



CODE OF ETHICS & RULES OF CONDUCT

September 01, 2021



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Code of Ethics	02
Section 1: Introduction	03
Section 2: Definitions	03
Section 3: Becoming a Direct Retailer/Seller (Distributor)	07
Section 4: Responsibilities of All Direct Retailers/Sellers	11
Section 5: Responsibilities of a Sponsor	21
Section 6: Preservation of the Line of Sponsorship	23
Section 7: Business Support Materials (BSM)	29
Section 8: Presentation of the Amway Sales and Marketing Plan	32
Section 9: Use of the Amway Trade Name, Trademarks and Copyrighted Materials	34
Section 10: Death and Inheritance	37
Section 11: Enforcement of the Amway Rules of Conduct	38
Section 12: Termination and De-sponsorship	39
Section 13: Suspension of a Distributorship	42
Section 14: Termination, De-sponsorship or Suspension by Amway without Formal Complaint	42
Section 15: Disposition of Terminated or De-sponsored	42
Section 16: International Review Panel	43
Website Rules & Guidelines	44
Zero Tolerance Policy	48
Business Support Material Policy	52
Terms & Conditions of Sale of Products Amway Refund Policy	53

Code of Ethics of Amway Direct Retailers/Sellers

As owner of my Amway Distributorship, I agree to conduct my Amway business according to the following ethical guidelines:

1. As a basic guideline in my activities as an Amway Direct Retailer/Seller, I will endeavor to always treat others, as I would have them treat me.
2. I will respect and follow this Code of Ethics (hereinafter 'the Code') and the Rules of Conduct (hereinafter 'the Rules') as well as all applicable laws, rules and regulations observing not only "the letter " but also " the spirit " thereof.
3. I will present Amway Products and the Amway Sales and Marketing Plan to all prospective Direct Retailers in an accurate, fair, truthful and honest manner, and I will make sure to present only what is approved in official Amway publications.
4. I will be courteous and prompt in the handling of any and all claims for exchange and return and follow the procedures prescribed by Amway from time to time in its official publications.
5. I will conduct myself in such a manner as to reflect only the highest standards of integrity, frankness and responsibility because I recognize that my conduct as an Amway Direct Retailer/Seller has far reaching effects.
6. I will accept and carry out the responsibilities of an Amway Direct Retailer/Seller (and those of Sponsor and Platinum, as and when applicable), as set forth in official Amway publications.
7. In my Amway product sales activities, and for the purposes of protecting the Amway Sales and Marketing Plan, I will use only Amway produced or Amway authorized publications.

RULES OF CONDUCT

SECTION 1: INTRODUCTION

The Amway Rules of Conduct define and establish certain principles to be followed in the development and maintenance of an Amway Distributorship and the rights, duties, and responsibilities of each Amway Direct Retailer/Seller.

The Rules are designed to preserve the benefits available to all the Direct Retailers/Sellers under Amway Sales and Marketing Plan.

Amway and its Direct Retailers/Sellers have a binding contractual relationship. The terms and conditions of this relationship are set forth in the Amway Direct Retailer/Seller Application Form Amway Business Starter Guide, which includes Amway Sales & Marketing Plan and Amway Rules of Conduct as amended by Amway from time-to-time. (hereinafter referred to as the “Official Documents”)

Amway may notify all such amendments to the Direct Retailers/Sellers by publication on its website www.amway.in and other places where possible.

SECTION 2: DEFINITIONS

2.1

In these Rules unless the context otherwise requires, the following words and phrases shall mean what is given below:

2.1.1 “**Alticor Inc.**” means Alticor Inc., 7575 Fulton Street East, Ada, Michigan 49355, USA.

2.1.2 “**Amway**” means Amway India Enterprises Pvt. Ltd., a company registered under the Companies Act, 1956, having its registered office at Ground Floor, Elegance Tower, Plot No. 8, Non Hierarchical Commercial Centre, Jasola, New Delhi - 110025.

2.1.3 “**Amway Business**” means the collective requirements, restrictions and opportunities associated with selling Amway Products and servicing Customers.

2.1.4 **Direct Retailer/Direct Seller/Distributor** – where the context requires both Direct Retailer and Direct Seller may be referred to as Distributors, however, these specific terms shall have the definitions as given below:

(a) “**Direct Retailer**” shall mean and include a person appointed by Amway on a principal-to-principal basis through the Direct Retailer/Seller Contract along with co-applicant, if any, to undertake sale, distribution and marketing of Amway products and services and to register Preferred Customers pursuant to Section 3. Direct Retailers shall need to achieve a defined sales criterion within a specified period. Direct Retailers do not have the sponsoring right to appoint persons as Direct Retailers to their teams.

(b) “**Direct Seller**” shall mean and include a person appointed by Amway on a principal-to-principal basis through the Direct Retailer/Seller Contract to undertake sale, distribution and marketing of Amway products and services and to register Preferred Customers pursuant to Section 3. To be appointed as a Direct Seller, a Direct Retailer must achieve the defined sales criteria within the specified period and shall also pass the

assessment as prescribed from time to time. Direct Sellers upon appointment shall have the sponsoring right to appoint persons to their teams as Direct Retailers.

- 2.1.5 “**Amway Business Starter Guide**” means the literature providing information on the Amway Business, Code of Ethics for Amway Direct Retailers/Sellers and the Rules of Conduct governing the Amway Direct Retailers/Sellers.
- 2.1.6 “**Amway Products**” means all products and services, including literature, training and other support or auxiliary materials, made available by Amway to Direct Retailers/Sellers and/or Preferred Customers.
- 2.1.7 “**Amway Sales and Marketing Plan**” means the plan detailing Amway India’s performance incentive systems, and guidelines, requirements, procedures and policies, regarding the presentation of Amway products, the Amway business and the management of an Amway organization, as amended from time to time by Amway, and which forms an integral part of the Direct Retailer/Seller Contract. A brief description of the Amway Sales and Marketing Plan is included in the Amway Business Starter Guide.
- 2.1.8 “**Direct Retailer/Seller Contract**” shall mean the agreement setting forth the rights and duties of a Direct Retailer/Seller, which, in accordance with Section 3 below, is entered into through acceptance by Amway India of Direct Retailer/Seller Application Form, inclusive of its terms and conditions and include the following:
- I. Amway issued documents and any amendments thereof as follows. Amway may notify any such amendments on its website, or through leaderships and other means of communication:
 - a. The Direct Retailer/Seller Application Form;
 - b. The Terms and Conditions forming part of the Direct Retailer/Seller Application;
 - c. The Amway Sales and Marketing Plan;
 - d. The Code of Ethics of Amway Direct Retailers/Sellers;
 - e. The Rules of Conduct for Amway Direct Retailers/Sellers;
 - f. The Amway Refund Policy;
 - g. The Quality Assurance Standards;
 - h. The Digital Communications Standards; and
 - II. Government issued documents as follows:
 - a. The Direct Selling Guidelines notified by the Central or any State Government and any amendment(s) thereof and any Act / Rules /Laws /Byelaws /Ordinance /Guidelines/Circular issued by any government authority regulating Direct Selling businesses.
- 2.1.9 “**Training Provider**” means a Direct Seller who meets the Qualification Criteria (as defined in the Business Support Material Policy Section 7.1.2), required to create BSM (as defined) for use by other Direct Retailers/Sellers and/or Prospects, subject to the conditions set forth in the Rules, the BSM Policy and the Quality Assurance Standards.

- 2.1.10 **“Business Group”** refers to a Direct Seller and all his/her/its personally sponsored Direct Retailers/Sellers, all those Direct Retailers/Sellers sponsored by his/her/its personally sponsored Direct Retailers/Sellers and so on down to and including those who have not sponsored anyone, but excluding any Platinums in the sales team under him or any Direct Retailers/Sellers in the Business Group of such Platinums.
- 2.1.11 **“Business Support Materials”** means and includes all products and services (including but not limited to business aids, books, magazines, flip charts and other printed material, online literature, internet websites, audio, video or digital media, rallies, meetings and educational seminars (inclusive of tickets for the same), and other types of materials and services that:
- A. Act as sales aids, and
 - i. are designed to solicit and/or educate Prospects, prospective consumers or Preferred Customers of Amway products or services on the Amway Business opportunity, or to support, train, motivate and/or educate Direct Retailers/Sellers; and
 - ii. incorporate or use one or more of Amway’s trademarks, service marks or copyrighted works; and
 - iii. are otherwise offered with an explicit or implied sense of affiliation, connection or association with Amway.
 - B. Product Support Material (PSM) that act as product information sources and are designed to provide information about the products of the company, their usage, the associated claims, and other similar information.
- 2.1.12 **“Business (Performance) Year”** means a period beginning from September 1 and ending on August 31 of the following calendar year.
- 2.1.13 **“Corporate Authorization Form”** means the form required to be filled in by proprietorship concern, partnership or a company desiring to become a Direct Retailer/Seller, which provides information about the business entity and the authorized signatories thereof.
- 2.1.14 **“Consumer or Customer”** means a person, not being a Preferred Customer, who is an end user of products and/or services offered through or by Amway.
- 2.1.15 **“Foster Sponsor”** means a Direct Seller who agrees to assist, train and motivate an Internationally Sponsored Direct Retailer/Seller as he would a member of his own Business Group (e.g. ‘A’ a Direct Seller of Amway Corporation in USA sponsors ‘B’ an Indian resident in India as a Direct Retailer of Amway. ‘C’ another Amway Direct Seller in India agrees to be the ‘Foster Sponsor’ for ‘B’ in India).
- 2.1.16 **“Internationally Sponsored Direct Retailer”** refers to any Direct Retailer introduced to Amway by another Direct Seller who resides outside of India (International Direct Seller), who is then sponsored into Amway and assigned to a Foster Sponsor in India.
- 2.1.17 **“Legal Entity Authorization Form” (LEAF)** means the document that must, in addition to the Direct Retailer/Seller Contract, be completed by a Direct Retailer/Seller required to or electing to operate an Amway Business in the name of an applicable legal entity.

- 2.1.18 **“Line of Sponsorship”** (LOS) means the structural arrangement of Direct Retailers, Direct Sellers and Preferred Customers established by the contractual relationship that each of them has with Amway India.
- 2.1.19 **“LOS Information”** includes all information that discloses or relates to all or part of the Line of Sponsorship, including but not limited to identification numbers and other business identification data, personal contact information, business performance information, and all information generated or derived therefrom, in its past, present or future forms.
- 2.1.20 **“Market”** means the territory of India and such additional territories as may be added by Amway from time to time.
- 2.1.21 **Reserved**
- 2.1.22 **“Platinum”** means a Direct Retailer/Seller who has achieved a certain level of business activity as defined by the Amway Sales and Marketing Plan and who, consequently, becomes bound by the additional responsibilities, and eligible for the additional opportunities, as defined from time to time.
- 2.1.23 **“Preferred Customer”** means an end user of products and/or services offered through or by Amway whose Preferred Customer Application has been accepted by Amway, and who may accordingly purchase Amway Products through a Direct Retailer/Seller according to the applicable terms and conditions.
- 2.1.24 **“Prospect”** means a potential Direct Retailer.
- 2.1.25 **“Quality Assurance Standards”** (QAS) means the document published by Amway India which sets forth the requirements relating to BSM and may include their mandatory, permitted and prohibited content as well as the review and authorization process, as amended from time to time.
- 2.1.26 **Reserved**
- 2.1.27 **“Rules of Conduct”/ “Rules”** shall mean these Rules of Conduct for Direct Retailers/Sellers which can be changed or modified by Amway from time to time, as provided in these Rules.
- 2.1.28 **“Servicing Direct Retailer/Seller”** means the Direct Retailer/Seller providing pre-sale and post-sale support to a Preferred Customer.
- 2.1.29 **“Sponsor”** means a Direct Seller who, is identified by an applicant for seeking Amway Distributorship at the time of application, and who may in turn is assigned by Amway to support the requesting applicant if the applicant is accepted by Amway as a Direct Retailer.
- 2.1.30 **“Upline”** Direct Seller, for the purposes of a LOS, shall mean the Direct Seller above a Direct Retailer/Seller, the Direct Seller above such upline and so forth and so on in a LOS.
- 2.1.31 All the terms used in these Rules that are defined or explained in the Amway Sales and Marketing Plan shall have the same meaning as given in the Amway Sales and Marketing Plan.

