 6.2 and 6.3 of the Rules of Conduct.

6.9 **Dissolution of a Legal Entity Operating an AB:** Absent the express written agreement of Amway to the contrary, prior to dissolution of a legal entity that is a signatory to an ABO Contract, the ABO Contract may be assigned to the authorised representative of the legal entity who signed the ABO Contract originally on behalf of the company, or the AB may be sold in accordance with Rule 6.6 of the Rules of Conduct. The failure to either assign the ABO Contract to the authorised representative or to sell the AB in accordance with Rule 6.6 of the Rules of Conduct shall result in abandonment of the AB in accordance with Rule 15 of the Rules of Conduct.

6.10 **Integration:** An ABO may integrate his or her AB with his/her child's (children's) AB upon following conditions.

6.10.1 The ABs must be personally sponsored by the parents; or the parents must be personally sponsored by the child(ren).

6.10.2 The ABs must have operated as a separate AB for not less than 2 years by date of integration;

6.10.3 The ABs shall have achieved the level of at least Platinum as of the integration date;

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- 6.10.4 In the event that the parent(s) are deceased or are not mentally or physically capable of running the AB before conditions 6.9.2. and 6.9.3. have occurred, the children inheriting the AB of their parent(s) shall have the right to integrate the separate ABs in accordance with this Rule;
- 6.10.5 Amway shall evaluate the request in light of the goals, objectives, and benefits of the Amway Sales and Marketing plan; and
- 6.10.6 Upon the granting of the request, implementation of the integration shall be as follows:
- 6.10.6.1 The implementation date shall be the next September 1
- 6.10.6.2 At the implementation date, the child(ren) and parent(s) are eligible for all awards and recognition to the separate ABs earned during the previous qualification year; and
- 6.10.6.3 All awards and recognition, based on the combined ABs, shall begin accruing as of the implementation date. Thus, any higher awards based on the combined ABs will be awarded upon completion of qualification after the implementation date.
- 6.11 **Disposition of an AB:** If an ABO terminates his ABO Contract with Amway, or fails to apply for renewal of the ABO Contract within the required time period, or dies without leaving heirs who are willing and able to assume responsibility for the AB, Amway, at its sole discretion, shall decide the future of the AB in accordance with Rule 13 of the Rules of Conduct.
- 6.12 **Non-Compete/ Non-Solicitation:**
- (a) Non-Compete:**
- During the term of the ABO Contractual relationship, and for a period of 6 months after the termination of his/her ABO Contract with Amway, Amway ABOs shall not be engaged in any other direct selling activity regardless of the sold products, nor in marketing, selling and distributing activity of any product and good, which are in competition with the products and goods marketed, sold and distributed by Amway, whether for his/her own account, or for the account of any other person in South Africa, using or exploiting any confidential information or Proprietary Information belonging to Amway, its customers or ABOs.
- Confidential information includes but is not limited to: Amway's Line of Sponsorship information, Amway's Business Plan, marketing strategies, technology, know-how, customer lists and contacts, ABO lists and contacts, customer portfolios, costs of production and marketing, product costs, prices, quoted prices, specific needs and requirements of customers and suppliers, status of all on-going negotiations with customers, price lists, and any other information which by its nature could be considered to be confidential.
- (b) Non-Solicitation:**
- An ABO shall not, during the existence of his/her Contract with Amway, and for a period of 24 months after the termination of his/her ABO Contract with Amway, whether for his/her own account, or for the account of any other person in South Africa, solicit, induce, attempt to solicit, attempt to induce, or otherwise entice away from Amway, any of its ABOs in South Africa.
- Furthermore, an ABO shall not use or exploit Amway's confidential information or Proprietary Information which includes but is not limited to Amway's Line of Sponsorship information, Amway's Business Plan, marketing strategies, technology, knowhow, customer lists and contacts, ABO lists and contacts, customer portfolios, costs of production and marketing, product costs, prices, quoted prices, specific needs and requirements of customers and suppliers, status of all on-going negotiations with customers, price lists, and any other information which by its nature could be considered to be confidential.
- 6.12.1 The restrictions imposed by this Rule are separate, distinct, independent and severable, and in the event that any one or more of them is made wholly or in part invalid, then the remaining restriction or restrictions shall nevertheless be valid and effective.



SECTION 7:

Non-Amway Produced Business Support Material (BSM)

While Amway does not require anybody to purchase BSMs, ABOs may decide that they can play a useful role in building a profitable business or achieving goals. BSMs are entirely optional and ABOs who choose to promote, use, sell or distribute BSMs must emphasize that the purchase is strictly voluntary. The purchase of any BSMs may not be framed as a requirement for becoming an ABO or to receiving support as an ABO. BSM must be submitted to Amway prior to promotion, use, sale or distribution by an ABO as defined in the BSM Quality Assurance Standards and Policy as well as the Digital Communication Standards. Meetings and events are also to be conducted within the frame of the BSM Policy .

Amway does not endorse any BSMs. If Amway chooses to review any material that review is solely for the determination of compliance with its internal Rules of Conduct, Review Standards, Business Practices and Policies. ABOs are responsible and accountable for compliance with all laws regarding the content, production, distribution, and sale or use of BSM.

In the event that an ABO fails to follow the procedures set forth herein and other incorporated documents relating to the sale, promotion, profit or use of BSM, or if Amway fails to approve the sale, promotion, use or profiting from BSM by any ABO, Amway may terminate or decline to renew the ABO Contract with such ABO, may revoke any license granted herein, and/ or take such other actions short of termination or non-renewal of the ABO Contract as Amway deems appropriate in its sole discretion, in accordance with these Rules of Conduct, the Amway Policies and the ABO Contract subject to applicable law. ABOs must use only Amway-produced BSMs and Amway Authorised BSMs. Amway authorises for use non-Amway produced BSMs submitted to Amway through a qualified Executive Diamond ABO.

SECTION 8:

Presentation of the Amway Sales and Marketing Plan

- 8.1 **Must not Give False Impression:** When inviting a prospect to hear a presentation of the Amway Sales and Marketing Plan, an ABO shall neither directly or indirectly:
- 8.1.1 Give the impression that the Amway Sales and Marketing Plan relates to an employment opportunity (in accordance with Rules 4.12, and 4.20.1 (above); or
 - 8.1.2 Imply that the invitation is to a social event; or
 - 8.1.3 Disguise the invitation as a “market survey;” or
 - 8.1.4 Promote the event as a “tax seminar;” as stated in Rule 8.3.7 or
 - 8.1.5 Promote the Amway Business Opportunity as a business relationship with a person, company, or organization other than Amway as stated in Rule 4.25 above; or
 - 8.1.6 Directly or indirectly indicate that such products are merely one line of products distributed through or as a part of a brokerage, consignment, or intermediary business operated by a person, company or organization other than Amway; or
 - 8.1.7 Directly or indirectly indicate that the Amway Business Opportunity, ABOs or products and services merchandised through Amway are part of any business other than the Amway Business Opportunity as defined in the Rules of Conduct and other official Amway literature; or
 - 8.1.8 Fail to affirmatively indicate in connection with such invitation the true nature of such presentation and that the presentation is About the Amway Sales and Marketing Plan and the Amway Business Opportunity; or
 - 8.1.9 Engage in any other direct or indirect misrepresentation of the Amway Business Opportunity and the ABO’s relationship to Amway and the nature of the Amway Business, or omit any information that a person receiving such an invitation or attending or otherwise participating in such a presentation or event could reasonably be expected to need in order to properly evaluate the Amway Business Opportunity, Amway products and services.
 - 8.1.10 Or in any other way violate Rule 4.25 above.
- 8.2 **First Contact with Prospects:** It is a breach of the ABO Contract for an ABO to mislead or fail to inform a Prospect about the nature of the ABOs activities and, therefore, at the first contact with Prospects, an ABO must:
- 8.2.1 Introduce himself by name; and
 - 8.2.2 Make himself known as an ABO; and
 - 8.2.3 Appropriately identify Amway and the ABO’s relationship to Amway; and
 - 8.2.4 Indicate the purpose of contact, namely the sale of Amway products and services and/or the introduction of the Prospect to the Amway Business Opportunity; and
 - 8.2.5 Truthfully and honestly respond with full transparency and candor to any questions that the Prospect has concerning the Amway Business Opportunity, Amway products and services, the ABO or Amway including, providing the prospect with a copy of the current Leave Behind Brochure, as supplied by Amway from time to time.

8.2.6 The ABO must provide each prospective ABO with a copy of a current, unaltered Amway Leave Behind Brochure (LBB) after any showing of the Sales and Marketing Plan, irrespective of whether the prospective ABO completes and signs the ABO Registration Form to become an ABO or not. The brochure must be delivered to each prospective ABO complete and without alteration other than for the optional addition of the prospecting ABO's personal contact details in the space provided.

8.2.6.1 A sponsor must encourage compliance with Rule 8.2.6 by the ABOs in his/her personal group.

8.2.6.2 A sponsor must from time to time advise downline ABOs that they may obtain copies of the Leave Behind Brochure from Amway free of charge, that the brochure is a mandatory part of the prospecting process, and that it must be delivered to each prospective ABO complete and without alteration other than for the optional addition of the prospecting ABO's personal contact details in the space provided.

8.3 **Sponsorship Guidelines:** In seeking participation of a Prospect in the Amway Sales and Marketing Plan, the sponsoring ABO must comply with Rule 4.25 above as well as the following guidelines:

8.3.1 Must disclose the average earnings, and sales figures and percentages as published from time to time by Amway.

8.3.2 Must use only Amway-produced and Amway-authorized promotional material. Amway authorizes for use privately produced BSMs which have been submitted to Amway through a qualified Executive Diamond ABO for approval, contains the following legend: "Content Reviewed by Amway South Africa," and followed by the unique content review identification number provided by Amway.

8.3.3 May use only those earnings and/or Commission representations based on their own personal experiences, provided that they at the same time disclose the average earnings, and sales figures and percentages as published from time to time by Amway and may not represent that the income from the Amway business is including but not limited to, residual, passive or royalty based income.

8.3.4 May cite personal lifestyle examples and contributions to charitable causes, provided such contributions were actually accrued from personally building a successful AB and the profits there from.

8.3.5 Must not say that a successful AB can be built in the form of a "wholesale buying club", where the only products bought and sold are those transferred to other ABOs for their personal use.

8.3.6 Must not say that there is no requirement for the retail sale or marketing of products by ABOs.

8.3.7 Must not promote the enjoyment of tax benefits as the best or principal reason for becoming an ABO.

8.3.8 Must not say that the business is a "get-rich-quick" opportunity in which it is easy to achieve success with little or no expenditure of effort or time.

8.3.9 Must not criticize, degrade, de-emphasise or otherwise portray negatively the Retail Customer, Member or ABO status. ABOs shall refrain from pressurising or otherwise forcing a prospect into a Retail Customer, Member or ABO. ABOs shall recognise the importance of Members and Retail Customer in establishing a retail business. ABOs shall at all times, fairly present the categories of Retail Customer, Members and ABOs, and permit the prospect to freely decide what level of involvement they desire.

8.3.10 An ABO must not misrepresent the relationship between Amway and the other companies affiliated with Amway.

8.4 **No Exclusive Territories:** No ABO shall represent that there are exclusive territories available.

8.5 **No Obligation to Purchase:** An ABO shall not require a Prospect to purchase products and/or services except for the Amway Business Opportunity Kit.