2.2

Except when the context so requires, everything that is in the singular shall include the plural, and whatever refers to the masculine shall include the feminine.

**2.3
Reserved**

SECTION 3: BECOMING A DIRECT RETAILER/SELLER

**3.1
Application and Starter Guide:**

In order to be considered for an Amway distributorship, an individual(s) must in his/her/their own name(s) or on behalf of a legal entity, submit a signed, completed Direct Retailer/Seller Application), together with all required supporting documentation.

A distributorship may be taken up in individual capacity or as a sole proprietorship concern, partnership firm, one-person company or company. Amway reserves the right to require that Applicants having Non-Resident Indian (NRI) status, Person of Indian Origin (PIO) status or Overseas Citizen of India (OCI) status operate distributorships via certain types of legal entities and also reserves the right to deny or accept any such application at its sole discretion.

**3.2
Equal Opportunity:**

Subject to restrictions mentioned hereinabove or as may be notified from time to time, the opportunity to become a Direct Retailer/Seller is available to anyone regardless of race, sex, and religious or political beliefs.

**3.3
Requirements:**

Without limiting Amway's rights, the following are requirements for becoming a Direct Retailer/Seller. A Direct Retailer/Seller must:

- 3.3.1 be at least 18 years of age; and
- 3.3.2 be a citizen and resident of India, or, if permitted by Amway subject to applicable conditions, a Non-Resident Indian (NRI), Person of Indian Origin (PIO) or Overseas Citizen of India (OCI); and
- 3.3.3 not be unable to manage his or her business due to mental or legal reasons; and
- 3.3.4 not have been suspended from his or her current profession or business by any professional association, society, or institution; or
- 3.3.5 not be in jail and/or confined to any correctional institution of any kind; or
- 3.3.6 not have been convicted of an offence involving moral turpitude; or
- 3.3.7 has not been declared bankrupt or insolvent.

**3.4
Acceptance or Rejection of Direct Retailer/Seller Application:**

Amway reserves the right to accept or reject any application to be a Direct Retailer or a transition request from Direct Retailer to a Direct Seller status upon completion of the business assessment criteria as mentioned in Clause 2.1.4(b) without having to give any explanation whatsoever.

3.5

3.5.1 Effective Date of Appointment :

- i. In case of an ADR the date on which the prescribed sales criteria is met not being earlier than 24 (Twenty Four) hours from the date of completion of joining formalities including complete submission of the application Form.
- ii. In case of an ADS the date on which the ADR is made sponsor capable by Amway on being certified after completion of the Business Development Assessment and Certification programme not being earlier than 24 (Twenty Four) hours from the date of completion of joining formalities including complete submission of the application Form.

3.5.2 Effective Date and Authorisation for Ordering:

An Application shall be considered accepted unless Amway notifies the Direct Retailer otherwise. The Direct Retailer may retail Amway products immediately and completion of subsequent formalities, if any.

3.6

Prohibited Sponsoring Practices:

No Prospect, a new Direct Retailer or a fresh Direct Seller shall be required to

- 3.6.1 Pay any joining fee or purchase any specified amount of products; or
- 3.6.2 Maintain a specified minimum inventory; or
- 3.6.3 Purchase any Amway or non-Amway produced “product” or other “pack” or “Starter Guide”, or
- 3.6.4 Purchase tapes, literature, audio-visual aids, or other materials or participate in any “tape of the month” or “tape of the week” programs, or
- 3.6.5 Purchase tickets for and/or attend or participate in rallies, seminars, or other meetings for any purpose including as a condition to becoming a new Direct Retailer or as a condition to provide assistance to a Prospect or new Direct Retailer, in the development of their Amway Distributorships as the case may be.

3.7

Membership Period:

A Direct Retailer/Seller shall continue to remain a Direct Retailer/Seller for Amway unless the Direct Retailer/Seller Contract is terminated by the Direct Retailer/Seller or Amway in terms of Clause 8 of the Terms and Conditions of Direct Retailer/Seller Application Form.

3.8 **Reserved**

3.9 **Reserved**

3.10 **Reserved**

3.11

Resignation:

A Direct Retailer/Seller can cancel his Amway Business at any time in terms of Clause 8 of the Terms and Conditions of the Direct Retailer/Seller Contract by sending a written notice to Amway.

3.12

Application by Former Direct Retailers/Sellers:

A former Direct Retailer/Seller can request to be appointed as a new Direct Retailer in accordance with Rule 6.4.

3.13

Informal Partnerships:

In the case of an informal (unregistered) partnership, the Amway Distributorship shall be only under the names of the individual partners and not under a business name that the partnership might use for other transactions. In case of more than two partners, the partnership shall identify in writing the primary applicant and the co-applicant for the purposes of the Amway Distributorship as all monetary and non-monetary benefits shall accrue to the primary applicant.

3.14

Legal Entity Distributorships:

A Direct Retailer/Seller may own and operate his or her Distributorship as a sole proprietary concern or registered partnership firm, a person incorporated under a statute such as a cooperative or a society, a limited liability company (LLC) or any other company registered under the Companies Act provided it complies with certain requirements and conditions as prescribed from time to time at the sole discretion of Amway.

Amway values its personal relationship with its Direct Retailers/Sellers and would not ordinarily appoint a sole proprietary concern/ partnership firm/limited liability company as a Direct Retailer/Seller or approve of a transfer of an Amway Distributorship from one or more individuals to any of the above.

In the exceptional circumstances where it is permitted, Amway will require such Distributorships to comply with the following:

- 3.14.1 The legal entity in addition to the Amway Direct Retailer/Seller Application form must file with Amway a Corporate Authorisation Form, duly signed by its Sole Proprietor or Partner or Director as applicable.
- 3.14.2 All persons who actually conduct, or who intend to participate in the operation of the business of the Distributorship must comprise:
 - a. In case of a Partnership, the majority of the partners
 - b. In case of a Company, those who collectively own not less than a majority of the paid up equity share capital of the company and must constitute a majority of the Board of Directors of the company.
- 3.14.3 No change in the partners, in case of a registered partnership firm or in case of a company, no change in the number of shares issued, in the ownership of the shares or in the membership of the Board of Directors, may be made, and no agreement or arrangement affecting control of the company by the individuals conducting the Distributorship

business may be adopted, without application to, and the prior written approval by, Amway.

- 3.14.4 All partners, shareholders and Directors shall personally and irrevocably guarantee due performance by the partnership firm / company of all of its obligations and responsibilities as a Direct Retailer/Seller or as a Platinum, especially those outlined in the Code of Ethics and Rules of Conduct of Amway Direct Retailers/Sellers as set forth from time to time in official Amway literature.
- 3.14.5 The sole business of the legal entity must be the operation of an Amway Distributorship. No other business shall be conducted by such an entity.

3.15 Trust Distributorships:

An Amway Distributorship may be transferred to, and become part of the corpus of, either an inter vivos or a testamentary trust provided there has been compliance with certain requirements and conditions.

In order to assure that the transfer of a Distributorship to a trust may not result in unfavorable consequences, Amway will require compliance with the following:

- 3.15.1 The creator of the trust must have been a duly qualified and authorised Direct Retailer/Seller at the time (or, in the case of a deceased Direct Retailer/Seller, immediately prior to the time) that the Distributorship is transferred to the trust.
- 3.15.2 Usually the beneficiary of the trust is the spouse, child, grandchild, parent, or sibling of an Amway Direct Retailer/Seller, or deceased Direct Retailer/Seller, whose Distributorship is to be transferred. However, the trustee of a trust must be an individual who is eligible to become an authorised Amway Direct Retailer/Seller. A trustee cannot be a business entity, existing corporation, charitable organisation, non-profit organisation, a foundation, or any similar entity.
- 3.15.3 The trust instrument must not permit the beneficiaries to assign any beneficial interest in the trust.
- 3.15.4 The trustee (all co-trustees, if more than one) must sign and file an application and receive an Amway Direct Retailer/Seller Authorisation.
- 3.15.5 An original signed (or certified) copy of the trust instrument must accompany the Application, and the trustee(s) must promptly file with Amway any amendments or any documents which may vary the terms of the trust.
- 3.15.6 All trustees must execute on its behalf an irrevocable guarantee that the trustee will perform all the obligations and responsibilities of a Direct Retailer/Seller especially as outlined in the Code of Ethics and Rules of Conduct as set forth from time to time in official Amway literature.
- 3.15.7 The term of the trust shall not be perpetual and shall not continue beyond the date necessary to protect the interests of those trust beneficiaries who are unable to act for themselves legally, e.g., minor children or incompetent persons, or who, because of age or inexperience, require assistance in the conduct of business affairs.
- 3.15.8 The trust will conduct only the business of an Amway Distributorship and no other.

3.16

Invitations Limited to Two Persons:

Invitations for seminars, leadership seminars and other events organised by Amway will only be addressed to two individuals per Amway business who are registered with Amway. In case of a sole proprietary concern/partnership firm/limited liability company/company/trust/a person incorporated under a statute such as a cooperative or a society, the authorised representatives indicated in the Corporate Authorisation Form will be the two individuals who will be eligible for such invitations.

3.17

Husband and Wife Distributorships:

If both husband and wife wish to become Direct Retailer/Seller, they must be sponsored together for a single Distributorship. Husbands and wives may not be sponsored in different Lines of Sponsorship. Husbands and wives may not sponsor each other. If one spouse is already a Direct Retailer/Seller, the other spouse, upon electing to become a Direct Retailer/Seller, must join the same Distributorship as his or her spouse.

- 3.17.1 A husband and wife shall operate their Distributorship as a single entity. Therefore, each is held accountable for the actions of the other so far as the Rules of Conduct are concerned regardless of whether a husband or wife is active in the distributorship or not.
- 3.17.2 If two Direct Retailers/Sellers, each of whom owns and operates a Distributorship in different lines of sponsorship (neither of which is at Platinum level), get married to each other, one of these Direct Retailers/Sellers must also elect to surrender (by sale, transfer, or abandonment) his or her Distributorship and join his or her spouse's Distributorship.
- 3.17.3 If either of a newly married couple has attained Platinum status as Amway Direct Retailer/Seller at the time of their marriage, then the newly married couple may operate both Distributorships, each of which will, however, be operated in its original Line of Sponsorship. If the spouse surrendering a Distributorship does so by way of sale, such sale must be made in accordance with the provisions of Rule 6.6 of these Rules of Conduct. If the spouse surrendering a Distributorship does so by simple abandoning it, the sponsorship of the abandoned Distributorship shall pass up the Line of Sponsorship to the next Sponsorship.

SECTION 4: RESPONSIBILITIES OF DIRECT RETAILERS/SELLERS

Amway Direct Retailers/Sellers must meet sales criteria set by Amway from time to time in order to retain their status as Direct Retailers/Sellers as the case may be.

4.1

Abide by the Direct Retailer/Seller Contract:

At all times, Direct Retailers/Sellers must strictly adhere to the Rules of Conduct and to other documents that comprise the Direct Retailer/Seller Contract.

Amway may from time to time amend the Rules of Conduct and any other document comprising the Direct Retailer/Seller Contract through notice on its website, www.amway.in or any other official means of communication such as Leaderships, group mailers, etc. If the Direct Retailer/Seller does not agree to be bound by any amendment(s), he/she/they may terminate the Direct Retailer/Seller Contract with immediate effect by giving a written notice to Amway. Otherwise, the Direct Retailer's/Seller's continued relationship with Amway constitutes an

affirmative acknowledgment by the Direct Retailer/Seller of the amendment(s), and his/her/their agreement to be bound by them.

4.2

Retail of Amway Products and the requirement to have Preferred Customers:

The Direct Retailer/Seller agrees and undertakes that purchase of Amway Products shall be for the purpose of sale to Customers, and to retain and provide records of such sales to Amway in accordance with the Rules.

- 4.2.1(a) Each Direct Retailer must, within 90 (ninety) days of becoming a Direct Retailer, achieve a cumulative sale of Amway products for such amount as may be prescribed by Amway from time to time through 1 (one) or multiple invoices to 1 (one) or more Preferred Customers acquired by him. A Direct Retailer who does not fulfill this criteria will be reclassified as a Preferred Customer effective as of 91 (ninety-one) days after the date of joining. In this case the Direct Retailer/Seller Contract will terminate automatically without the requirement for any notice by Amway and any Preferred Customers under such Direct Retailer will be attached to the next available upline.
- 4.2.1(b) Upon achieving the 90-day sales criteria, a Direct Retailer must meet the 12 months sales criteria, as may be prescribed by Amway from time to time, to continue being a Direct Retailer. Failure to meet the 12 months sales criteria will result in termination of the Amway Direct Retailer/Seller Contract and reclassification of such Direct Retailer as a Preferred Customer and any Preferred Customers under such Direct Retailer will be attached to the next available upline.
- 4.2.1(c) Every Direct Seller shall achieve the sales criteria for a consecutive 12-month period as may be specified from time to time by Amway. If a Direct Seller fails to meet the specified sales criteria at the end of the 12-month period, his/her/its sponsorship rights will be suspended but his/her/its position in the LOS will remain. Upon meeting the sales criteria in the subsequent 12-month period the sponsorship rights will be restored. However, if a Direct Seller fails to meet the sales criteria in two consecutive 12 month periods, then he/she/it shall be reclassified as an Amway Direct Retailer and provisions of Clause 4.2.1(b) shall be applicable. The sales team of such reclassified Amway Direct Retailer shall be attached to the immediate upline Amway Direct Seller.
- 4.2.2 Any Direct Retailer/Seller who has been reclassified as a Preferred Customer, whether pursuant to Rule 4.2.1 hereof or non-fulfilment of other applicable retail, training or additional requirements or on his/her/their own initiative, must wait a minimum of six (6) months from the date of such reclassification to reapply to become a Direct Retailer and follow such other applicable conditions under section 6 of these Rules .
- 4.2.3 Eligibility for a Sales Commission is based on a Direct Retailer's/Seller's demonstrated retail sales volume and contributions to retail sales by other Direct Retailers/Sellers in his/her/its downline sales team (for any given Direct Seller the applicable downline sales team shall mean and include every Direct Retailer/Seller sponsored by him/her/it and those sponsored by such sponsored Direct Sellers and so forth and so on whose sales turnover shall be eligible for inclusion while calculating the Sales team turnover for a given Direct Seller for a given period). In order to earn a Sales Commission on applicable downline sales team volume during a given month, a Direct Seller must have at least three (3) Preferred Customers, each of whom places one or more orders for Amway Products in that month. If a Direct Seller does not meet this requirement in any month, the Sales Commission on

downline volume will pass up and shall be paid to the next upline Direct Seller who meets this requirement. Upon request by Amway, a Direct Seller may additionally be required to provide a description of activities that contributed to the sales in the month for which a Sales Commission is claimed.

4.3

Retail Stores and E-commerce websites:

Amway does not permit Direct Retailers/Sellers to display/sell its products/literature through retail stores and e-commerce websites.

No Direct Retailer/Seller shall sell or display or permit Amway Products or services to be sold or displayed in retail stores (this shall include non-Amway e-commerce websites), schools, fairs, ships or military stores; nor shall he or she permit any Amway product to appear in such locations even if the Amway product or services themselves are not for sale. No Amway literature shall be displayed in retail establishments. A Direct Retailer/Seller who works in or owns a retail store must operate his or her Amway business separate and apart from the retail store. Such Direct Retailers/Sellers must secure customers and deliver products to them in the same manner as Amway Direct Retailers/Sellers who have no connection with a store. Other types of retail establishments, which are not technically 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 Amway literature.

Further, Direct Retailers/Sellers may not use mass communication methods such as television merchandising channels, computer networks, national or international advertising, etc., to secure Amway customers. Social media platforms are permitted for use as communication methods however such use shall be subject to Digital Communications Standards as prescribed from time to time.

- 4.3.1 Exception to Rule 4.3 (Retail Store) for Beauty salons, health clubs, Doctor's clinic. Display and sale of health, beauty and sport nutrition product are permitted in health and beauty establishment under the following conditions:
 - 4.3.1.1 The primary focus of the business shall be the service for which it is setup and retail sale of Amway products is incidental to the service provided (e.g. Beauty salons, health clubs, Doctor's clinic)
 - 4.3.1.2 Only Amway products directly related to the service provided by an establishment will be allowed. For example, a Beauty establishment could display, use and sell only Attitude™ and Artistry™ range of products and related personal care products like shampoo and conditioner. A health club i.e. Gym could only display, use and sell Nutrilite® range of products.”
 - 4.3.1.3 A Direct Retailer/Seller is the majority owner and operator of the establishment or the Direct Retailer/Seller is the Manager/Controller of the establishment and has an authorization in writing from the majority owner/operator of the establishment for sale and display of Amway products.
 - 4.3.1.4 Display of the Amway products and/or brochures is restricted to inside of the service establishment and should not be visible on the outer display visible to general public.

4.4

Truthful and Accurate:

In addition to the obligations of Direct Retailers/Sellers provided in Clause 7 of the Terms and Conditions of Direct Retailer/Seller Application, no Direct Retailer/Seller shall make any offer to sell any Amway product which is not accurate and truthful as to price, grade, quality, performance, and availability. Further, Direct Retailers/Sellers cannot:

- 4.4.1 Make exaggerated product claims or unapproved claims with regard to Amway products or products distributed by Amway.
- 4.4.2 In any way whatsoever, represent incorrectly with regard to prices, quality, standards, grades, contents, style or model, place of origin or availability of Amway products or products distributed by Amway.
- 4.4.3 State that Amway products or products distributed by Amway back, approve, or present any features as regards yield, accessories, uses or benefits that they do not have.
- 4.4.4 In any way whatsoever act or present Amway, its products or the products that Amway distributes in a fraudulent manner or promote products that do not belong to Amway as if they did or indulge in any anti-competitive practices such as predatory pricing (examples include selling products at a price significantly below purchase price in order to drive other distributors out of business or selling products without issuing a valid receipt as described in Clause 4.6 below)

4.5

No Repacking / Re-labelling of Amway Products.

Direct Retailers/Sellers shall not repackage, or otherwise change or alter any of the packaging labels of Amway Products.

4.6

Written Sales Receipt:

A Direct Retailer/Seller must deliver to the 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 along with the batch number of the products,
- c. Give the name, identification number, address, and telephone number of the selling Direct Retailer/Seller,
- d. Include Amway's Customer Product,
- e. Refund Policy, and
- f. Include Amway's Complaint Redressal mechanism.

4.7

Customer Product Refunds:

Direct Retailers/Sellers shall advise Amway of any customer complaint and provide copies of all correspondence and details of all conversations regarding the complaint.

4.7.1 Direct Retailers/Sellers are not authorised to make any type of offer or compromise or render Amway liable for any complaint or product return.

4.7.2 Whenever a customer requests Product Refund service within the stated period, the Direct Retailer/Seller shall immediately offer the customer the choice of (a)refund of money paid as per Amway's applicable product refund policy, (b)exchange for a like product, or (c)full credit for exchange with another item.

4.7.3 Direct Retailers/Sellers hereby indemnify Amway for any losses, claim, legal actions, suit, etc. (including Amway legal fees) which are filed or which originate because of any failure by the Direct Retailer/Seller to observe this rule.

4.8

Compliance with Applicable Laws, Regulations and Codes:

Direct Retailers/Sellers shall comply with all laws, regulations and codes that apply to the operation of their Amway business wherever such Amway business may be conducted within the Market, and they must not conduct any activity that could jeopardise the reputation of the Direct Retailer/Seller and/or Amway. Applicable laws, regulations and codes vary from State to State in India, and over time, and Amway does not ensure or make representations with respect to the quantity or extent of effort or expense required to comply with such laws, regulations and/or codes.

4.9 Reserved

4.10

Unlawful Business Enterprises or Activities:

Direct Retailers/Sellers shall not engage in any deceptive or unlawful trade practice as defined by any Central, State or local law or regulation. No Direct Retailer/Seller shall operate any illegal or unlawful business enterprise, engage or participate in any illegal or unlawful business activity or be convicted of any illegal or unlawful activity. An illegal or unlawful enterprise or activity is one which is prohibited by central, state, or local law or regulation.

If an applicant for distributorship or a Direct Retailer/Seller is found to operate, or is found engaging or participating in, any illegal or unlawful enterprise or activity, Amway may terminate such distributorship forthwith and in case of an applicant, his or her application shall be denied. In case of termination of a Direct Retailer/Seller contract under this clause any accrued benefits, privileges and earnings will be withheld by Amway.

4.11

Professionalism:

An Amway Direct Retailer/Seller shall at all times conduct himself or herself in a courteous and considerate manner and not engage in any misconduct (for the purposes of the Rules of Conduct, "misconduct" shall mean any behavior that is not in accordance with standards of morality and decency, or is violative of any law of the Market, or involves moral turpitude, or is unethical such as high-pressure selling showing pornographic material in meetings or customer presentations, use of expletives or abusive language, etc.). Direct Retailer/Seller shall make a fair presentation of Amway products and the Amway Sales and Marketing Plan including, when and where appropriate, demonstrations of such products.

An Amway Direct Retailer/Seller shall never impose himself or herself upon his/her prospective customer and shall abide by the following:

1. He/She shall always take a prior permission or appointment before approaching a prospective customer and shall indicate the purpose of his or her visit and identify himself or herself as an Amway Direct Retailer/Seller.
2. He/She shall provide the following information to the customer at the time of sale
 - a. His/ Her name, address and tele- phone number along with that of Amway.
 - b. He/ She shall at all times carry identity card provided by Amway along with any photo ID's issued by any Government agency.
 - c. He/ She shall fix time & place for inspection of the sample and delivery of goods, if customer so desires.
 - d. He/ She shall provide customer receipt with the description of the products to be supplied as per Rule 4.6.

If the customer indicates a desire to terminate the interview, the Amway Direct Retailer/Seller shall immediately do so and shall leave the premises of the customer.

The Amway Direct Retailer/Seller at all times makes a truthful presentation of Amway products.

The Amway Direct Retailer/Seller will also direct his or her customer's attention to the use, direction and cautions, which may be included on the label for products.

4.12

Employment Relationship:

Direct Retailers/Sellers shall not give a false representation as to the nature of the relationship between Amway and its Direct Retailers/Sellers or make any representation except in accordance with the explanation given in the Amway Business Starter Guide or other Amway literature. A Direct Retailer/Seller is required to indemnify Amway for the cost of any damage or prejudice stemming from such false representation, including any legal fees Amway may have incurred.