SECTION 9:

Use of the Amway Trade Name, Trademarks and Copyrighted Materials

This rule has been developed to maintain the integrity of Amway's intellectual property and to ensure that the AMWAY brand will be available exclusively for the Amway Business. In addition, Amway has implemented a corporate identity program that requires the correct and consistent use of the Amway corporate logo, no matter where it appears. Therefore, no alterations to the approved logotype are allowed. Upon request, Amway will provide an example of the approved logotype and color specifications. Amway Trademarks and Copyrighted Works are important and valuable business assets of Amway. The Marks help identify the source and reputation of the Amway products and services worldwide and distinguish them from those of competitors. Amway makes commercially reasonable efforts to protect the Marks from improper use, including through the Rules of Conduct, Standards and Policies

- 9.1 ABOs may use the Amway Trademarks and Copyrighted Works only with prior written permission by Amway and subject to any conditions attached to such. This permission may be expressed through general publication (to all ABOs) or through a specific writing to one or more ABOs. Without limitation, Amway may require conformity with specifications, may require that materials that Use Amway's Marks and/or Copyrighted Works be sourced from Amway or an Amway-approved supplier, and may otherwise condition Use of its Marks and Copyrighted Works. Any permission granted by Amway shall constitute a limited, non-exclusive, nontransferable and revocable license to Use such Marks and Copyrighted Works solely in connection with the Amway business in the Region
- 9.1.1 Each ABO acknowledges and agrees that Amway is the licensee of certain trademarks including, e.g., logos, service marks and other intellectual property and industrial property, including the name AMWAY, and various trademarks, trade names and service marks used in connection with Amway products and services, and the various designs of labels.
- 9.1.2 An ABO shall not use, in connection with his Amway Business or any other business (including but not limited to, any business vehicle, office, phone listings, premises, or stationery) and/or on or in connection with any products, the AMWAY name, or trademarks, service marks or other intellectual property belonging or licensed to Amway without the prior written consent of Amway and subject always to any conditions attached to such use except as otherwise provided herein. Amway reserves the right to withdraw its consent at its absolute discretion.

- 9.2 **Imprinted banners/signs for Meetings/Events:** If an ABO is at the Platinum level or above, and desires to conduct a meeting or event in which the Amway name will be displayed in public, the ABO must first obtain prior written approval from Amway for such use of the Amway name (A public meeting is one where prospects may attend). The ABO shall provide a written request to Amway for each meeting; such request shall include a description of the proposed banners/signs, their size, materials to be used for banner/signs and location.
- 9.2.1 An ABO must not produce or obtain any printed products from any source other than Amway which bears the Amway name, trademark, logo or trade name without written permission. Such permissions must be renewed for each Event/Meeting.
- 9.2.2 Amway reserves the right at all times to withdraw permission to display the Amway name if standards stated are not met, of which Amway shall be the sole judge.
- 9.3 **ABO Advertising:** Under no circumstances may ABOs advertise or promote Amway products and services or the Amway Business Opportunity through the use of mass communication methods such as radio, television, facsimile services, computer communication networks, including the Internet, national or international advertising, or any other form of promotion where the person-to-person nature of the business is not present ABOs/ may advertise only with the express approval of Amway in writing.
- 9.4 **Copyrighted Material:** All Amway printed material is copyrighted and may not be reproduced in whole or in part by ABOs or other persons except by written permission from Amway.
- 9.4.1 Amway makes a claim to copyright for all its printed material in South Africa. This is done to prevent others, particularly competitors, from copying and duplicating Amway literature which has been developed and printed at great expense and to assure ABOs that the promotional material which they purchase and distribute to their Retail Customers is unique, attractive, and truthful. As in the case of trademarks and trade names, if Amway did not exercise every effort to protect its copyrighted materials, ABOs might soon find the market flooded with “Amway” literature which was not produced by Amway and did not relate to products made and sold by Amway. Accordingly, no person, whether an ABO or otherwise, may reproduce any of Amway’s printed material, in whole or in part, without specific written permission from Amway. This includes text material, pictures, cartoons, diagrams, charts, maps, designs, and other printed materials.
- 9.4.2 All Amway printed material relating to products has been carefully prepared to conform with all laws and regulations governing the labeling of products. (The word “labeling” covers not only the label on the product itself, but also any literature used to promote the sale of such product.) Even a slight deviation from the language on the label or promotional material may constitute a violation of one or more of the laws or regulations covering the product and its labeling and thus subject the person making such deviations to penalties imposed by law. Unfortunately, such governmental action not only can adversely affect the particular offender, but also his fellow ABOs as well as Amway itself.
- 9.5 **Penalties for Violators of Section 9:** Any ABO who violates Section 9 may:
- 9.5.1 Be required to remove improper signs, destroy improper literature, cancel improper advertising, or change improperly listed telephone numbers. In the case of improper telephone listings, Amway may require the listed number to be changed to a new number with no calls to be referred from the listed number to the new number.
- 9.5.2 Be denied the right to make any future use of the Amway trademark or trade name, including the right to place a telephone listing in the next issue of the telephone directory where an improper listing was previously employed.
- 9.5.3 Have his AB terminated by Amway.
- 9.5.4 Be liable for money damages to Amway for unauthorised use of the Amway name, trademark, or logotype.



SECTION 10:

Death of an ABO and Inheritance of the AB

Amway has entered into the Contract with the ABO because of his/her personal qualities. Consequently, the relationship between AMWAY and the ABO constitutes a personal services agreement. In case of demise of one of the applicants the Amway Business will automatically transfer to the other co-applicant. Unless such a transfer will not be contradictory to local inheritance legislation or is otherwise defined in a last will. If there is no co-applicant, an AB may be both bequeathed by will or testamentary contract and inherited provided Amway consents to the assignment of the Contract in favor of the heir or designee. Amway recommends that ABOs consult legal experts and take the necessary precautions so that their Amway business can be bequeathed to their descendants or be transferred to a designee of their choice. These heirs or designees shall assume all the responsibilities of the testator, including all commissions and/or other payments paid in accordance with the provisions of the Amway Sales and Marketing Plan and to which the testator would have been entitled. If an ABO dies without leaving a will, the laws regarding legal succession shall be applied in transferring the Amway business.

SECTION 11:

Breach of Contract - Procedures

11.1 Procedures.

11.1.1 **Investigation:** When Amway believes that a breach of the ABO Contract has occurred, will occur, or is threatened to occur, Amway may investigate the activity of the ABOs at issue. Amway may undertake this investigation on its own initiative or when requested by another ABO who has submitted a written complaint to Amway as provided in Rule below.

11.1.2 **Complaints by ABOs:** An ABO who believes that another ABO has breached its ABO Contract by violating the Amway Business Policies, or who has personal knowledge of the activities leading to such alleged breach, shall notify Amway in writing of the alleged breach and all facts connected with it. A copy of this notification shall be provided either by the ABO or Amway to the ABO's Upline Platinum ABO.

11.1.2.1 On receiving this notice Amway will notify the appropriate ABOs of the complaint and request an immediate response.

11.1.2.2 If the complaint and response do not contain sufficient facts upon which to make a decision, additional information may be requested from any party by Amway.

11.1.2.3 When Amway believes that it has sufficient information regarding the facts and circumstances relevant to the complaint, Amway will decide whether there has been a violation of the Amway Business Policies or other breach of the ABO Contract and will take appropriate action in accordance with Rule 12 of the Rules of Conduct.

11.1.3 Notification of Action.

11.1.3.1 Amway will forward a decision letter to the violating ABO, as well as the Sponsor and the first upline Platinum ABO of the sanctioned ABO. The decision letter will list the specific complaint(s), outline the corrective action to be taken and, if appropriate, set a time limit for the ABO to comply.

11.1.3.2 Any notice shall:

11.1.3.2.1 Be delivered by any appropriate method or that required by law to the address that Amway has on record for the ABO. Claim of failure of an ABO to receive a notice shall not delay the action by Amway; and

11.1.3.2.2 If applicable, state the Section(s) of the Rules of Conduct or other provisions of the ABO Contract violated or breached by the ABO; and

11.1.3.2.3 State the date of which any such action shall become effective; and

11.1.3.2.4 If applicable, advise the ABO of his opportunity to seek review of Amway's decision in accordance with Section 14 of the Rules of Conduct.

11.1.4 **Waiver of Claims:** An ABO waives any and all claims against Amway arising out of or in respect to any action that Amway takes under the ABO Contract and/or this Rule. An ABO who has action taken against him or her pursuant to Rule as a result of a violation of the Rules of Conduct or other breach of the ABO Contract shall have no claim against Amway.



SECTION 12:

Breach of Contract - Sanctions

- 12.1 **Sanctions:** In the event Amway at its sole discretion determines that there has been a breach of the ABO Contract by an ABO, Amway may take one or more of the following actions, or any other action that Amway deems appropriate
- 12.1.1 Terminate the ABO Contract for intentional, severe breaches of the Amway Rules of Conduct, Amway Policies and Standards only after having followed the procedures as set forth in Section 11 of the Rules of Conduct and if all reasonable efforts to gain a mutual consent failed. Provide the ABO with a written notice of termination at his address specified on Amway's records or by some other suitable or electronic means or as allowed by law; or Warning Letter which might include the requirement to mail the relevant Rules of Conduct or Policies to the Business Group of the Platinum ABO and to all Platinum ABOs in an Emerald or Diamond ABO's organization
 - 12.1.2 Require the ABO to attend training organised and administered by Amway; or
 - 12.1.3 Require downline ABOs to attend training and/or submit to testing.
 - 12.1.4 Suspend¹ specific authorisations under the ABO Contract, such as by way of example and without limitation, the ABOs opportunity to Sponsor, to purchase or sell Amway products and services, or to conduct similar activities associated with the AB; or

¹Amway reserves the right to determine the specific terms of each Suspension on a case by case basis.

- 12.1.5 Remove the ABO as a Sponsor of any Downline ABOs also called “de-sponsoring” and/or restrict the ABO’s authority to Sponsor others; or
- 12.1.6 Require refund of Amway commissions; or
- 12.1.7 Remove any qualification and require return of any objects evidencing such qualification (by way of example and not limitation, such as pins, certificates, etc.); or
- 12.1.8 Require written acknowledgement of the breach (es) and an undertaking not to breach the ABO Contract in the future; or
- 12.1.9 Take any action short of termination of the ABO Contract as may be permissible under applicable law and appropriate in Amway’s sole discretion to address the specific breach(es); or
- 12.1.10 Take any affirmative legal action, file a civil or criminal complaint, notify, or file complaints or reports with appropriate authorities or take such other action or exercise any other remedies as may be available or permitted under applicable law.
- 12.2 **No Waiver:** The failure of Amway to take any action upon learning of a breach or potential breach shall not constitute a waiver of Amway’s rights to assert such a breach in the future. The failure of an ABO to take any action upon learning of a breach under the ABO Contract shall not constitute a waiver of any other rights or remedies that may be available under applicable law.
- 12.3 **Suspension¹:** In the event of any breach of contract by an ABO, Amway may take action to suspend some or all of the ABO’s privileges under the ABO Contract, including but not limited to:
 - 12.3.1 Holding commissions for payment of higher award monies in escrow pending final resolution of the matter; and/or
 - 12.3.2 Suspending authorisation to conduct sponsoring activity (sponsoring, recruiting meetings, training sessions, home presentations, etc.); and/or
 - 12.3.3 Suspend invitations to company-sponsored seminars, trips and events; and/or
 - 12.3.4 Conduct reorientation and retraining meetings and charge back the expenses to the offending ABO; and/ or
 - 12.3.5 Require that ABOs provide Amway with recordings of their Amway Sales and Marketing Plan presentations, and/or
 - 12.3.6 Require the mailing of an “Ethics Bulletin” to ABOs downline of the Platinum ABO and to all Platinum ABOs in an Emerald’s or Diamond’s organisation.
- 12.4 **Representative for an ABO:** In the event of suspension, Amway may by notice in writing appoint a representative for the ABO to run the business of the violating ABO. Such appointment shall apply until Amway is satisfied that the circumstances leading to suspension have been adequately addressed.
- 12.5 **Actions on Termination:** Upon termination for any cause whatsoever, the ABO shall:
 - 12.5.1 If requested by Amway and at Amway’s sole discretion, return all Amway products and services in his possession in accordance with the Buy-Back Rule 3.7.1 of the Rules of Conduct; and
 - 12.5.2 Cease to use all trademarks, trade names, insignia, trademarks or other intellectual property of Amway, and
 - 12.5.3 Cease to identify themselves as an ABO; and
 - 12.5.4 Cease to engage in any activities of an ABO, as outlined, in the Amway Rules of Conduct , Amway Policies and Standards

SECTION 13:

Disposition of Terminated or Non-Renewed ABO Contract

- 13.1 **Abandonment:** When an ABO Contract is terminated or not renewed, the ABO Contract is considered abandoned, the signatory to the ABO Contract shall have no further rights in the ABO Contract. Amway may Assign or Dissolve the AB, pursuant to Rule 13.1.1 and Rule 13.1.2, the right to operate an Amway business in the former ABO's position in the Line of Sponsorship to another ABO, or may remove such position in the Line of Sponsorship, in its sole discretion. In exercising its prerogative hereunder, Amway may elect to employ one of the following methods or any other method permissible by law, and may unilaterally modify and amend the ABO Contracts of any affected ABOs to change their Sponsor and their position in the Line of Sponsorship as may be necessary to implement such decision:
- 13.1.1 **Sale/Assignment of AB.** If at its sole and absolute discretion, Amway elects to sell or assign the right to operate an Amway business in the former ABO's position in the Line of Sponsorship, Amway may elect to employ one of the following methods:
- 13.1.1.1 Sale or assignment in the order of priority imposed by Rule 6.5 above.
- 13.1.1.2 the terms of the sale or assignment being set forth in a written contract executed between Amway and the purchaser.
- 13.1.1.3 the purchasing party or assignee shall operate the Amway business in the position in the Line of Sponsorship held by the previous ABO.
- 13.1.1.4 unless otherwise determined by Amway in its sole discretion, all funds resulting from the sale will be added to an incentive fund to be distributed by Amway among eligible ABOs.
- 13.1.2 **Dissolution of AB.** If Amway so elects, the Sponsor of the former ABO may undertake the obligations of the former ABOs and assume the role of Sponsor for all ABOs who had been personally or Internationally Sponsored by the former ABO.
- 13.2 **No Limitation on Amway:** Amway, however, is in no way limited to any of the above methods of disposition of an Amway business and may exercise complete discretion as to methods and/or timing of disposition.



SECTION 14:

International Review Panel

In the event an ABO who is qualified at the Platinum level or above disagrees with an affiliate's decision to terminate, suspend, or not renew his or her Amway business, the ABO has the right to request a review of that decision by the International Review Panel (IRP).

An ABO not qualified at the Platinum level or higher who disagrees with an affiliate's decision to terminate, suspend, or not renew his or her Amway business, may request an appeal through his or her upline qualified Platinum. In this instance, the upline qualified Platinum may choose to submit the appeal on behalf of the downline ABO and the IRP will determine whether to review the appeal in its reasonable discretion based on an assessment of the nature of the allegations, the history of the ABO business, and the availability of significant new evidence that could not have previously been presented to or considered by Amway.

The appeal request must be submitted in writing (in local language or English) and should contain a 1–2-page narrative describing the basis for the appeal, issues to be considered for the appeal, any relevant facts, and the relief being sought. The appeal should also contain information and documents (translated into English) which support the appeal. Only the ABO qualified at the Platinum level or above whose Amway business was sanctioned can request an appeal and must do so within 30 days of the date of the affiliate's decision letter.

In the case of ABOs not qualified at the Platinum level or above, the ABO's upline qualified Platinum may request an appeal on behalf of the downline ABO and must do so within 30 days of the affiliate's decision letter.

The appeal request must be submitted to the Review Panel Chair either via email at appeal.administrator@amway.com or via postal service to: Amway Corporation, Attn: Review Panel Chair, Center Rules/IRP, Mail Code: 78-2G, 7575 Fulton Street East, Ada Michigan 49355 USA.

PART TWO

Policies and Processes

SECTION 1:

Southern African Business Support Materials Quality Assurance Framework Policy

Note: This Policy is applied and interpreted in accordance with the contractual undertakings between Amway Business Owners (ABOs) and Amway South Africa (Pty) Ltd. (referred to in this Policy as 'Amway Southern Africa'). As of 1 July 2017, this revised Policy became applicable in all Southern African markets in which Amway operates the Amway Sales and Marketing Plan. This Policy is intended to supplement and not replace Rules of Conduct, Commercial Principles, other official Policies and contractual provisions between ABOs and Amway. Unless otherwise expressly provided herein, all capitalized terms used have the meanings as defined in Section 2, Rules of Conduct.

This Policy applies to all BSMs promoted or sold in the geographical area defined above. This Policy does not supersede, but augments existing Amway Rules of Conduct, policies and procedures applicable in such country. BSMs that have been authorized for use in one country by Amway Corporation or other Amway affiliates are not approved for use in another country unless they comply with the relevant Amway affiliate's Quality Control, including requirements for specific advance authorization

The definition of Business Support Materials ("BSMs") is intended to be interpreted broadly and includes, by way of example: Printed materials, audio-video and multimedia productions, internet based products and services, extra- Amway recognition and award systems, meetings and other events, and other materials or equipment used to support information or sale of Amway Products or Amway Services, as well as coupons, vouchers, tickets or standing order/ subscription programmes relating to any of the foregoing.

Under their contracts with Amway, ABOs are responsible for training and motivating those whom they Sponsor. To assist with their training and motivation, some ABOs independently produce or distribute BSMs created by Third Parties – that is, other than Amway. While Amway does not require anybody to purchase such BSMs, ABOs may decide that they can play a useful role in building a profitable Amway Business.

As part of its ongoing effort to ensure the quality of BSMs with the famous Amway marks and goodwill, together with their appropriateness for the Amway business, to protect the reputation of Amway and the Amway Sales and Marketing Plan, and in order to ensure that BSMs are promoted appropriately with respect to the Amway business, Amway has established Quality Control procedures that address the promotion and sale of BSMs by ABOs to other ABOs ('Quality Control'). Amway's standards for Quality Control are broadly outlined in the Rules of Conduct/Commercial Principles and/or official Policies of Amway and this BSM Policy. Amway's Quality Control standards at a minimum require BSM quality that preserves the protect ability, fame and distinctiveness of the Amway's marks; protects the consuming and general public from deception and confusion; sets forth a minimum standard of quality consistent with the quality of Amway Products and Amway Services; insures the integrity and preservation of the Amway business; and protects the Amway name, reputation and goodwill.

The purpose of this Policy is to outline certain Quality Control standards applicable with respect to Amway.

Each ABO must make decisions to purchase BSMs based on what the ABO perceives as necessary to build his/her individual Amway business. Nevertheless, the sale and promotion of BSMs by ABOs to other ABOs must always be reasonable. Amway considers it contrary to its reputation, to the interests of ABOs, and to the fundamental principles of the Amway business for ABOs to promote or sell BSMs to other ABOs in quantities or at expenditures that exceed reasonable levels.

ABOs may not, directly or indirectly through others, produce, promote, sell or profit from sales of BSMs to other ABOs in violation of Quality Control or applicable law. No policy or rule can address every possible scenario that may result in abuse. Amway may address alleged BSM abuses on case-by-case basis as described in Section 11 of the Amway Rules of Conduct.

Amway reserves the right to modify, amend or revise any of the terms of this Business Support Materials Policy at any time, in accordance with section 1 of the Amway Rules of Conduct.

Part Two Policies And Processes

I. General provisions for BSM

Guarantee of Success.

ABOs, who profit from, use, promote, sell or distribute BSM, may not suggest, or imply that the use of any BSM will guarantee success.

All BSM at a minimum require disclaimers indicating that (1) the use and the purchase of any such materials is voluntary, (2) that the use of any such materials will not guarantee success and (3) that the materials have been published independently of Amway.

Reasonable Expenditures, Use of BSMs and Attendance at Events.

Amway considers the following: Reasonable Expenditures, Use of BSMs and Attendance at Events The promotion of expenditure on BSMs that are not reasonable and proportionate to individual ABO's personal goals, demonstrated financial and business capabilities and reasonable expectations for profit in the Amway business or are contrary to each ABO's individual interest, cause damage to Amway's reputation, and threaten the public perception of and long-term viability of the Amway business; Each ABO must make decisions to purchase BSMs based on what the ABO perceives as necessary to build his individual Amway business. Nevertheless, the sale and promotion of BSMs by ABOs to other ABOs must always be reasonable. Amway considers it contrary to its reputation, to the interests of ABOs, and to the fundamental principles of the Amway business for ABOs to promote or sell BSMs to other ABOs in quantities or at expenditures that exceed reasonable levels.

No ABO shall encourage or induce another ABO to make expenditures for meetings and events or any training, support or motivational materials that are inconsistent with the goal that the ABO has set for the Amway Business and a reasonable expectation of the profit as an ABO

ABOs who engage in the sale, promotion or profit from BSMs to other ABOs contrary to these requirements may be in breach of such ABO's contract with Amway;

Requirements with Respect to Promotion of BSMs to New ABOs.

The following requirements apply to all BSMs apart from Major Events. The participating ABOs may not sell or promote the purchase of BSMs by new ABOs in unreasonable amounts. Amway considers that per shipment to an ABO Business, amounts exceeding the following are unreasonable:

- R400.00 during the first two weeks after joining the Amway business; and
- R680.00 during each of the first three months after joining the Amway business, with a maximum total expenditure of R2040.00 during the first three months.

For the sake of this Policy, southern Africa is defined as South Africa, Namibia and Botswana. Participation by the ABO in BSM subscription programmes in the first three months is not permissible. Standing order programs, in which the ABO may discontinue participation at will, are permissible.

It should be clearly understood that BSMs must be reviewed in accordance with the BSM rules. A buy-back Policy for BSMs that allows the ABO to return BSMs, under certain circumstances, must be provided. The conditions for return of BSMs are defined in this Policy.

Receipt:

ABOs who sell BSMs must provide the purchasing ABO with a receipt, showing (a) the vendor, (b) a description of the product sold, (c) quantity purchased and (d) the price (incl. VAT) paid and (e) additional information if required by law.

BSM Refund/Return Policy for end users:

ABOs who choose to sell BSMs are obligated to clearly communicate their refund policy terms to end users prior to the sale. ABOs who choose to sell BSMs and have inventory other than for personal use are subject to the return policy agreed between themselves and the individual from whom they purchased their BSMs. Amway's Satisfaction Guarantee and Buy- Back policies DO NOT APPLY to BSMs. End user Refund Policies must be in accordance with applicable law and in any case no less favorable than the following:

- BSMs, with the exception of tickets, must include a refund on commercially reasonable terms for up to 180-days after the sale of the BSM.

- Tickets purchased for an event shall be refundable at any time prior to the event.
- Tickets for events that have already occurred shall be refundable to the person who purchased the ticket, attended the event and was not satisfied with the event, for at least 30 days after the event. The refund should cover the cost related to admission to the meeting, excluding travel costs (travel, meals, hotel).
- Subscriptions: Purchasers of subscriptions are entitled to a refund for unused, whole months of prepaid subscriptions.
- Downloadable e-files: Purchasers that are dissatisfied with downloadable e-fi les are entitled to obtain a replacement
- download of equal value within 30 days.

The organizer of the meeting/event must provide a dispute resolution process, and identification of a responsible person for handling returns and refunds.

The refund may require the purchaser to provide proof of purchase.

Refund Policy Review: Upon request from Amway, ABOs shall submit any refund policy for review by Amway together with evidence that the policy has been implemented and consistently communicated, and the refund policy has been supported in compliance with this Rule.