Amway Direct Retailers/Sellers are independent contractors operating their own businesses. They shall not represent that they are employees of Amway, nor shall they refer to themselves as "agents," "managers," or "company representatives", nor shall they use such terminology or descriptive phrases on their stationery or other printed material. Further Direct Retailers/Sellers shall not use the address of any Amway establishment, Amway intellectual property or misrepresent their association with Amway. (Sponsors are urged to preserve the notional relationship between themselves and their downline sales teams. If they permit an employer-employee relationship to develop, Sponsors may find themselves liable for the acts of and injuries to their sponsored Direct Retailers/Sellers. Amway shall not permit and does not accept any relationship between, or representations by, Direct Retailers/Sellers which may impose liability on Amway under the employment laws of the Market).

Direct Retailers/Sellers shall not use the Amway Direct Retailer/Seller identification card to create the impression that there is a subordinate relationship with Amway. The identification card issued to a Direct Retailer/Seller by Amway is to be used exclusively when the Direct Retailer/Seller wants to purchase products from Amway and at the time of approaching customers for sale and the usage of the identification card shall be governed additionally by the terms given on the identification card.

4.13

Franchises and Territories:

No Direct Retailer/Seller shall represent to anyone that there are exclusive franchises or territories available under the Amway Sales and Marketing Plan.

No Direct Retailer/Seller shall represent that he or she, or anyone else has the authority to grant, sell, assign, or transfer such franchises or to assign or designate territories. No Direct Retailer/Seller or Sponsor may state or imply that he or she has a given territory, nor that any other Direct Retailer/Seller is operating outside his territory.

Amway Direct Retailers/Sellers have no territorial limits. They can operate anywhere within India.

4.14

Non-Amway Selling Activities:

An Amway Direct Retailer/Seller can engage in other business/professional activity, but he/she must not use Amway Direct Retailers/Sellers/ activities/events to promote his/her/its non-Amway business/profession and must not try to sell the same to other Amway Direct Retailers/Sellers.

No Amway Direct Retailer/Seller who personally sells products other than Amway products, who personally participates in any non-Amway selling activity and/or sells literature or sales aids not produced by Amway except those allowed under Section 7 of the Rules of Conduct or who sells services (e.g., tax services, insurance, investments, etc.) will sell such products or services to another Amway Direct Retailer/Seller or will induce another Amway Direct Retailer/Seller to participate in any other non-Amway selling activity and/or to sell such products, literature, sales aids, or services to any Amway Direct Retailer/Seller. Induce means to persuade (or attempt to persuade) another Direct Retailer/Seller (either personally or through a third party) to sell any product or service whether or not this is done to obtain revenues or for any other reason.

4.14.1 This principle of non-inducement also applies to BSM developed by Direct Sellers in compliance with Section 7 of these Rules of Conduct.

4.14.2 Amway Direct Retailers/Sellers 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 Direct Retailer's/Seller's efforts or resources, or of their knowledge of, or association with, other Amway Direct Retailers/Sellers to promote and expand their non-Amway businesses. To do so constitutes an unwarranted and unreasonable interference in the business of other Amway Direct Retailers/Sellers. This does not mean, however, that a Direct Retailer/Seller regularly engaged in the operation of, for example, a petrol pump, repair garage, retail establishment, barber or beauty shop, or a professional service (law, medicine, dentistry, or accounting etc.) may not serve clients or customers who are Amway Direct Retailers/Sellers and have sought them out, but it does mean that such Direct Retailer/Seller may not actively solicit the patronage of other Amway Direct Retailers/Sellers.

4.14.3 Amway reserves the right to terminate the remaining Direct Retailers/Seller's authorisation as a Direct Retailer/Seller in the event that one partner of husband-wife partnership elects to resign his or her authorisation as a Direct Retailer/Seller and subsequently takes advantage of his or her knowledge of, or association with, other Amway Direct Retailers/Sellers to promote and expand his or her non-Amway business.

4.15

Enticement to Change Lines of Sponsorship:

No Direct Seller shall, directly or indirectly, induce/entice other Amway Direct Retailers/Sellers to change their Line of Sponsorship. E.g. Inducing an Amway Direct Retailer/Seller to start a new

business in their parents name under a different sponsor and then advising them to resign their existing Distributorship and build their parents Amway business without complying with 6-month inactivity rule. Under no circumstances, direct or indirect, nor for purpose of helping another person, shall a Direct Seller solicit, interfere or attempt to induce another Direct Retailer/Seller to leave his Line of Sponsorship or change his Line of Sponsorship.

4.16

Exporting Amway Products:

Amway Direct Retailers/Sellers must sell Amway products and/or sponsor prospective Amway Direct Retailers/Sellers, as applicable, within Market only.

No Direct Retailer/Seller shall export, or knowingly sell to others who exports, Amway Products from Market, or from any other country in which Amway has established operations, into any country regardless of whether or not Amway is doing business in that country.

For important legal reasons, including trade names and trademark protections; local laws on product registration, packaging, labelling, ingredient content and formulation, product liability; customs and tax laws; and literature content or language requirements, Amway must limit the resale of Amway Products by Direct Retailers/Sellers to retail customers located within Market. The term “products” includes, without limitation, all BSM and any other items obtained by a Direct Retailer/Seller from Amway or from his sponsor or Platinum.

4.16.1 Exporting Rule: Personal Use

Globally, Amway’s Rules and Commercial Principles include prohibitions on exporting and importing Amway products from one market to another. Amway Direct Sellers may, however, take Amway products across borders for personal use, with the following limitations:

- a. The Amway Direct Seller is visiting another country and personally places the product order in that country.
- b. The Amway Direct Seller physically picks up/receives the products in one country and personally carries the products to another country. There may be no couriers, shipping companies, or freight forwarders involved.
- c. If the Amway Direct Seller has a Multiple Business in the country visited, the order cannot be placed as a customer order for an overseas customer.
- d. The products are for the Amway Direct Seller’s personal use only.
- e. The products may not be resold, distributed, or given away under any circumstances.
- f. The products ordered must not be available in the Amway Direct Seller’s home market.
- g. Durables (e.g. water treatment systems, air treatment systems) may not be carried from one market to another under any circumstances.
- h. The Amway Direct Seller order must not be for more than a reasonable amount of product: under 300 USD annually.
- i. The personal use exclusion may not be used as a business-building strategy.

4.17

Sound Business Practices:

An Amway Direct Retailer/Seller must operate his or her Distributorship in a financially responsible, solvent, and businesslike manner. Direct Retailer/Seller shall not permit a non - Direct Retailer/Seller to build / promote his or her Amway business.

In signing a Direct Retailer/Seller Application a Direct Retailer/Seller undertakes to Amway that there is no legal bar or limitation on his or her ability to meet the legal obligations of an Amway Direct Retailer/Seller, whether such obligations are to Amway itself, to customers, or to other Direct Retailers/Sellers. If there is an obstacle or limitation, the Direct Retailer/Seller must declare it.

For example, if an undischarged bankrupt or an underage person applies for a Distributorship, Amway may reject the application or, if Amway discovers the disability, alter the Distributorship is accepted such Distributorship shall be terminated. If a Distributor or any member partner in his/her/its Distributorship files a petition for bankruptcy or has bankruptcy or winding-up proceedings commenced against him /her/it, or has any assets seized by Court order or taken in execution of an unsatisfied judgment debt, the Direct Retailer/Seller must immediately inform Amway. In such cases, Amway reserves the right to terminate the Distributorship, or alter its terms of trading with the Direct Retailer/Seller, or to negotiate with the trustee in bankruptcy or responsible court official concerning arrangements for the disposal of any products belonging to Amway which are in the possession of the Direct Retailer/Seller.

4.18

Manipulation of Amway Sales and Marketing plan / Anti-Stacking:

No Direct Retailer/Seller shall manipulate the Amway Sales and Marketing Plan or manipulate sales volume in any way which results in the payment of bonuses or other awards and recognition that have not been earned in accordance with the terms of the Sales and Marketing Plan and / or the business reference guide. In this regard, by way of example, the strategic and artificial structuring of an Amway organization 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 and / or stacking. Similarly, misuse of any facility provided by Amway such as “Collect-on-Delivery” which is a payment on delivery facility in order to manipulate sales volumes for bonuses or other awards shall be considered manipulation.

4.19

Maintain Good Standing/Conform to Rules:

Be an Amway Direct Seller in good standing and meet all Direct Seller requirements as set forth in these Rules. A Direct Seller shall not directly or indirectly indulge himself /herself in any wrongful activity, including but not limited to false complaints and issuing threats to Amway or its personnel, which could have any adverse effect upon the Amway business of another Direct Seller or on the reputation of Amway. In the event a Sponsor ceases to be a qualified Direct Seller, the rights to any Direct Sellers whom he or she may have sponsored shall pass up to the next qualified Direct Seller in his or her Line of Sponsorship.

4.20

Activity Outside India or Activity Outside The Market Where The Direct Retailer/Seller is Registered:

Direct Retailers/Sellers who engage, directly or indirectly, in any activity related to the Amway business in a jurisdiction outside of Market 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 Direct Retailers/Sellers in that Jurisdiction. Failure to do so shall be a breach of the Direct Retailer/Seller Contract.

4.21

“Spamming”- Prohibits Direct Retailers/Sellers from sending messages to persons whom they do not know.

Unsolicited e-mail messages:

No Direct Retailer/Seller shall send, transmit or otherwise communicate any unsolicited e-mail messages to persons with whom the Direct Retailer/Seller does not have a pre-existing personal or business relationship. (This includes, but is not limited to, sending e-mails through newsgroups, purchased mailing lists, “safe lists”, or other lists of individuals or entities with which the Direct Retailer/Seller does not have a relationship).

4.21.1 Employment Postings: If a Direct Retailer/Seller responds to an employment posting for someone seeking an employment opportunity, they shall clearly state within the first paragraph of the response that they are offering a business opportunity. Any materials used with a prospect must be approved by Amway in accordance with Rule 7 herein.

4.22

Privacy and Confidentiality:

All Direct Retailers/Sellers are required to abide by Amway’s Privacy Policy with regard to Direct Retailer/Seller, client and member information, and its Confidentiality Policy with regard to Direct Retailer/Seller and business information.

Further, all Direct Retailers/Sellers shall take appropriate steps to protect all private information provided by Customers. However, this shall not prohibit sharing of Customer information with Amway.

4.23

Right to Audit

4.23.1 Amway reserves the right to audit all Direct Retailers/Sellers to check compliance with Direct Retailer/Seller obligations under the Direct Retailer/Seller Contract from time to time with or without notice at Amway’s discretion.

4.23.2 All Direct Sellers who earn sales commission from applicable downline sales team shall maintain a log book in the manner prescribed by Amway, if any. In the event a Direct Seller earning sales commission from applicable downline sales team is found to be in violation of this requirement on three occasions he/ she/they/it shall be liable for any or all action listed below:

- a. Suspension of business activities and commissions;
- b. Elimination from all GIP awards/rewards;
- c. Reduction and/or elimination of FAA points for India;
- d. Non-invitation or withdrawal of invitation to award trips;

- e. Denial of any cash/non-cash awards and rewards from affected Direct Seller to uplines;
- f. Termination of their Amway business.

SECTION 5: RESPONSIBILITIES OF A SPONSOR

EACH SPONSOR SHALL

1. Abide by the Code of Ethics and Rules of Conduct in their letter and true spirit.
2. Train and motivate all Direct Retailers/Sellers he/ she has Sponsored to sell Amway Products.
3. Encourage his personally sponsored Direct Retailers/Sellers to attend free Amway trainings.
4. Advise his/her sponsored Direct Retailer(s)/Seller(s) to follow the Rules of Conduct.
5. Give advice on promotional activities.