Responsibility of ABOs: ABOs are responsible for ensuring that BSMs that they promote or sell are in compliance with applicable laws and regulations as well as Amway's Quality Control. Amway's Quality Control is not a substitute for the ABOs own legal review. ABOs producing, promoting, marketing, selling or profiting from the production, promotion, marketing or sale of BSMs must ensure that these activities are in accordance with applicable laws and regulations and that all approvals and licenses that are required to conduct such activity and manufacture, import and distribution of such BSMs have been obtained prior to conducting any such activities. Platinums are responsible for educating and training ABOs in their Groups about Quality Control with respect to BSM, and Sponsors are responsible for educating and training their immediate Personally Sponsored ABOs. No person to whom this Policy applies shall support or assist any other person in circumventing Quality Control.

Promotion and Compensation for BSM:

An ABO shall not promote, compensate another ABO, or receive compensation or any benefit in connection with the sale or promotion of BSM that is not in compliance with the Amway Rules of Conduct, the South African BSM Policy, South African BSM Review Standards, the Amway Business Policies and other quality control that Amway may prescribe from time to time. An ABO shall not engage in any system of promotion, compensation or remuneration for BSM that is not in compliance with applicable law or which may damage or undermine the reputation and valuable goodwill associated with the Amway name and intellectual property.

An ABO engaging, directly or indirectly, in the sale or promotion of BSM shall not state or imply that such activity is part of the Amway business (or vice versa), or state or imply that income or other benefits obtained from such activity were obtained through the Amway business or the Amway Sales and Marketing Plan.

Cooperation and Verification: At Amway's request, an ABO shall produce relevant documentation Amway determines is needed to verify compliance with these Rules including information about non-ABO vendors, publishers, producers and distributors with which ABOs may associate to source or promote BSM.

II. Special Provisions for BSM (not applicable for meetings/events)

Authorization Required: To ensure the quality of BSM used in connection with Amway, the Amway business opportunity and the Amway products and services, all BSM must be reviewed and authorized by Amway prior to promotion, use, sale or distribution by an ABO. No BSM may be sold to a Prospect.

Any authorization by Amway shall be in writing. It shall constitute a limited non-exclusive, non-transferable license to use any incorporated intellectual property of Amway and/or to promote the BSM in association with the Amway name or marks. The authorization may be revoked by Amway. Amway will inform the submitting ABO / organization and explain the decision.

Unless otherwise specifically set forth in writing, any such authorization and license is applicable only in the country in which the Amway affiliate authorizing the BSM is located and operates.

Part Two Policies And Processes

Content Reviewed: ABOs who directly or indirectly profit from, promote, use, sell or distribute BSM must ensure that a legend is to be prominently displayed on BSM indicating that the content is reviewed and authorized followed by the unique authorization number provided by Amway (in a location or format as specifically directed by Amway).

Amway's review and authorization of BSM shall be conditioned upon compliance with the Amway Rules of Conduct, the South African BSM Policy, South African BSM Quality Assurance Standards, the Amway Business Policies and other quality control that Amway may prescribe from time to time.

ABOs are responsible for compliance with all laws regarding the content, production, distribution and promotion of BSM which they sell, use or promote or from which they profit, as well as for the legal compliance with regard to their sale or any other use.

Submission and Limitations on Authorization

Amway at its sole discretion may elect to limit the number of authorizations.

Ordinarily, only authorized ABOs who have achieved the level of Executive Diamond or above may submit BSM for review and authorization. However, Amway may exercise discretion in determining who may submit BSM's for review and authorization.

BSM Inventory Submission: Upon request, an ABO must provide Amway with a list of all BSM which they intend to profit from, promote, use, sell or distribute. Amway will specify in its request the information that must be provided.

III. Special Provisions for Meetings/Events

Meeting Schedule and Attendance by Amway Representatives: At any time, Amway may request a copy of an ABO's Amway related business meeting schedule and a representative of Amway may attend any meeting listed.

Recordings at Events: An ABO may record presentations made by Amway employees at events, providing it is for personal use. Should the ABO decide to distribute the recordings, they must be reviewed and authorized by Amway.

Recording Non-Amway Speakers at Amway Events: An ABO may record presentations made by non-Amway speakers at Amway events, unless otherwise stated by Amway, providing it is for personal use. Reproduction of said recordings is strictly prohibited.

Recording Speakers at ABO Events: Distribution of recordings of presentations made at ABO meetings /events, require review and authorization and the consent of the recorded person.

Additional Requirements for Promotion of Major Events:

Authorization: All Major Events are subject to Amway authorisation in accordance with the requirements of the authorisation process which will be communicated to Amway Leadership.

Co-Branding: All meetings must reflect the co-branding of Amway and the organizing group. Such co-branding must be apparent in the content of speeches, the display of Product, Signage and another various media.

Major Events is defined as:

- Any function for ABOs
- designed to support the Amway Business
- Two days or more in length
- Any event considered at Major event if the ticket price is higher than Five Hundred Rand excl. VAT
- No Major events will be held in Lesotho and Swaziland and must continue to be supported within existing set-up of South Africa

Any event that does not comply with this requirement (unless such event has been reviewed and authorised by Amway pursuant to established procedures) is in violation of this Policy.

Any Platinum or above who organises, speaks at, or promotes a Major Event which is not in compliance with this Policy, may be considered to be in violation of this Policy.

IV. Presentation Content Standards

These standards describe the criteria used in the review process of Business Support Material and can be used by ABOs as a guide while preparing speeches to be delivered at ABO meetings/events or prior to manufacture of printed and audio/ video materials in support of the Amway Business.

ABOs producing meetings/events must ensure that all ABOs speaking at such meetings/events are furnished with a copy of these Presentation Content Standards. All ABOs speaking at such meetings or events are required at all times to comply with these Standards.

Section 1. Acceptance

Spiritual/Religious communications

Presenters may not:

- use the stage as a platform to promote religious and/or personal social beliefs.
- Advocate that success is dependent on holding certain beliefs.
- Recommend certain religious or spiritual writings and practices.
- Conduct worship services.

Political communications

Presenters may not:

- use the stage as a platform to promote political beliefs (with exception for those issues that may directly affect the Amway Business or the operation of an independent business)
- Make references to preferences regarding specific political views, parties, candidates or elected officials.

An Equal Opportunity Business

Presenters must promote the Amway business as an equal business opportunity – it's a business for everyone. The business for everyone means an acceptance of all people, regardless of their personal beliefs, political affiliations, nationalities, ethnic backgrounds, and racial origins.

Moral/Social communications

Positive statements related to values such as trustworthiness, honesty, integrity, responsibility, commitment, family, individual initiative, etc. are permitted.

Demeaning statements regarding personal lifestyle, ethnicity, or the roles of males and/or females are not permitted. Using the stage as a platform to promote personal social beliefs or social and cultural issues are not permitted

Section 2. Accuracy

The presentation of the Amway business has a critical impact on the reputation and credibility of the presenting ABO, the Sponsor/Line of Sponsorship (LOS), Amway, and the overall business.

A general rule is to "under-promise" so the business can "over-deliver." The goal is to ensure that Prospects and ABOs have realistic expectations about the business, understand how income is earned, and are clear about the time and effort required to earn income as an ABO.

Amway's Role

The Amway Business must be presented as an opportunity to gain income through the retailing of products and the sponsoring of others to do the same. It's a business including products and product education, distribution, compensation, customer service, and the Sales and Marketing Plan. The Presenter must not misrepresent the relationship of the ABO to Amway by, for example, suggesting or implying that Amway is "just a supplier", or that the ABO represents a business opportunity of which "Amway is a part", or that the ABO is an Amway e-commerce distributor, or that the ABO "outsources" administrative support to Amway, etc.

ABO Role

Presenters must not promote the use of false, misleading, inaccurate, or deceptive statements with Prospects or other ABOs. Presenters must promote behaviour that results in an ABO making themselves known as an Amway ABO, as soon as possible. It's necessary to identify the purpose of the contact – namely the sale of Amway products and/or to introduce the Prospect to the business. The invitation to see the Plan may not be disguised.

Part Two Policies And Processes

Role of the Support System

ABOs must understand that ABO Organization participation is voluntary, and participation does not guarantee success. Providing examples of how the system contributed to the growth of a profitable business is acceptable. The primary business relationship of an Amway ABO is with Amway and not a support system or organization. To imply otherwise is contrary to the Rules of Conduct.

Business Support Material Role

Amway believes that the use of BSM and attendance at meetings may be an effective tool in building an ABO's business. However, Amway believes that BSM should do more than just motivate. Amway believes that the use of tools and teachings developed by successful organizations and their leaders should impact the Amway business in a meaningful and measurable way.

Ultimately, the decision to purchase BSM and/or attend events is strictly voluntary. It is entirely optional and should be presented as such. The opportunity for an ABO to receive support from their sponsor or up line Platinum cannot be conditioned upon whether or not BSM are purchased.

Please note that ABOs may promote only those BSM which are officially authorized by Amway for use in the market.

Open and accurate representation of the Sales and Marketing Plan

The Sales and Marketing Plan should not be represented as anything other than what it is: the business and compensation framework for an Amway business. Prospects must understand this as well as the fact they are entering into a contract with Amway, which includes the rights and responsibilities that come with being an ABO.

The Plan should not be positioned as a "get rich quick" scheme. ABOs must not guarantee any level of success and diminish the time and effort necessary to build an Amway business.

Personal consumption

A balanced business includes registering, retailing, and personal use. Implying that a successful Amway business can be built solely on personal consumption is prohibited by the Rules of Conduct. Having customers is an essential component of the Sales and Marketing Plan and a reason why the Amway business is not an illegal pyramid scheme. Prospects and ABOs should understand how having a customer base contributes to a profitable business.

Self-improvement program

Presenting the business primarily as a self-improvement program rather than a for-profit business is a misrepresentation of the business. For example, presenting the business as a way to improve yourself, save your marriage, or improve relationships with your family or others implies that the primary activity in the business is something other than generating profit. The self-improvement aspects of the business are intangible benefits and should be presented in that context.

Sponsors only

An Amway business is built on the balance of retailing products and sponsoring others who do the same. The Amway Sales and Marketing Plan do not compensate ABOs for the act of sponsoring alone. Compensation is earned when products are sold to customers. To imply that an ABO can be successful or earn fees from merely recruiting and sponsoring others is an inaccurate representation of the business opportunity.

Earning representations

Direct or indirect earnings representations must be truthful, accurate, and not misleading. Representations to Prospects and ABOs can only reflect the income available or earned through the Amway Sales and Marketing Plan and must exclude all other sources of income.

ABOs may use only those earnings and/or bonus representations based on the own personal experiences, provided that they at the same time disclose the average income, earnings, and sales figures and percentages as published by Amway. They may disclose only y other current financial figures about Amway as published by Amway.

Use of the terms "financial security," "rich," "wealthy," and "millionaire" could exaggerate and suggest a level of earnings that are not typical and may be unacceptable, depending on context. Acceptable terms are: "achieving your financial goals," "financial flexibility," or "financial growth."

Use of the terms “residual income,” “residuals,” “passive income,” “royalty income” or “royalties” misrepresents the nature of earnings from the Sales and Marketing Plan. These terms imply that earnings can continue endlessly without further effort. The Rules of Conduct require fulfillment of certain responsibilities. Acceptable terms are “ongoing” and “continual.”

Guarantees of results

Amway offers an opportunity, not a guarantee. Language that implies a guarantee of success misrepresents the business being offered. Use of “risk-free” or other terms that imply a guarantee of results must be avoided.

Each ABO determines the amount of time and effort he will devote to building an independent Amway business. There are no guarantees that one will achieve a particular level in any particular time frame, as results are individual and vary widely.

Sponsorship responsibilities

Each ABO must personally provide training and motivation to other ABOs they have sponsored.

Retirement, inheritance

The Amway Business does not offer “retirement” in the traditional sense because it requires qualification to maintain earnings. It will produce income only so long as it is actively operated.

One of the attributes of the Amway Sales and Marketing Plan is the ability of an ABO to build and establish a substantial business and then pass it on to his heirs or beneficiaries.

“Retirement” phrases – including “never work again,” “always on vacation,” “always traveling,” or that ABOs have “freedom from work” – imply that no work is required after one builds an Amway business to a certain level, and so must not be used. Use of the terms “residual income,” “residuals,” “passive income,” “royalty income,” or “royalties” is also unacceptable, as they misrepresent the nature of earnings from the Sales and Marketing Plan.

Independent contractor relationship

ABOs own their businesses and operate as independent contractors. Every ABO has a contractual relationship with Amway, and are personally responsible for managing their Amway business. An ABO is not an employee, agent, or legal representative of Amway or any other ABO.

Facts and figures

Anything, including statements, statistics, direct quotations, and other information, used to promote the business or Amway’s products must always be correct and substantiated. Sharing unsubstantiated information could be misleading and damage the credibility of Amway, the presenting ABO, the business, and ABO organizations. Statements that cannot be substantiated must never be used in any support materials.

References to the DeVos and Van Andel families should be made only in conjunction with ownership of Amway Corporation and the Amway family of companies, including Amway. References to any of the private projects, businesses, and philanthropy of the Van Andel and De Vos` s must always be accurate and with a clear distinction between those and Amway and the Alticor family of companies.

Graphs, visuals, quotes, and references to statistical data must be substantiated with an information source and date. They must also be current (no more than 3 years old). Additionally, if you reference material from a copyright-protected work and are using either a substantial portion of the work or such portion that represents the essence of the work, then written permission or authorization for use from the source must be provided prior to authorization by Amway.

Third-party materials such as articles or books, when used to support or promote Amway’s business model, opportunity, or products, may be defined as advertising or labelling information by government authorities. These materials must be reviewed and authorized for use.

Other business opportunities

- Presenters may not promote any other business opportunity other than the Amway Business, nor may participants be solicited from stage to attend meetings for the purpose of presenting another business opportunity at any future date.
- Presenters may not substitute group or non-Amway organizational identity for the Amway Business.

Part Two Policies And Processes

FAILURE TO COMPLY

Amway will investigate circumstances or complaints suggesting that a violation of this Policy has potentially occurred according to sections 11 and 12 of the Amway Rules of Conduct.

AMENDMENT

Amway may amend this Policy at any time in accordance with its procedures and applicable law.

South Africa

Purpose and objective of ABO Meetings / Events held in Emerging Markets

Due to the specifics of this market segment any type of meeting/event requires authorization from Amway. Programme content and price relevance to be shared and Authorized by Amway focusing on:

- Supplementing income and product training and demonstration
- Helping ABO build sustainable and profitable businesses
- Recognitions
- The price per ticket is limited to maximum reasonable and requires Amway`s authorization of One Hundred Rand incl. VAT per ticket for 2 ABOs eligible to attend such a meeting. ABO or ABO organization must not sell tickets for a one-day meeting of their organization once the ABO has already attended a one-day meeting or has already purchased a ticket for a one-day meeting in the respective month. This applies to one-day meetings hold in such locations in cooperation with Amway South Africa and to one-day meetings of ABOs or ABO organizations.
- Prospects invited by ABOs should attend these meetings free of charge
- No memorialized BSM to be sold at these meetings unless reviewed and authorized by Amway



SECTION 2:

Digital Communications Standards South Africa

Digital Communications are electronic transmissions (generally by computer or mobile device) of text data, images, video, voice, and other information including, without limitation, any posts or publications made available within the digital space, including emails, videos, live streaming, digital events, podcasts, blog posts, mobile applications (apps), advertising, forums, webpages, and through any social media or messaging platform, e.g., Facebook®, YouTube®, Instagram®, Twitter®, WeChat®, VK®, Line®, LinkedIn®, WhatsApp® or Snapchat® (“Digital Communications”).

COMPLIANCE OBLIGATIONS

ABOs must comply with the Amway Rules of Conduct, Standards and Policies, including the South African Business Support Material Quality Assurance Framework Policy and these Digital Communications Standards (“DCS”), with respect to all Digital Communications regarding the Amway business opportunity, Amway products, or Amway services (directly or indirectly), or when the Digital Communications constitute Business Support Materials (BSM) as defined in the Rules. ABOs must always follow all applicable laws as well as the terms and conditions of use of the digital platform they are using.

ABOs must be truthful, accurate and not misleading. Amway may require an ABO to remove, recall, retract, delete, amend, or otherwise take action as requested by Amway in relation to his/her Digital Communications.

Please note, the examples provided in this document are examples only and do not cover all the situations that are allowed or not allowed.

Part Two Policies And Processes

PROHIBITED COMMUNICATIONS – SPAM

ABOs must never engage in Spam communications. Spam is defined as Digital Communications sent to individuals with whom the ABO does not have a personal, pre-existing Amway business relationship (i.e. mutual and direct business interactions between the ABO and individual that occur before introducing the Amway business opportunity or Amway products). Spam also includes communications sent to those who have not opted in to receive the communication or sent to individuals who have opted out, i.e., specifically asked to be removed from future communication.

“Opt in” is when individuals search to find and willingly choose to follow, like, engage, subscribe, or otherwise demonstrate a desire to receive Digital Communications.

BUILDING ONLINE COMMUNITIES

Online communities are groups of individuals who use Digital Communications to discuss interests or topics. ABOs can build online communities to discuss the Amway business opportunity by using Push or Pull communication. Using the Push and Pull communication approaches described below can help ABOs avoid Spam. Under no circumstances shall an ABO, directly or indirectly, solicit, assist, attempt to induce, or encourage, another ABO within or outside his/her community to request a change in position in the Line of Sponsorship (LOS).

Building Your Online Community Using Pull Communication

ABOs are allowed to post content in a public or private environment creating the opportunity for individuals to find the content and opt in. This is known as pull communication.

A pull communication approach is when an ABO creates or uses content on digital properties they solely own or control so that individuals must search to find and willingly choose to follow, like, engage, or subscribe, or otherwise explicitly show a desire to receive Digital Communications and, therefore, opt in. When building a community, this ensures individuals who are viewing the content are not receiving Spam and have made a choice to connect with an ABO.

Pull Examples:

- (a) An individual finds an ABO’s blog about the Amway business and makes a comment. The ABO is **allowed** to communicate with the individual because the ABO owns or controls the digital property, the individual found it, and the individual opted into his community by choosing to comment on the blog.
- (b) An ABO creates a public Facebook page for her Amway business. This is **allowed** because the ABO owns or controls the digital property, and an individual would have to opt into her community to see further posts.
- (c) An ABO creates the hashtag #LifewithAmway and an individual finds the ABO through a search on Instagram. This is allowed because the ABO owns or controls the digital property where they posted the hashtag and an individual found it and demonstrated an interest in the ABO’s community on Instagram, i.e. opted in.
- (d) An ABO tweets about the Artistry Light Up Lip Gloss on her public Twitter profile. An individual searches on Twitter and finds and likes the tweet. The ABO follows up with the individual by tweeting at her. This is allowed because by liking the tweet, the individual demonstrated an interest in the ABO’s community, i.e. opted in.
- (e) An ABO posts a link promoting his Amway website in the comments on a public YouTube video. This is not allowed because the ABO does not own or control the digital property (YouTube channel) on which he is commenting.

Building Your Online Community Using Push Communication

A push communication approach is when an ABO directly contacts individuals or pushes content on digital properties. When building a community, there are two types of Push communication; one is allowed, and one is not allowed.

Push Communication – Allowed: An ABO is allowed to send digital content to individuals with whom he/she has a personal, pre-existing business relationship because they are already a part of the ABO’s community. In addition, an ABO may push Digital Communications to individuals who have opted in and expressed interest to join the ABO’s community.

Push – Allowed Examples:

- (a) An ABO direct messages about Nutrilite products to an individual who follows him on Instagram. This is allowed because the individual opted in by following the ABO on his Instagram community.
- (b) An ABO posts beauty tips on her professional Facebook page, an individual finds and likes the post, and the ABO direct messages the individual to discuss the products. This is **allowed** because the individual opted into the community by liking the Facebook post.
- (c) An ABO meets an individual at a charity event and follows up with a private message through WhatsApp about the Amway business. This is **allowed** because, through the meeting, the ABO has a personal, pre-existing relationship with the individual.
- (d) An ABO is the sole owner of a Facebook group devoted to boating interests and posts content about Amway products to clean boats. Providing the rules of the owner's digital property are followed, this is allowed because the ABO has a pre-existing relationship with the members of the Facebook group and are in his/her community.
- (e) An individual on an online group seeks a referral by posting "Looking for Amway distributor." A member of the group provides the name of an ABO who subsequently follows up with a private message. This is **allowed** because by asking for a referral, the individual has opted-in and the ABO is allowed to contact the individual.

Push Communications – Not Allowed: An ABO is not allowed to send Digital Communications to individuals with whom he/she does not have a personal, pre-existing concrete and actual business relationship, or to individuals who have not opted in to receiving communication. This is considered Spam and is not allowed because they are not part of the ABO's community.

Push – Not Allowed Examples:

- (a) An ABO sends a message to an individual he found on a group discussion board. This is not allowed because the ABO does not have a personal, pre-existing relationship with that individual nor did that individual opt in to the ABO's communications or community.
- (b) An ABO who is a member of a large, professional engineering organization, acquires an email list of all the members, and invites them via email to a prospecting meeting. This is not allowed because membership in a professional organization and the acquisition of a mailing list does not constitute a personal, pre-existing relationship and does not imply the individual has opted into the ABO's community.
- (c) An ABO direct messages a member who they do not know of an alumni group about the Amway business opportunity through LinkedIn. This is not allowed because the ABO does not own or control the LinkedIn group and does not have a personal, pre-existing relationship with the individual and, therefore, is not part of the ABO's community.

Content for Private, ABO Only Environment:

ABOs are allowed to post or send the following types of content privately to ABO communities:

- List of available, authorized BSM
- ABO training organization promotion information, including without limitation, event dates and ticket pricing.

Prohibited Content for any Environment

ABOs are not allowed to post the following types of content in private or public communities:

- LOS information.
- Confidential and/or business sensitive materials including, without limitation, pre-launch product information, management changes, plant closings, acquisitions, etc.

Communication Within a Community

Once an individual has opted into an ABO's community, all communications with that individual are allowed regardless if they are Push or Pull, as long as they are compliant with the Rules, Policies and Standards. However, the Push or Pull communication approaches must be used when building ABO communities and must comply with the sections below.

Part Two Policies And Processes

INTRODUCING THE AMWAY BUSINESS OPPORTUNITY

An ABO may prospect and introduce the Amway business opportunity to customers and prospective ABOs, including the use of a call-to-action, on digital properties the ABO owns, or controls provided the individual has opted in (Pull Communication). Alternatively, an ABO may prospect an individual with whom he/she has a pre-existing business relationship (Push Communication).

User-Generated Content

ABOs are allowed to promote the Amway business opportunity and products by posting user-generated content including video, audio, images (product, people, or other), and images of themselves (selfies) with or without Amway product, provided the accompanying text is truthful, accurate, and not misleading.

However, user-generated content containing only Amway owned trademarks (product or brand names/logos), or Amway product images may not be used in profile pictures, cover photos or similar relevant area on the digital property.