In order to acquire and preserve the status and rights of a Sponsor, a Direct Seller, in addition to the requirements given in Clause 4.2.1 (c) must,

5.1

Amway Business Starter Guide:

Encourage all Direct Retailers/Sellers that he/she sponsors to procure and read a copy of the free Business Starter Guide published by Amway;

5.2

Reserved

5.3

Train: Conduct, or provide access to, training and motivation that complies with the Rules, including Section 7, the BSM Policy, and the Quality Assurance Standards (QAS). In order to meet this obligation the Sponsor shall encourage his sponsored Direct Retailers/Sellers to attend trainings organized by Amway and/or may personally train the Direct Retailers/Sellers whom he or she sponsors or arrange for support from other Direct Sellers, including his or her upline Platinum and Amway. In all cases the Sponsor remains responsible and accountable under the Direct Retailer/Seller Contract for ensuring that compliant training and motivation are made available to his or her sponsored Direct Retailers/Sellers;

5.4

Independent Relationship:

Not represent that there is an employment or agency relationship between himself and the Direct Retailers/Sellers which he sponsors;

5.5

Attend Amway Trainings:

Use his best efforts to encourage his personally sponsored Direct Retailers/Sellers to attend Amway trainings;

5.6

Follow the Rules:

Use his best efforts to encourage each of his personally sponsored Direct Retailers/Sellers to fully comply with the standards set forth in the Rules and to study, use and carefully conduct their businesses in accordance with the law and official Amway publications;

5.7

Give Advice:

Give advice concerning (advertising and all other) promotional activities carried on by his personally sponsored Direct Retailers/Sellers to ensure that they conform to Amway-approved procedures and rules;

5.8

Prohibited Registration Practices:

Neither a prospective Direct Retailer, as a condition to becoming a new Direct Retailer, nor any currently authorised Direct Seller, as a condition of receiving assistance from their Sponsor in the development of their business, shall be required to: Purchase hardware or software for computers, subscribe to an Internet Service Provider (ISP), subscribe to any physical or online training programs offered by a third party training service provider, or establish a Website;

5.9

Restrictions on Sponsoring:

5.9.1 Amway reserves the right to set additional restrictions on recommending Prospects or serving as a Sponsor to Direct Sellers based on geography or otherwise. Any such restriction will be communicated to the Direct Sellers affected;

5.10

Upline Involvement

Each Direct Retailer/Direct Seller 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 Direct Retailer/Seller or improperly interfere with the relationship between Amway and each Distributor. Distributors who qualify at the Emerald or Diamond level should only support and communicate with downline Distributors in their downline qualified Emerald and/or Platinum Business Groups in coordination with the qualified Emerald and/or Platinum of the group as set forth in Rule 5.11 below; and

5.11

Responsibilities of a Direct Seller at Platinum Level or above

Direct Sellers who qualify at the Emerald or Diamond level have the following additional responsibilities related to the Direct Retailers/Sellers in their downline qualified Emerald and/or Platinum Business Group:

- 5.11.1 Offer to consult and support them in coordination with the downline qualified Emerald and/or Platinum of the group to strengthen the success of their business.
- 5.11.2 Promote compliance with the Amway Rules of Conduct.

SECTION 6: PRESERVATION OF THE LINE OF SPONSORSHIP

6.1

The LOS and LOS Information:

6.1.1 Confidentiality of the LOS and LOS Information:

Amway protects the LOS and LOS Information for the benefit of Amway, all Direct Retailers and Direct Sellers. Amway keeps LOS Information proprietary and confidential and treats it as a trade secret. The Direct Retailer/Seller agrees that the LOS and LOS Information are confidential, commercial and proprietary information (hereinafter referred to as "Trade Secret") owned by Amway and shall not be disclosed by the Direct Retailer/Seller to any person whatsoever. The Direct Retailer/Seller further agrees that a breach by a Direct Retailer/Seller of his or her confidentiality obligations with respect to the Trade Secret shall cause Amway irreparable damage for which monetary damages would be an inadequate remedy, and that notwithstanding any other provision hereof, and, without prejudice to any other rights Amway may have in law or under the contract, Amway shall be entitled to seek specific performance of the Direct Retailers/Sellers obligations under this clause or seek such further relief as may be available in law.

6.1.2 Protection of the LOS and LOS Information:

As used herein, the sale of an ownership interest in a Distributorship, merging Distributorships, or separating or dividing a Distributorship, each inherently involve the assignment of the Direct Retailer/Seller Contract or an amendment thereof, and, as such, require prior authorization by Amway. Transfers of Direct Retailers/Sellers from one Sponsor to another are only granted at the sole discretion of Amway.

6.2

Individual Transfers:

Without limiting or restricting in any way Amway's powers and discretion under Section 6.1 above, any Direct Retailer/Seller (including a Platinum) who wants to change Sponsor must submit a written request to Amway accompanied by:

1. A written release signed by all the Direct Sellers in his/her/its Line of Sponsorship up to and including the first qualified Platinum, and
2. A written acceptance from the new Sponsor and Platinum. Amway will also contact any International Sponsor and international leadership commission recipients and will allow 30 days for comment.

6.3

Group Transfers:

Note : No Group Leader i.e. Silver Producer & above can obtain transfer under this rule without completing 2 full years after obtaining recognition. Without limiting or restricting in any way Amway's powers and discretion under Section 6.1 above:

- 6.3.1 A Direct Retailer/Seller who wishes to transfer to a different Sponsor with all or part of his Business Group, as applicable, must submit a written request to Amway accompanied by written consent from all Direct Sellers in his/her/its Line of Sponsorship up to and including the first qualified Platinum and all Platinums up to and including the first qualified Emerald. If the first qualified Platinum is a qualified Emerald, written consent must be received from the next up- line qualified Platinum in the Emerald's Line of Sponsorship as there could be an effect on upline commission payments. Amway will then notify the first qualified Upline Diamond and allow 15 days for comment.
- 6.3.2 The transfer request must be accompanied by written consents of all those Direct Sellers whom the transferring Direct Retailer/Seller wishes to take with him/her/it, as applicable, and the written acceptance of the transfer, signed by the Sponsor and Platinum to whom the individual wants to be transferred. Amway will also contact any International Sponsor and international leadership commission recipients and will allow 30 days for comment.
- 6.3.3 No Distributorship currently recognized by Amway as a group leader (i.e., Silver Sponsors, Silver Producers, Gold Producers, or a Platinum) can be transferred under this Rule. A former Platinum Distributorship or Group Leader may be transferred if more than two (2) full years have elapsed since the last fiscal year in which the Distributorship was recognized as such, provided there has been compliance with the procedures outlined above.

6.4

Six Month Inactivity:

To change Sponsor, Direct Retailer/Seller must resign his/her/its existing Distributorship, be inactive for 6 months and then join under another Sponsor. The new Sponsor should not have been part of his/her/its original line of sponsorship either above or below him during the past 2 years. A Direct Retailer/Seller who wishes to change sponsor must resign from his/her/its Distributorship under his/her/its present Sponsor and thereafter remain inactive for a period of six or more consecutive months., Following the end of said inactivity period, reapply to become a new Direct Retailer under a new Sponsor. Applicants can not apply to join either as a primary or co-applicant, in an already existing Distributorship. Notwithstanding anything contained in the terms and conditions of the Direct Retailer/Seller contract or these Rules, a Distributor resigning under this clause must specify the reason thereof to Amway and thereafter such resignation shall be effective on the date of receipt of such letter/communication.

- 6.4.1 To apply for a new Distributorship under this inactivity Rule, the Direct Retailer must submit complete a new Direct Retailer/Seller Application. The applicant is under an obligation to provide the details of the previous distributorship at the time of filling the Direct Retailer/Seller application. Amway may at its sole discretion elect to notify the original Platinum of such joining and provide the original Platinum 15 days' time to file an objection to the inactivity claim. If evidence of activity during the six months period is provided, Amway may terminate such distributorship forthwith. In case of termination of a

Direct Retailer/Seller contract under this clause any accrued benefits, privileges and earnings will be withheld by Amway. If the original Platinum does not reply within 15 days, or if he/she/it verifies that the Direct Retailer/Seller has in fact been inactive for six months, then no further action will be taken by Amway under this clause. The right of a Direct Retailer/Seller to contest the sponsorship of a former Direct Retailer/Seller who is now sponsored under a different sponsor ceases upon the lapse of 6 months from the date of taking up second Distributorship or cessation of the original Distributorship whichever is later.

- 6.4.2 Definition of Inactivity: ‘Inactivity’ means no purchase/sale of Amway products, no sponsoring of prospects and no attending of Amway/ Direct Seller’s meetings.

Inactivity for purposes of this Rule shall mean that during the period of inactivity, the Direct Retailer/Seller shall have been completely inactive, which means he/she/it shall not have purchased any Amway product as a Direct Retailer/Seller shall not have sold any Amway Products, shall not have engaged in any phase of a product sale/purchase (e.g., taking an order, making a delivery, or accepting payment), shall not have presented the Amway Sales and Marketing Plan to any prospect, and shall not have attended any training, or motivational meeting conducted by any Amway’s Direct Seller or any Amway company-sponsored meetings. During the inactive period, the former Direct Retailer/Seller must not participate in any Amway activity under another Distributorship in the name of his/her parents, siblings, or others or he/she shall not be determined as “inactive” for the purposes of this Rule. When either a husband or wife is a Direct Retailer/Seller, both must fulfil the six-month inactivity requirements before one or both can be registered as a Direct Retailer/Seller.

- 6.4.3 A Direct Retailer/Seller who transfers to, or who following six months of inactivity, applies for Distributorship under a different Sponsor pursuant to the provisions of this Rule, cannot be sponsored by anyone who was previously above him/her in his/her original Line of Sponsorship up to and including the first qualified Platinum, or below him/her in his/her former Business Group down to and including the first Platinum and who has since been transferred to or re-sponsored by a different Sponsor, unless two years have elapsed since the termination of his/her Distributorship.

- 6.4.4 After moving to a new group, a Direct Retailer/Seller cannot poach persons from his/her/its old group except for Direct Retailers/Sellers who were inactive for at least 2 years.

A Direct Retailer/Seller who transfers to, or who, following six months of inactivity, applies for Distributorship under a different Sponsor pursuant to the provisions of this Rule, shall have no right to sponsor in his/her new Business Group any Direct Seller who was previously above him/her in his/her original Line of Sponsorship up to and including the first qualified Platinum, or below him/her in his/her former Business Group down to and including the first qualified Platinum. However, a Direct Retailer/Seller who has been inactive for a period of two years may be sponsored by any Sponsor, including his/her former Sponsor who may have since been transferred to or re-sponsored by a different Sponsor.

- 6.4.5 A Direct Retailer's/Seller's continuing business activity in one market will not affect his requirement to reapply after six months of inactivity as a Direct Retailer/Seller in any other country in which Amway does business.
- 6.4.6 A formerly foster-sponsored Direct Retailer/Seller may reapply for Sponsorship 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 Direct Retailer/Seller must specify whether or not he wishes to be internationally, and foster sponsored again, and
- 6.4.6.2 A former Direct Retailer/Seller may not be personally sponsored by a Sponsor who was previously above him in his original Line of foster Sponsorship up to and including the first qualified Platinum, or below him in his original Business Group down to and including the first qualified Platinum unless two or more years have elapsed since the termination of his Distributorship.
- 6.4.7 Corrective Action: If the provisions of paragraphs 6.4.1, 6.4.2, 6.4.3, 6.4.4 and 6.4.6 are violated, Amway may take corrective action, which may include but is not limited to transfer of the Distributorship of the Direct Retailer/Seller at fault. Amway at its discretion may also transfer his Business Group and the business volume generated during the period of violation to the original Line of Sponsorship.

6.5

Free Agents:

A Direct Retailer/Seller who has been terminated by Amway becomes a "free agent" and may file an application to be sponsored under a new Sponsor after the lapse of a period of six months from the date of such termination. However, whether his or her application will be accepted by Amway at its sole discretion depending upon the reason for which his or her original Distributorship was terminated. If it was terminated because of a violation of the Rules of Conduct, then his or her new application under a new Sponsor may be denied by Amway, or its acceptance may be deferred pending receipt of evidence satisfactory to Amway that the applicant intends to abide by the Amway Code of Ethics and Rules of Conduct.