Prospecting Examples:

- (a) An ABO posts a selfie on his/her Instagram account holding an Amway product and adds a call-to-action, "Direct message me to learn more about the Amway business opportunity." This is **allowed** because the ABO owns or controls the digital property and those who choose to message the ABO are opting in to receive additional information.
- (b) An ABO retweets a post from Amway's official Twitter account regarding becoming an Amway business owner. In the retweet, the ABO mentions the benefits of being a business owner and asks her followers to contact her to register. This is **allowed** because those who choose to follow up are opting in to receive more information about the business.
- (c) An ABO posts a video about recruiting for his Amway business on a friend's blog. This is **not allowed** because the ABO does not own or control the digital property and, therefore, the individuals on the blog have not opted in to his communication.

SELLING/COMMERCE

An ABO may promote products for sale to Customers and Prospects, including the use of a call-to-action, on digital properties the ABO owns or controls, provided the individual has opted in to the ABO's community. The ABO can complete the actual sales transaction off-line.

Pricing

An ABO may not include pricing information (product price or any discounts to the product price) in any digital property or digital communications except within:

- A , person to person digital communications such as texting, direct messaging, e-mail, etc.
- A direct link or post shared from an official Amway digital property.

User-Generated Content/Product Placement

ABOs are allowed to promote in compliance with these DCS by posting user-generated content including video, audio, images (product, people, or other), images of themselves (selfies) with or without Amway products, provided the accompanying text is truthful, accurate, and not misleading.

However, user-generated content containing only Amway owned trademarks (product or brand names/logos), or Amway product images may not be used in profile pictures, cover photos or similar relevant area on the for digital property

Unauthorized Selling

ABOs are not allowed to sell or promote Amway products online, in any retail property which has the primary purpose of selling products and services to the public, including, without limitation, Amazon®, eBay®, Taobao® and Etsy®. No Amway product or service is allowed to appear in these properties, even if the products or services are not for sale.

Selling on these digital retail properties compromises the competitive environment and may jeopardize service ABOs provide to customers and the reputation of Amway and its brands. These selling platforms are not authorized by Amway.

ABOs are not allowed to utilize or authorize non-ABOs (key influencers, customers, third-party resellers, etc.) to sell or merchandise Amway products and services, on their behalf, including the use of any misleading tactics to increase sales or the popularity of their digital properties.

Selling Examples:

- (a) An ABO posts an image promoting Amway products on Facebook, asking individuals to contact him if they are interested. This is allowed because the ABO owns and controls the digital property where he has posted the call-to-action and the individuals who have reached out to the ABO have opted in.
- (b) An ABO posts a call-to-action on the Amway World Headquarters Facebook page encouraging people to buy from her. This is not allowed because the ABO does not own or control the Amway World Headquarters Facebook page.
- (c) An ABO lists an Artistry product for sale on Amazon. This is not allowed because Amazon is an unauthorized online store. Selling on these sites compromises the competitive environment and may jeopardize service from ABOs to customers and the reputation of Amway and its brands.
- (d) An ABO utilizes a YouTube vlogger to sell Amway products. The vlogger is not allowed to sell Amway products because she is a third party acting on behalf of the ABO and she is not authorized to sell Amway products.

BLENDING AND LEVERAGING OTHER COMMUNITIES/BUSINESSES

A blended digital property combines multiple personal interests or businesses on an ABO's personal digital property.

ABOs are allowed to blend and leverage their Amway business with their other social communities and businesses. This means, on blended digital properties the ABO owns or controls, he/she may leverage his/her non-Amway, communities and businesses, promote, recommend and sell Amway products, and prospect contacts made through that business or community.

This also means that in the same blended digital property, the ABO can leverage his/her Amway community, promote, recommend and sell non-Amway products, and prospect contacts made through that Amway community provided the ABO is not currently qualified at the Diamond level or higher, and has never qualified at the Diamond level or higher.

The ABO's blended digital property may not be dedicated to a single, commercial business or used for the purpose of online retailing, e.g., an e-commerce transactional digital property.

The ABO may not use official Amway digital properties or his/her own Amway-dedicated digital properties to prospect ABOs or customers for membership, services, or products in his/her non-Amway business.

Conversely, the ABO may not use his/her non-Amway business dedicated properties to promote, recommend or sell Amway products or services or promote the Amway Business Opportunity. A blended digital property must comply with the terms and conditions of that property, community, or business.

Exceptions

ABOs may not blend with or leverage the following:

- Products or competitive business opportunities, from direct selling, or multi-level marketing (MLM) businesses.
- Products or services which are prohibited from being sold online or which require licensing or permits to sell, loans, financial investments, legal services, medical services, etc.
- Controversial businesses or lifestyles, e.g. pornography, tobacco, politics, alternative medicine, religion, gambling, investment schemes, etc.
- Services including mentorship, lifestyle coaching, marriage counseling, spiritual advising, public speaking or entrepreneurial development or any services which are used as a pretense primarily for attracting people to Amway but offer products, services or interests other than Amway products or the Amway opportunity.

Additionally, ABOs may not sell products on a blended digital property that directly compete and are functionally interchangeable with products in the Amway product portfolio. However, ABOs may blend, leverage, promote or recommend those products on their blended digital property as long as they do not receive any monetary compensation in exchange.

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Within blended communities, sales transactions of Amway products must be independent of the transactions of non-Amway products. ABOs are not allowed to bundle Amway products with non-Amway products as part of a promotion or sales offer.

Blending and Leveraging Other Communities/Businesses Examples:

- (a) An ABO is a road biking enthusiast who uses her personal, non-retail digital property to discuss and share ideas with other biking enthusiasts. She also uses the digital property to promote a healthy lifestyle using Nutrilite products and to sell bike accessories. This is **allowed** because the ABO owns and controls the digital property, it does not solely exist for the purpose of online retailing, and anyone who would view the content would have opted in.
- (b) A Silver level ABO maintains a personal digital property containing information about her family, her Amway business, and her artisan candle-making business. She posts a photo of several candles inviting people to contact her if they would like to purchase. This is **allowed** because the ABO used her blended digital property to sell a non-Amway product from a permitted non-Amway business, and she has not yet reached the Diamond level in her Amway business.
- (c) An ABO posts on her blog a listing of her top five favorite lipsticks including one from Artistry™. This is **allowed** because the digital property is owned and controlled by the ABO, and she is allowed to blend, leverage, promote or recommend other products directly competing with Amway™ products as long as she does not also sell them on or through the digital property, or receive monetary compensation for posting about the competing products.
- (d) An ABO posts on his restaurant's business Instagram account information about his Amway business. This is **not allowed** because the digital property is solely used for the restaurant, a single commercial business.
- (e) An ABO is a musician who operates a web site to promote and sell her music. The ABO uses her Amway-specific business page on Facebook to livestream information about her upcoming tour dates and encourages ABOs to purchase tickets. This is **not allowed** because the ABO used her Amway-specific digital property to request prospects to purchase tickets for her non-Amway, non-retail business.
- (f) An ABO creates a website promoting her lifestyle coaching business. An individual finds the website and meets with the ABO only to discover the ABO is using the website to recruit individuals to be Amway Business Owners. This is **not allowed** because the business is included in the list of businesses / services that cannot be blended.
- (g) An ABO posts for sale on her blended Facebook profile that she is selling her homemade soap. This is **not allowed** because her soap directly competes and is functionally interchangeable with Amway's soap.

ADVERTISING AND PROMOTION

ABOs are allowed to advertise using non-paid search engine business listings, including the use of a call-to-action, within their geographic area, using one Amway-approved templates.

ABOs are not allowed to advertise using paid advertising, including without limitation, boosted, sponsored, displayed, or search engine ads because these ads create an unfair advantage among ABOs and may directly compete with Amway. Paid or non-paid advertising, including without limitation, classified advertising services, e.g., Craigslist®, Facebook Marketplace, etc., auction sites, 'coupon & deal' sites, online garage sales, buy/sell groups, fund raising sites, e.g., GoFundMe®, and trade or direct selling sites is not allowed. Advertising on these sites may jeopardize service from ABOs to customers and the reputation of Amway and its brands.

Advertising Examples:

- (a) An ABO creates a Google My Business listing to advertise his Amway business. This is **allowed** because it's a non-paid search engine business listing site and uses the ABO's geographic area. In addition, an Amway-approved template must be used.
- (b) An ABO creates a sponsored Artistry Crème LX ad on Facebook. This is **not allowed** because sponsored ads create an unfair advantage among ABOs and may directly compete with Amway.
- (c) An ABO creates an advertising campaign on Google Adwords by purchasing keywords. This is **not allowed** because these ads could compete with Amway's advertising efforts, and it may create an

unfair advantage among ABOs.

- (d) An ABO creates a Craigslist post to advertise XS Power Drinks. This is **not allowed** because Craigslist is a classified advertising service and could damage the reputation of Amway and its brands.

VIDEO, AUDIO, AND LIVE STREAMING

Video, audio, and live streaming (which includes video and/or audio ["Live Streaming"]) within Digital Communications generally do not require prior written approval by Amway if they are on properties the ABO owns or controls. ABOs always have the option to submit videos and audios to Amway for consultation and review before posting, [reference Submitting for Authorization section at the end of the document]. Content must comply with the Amway Rules, Standards and Policies.

Video, audio, and live streaming may not include the following:

- Content created by BSM Providers and ABO support organizations.
- LOS information.
- Unauthorized claims.
- Listing of available BSM and pricing (including ticket prices).
- Confidential and/or business sensitive materials about Amway including, without limitation, pre-launch product information, management changes, plant closings, acquisitions, etc.
- Any other material that violates the Rules, Standards and Policies.
- Live streaming when not saved/memorized may include the following:
 - Amway Sales and Marketing plan information, with required disclosures, including without limitation how to make money and receive earnings and qualifications, awards, and bonuses through Amway.
 - Authorized BSM for prospects.
 - ABO training organization promotion information, including without limitation, event dates and ticket pricing.

However, prior written approval is required for video, audio, including saved/memorized live streaming that are made available for distribution, sale or use at offline meetings.

In addition, video, audio, and saved/memorized Live Streaming containing the following items also require the ABO to obtain prior written approval from Amway:

- Plan: Content used to depict the Amway Sales and Marketing plan information including, without limitation, how to make money and receive earnings and qualifications, awards, and bonuses through Amway, either for use with prospects or training ABOs how to show the Plan.
- Product claims: Content that deviates from approved Amway product claims.
- Prospecting: Content related to the teaching of prospecting, recruiting, and sponsoring techniques.
- Income representations.
- Third party intellectual property (IP) including, without limitation, music, signs, logos, graphics, and images (also requires approval from the third party).

WEBSITES, MOBILE APPS, PODCASTS AND BLOGS

ABOs must obtain prior review and authorization from Amway for websites, mobile apps, podcasts, and blog concepts.

URLs must not be deceptive or misleading or violate the Amway Rules of Conduct (e.g. Ezmoney.com, Retirenow@EU.com, Nosellingrequired.com).

Definition of an ABO Website

An ABO Website means a site generated for use in the support of and the development of his/her Independent Amway Business, regardless of who builds or hosts the site.

Types of ABO Websites

The following types of websites may be used by ABOs separately. In some approved instances, their functions may be combined within a single site, if the combined site meets the criteria applicable to all types of websites that are represented within the site: Personal Home page (PHP, Product Information site, Business Opportunity Information Site. Other type of sites may be developed upon Amway approval.

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All site content must be reviewed and authorized by Amway in advance of site launch, this also applies to any amendments made on an authorized website. Amway reserves the right to monitor all ABO sites for content accuracy and approved content and take action against any ABO whose site does not follow the Amway Rules of Conduct, Policies and Standards or applicable laws and regulations.

General Requirements for Websites

Except specifically stated otherwise, these requirements are applicable to all types of ABO websites. Further requirements specific to certain types of websites are outlined below.

1. **Review of Site Content:** ABOs need to provide their site content to their local affiliate for review or provide a confidential URL at which their site content can be reviewed.
2. **Fair Business Practices:** ABO Websites may not contain any income representations or sales plan depictions unless expressly authorized, in writing, by Amway. Further, ABO Websites may not misrepresent the business opportunity or make any representation or omission that is false or likely to be misleading or deceptive. Without limiting the generality of the foregoing, and by way of examples only,
 - a. ABO sites may not entice individuals into use of the site by failing to disclose that the site discusses a business opportunity or products offered by Amway; rather, the site must clearly make this disclosure;
 - b. ABO sites may not imply that participation in the Amway Business Opportunity will allow immediate or early retirement from former professions;
 - c. ABO sites may not make guarantees of success in the Amway Business Opportunity;
 - d. ABO sites may not imply that success in the Amway Business Opportunity can be achieved without retailing Amway's products nor through any sale of independently produced business support materials;
 - e. ABO sites may not misrepresent that ABOs may earn rewards and compensation based on personal consumption, rather than the sale of products to end consumers; and
 - f. ABOs may not use language in their websites, which reflects poorly on the Amway Business Opportunity.
3. Non-Amway Products, Services or Business Opportunities may not be offered, presented or sold on ABO websites, directly or indirectly through an advertising banner, link or frame.
4. **Client, Downline and Site User Information:** ABOs must post an appropriate privacy statement on their websites in accordance with the Amway Privacy Policy and applicable laws and regulations; this might require the ABOs to seek legal counsel to ensure that their privacy statements are in compliance with applicable legislation. A website should only require any viewer to offer personal information to an extent as needed to offer viewers the opportunity to send an e-mail to the site operators.

In that case, the website must clearly state that using this e-mail facility will automatically provide the ABO with the viewer's return e-mail address and that the address will be used only to respond to the viewer's questions and for no other purpose without the viewer's consent.
5. **Applicable Law and Jurisdiction:** ABOs should clearly specify the law and jurisdiction that is applicable to their websites and transactions undertaken pursuant to such websites.
6. **Passcode Protection:** Passcode-protected sites must require a user to input a passcode prior to entry to the website. The entry page shall only contain information needed for sign-in purposes (i.e. user name, ABO numbers and/or passcode), and a small introductory paragraph to verify to the viewer that he/she has reached the correct site.
7. **Updating of Sites:** All ABO Websites must be updated. Such updates should take place regularly or as events warrant, and an ABO Website should contain a statement indicating the last date on which the site was updated.

I. Personal Home Page ("PHP"):

1. **Appropriate content includes:**
 - 1.1 Amway Business Owner's name and location (town, province, country).

- 1.2 Amway Business Owner's personal history.
- 1.3 ABO achievement level.
- 1.4 Personal statements regarding the Amway Business Opportunity.
- 1.5 Photograph of the ABO featured on the PHP.
- 1.6 Artistic elements which add to the businesslike nature of the PHP and which the owner of the PHP has all rights and licences to use on the PHP.
- 1.7 Audio greeting from the ABO.
- 1.8 Statement that the business opportunity is available in the ABO's home market with some international expansion opportunities.

2. **Inappropriate content includes:**

- 2.1 Product advertisements.
- 2.2 Retail capabilities for Amway's products.
- 2.3 Information describing the Amway Business Opportunity or service information.
- 2.4 Solicitations of contact or other personal information from viewers, except an e-mail for viewers to contact the ABO for more information.

II. Product Information Sites: ABOs may develop a site designed to interest potential customers in Amway's products, to share product information with potential customers. They may, simply state that sales of products by ABOs may generate income for the ABO or other ABOs as a result of the reward system imbedded within the Amway Sales and Marketing Plan. Sales may not be conducted online.

1. **Appropriate content includes:**

- 1.1 Country-appropriate product descriptions and imagery, including copyrighted materials, trademarks, logos and product names of Amway or its affiliates, as taken verbatim from approved Amway material and containing all required and appropriate trademark and copyright designations and as explicitly approved by Amway.
- 1.2 A statement indicating that the described products are available only within a certain geographical area and naming that geographical area explicitly. (This geographical area will include only areas where the product claims related to the products displayed on the site are legally valid and where the products are registered for sale.)

2. **Inappropriate content includes:**

- 2.1 Retail capabilities for Amway's products
- 2.2 Information describing the Amway Business Opportunity or service information, unless all criteria for business opportunity information sites are also met
- 2.3 Solicitations of contact or other personal information from viewers, except r an e-mail for viewers to contact the ABO for more information

III. Business Opportunity Information Sites: ABOs may develop a site designed to interest potential ABOs in the Amway Business Opportunity. Such sites are intended to help potential ABOs make informed choices about their participation in the Amway business opportunity. As such, they should offer only facts and information regarding Amway and the Amway Business Opportunity.

1. Business Opportunity Information Sites must be passcode-protected .

2. **Appropriate content includes:**

- 2.1 Factual information regarding the Amway Business Opportunity and the benefits of participating.
- 2.2 Information identifying the ABO who owns the site.
- 2.3 The personal story of the featured ABO and/or personal reflections regarding the Amway Business Opportunity.

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- 2.4 Background and statistical information having to do with the economic trends, general business environment and future projections, with readily identifiable and accurate sources for the information.
 - 2.5 General “how-to’s” reflective of the type of activities a new ABO should engage in to build their business. Examples include how to conduct product demonstrations and how to present the Amway Business Opportunity.
 - 2.6 Collection and use of viewer contact or other personal information in accordance with all applicable data protection laws and regulations.
 - 2.7 Provision of e-mail addresses to facilitate communication with the ABO site owner
 - 2.8 A statement indicating that the described Amway Business Opportunity is available only within a certain geographical area with possibilities for international expansion and naming that geographical area explicitly.
3. **Inappropriate content includes:**
- 3.1 Retail capabilities for Amway’s products.
 - 3.2 Business Support Material
 - 3.3 Unauthorized links to Amway’s Website or the websites of any of Amway’s affiliates.
 - 3.4 Solicitations of contact or other personal information from viewers simply as a requirement for viewing the site.
4. All business opportunity information sites should be updated as events warrant.

IV. Line of Sponsorship (LOS) sites will undergo particular scrutiny to ensure that they comply with all applicable data protection laws and regulations.

DIGITAL EVENTS

ABOs are allowed to host digital or virtual events in connection with the ABO’s business, provided the ABO complies with the Rules, Standards and Policies and the digital event is on properties the ABO owns or controls. Digital events are defined as those events held in a virtual environment for a set period of time, with a common theme and a specific group or community (“Digital Events”). Digital Events on properties ABOs do not own or control are allowed with prior written approval from Amway and permission from the event host.

All Digital Events must meet the following requirements:

- If products are being sold, they must be consistent with the theme of the event.
- Sales may be made offline.
- Amway must preapprove all materials that will be used or otherwise made available during the event.
- Listing of available and registered/approved BSM, and ABO training organization tickets and events promotion information is allowed only in an ABO only community. If Amway Sales- and Marketingplan information will be provided in a non-ABO community, this must be submitted to Amway for authorization.
- Content from a third party may not be used without prior written approval from that party and from Amway.

Digital Events Examples:

- (a) An ABO creates a virtual Artistry party on Facebook. This is allowed because it is on a property the ABO owns or controls.
- (b) An ABO creates a public Facebook event invitation to promote his upcoming Amway cooking event. This is allowed because the ABO owns or controls the digital property.
- (c) An ABO is invited to be interviewed on a podcast to discuss her experience with the Amway business and Amway products. This is allowed with prior written approval from Amway because it is not on a property the ABO owns or controls.
- (d) An ABO joins a virtual beauty Facebook party on a friend’s public group and starts to promote his/her Amway business. This is not allowed because the ABO did not get prior written approval from Amway or an approval from the host because the event is on a property the ABO does not own or control.

CLAIMS ABOUT AMWAY

Claims about the Amway Plan, business opportunity, products or services offered through or by Amway must be truthful, accurate, and not misleading and in compliance with national laws on advertising.

Claims for Amway products and services must use language specifically approved by Amway and may not be altered (please refer to www.amway.co.za).

Income and Lifestyle

All direct and indirect income representations must provide realistic, not exaggerated, income potentials and lifestyle expectations. Earnings, lifestyle, and Plan materials that show how money is made in the Amway business may require the use of appropriate disclosures.

Income and Lifestyle Example:

An ABO posts on Instagram a photo of the cheque he earned from Amway and states he has reached one of his goals for this year and is pleased his hard work was recognized. This is allowed as an ABO can post about his own personal experience if the statements are truthful, accurate and not misleading.

Endorsements and Testimonials

Endorsements and testimonials must reflect the honest opinion, belief, or experience of the endorser. An endorsement or testimonial may not be used to make a claim that Amway could not legally make.

ABOs may not provide any form of compensation in exchange for an endorsement, testimonial, or positive reviews with the exception of providing product samples. ABOs may not provide any form of compensation for the purchase of followers or likes.

If a material connection exists between the person providing the endorsement or testimonial and Amway, and that material connection is not known to or expected by the audience, the connection must be disclosed. For example, a material connection may include the fact that the person received free product in exchange for providing the endorsement or testimonial, or the person providing the endorsement or testimonial is an ABO. Disclosures must be clear, conspicuous, prominent, legible, and close to the claim.

Endorsement and Testimonial Examples:

- (a) An ABO retweets a customer testimonial about how great his hair looks after using a free sample of Satinique™ shampoo. This is allowed because the disclosure of the free product was included in the tweet, and the customer received no additional compensation.
- (b) An ABO provides a vlogger with two cases of SA8™ in exchange for positive reviews on her vlog. This is not allowed because the amount of product is not a sample.

Before and After Images and Videos

Before-and-after images and videos are a form of testimonial, regardless of whether the before-and-after images or videos depict the ABO or someone else. A testimonial may not convey a claim that Amway could not legally make.

ABOs must obtain prior written approval from Amway on any before and after images or videos involving Amway products or their use. However, the following before and after images or videos do not require prior written approval:

- Amway-provided before and after image or video, including any required disclosures.
- Application of Amway color cosmetics (make-up; this does not include skin-care products). The image or video may not include any caption, text, or audio that exceeds the scope of any claim that Amway makes for the product. The image or video may not feature, display, or mention third-party products.

If a material connection exists between the person providing the endorsement or testimonial and Amway, and that material connection is not known to or expected by the audience, the connection must be disclosed. Disclosures must be clear, conspicuous, prominent, legible, and close to the claim.

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Product Demonstrations

Product demonstrations are presentations of Amway products that involve the actual use of the product to show its function or a result that can be obtained from using the product.

ABOs must obtain prior written approval from Amway on any product demonstrations involving Amway products. However, the following product demonstrations do not require prior written approval:

- Those using Amway-published instructions that are strictly followed.
- Amway-provided product demonstrations.
- Those involving application of Amway color cosmetics (make-up; this does not include skin care products).
- Those that depict ABOs using Amway cookware products in accordance with their intended use (i.e. to prepare and cook food).

No product demonstration may include any caption, text, or audio that exceeds the scope of any claim that Amway makes for the product. Product demonstrations cannot feature, display or mention third-party products.

INTELLECTUAL PROPERTY

Intellectual Property is a creative work to which one has rights, and for which one may apply for a patent, copyright, trademark, etc. An ABO may only use intellectual property, owned by Amway or someone else, for which they have secured the rights to use. Intellectual property can include music, images, audio, video, text, trademarks, logos, or other works.

Copyrighted Material

Copyrighted materials, include without limitation, music, books, magazines, articles, and other writings, including excerpts and translations, speeches, photographs, artwork, including online images, websites, blogs, and other social media posts, videos, movies, plays, sculptures, buildings, and 3D forms, and computer software.