6.6

Sale of a Distributorship:

A Direct Retailer/Seller who owns and operates a distributorship (qualified Silver Producer level or above) may sell his or her ownership interest in such distributorship.

- 6.6.1 A Direct Seller's business can only be sold to another Direct Seller and a Direct Retailer's business can be sold to a Direct Retailer or a Direct Seller. The purchased business shall remain separate from the buyer's other Amway business and the Lines of Sponsorship shall not be altered in any way as a result of the sale.
- 6.6.2 If a Direct Retailer/Seller wishes to sell his or her Amway business, he or she must offer it to another Direct Retailer/Seller, as the case may be, in the following order of priority:
- 6.6.2.1 If the business is internationally sponsored, it must be offered to the International Sponsor, who throughout the negotiations to sell the distributorship retains the right to

acquire the same by meeting the price and conditions of any bonafide offer received by and deemed acceptable to the seller, subject to the extant policies of Amway and any and all required permissions and approvals, including the Reserve Bank of India and/or any other authority, if required under the Foreign Exchange Management Act or other applicable law.

- 6.6.2.2 If the international Sponsor does not accept the offer of purchase, or if all of the required permissions/approvals, including that of the Reserve Bank of India are not received, the business must be offered to the local Foster Sponsor of the Direct Retailer/Seller.
- 6.6.2.3 If no international Sponsor exists, the business must be offered to the local Sponsor, who throughout the negotiations to sell the distributorship retains the right to acquire the same by meeting the price and conditions of any bonafide offer received by and deemed acceptable to the seller.
- 6.6.2.4 In the case where the local Sponsor does not accept the offer, the business must be offered simultaneously for sale to all Direct Retailers/Sellers personally sponsored by the owner.
- 6.6.2.5 In the case where none of the Direct Retailers/Sellers personally sponsored by the Direct Retailer/Seller accept the offer, the business must be offered simultaneously to all Platinums located above or below in the Line of Sponsorship to the next qualified Diamond.
- 6.6.2.6 If the Platinums above or below in the- Line of Sponsorship of the Direct Retailer/Seller in question to the next qualified Diamond also reject the purchase offer, or fail to respond to the offer, the Direct Retailer/Seller may offer the business to all qualified Platinums at that time in India.
- 6.6.3 No sale shall be final and no change of title of the business shall be made final until approved in writing by Amway.
- 6.6.4 If the Direct Retailer/Seller wishes to sell the business under terms and conditions different from those of his first offer, the business must be once again offered for sale under the revised terms and conditions in accordance with the order of priority indicated above.
- 6.6.5 Monthly Sales Commissions and other Higher Achievement Commissions accruing to the business shall be paid as specified in the sale agreement as authorized by Amway. All awards previously awarded to the business will not be transferred to the new owners. Qualification for awards for the business will be determined only by activities occurring after the date of sale.

6.7

Mergers:

Businesses will not merge or be combined without the previous written approval of Amway. A marriage between Direct Retailers/Sellers, a transfer of a business, the sale of a business or any other similar circumstance does not cause a merger or combination of businesses unless specifically approved in writing by Amway.

6.8

One Distributorship Rule:

A Direct Retailer/Seller can own or have an ownership interest in only one Distributorship except as provided below:

- 6.8.1 Where two Direct Retailers/Sellers marry and one or both have attained Platinum status or above prior to marriage pursuant to Rule 3.17;
- 6.8.2 Where an existing Distributorship purchases another Distributorship pursuant to Rule 6.6;
- 6.8.3 Where a Direct Retailer/Seller (transfer or), in order to facilitate the transfer of a Distributorship in the event of his or her death, requests the name of another existing Direct Retailer/Seller be added to their Distributorship. The name of the transferor(s) must continue to be on the Distributorship until his or her death and supporting estate-planning documentation must be provided to Amway.
- 6.8.4 Where an existing Distributorship inherits all or a portion of a Distributorship. In the event a Direct Retailer/Seller owns or has an ownership interest in two or more Distributorships pursuant to this Rule; they may operate such Distributorships jointly under a single corporate, limited liability company or partnership umbrella, but Amway shall continue to carry such Distributorships separately and will only recognize them as separate individual Distributorships for both Award and Commission purposes.

6.9

Divorce, Separation, or Other Dissolution:

Whenever a business is separated or divided as the result of a divorce, dissolution of a corporation or partnership, the separation or division must be accomplished in such a way as to not adversely affect the interests and/or income of the businesses in the Line of Sponsorship. During the division or separation process, neither party will administer or operate, together or separately, any other Amway business without Amway's approval.

6.10

Disposition of a Distributorship:

If a Direct Retailer/Seller terminates/cancels his Distributorship, or dies without leaving heirs/nominees who are ready, willing, and able to become Direct Retailers/Sellers and assume the responsibility of Amway Business, then, Amway at its sole discretion, shall decide the future of the Distributorship in accordance with Section 15 of these Rules.

SECTION 7: BUSINESS SUPPORT MATERIALS (BSM)

The content, review and authorization, creation, production, promotion, distribution, offering for sale and sale of Business Support Materials shall strictly adhere to this Section 7 and other provisions in the Rules, the BSM Policy and the Quality Assurance Standards (QAS) as applicable. The current BSM Policy and the QAS shall be published on Amway India's website and also made available by Amway India upon request from Direct Retailers/ Sellers.

7.1

General Rules on BSM

- 7.1.1 Business Support Materials shall at all times be entirely optional. Training Providers who choose to create Business Support Materials must emphasize that the purchase of BSM is strictly voluntary. In no circumstance shall the purchase of BSM or participation in any training or support offered by Training Providers be made a condition of the Direct Retailer/Seller registration process or explicitly or implicitly be represented as necessary for success in the Amway Business.
- 7.1.2 Except as specified in Rule 5.3, only Direct Sellers who have officially attained the following recognition levels (the “Qualification Criteria”) shall be designated as Direct Seller Training Providers, and thus, to the extent expressly authorized, be allowed to create BSM (as applicable):
- 7.1.2.1. A Current Qualified Emerald Direct Seller and above is allowed to create BSM.
 - 7.1.2.2. A Current Qualified Platinum Direct Seller and above is allowed to promote BSM within his or her Business Group.
- 7.1.3 Direct Retailers/Sellers may neither give to, nor receive compensation, remuneration or other financial incentives from, other Direct Retailers/Sellers for the promotion, distribution, offering for sale or sale of BSM.
- 7.1.4 BSM shall not infringe in any way on Amway copyrights, trademarks or other intellectual property rights, or provisions of any other applicable laws, rules or regulations. Direct Retailers/Sellers promoting, distributing, offering for sale or selling BSM must obtain appropriate written authorization from Amway in accordance with Section 9 and the QAS in order to use or affix any trademarks, copyrighted material or other intellectual property of Amway in BSM. Additionally, BSM shall not infringe the trademarks, copyrights or intellectual property rights of any other third party.
- 7.1.5. For BSM in the form of a presentation offered by Amway India, no Direct Retailer/Seller shall record the same without the express written consent of Amway India.
- 7.1.6. Amway India does not endorse the representations made, or other content, in any BSM or the training methods used by other Direct Retailers/Sellers, Training Providers or any third-party vendors. Amway India’s review is solely for the purpose of ensuring compliance with its Rules of Conduct, the BSM Policy and the QAS.
- 7.1.7. Nothing in the Direct Retailer/Seller Contract, this Section 7, any other Rule, the BSM Policy or the QAS shall be construed or interpreted as a license or other permission to incorporate into any BSM, or to share with any third-party vendor of BSM or other training or motivation, any LOS Information.

7.2

Specific Categories of BSM

In addition to the prior requirements under Section 7, the following shall apply to special categories of BSM:

- 7.2.1 BSM reduced to a fixed medium must also, in accordance with the QAS:(a) be submitted by the Training Provider to Amway India for review, approval and publication ; (b) be expressly authorized by Amway India; and (c) bear the Content Review (CR) number provided by Amway India.
- 7.2.2 Any claim relating to the use, characteristics and/or performance of Amway Products must be reproduced verbatim from official Amway India sources, without alteration or modification. No third-party claim for the same shall be authorized in any Business Support Material. Direct Retailers/Sellers shall, with prior Amway approval and otherwise in accordance with the QAS, incorporate into their communications or presentations reduced to a fixed medium the full and exact reproduction(s) of materials set forth in Amway-produced literature including labels.
- 7.2.3 For BSM offered in the form of a rally, meeting or educational seminar conducted by a Direct Seller, it should be consistent with his or her training obligations as a Sponsor under Rule 5.3.
- 7.2.3.1 Unless otherwise specified in the Rules, the BSM Policy or the QAS, such rally, meeting or educational seminar may require prior authorization from Amway India. However, it is the responsibility of the Direct Seller organizing or providing access to the same to ensure that the content presented, as well as the duration, frequency and pricing, fully complies with the Rules, the BSM Policy and the QAS, and that Amway India is provided with all required information sufficiently in advance.
- 7.2.3.2 In each case the Direct Seller shall disclose and affirm to a potential consumer of BSM: (a) that the training or support is optional, does not guarantee success, and is not necessary to succeed, in the Amway Business; (b) the name and contact details of any third party providing the training and support at the Direct Retailer's/Seller's request; and (c) refund rights, including the applicable return period.
- 7.2.4 PSM
- i. No Training Provider/Direct Retailer/Direct Seller is authorized to produce PSM. Amway alone shall produce PSM.
 - ii. Subject to applicable laws, guidelines, Rules etc. Amway shall be entitled to sell PSM to Direct Retailers/Sellers.
 - iii. PSM available on Amway's website www.amway.in shall be available for free download.

7.3 Prospects

- 7.3.1 BSM shall not be offered for sale or sold to Prospects. Prospects must not be charged for BSM, regardless of whether such BSM is reduced to a fixed medium.
- 7.3.2 Direct Sellers shall not use with, or distribute to, Prospects any material which suggest, imply, promise or guarantee, either directly or indirectly, that any specific level or amount of sales, income, profit or earnings may be derived from the Amway Business or from selling any specific line or lines of Amway Products.

7.4 Reserved

7.5

BSM Sale and Refund by Training Providers

- 7.5.1 All buyers of Business Support Materials may return the BSM, together with a proof of purchase for a 100% refund within 30 days after purchase.
- 7.5.2 The terms of the refund policy, including procedures for the resolution of disputes and the responsible person for returns, must be clearly communicated to the purchaser prior to any such sale. The terms and conditions of any refund policy adopted must comply with all applicable laws. Any unresolved dispute must be submitted to the dispute-resolution procedure as provided in Section 11 of the Rules or the Grievance Redressal Committee of Amway, as appropriate.
- 7.5.3 BSM offered in the form of rallies, meetings or educational seminars conducted by Direct Sellers shall adhere to the following additional refund requirements:
- 7.5.3.1 Tickets to rallies, meetings, or educational seminars, shall contain declaration(s) in accordance with this Rule 7.5, the BSM Policy and the QAS.
- 7.5.3.2 Each Training Provider who chooses to sell tickets to rallies, meetings or educational seminars is obligated to buy back tickets, from any dissatisfied individual who personally attended the event, within a period of 30 days of the event. Except as provided in Rule 7.5.1, such refund shall be for that portion of the cost of the event related to admission, exclusive of travel, meals or hotel accommodation.
- 7.5.4. BSM in the form of website subscriptions and downloadable media offered by Direct Sellers shall adhere to the following additional refund requirements:
- 7.5.4.1 Purchasers cancelling website subscriptions are entitled to a refund for unused, whole months of any prepaid subscription(s).
- 7.5.4.2. Purchasers of downloadable media are entitled, if dissatisfied, to obtain a replacement download of equal value within 30 days of the purchase of the subject downloadable media.
- 7.5.5. Amway's Refund Policy does not apply to BSM sold by Training Providers but applies to BSM or PSM sold by Amway.