Use of Materials Created by Amway

An ABO may not use copyrighted materials produced by Amway without first obtaining permission, unless the ABO has obtained them from approved sources as specified by Amway (pls. refer to www.amway.co.za). ABOs do not need to obtain permission to share or link from official Amway digital properties.

Use of Materials Created by Amway Examples:

- (a) An ABO shares an image from Amway's official Facebook page promoting the L.O.C. brand on his page. He is allowed to share the post because he does not need to obtain permission to share from official Amway digital properties.
- (b) An ABO right clicks and saves or screen shots an image from the product section of Amway.com and posts it to her Twitter profile. This is not allowed because the rights to the image may only pertain to the company website (e.g. models featured in website photography) and may not extend to ABO usage. In addition, the quality of the image may be compromised. The ABO should obtain an image from an approved Amway source to ensure that the ABO is using a high-quality, authorized image.

Use of Materials Created by Third Parties

An ABO may not use copyrighted materials from a third party without first obtaining a proper written assignment, license, or other permission from the copyright owner, or unless the use is otherwise permitted by applicable laws. An ABO must retain any written permission they obtain for the use of copyrighted materials and produce them to Amway upon request. The ABO must comply with all copyright laws in their Digital Communications.

Sharing a link or using the share button to an article, blog post, or social media post written by a third party is allowed provided anything accompanying the posted link does not include references to Amway products or the Amway business opportunity. In addition, comments on the posted link must not include references to Amway products or the Amway business opportunity.

Use of Materials Created by Third Party Examples:

- (a) An ABO reads an online USA Today article discussing a potential link between fish oil and the reduction of risk for heart disease. The ABO shares the article to his Facebook account with the

following text: “Really interesting article on the potential link between fish oil and heart disease.” This is allowed because the ABOs comments do not include references to Amway products.

- (b) Forbes® posts on its official Facebook page a link to an article on its website. An ABO shares the article with her Facebook followers. If Forbes’ original post contained a “Share” feature, Amway will not prohibit the ABO from sharing that post. This is allowed as long as any commentary added by the ABO is in compliance with other sections of these DCS. For example, the content should not suggest that Forbes is promoting or is in any way affiliated with the ABO or Amway.
- (c) An ABO shares a third-party article that features Amway products to his Twitter account and comments: “Check out this article.” This is allowed provided the ABO comments do not include references to the Amway products or business.
- (d) An ABO subscribes to Forbes magazine, sees an article in it discussing the Amway business opportunity, and shares photographs of the cover and pages from the article on Instagram. This is not allowed unless the ABO first obtained written permission from Forbes.
- (e) An ABO sees a video on YouTube created by another ABO. The ABO downloads the video and then uploads it to Facebook, sharing it with all of her followers. This is not allowed unless the ABO received written permission from the original owner.
- (f) An ABO shares an online New York Times® article to her Facebook account with the following text: “Really interesting article on the potential link between Vitamin D and depression. Contact me if you want more info about the new Nutrilite Vitamin D supplement!” This is not allowed because the post includes a reference to an Amway product and it creates an implied claim that Nutrilite Vitamin D supplement does or could reduce the risk for depression. Amway does not have substantiation for such a claim.
- (g) An ABO copies an image of a best-selling book cover from Google images and posts it on a social media site. This is not allowed because the ABO does not own the rights to the image.

Music

Music reproduced, altered, played, performed, recorded, broadcast, or streamed via the Internet cannot be used without a proper written assignment, license, or other permission of the owner or through applicable laws that permit the use. MORE THAN ONE LICENSE IS OFTEN REQUIRED WHEN USING RECORDED MUSIC. Any written permission obtained shall be retained by the ABO and provided to Amway upon request.

Music Examples:

- (a) An ABO records a 20 second makeup-application demonstration featuring Artistry products. Before posting to Facebook she adds 20 seconds of a popular song as background music. Unless the ABO has obtained the appropriate license(s) for that track, the post is not allowed.
- (b) An ABO takes a 30 second video of a live music performance at an Amway event and posts it to Facebook. Unless the event coordinators have explicitly approved this activity, or the ABO independently secures the rights to use the performance in that manner, this is not allowed.

Rights of Publicity

A person’s “right of publicity” is the person’s right to control and profit from commercial use of his/her own likeness, including his or her name, image, voice or other aspects of his/her identity. An ABO is expected to respect others’ rights of publicity and comply with all applicable laws in the ABO’s Digital Communications and comply with individuals’ requests to stop using their likeness. An ABO is not allowed to use another individual’s rights of publicity to promote his/her business without first obtaining written permission from that individual.

Amway prohibits an ABO from posting content that contains another person’s likeness or that prominently features a third party unless the ABO has obtained written authorization from the person(s) appearing in the content or Amway has otherwise approved that content.

Rights of Publicity Examples:

- (a) An ABO is at the beach, and takes a selfie holding up a can of XS power drink. A group of people can be seen in the background, but the camera is focused on the ABO and aspects of the identities of the background people cannot be easily determined. The ABO posts this photo with the caption “Great day at the beach powered by XS brand! See link in bio for more info on how to

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get your XSproducts!” This is allowed however, Amway expects that the ABO would take the post down if the people are recognizable in the photo and have asked that the post be removed.

- (b) An ABO takes a selfie where a well-known author, who is paid to speak and sign books at an Amway event, is highlighted in the background. This is allowed provided the event guidelines allow photography of this author at the event. If allowed, the ABO may not imply that the author is affiliated with, or otherwise has any connection to endorses Amway.
- (c) An ABO re-tweets a photo of a famous snowboarder drinking an XS power drink with the caption “Check this out! Top athletes swear by the XS™ brand!” This is not allowed unless the ABO has obtained written authorization from the snowboarder.
- (d) An ABO is at the beach, and takes a selfie holding up a can of XS power drink. Two random people photobomb the ABO, both giving him the thumbs up sign. The ABO posts this photo with the caption “Great day at the beach! Everyone loves XS™ power drinks! See link in bio for more info on how to get your XS™ products!” Unless those two people provided consent to the ABO, this is not allowed and gives the impression that those people are promoting XS products.

Trademark Use

An ABO is not allowed to copy, distribute or in any other manner use trademarks of Amway or Alticor inc (Alticor) without prior written approval from Amway. Amway or Alticor corporate-owned trademark and logo artwork, product photos, and corporate-related images may be obtained only from approved sources as specified by Amway.

An ABO is not allowed to copy, distribute or in any other manner use trademarks of a third party without proper written assignment, license, or other permission by the trademark owner.

Amway’s Trademarks

Amway’s trademarks – including Amway™, Nutrilite™, Artistry™, XS™, and other brands, logos, or names it currently uses or may adopt in the future – are of great value to Amway.

Amway expects the ABO to respect its rights by only using Amway-owned trademark and logo artwork, product photos, and corporate-related images that the ABO has obtained from approved sources as specified by Amway. An ABO may use those unedited resources without seeking prior approval from Amway.

When creating a digital property (such as a Facebook or Instagram account, or website), an ABO may use an Amway-owned brand name (in text only) to describe the ABO’s connection to Amway as appropriate in the “about,” “bio,” or similar relevant area on the digital property without prior approval. An ABO may not use Amway-owned trademarks (product or brand names), brand logos or product images, in the domain name, account username, handle, alias, account name, display name, page name, email address, profile pictures, or backgrounds or similar relevant area on the digital property unless they have written permission from Amway.

Except for assets obtained from the approved sources and as otherwise described in this section, an ABO is not allowed to copy, distribute or in any other manner use trademarks of Amway without prior written approval from Amway.

Amway’s Trademarks Examples:

- (a) An ABO creates a Facebook page and the bio section reads, “Amway Business Owner. Passionate about BodyKey and weight management. Direct message for more info.” This is allowed because Amway brand can be used in the bio section.
- (b) An ABO creates an Instagram account with the username@amwayking. This is not allowed because the ABO used “Amway” in the username.
- (c) An ABO creates a Twitter account with the display name “My Nutrilite Account.” This is not allowed because the ABO used an Amway owned brand, Nutrilite, within the display name.

Third-Party Trademarks

The ABO is responsible for not violating the trademark rights of third parties in his/her Digital Communications. An ABO may not feature or use a third-party’s trademark in a digital communication in a way that falsely suggests an affiliation or sponsorship between the ABO or Amway and that third party.

Third Party Trademark Examples:

- (a) An ABO posts an image with her ABO Organization logo on her Instagram account. This is allowed provided the ABO Organization approves use of the trademarked logo.
- (b) An ABO posts a video to Facebook demonstrating (in full compliance with product claims rules) how Amway products are used in the kitchen. The ABO has a cookbook of a celebrity cook propped up on the counter next to the Amway products and is wearing a shirt with his logo embroidered on the chest. This is not allowed because posting this video could be interpreted as suggesting an affiliation between the ABO and this cook and/or between Amway and this cook.

SUBMITTING FOR AUTHORIZATION

BSM are often thought of as books, brochures, CDs, etc. used to support, train, motivate, and educate ABOs, prospects, and customers (see Rule 6 and 7 of the Amway Rules of Conduct and the South African Business Support Material Quality Assurance Framework Policy). BSMs can also include digital assets such as apps, websites, podcasts, and videos. All digital BSM must comply with the Rules and the BSM Standards and Policy.

Under the Rules, BSM must be submitted to Amway for review and approval prior to use. Digital Communications that are BSM but that are spontaneous in nature will not require prior approval unless specifically set forth in these DCS. The following is a list of Digital Communications that require prior written approval from Amway prior to use:

- Amway, Alticor, and third-party intellectual property.
- Before and after images and videos (user generated; except for color cosmetics).
- Blog concepts.
- Digital events with use of third-party intellectual property.
- Digital events on non-ABO owned or controlled properties.
- Digital events with use of Amway Sales and Marketing plan information in a non-ABO community.
- Mobile apps.
- Podcasts.
- Product demos (user generated; except for color cosmetics, cookware, and cooking).
- Video, audio and saved/memorialized live stream containing: Plan, Product Claims, Prospecting, Income Representations, and Third-Party IP.
- Websites.

ABOs must send all requests for review and approval to Business Conduct and Rules. Requests must include ABO name and number, content and intended use.

Facebook® is a registered trademark of Facebook, Inc.; YouTube is a registered trademark of Google Inc.; Instagram® is a registered trademark of Instagram, LLC; Twitter® is a registered trademark of Twitter, Inc.; Wechat® is a registered trademark of Tencent Holdings Ltd.; VK® is a registered trademark of Limited Liability Company "V Kontakte"; Line® is a trademark of Line Corporation; WhatsApp® is a registered trademark of WHATSAPP INC.; SnapChat® is a registered trademark of SNAP INC.

LinkedIn® is a registered trademark of LinkedIn Corporation

Amazon® is a trademark of Amazon.com, Inc.; eBay® is registered trademark of eBay Inc.; Taobao® is a registered trademark of Alibaba Group; Etsy® is a registered trademark of MORGAN STANLEY SENIOR FUNDING, INC.

Forbes® is a registered trademark of Forbes LLC; The New York Times® is a registered trademark of The New York Times Company



SECTION 3:

Unauthorized Amway Business Owner Activity in Unopened Markets Policy

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 3.18 (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, Dominica, 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):

Visiting the country or territory for the purpose of interesting one or more prospective ABOs or customers in the Amway business or AMWAY™ products;

Holding meetings (even one-on-one meetings) in any way connected to the Amway business;

Communicating with persons in the country or territory, whether directly or through intermediaries, for the purpose of identifying or attracting prospective ABOs or customers;

Advertising or publishing, on Internet web sites, through social media or otherwise, in any way that is connected to the Amway business;

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

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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);

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”);

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;

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;

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;

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;

Advising or supporting other ABOs to act contrary to the provisions of this Policy;

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:

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.



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