SECTION 8: PRESENTATION OF THE AMWAY SALES AND MARKETING PLAN

8.1

Must not Give Impression of Employment Relationship:

When inviting a prospect to hear a presentation of the Amway Sales and Marketing Plan or making a sales pitch for Amway products, an Amway Direct Retailer/Seller shall neither utilise the following invitations nor directly or indirectly induce other Direct Retailers/Sellers to do so:

- 8.1.1 Give the impression that it relates to an employment opportunity,
- 8.1.2 Imply that the invitation is to a social event,
- 8.1.3 Disguise the invitation as a “market survey,”
- 8.1.4 Promote the event as a “tax seminar,”
- 8.1.5 Promote the Amway Business opportunity as a business relationship with a person, company, or organization than Amway,
- 8.1.6 Directly or indirectly indicate that Amway Products are merely one line of products distributed through or as a part of a brokerage operated by a person, company, or organization other than Amway,
- 8.1.7 Directly or indirectly indicate that the Amway Business, Direct Retailers/Sellers or Amway Products are part of any business other than Amway’s Business,
- 8.1.8 Deny, if asked, that the presentation is about the Amway Sales and Marketing Plan,
- 8.1.9 Imply that it is other than a business event, or
- 8.1.10 Make any representation that conceals the factual position.

8.2

First Contact with Prospective Customers and Direct Retailers/Sellers:

At the first contact with prospective customers and Direct Retailers/Sellers, a Direct Retailer/Seller should:

- 8.2.1 Introduce himself by name.
- 8.2.2 As soon as practicable, he should make himself known in suitable fashion as an Amway Direct Retailer/Seller and should provide information concerning his name and address as well as concerning Amway.
- 8.2.3 Indicate the purpose of contact, namely the sale of Amway Products and/or the introduction of the prospect to the Amway business.

8.3

Sponsoring Guidelines :

Amway Sales & Marketing Plan must not be presented

- as a get-rich-quick opportunity.
- that Amway Products are bought and sold for Direct Retailers/Sellers personal use.

- that there is no requirement to retail Amway Products.

In seeking participation of a prospect in the Amway Sales and Marketing Plan, the sponsoring Direct Seller must comply with the following guidelines:

- 8.3.1 Must disclose the average profits, 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 literature. Amway authorizes for use privately produced BSM submitted to Amway through a qualified EDC member or other Amway designee. For further information on how to submit materials, please contact the Amway office.
- 8.3.3 May use those earnings and/or commission representations based on their own personal experiences, provided that they at the same time disclose the average profits, earnings, and sales figures and percentages as published from time to time by Amway.
- 8.3.4 May cite lifestyle examples, e.g. travel, automobile, homes of successful Direct Retailers/Sellers, and contributions to charitable causes, provided such benefits were actually accrued as the result of building a successful Amway Distributorship.
- 8.3.5 Must not say that a successful Distributorship can be built in the form of a “wholesale buying club” in which the only products bought and sold are those transferred to “Direct Retailer/Seller” at Direct Retailer/Seller cost for their personal use.
- 8.3.6 Must not say that there is no requirement for the retail sale or marketing of products.
- 8.3.7 Must not promote the enjoyment of tax benefits as the best or principal reason for becoming an Amway Direct Retailer/Seller.
- 8.3.8 Must not say that Amway 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 present the Amway Sales & Marketing plan or solicit participation in the Amway business opportunity through any broadcast communication methods including mass mailing, telemarketing, national or international advertising, radio, television, facsimile services, computer communication networks including the Internet or any other means by which personal contact with the prospect is not present. However, Direct Sellers 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 within the Direct Retailer/Seller Guidelines, the Digital Communications Standards, and otherwise complies with the Rules of Conduct.

8.4

No Exclusive Territories:

No Direct Seller shall represent that there are exclusive territories available under the Amway Sales and Marketing Plan.

8.5

No Obligation to Purchase:

No Direct Seller shall represent that there is any obligation to purchase products and/or services under the Amway Sales & Marketing Plan, nor shall he/she represent, purposely allow or gain from any representation or implication that benefits may be derived solely from the purchase of Amway products or services in conformity with the Amway Sale and Marketing Plan.

SECTION 9: USE OF THE AMWAY TRADE NAME, TRADEMARKS, AND COPYRIGHTED MATERIALS

INTRODUCTION

The Amway trade name, trademarks, and service marks are important and valuable business assets. They help identify the source and reputation of the Amway business, products, and services worldwide, and distinguish them from those of competitors.

Trademarks must be protected from misuse and infringement by others, or they can be lost. Each time a trademark or symbol is used improperly or is used by someone other than its owner, the value and importance of the trademark can be greatly diminished. Once a trademark is weakened or lost, it is impossible to regain its full value and importance. Therefore, Amway makes every effort to protect its house trademark Amway, its corporate logotype, label designs, and various product names (e.g., L.O.C., SA8, Artistry, Nutrilite) so that others cannot use them.

Amway will not allow use of its trade name (company name), trademarks (product names), designs, or symbols by any person, including an Amway Direct Seller, without its prior permission. Amway will issue cease-and-desist orders to any persons using its trade name, trademarks, designs, and symbols without its permission and will, if necessary, follow with appropriate court action for failure to comply with a cease-and-desist order. If Amway did not do this, Direct Retailers/Sellers would soon find the market flooded with “Amway” products not produced by Amway or sold by Amway Direct Retailers/Sellers. Obviously, Amway Direct Retailers/Sellers would be harmed greatly by such competition.

The rules set forth below have been developed to maintain the integrity of the Amway trade name and trademark and to ensure that the name Amway 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 logotype, 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 colour specifications.

9.1 Reserved

9.2 Reserved

9.3 Reserved

9.4

Fund-Raising Events:

Amway Products and services are not authorised to be used in conjunction with any type of fund-raising activity. Fund-raising includes the solicitation for the purchase of Amway Products or services based on the representation that all or a portion of gains, proceeds, or profits generated by such sale will benefit a particular group, organisation, or cause.

9.5

Imprinted Cheques:

No Amway Direct Retailer/Seller who uses imprinted cheques can use the Amway logotype or trade name nor may he/she/it refer to himself/herself/itself other than as an Amway Direct Retailer/Seller on the cheques.

- 9.5.1 The only authorized use of the Amway name on imprinted cheques used by Amway Direct Retailers/Sellers is either of the following:

Ramesh Kumar
Amway Products Direct Retailer/Seller
Or
Ramesh Kumar
Direct Retailer/Seller of Amway Products

- 9.5.2 Such cheques may not use the Amway logotype or the trademark Amway. No Direct Retailer/Seller may use such imprints as “Amway Company,” “Amway Sales Company,” or “Amway Products Company,” nor any name implying an agency or representative relationship. A Direct Retailer/Seller who actually carries on business as a company may imprint his cheques only as follows:

Kumar Company
Amway Products Direct Retailer/Seller
Or
Kumar Company
Direct Retailer/Seller of Amway Products

9.6

Promotional Literature, Stationery, Premiums, etc.:

No Amway Direct Retailer/Seller may produce or procure from any source other than Amway any premium, giveaway item, stationery, or promotional literature of any kind upon which the Amway name or logotype or any of its trade names or trademarks are imprinted without securing prior, written approval from Amway.

- 9.6.1 No Direct Retailer/Seller may print, or cause to be printed, for his use any stationery which bears the Amway logotype or any of the Amway tradenames or trademarks without the prior, written consent of Amway. The precise copy to be used must be forwarded to Amway before the printing is actually done. When approval is given by Amway, there shall be no deviation whatever from the approved copy.
- 9.6.2 No cloth Amway corporate logo types shall be affixed to any sports uniforms, shirts, or other garments. No Direct Retailer/Seller shall, without Amway's prior approval, produce any item bearing the Amway name/logotype from any source other than Amway.

9.7

Copyrighted Materials:

All Amway printed material is copyrighted and may not be reproduced in whole or in part by Direct Retailers/Sellers or other persons except by prior written permission from Amway.

- 9.7.1 Amway makes a claim to copyright for all its printed material in the market. 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 Amway Direct Retailers/Sellers that the promotional materials which they purchase and distribute to their 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, Direct Retailers/Sellers 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 Amway Direct Retailer/Seller 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.

- 9.7.2 All Amway printed material relating to products has been carefully prepared to conform with all local, state, and central laws and regulations governing the labelling of products. (The word "labelling" 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 labelling 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 or her fellow Direct Retailers/Sellers as well as Amway itself.

9.8

Penalties for Violators of Section 9:

Any Direct Retailer/Seller who violates Section 9 will:

- 9.8.1 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.
- 9.8.2 Be denied the right to make any future use of the Amway trademark or trade name.
- 9.8.3 Have his/her/its Distributorship terminated by Amway.
- 9.8.4 Be liable for money damages to Amway for unauthorized use of the Amway name, trademark, or logotype.

SECTION 10: DEATH AND INHERITANCE

10.1.

In the case of the death of a single Direct Retailer/Seller:

- 10.1.1. If Amway is not notified of the nominee or appointment of an administrator in accordance with the provisions of Section 10.1.2, Amway can appoint a representative, under the terms and conditions Amway considers appropriate to manage the Amway Distributorship, or assign the Amway Distributorship in accordance with Section 10.1.2 or Amway can cancel it in accordance with Section 15. Without limitations as to Amway's proceedings with regard to the terms and conditions of the representative appointed to manage the Distributorship, such representatives can, based on Amway's specifications, receive all or part of the Commissions and privileges earned by the Distributorship he represents, for the period during which he manages it.
- 10.1.2. The administrator of the deceased Direct Retailer's/Seller's estate shall, with letters of administration or other proper authority, and as soon as possible following the death of the Direct Seller(s), do the following:
- a. Sell the Amway Distributorship in accordance with Section 6 of these rules;
 - b. If he is or becomes a Direct Retailer/Seller, take charge of the deceased Direct Retailer's/Seller's Amway Distributorship, or;

- c. Appoint a representative (especially in case the nominee is a minor) for a period of time, under the terms and conditions specified or approved by Amway, who will operate the Amway Distributorship, with the understanding that said representative is or become a Direct Retailer/Seller before he starts to operate the Distributorship. In accordance with limitations or other rules imposed by Amway, the representative can, as stipulated by Amway, receive all or part of the incentives and privileges earned by the Distributorship he represents for the period during which he manages it or such other terms mentioned in the representation authorization signed by the administrator/nominee and accepted by Amway.

10.2.

If an Amway Distributorship belongs to two unmarried persons, and if one of them dies, the following provisions shall apply:

- 10.2.1. The surviving Direct Retailer/Seller will be in charge of the business during the time stipulated or according to Section 10.2.2, or until Amway cancels it in accordance with Section 12.1.8 of these Rules.
- 10.2.2. Further, within 30 days following the issuance of letters of administration or other proper authorization:
 - a. The surviving Direct Retailer/Seller shall obtain (by will or sale or operation of law) the interest of the deceased Direct Retailer/Seller or,
 - b. The administrator of the deceased Direct Retailer's/Seller's estate can assign or transfer the latter's part to another Direct Retailer/Seller who shall operate the business with the surviving Direct Retailer/Seller or,
 - c. The Amway Distributorship can be sold in accordance with Section 6 of these Rules or,
 - d. The administrator of the deceased Direct Retailer's/Seller's estate and the surviving Direct Retailer/Seller shall appoint a representative to operate the Distributorship for said period, under the terms and conditions established by Amway, with the understanding that the representative shall become an Amway Direct Retailer/Seller before he takes charge of the business.

SECTION II: ENFORCEMENT OF THE AMWAY RULES OF CONDUCT

INTRODUCTION

Violation of the Amway Rules of Conduct is an extremely serious matter, not only because of the effect it may have on the business of an individual Distributorship, but also the result this conduct may have on the opinions of the Amway business held by the public, the media and government officials. Accordingly, while Amway may make effort to correct any violation through guidance and counselling, it reserves the right to take action including, but not limited to the following, which may be applied by Amway in any order or in any combination:

- a. Retraining of the (Direct) Direct Seller and his Business Group;
- b. Suspension period for the offending Distributorship;
- c. De-sponsoring the offending Direct Seller of his Business Group;
- d. Termination of the offending Distributorship.

In instances of violation of the Amway Rules of Conduct any Direct Retailer/Seller may make a complaint to Amway in accordance with the Complaint Procedure set out in Section 11.1 below.

Decisions taken by Amway in its enforcement of the Amway Rules of Conduct may be appealed for further review at Amway World Headquarters in accordance with the Review Panel Procedure set out in Section 16.

11.1

Complaint Procedure:

When a Direct Retailer/Seller has discovered that there may have been a violation of the Rules of Conduct, he must notify Amway and his Platinum of the violation and provide all facts and documentary, or other evidence connected with it.

11.1.1 Notification to Alleged Violator: On receiving this notice, Amway will notify the appropriate Direct Retailer(s)/Seller(s) of the complaint and request an immediate response.

11.1.2 Insufficient Information: 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.

11.1.3 Informal Resolution: After Amway receives all information of facts and circumstances relevant to the complaint, Amway will decide whether there has been a violation of the Rules of Conduct and may discuss the matter with the Direct Retailers/Sellers involved to explain the rationale behind the rule and to obtain adequate assurance from the Direct Retailers/Sellers that it will not recur or at its discretion take any of the actions enumerated in this section.

11.1.4 Formal Resolution: If Amway is unable to settle the matter informally and if the appropriate corrective action is deemed by Amway to be other than termination or De-sponsorship, then Amway will forward a decision letter to the violating Direct Retailer/Seller, as well as the sponsor and the Platinum in the Line of Sponsorship of the violating Direct Retailer/Seller. The decision letter will list the specific complaint(s), outline the corrective action to be taken and, if appropriate, setting a time limit for compliance.

11.1.5 Failure to Comply: Amway will allow the Direct Retailer/Seller to implement the appropriate corrective action within the time limit specified in the decision letter. However, if compliance has not occurred on expiration of the time limit, Amway will take further enforcement action directly. Notice of such action shall be given by letter addressed to the violating Direct Retailer/Seller, with a copy sent to the violator's Platinum. Such letter shall be sent by Registered Mail or official Amway email.

SECTION 12: TERMINATION AND DE-SPONSORSHIP

Amway can terminate or de-sponsor the Distributorship of a Direct Retailer/Seller, at its discretion, if he/she/it :

- Gives wrong information in the application form.
- Misrepresents Amway/Amway Business.
- Breaches any of the Rules of Conduct.
- Is convicted of an offence punishable by a prison term
- Is declare declared bankrupt.

- Is not mentally sound to handle the business.

12.1

Amway may, at its election and by notice in writing to a Direct Retailer/Seller, terminate the authorisation to operate as a Direct Retailer/Seller, or de-sponsor the Direct Retailer/Seller from his Business Group, if one or more of the following occurs:

- 12.1.1 If, in Amway's opinion, the Direct Retailer/Seller provided false information in his Direct Retailer/Seller Application.
- 12.1.2 If the Direct Retailer/Seller makes a serious misrepresentation of Amway or the Amway business which, in Amway's opinion, is not likely to be satisfactorily remedied by corrective actions;
- 12.1.3 If the Direct Retailer/Seller breaches any of these Rules of Conduct and fails to rectify such breach within the time period specified by Amway in its written notice to the Direct Retailer/Seller;
- 12.1.4 If the Direct Retailer/Seller commits repeated breaches of any of these Rules of Conduct and only corrective action was advised by Amway for the past breaches;
- 12.1.5 If the Direct Retailer/Seller (or, if the business comprises two or more individuals, any of those persons) is convicted of an offence punishable by a prison term;
- 12.1.6 If the Direct Retailer/Seller (or, if the business comprises two or more individuals, any of those persons) is suspended or disbarred from practicing his usual trade or profession by any association, institute or professional society;
- 12.1.7 If the Direct Retailer/Seller becomes the subject of bankruptcy or winding-up proceedings;
- 12.1.8 In the event that a Direct Retailer/Seller dies without an identified nominee, an executor or an heir appointed by the executor who is willing to assume responsibility for continuing the deceased's business;
- 12.1.9 In the event that a Direct Retailer/Seller is incapable of managing his affairs by reason of mental condition.
- 12.1.10 If the Direct Retailer/Seller commits a breach of terms and conditions of availing of any value-added service including any payment thereof and/of fails to make payment of any products /services provided by Amway.

12.2

The decision of Amway regarding termination or de-sponsoring of a Direct Retailer/Seller shall be final and binding on the Direct Retailer/Seller subject to appeal to a Review Panel pursuant to the procedure set out in Section 16.

12.3

Termination of a Direct Retailer/Seller means termination of

- All rights as an Amway Direct Retailer/Seller.
- All income being generated after the date of termination.

Termination of the Direct Retailer's/Seller's authorisation to operate as an Amway Direct Retailer/Seller means the termination of all rights derived from said authorisation, and in conjunction therewith, the right

to receive any further income from or generated by such business arising or accruing after the date of termination, except the right to receive reimbursements of the discounts corresponding to the purchases which were made prior to the termination date. Termination shall be effective upon the date specified by Amway in its written notice to the Direct Retailer/Seller.

12.4

De-sponsorship means removal of a Direct Seller from his position as a Sponsor in the Line of Sponsorship.

De-sponsorship or “de-sponsored from one’s Business Group” means the removal of a Direct Seller from his/her/its position as a Sponsor in the Line of Sponsorship (including, at the absolute discretion of Amway, the removal of the Direct Seller’s right to ever sponsor again in his/her/its current Line of Sponsorship or any other Line of Sponsorship), such removal being effected by written notice from Amway to the relevant Direct Seller and becoming effective on the date stated in such notice.

12.5

The Process of Termination or De-sponsorship:

The Direct Retailer/Seller, whose authorisation is to be cancelled or who is to be de-sponsored, as the case may be, shall be given written notice of Amway’s decision by Registered Mail or official Amway email. In addition to complying with the laws of India pertaining to such termination or De-sponsorship, the notice of termination, cancellation, or De-sponsorship shall:

- 12.5.1 Be mailed to the last mailing address of such parties as shown in Amway’s records or an email be sent from official Amway email to the email address of the Direct Retailer/Seller in Amway’s records;
- 12.5.2 If applicable, state the Rule(s) violated by the Direct Retailer/Seller;
- 12.5.3 State the date on which any such action shall become effective, and
- 12.5.4 If applicable, advise the Direct Retailer/Seller of his/her/its opportunity to appeal Amway’s decision to a Review Panel pursuant to the procedure set out in Section 16.

12.6

Upon termination of his or her authorisation as an Amway Direct Retailer/Seller for any cause or without cause as mentioned in Clause 8 of the Terms & Conditions whatsoever, the Direct Retailer/Seller shall forthwith:

- 12.6.1 Return, in good condition, all Amway Products and Amway distributed products in his possession as specified in the “Buy-Back” policy.
- 12.6.2 Cease to use all trademarks, trade names, insignia, or other industrial property used in or related to the Amway business, and
- 12.6.3 Cease to identify himself/herself/itself as an Amway Direct Retailer/Seller.

12.7

In the event that Amway terminates a Direct Retailer’s/Seller’s business or that a Direct Seller is de-sponsored of his Business Group by Amway pursuant to these Rules of Conduct, the Direct Retailer/Seller, as the case may be, will have no claim against Amway arising out of or in respect of the termination or De-sponsorship.

SECTION 13: SUSPENSION OF A DISTRIBUTORSHIP

13.1

In an effort to eliminate mis-representations of the Amway Sales and Marketing Plan within a Line of Sponsorship, or as an alternative to terminating the business of a Direct Retailer/Seller who has

violated the Rules of Conduct, Amway may employ various actions and procedures to encourage proper Amway business conduct. Amway may use any or all of the following to address the matter:

- 13.1.1 Hold/forfeit payment of commissions, higher award monies, or other monies payable to the business.
- 13.1.2 Suspend authorisation to conduct sponsoring activity (sponsoring, recruiting meetings, training sessions, home presentations, etc.).
- 13.1.3 Suspend invitations to company- sponsored trips.
- 13.1.4 Conduct reorientation meetings and charge back the expenses to the Line of Sponsorship.
- 13.1.5 Request Direct Sellers to provide Amway with recordings of their Sales Plan presentations, and/or
- 13.1.6 Request/require the mailing of an "Ethics Bulletin" to the Business Group of the Platinum and to all Platinums in an Emerald's or Diamond's organization.

13.2

Interim Managers:

Where Amway is of the opinion that the interests of any Distributorship within a particular Line of Sponsorship are being adversely affected by the inability or unwillingness of a Direct Retailer/Seller within the same Line of Sponsorship to properly carry out his/her responsibilities and obligations as a Direct Retailer/Seller, Amway may by notice in writing appoint an Interim Manager to run the business of the violating Direct Retailer/Seller. Such appointment shall apply until resolution of the situation.

SECTION 14: TERMINATION, DE-SPONSORSHIP OR SUSPENSION BY AMWAY WITHOUT FORMAL COMPLAINT

14.1

Amway may initiate termination, De-sponsorship, or suspension of a Direct Retailer's/Seller's business even in the absence of a formal complaint. Amway shall not, however, take action against the Direct Retailer/Seller until Amway has first offered the violating Direct Retailer/Seller an opportunity to explain and/or justify his conduct.

14.2

Where the violation has been of such magnitude as to bring into serious question the right of such Direct Retailer/ Seller to continue to operate his business, Amway may terminate without affording the Direct Retailer/Seller the opportunity to rectify his past improper conduct.

14.3

The Direct Retailer/Seller shall have the right to request a review of the decision by Amway in accordance with Section 16.

SECTION 15: DISPOSITION OF TERMINATED OR DE-SPONSORED BUSINESSES

15.1 Process:

In the event that Amway determines that it is necessary to terminate or de-sponsor Direct Retailer's/Seller's business, or if a Direct Retailer/Seller cancels his Direct Retailer/Seller Agreement or fails to meet the prescribed sales criteria within the required time period, or dies without leaving heirs or nominees who are willing to assume the operation of the Distributorship, the disposition of the business of such Distributorship will be determined by Amway in its sole discretion. In exercising its prerogative to determine the disposition of such business, Amway may elect to employ one of the following methods:

- 15.1.1 Sale/Assignment of Business: If Amway elects to sell/assign the business, and subject to the provisions of the Foreign Exchange Management Act and other applicable laws and regulations, the following will be observed:
- 15.1.1.1 The business will be offered for sale/ assignment to another Direct Retailer/Seller, as applicable, recognising the order of priority imposed by Rule 6.6.
- 15.1.1.2 The terms of the sale will be set forth in a written contract executed between Amway and the purchaser.
- 15.1.1.3 The business will remain in its current position in the Line of Sponsorship and will be made a No. 2 business of the purchaser.
- 15.1.1.4 All funds resulting from the sale will be added to an incentive fund to be distributed by Amway among eligible Direct Retailers/Sellers, as the case may be.
- 15.1.2 Dissolution of Business. If Amway so elects, the business will merge with the business of the first qualified sponsor Upline in the Line of Sponsorship.

15.2

No Limitation on Amway:

Amway, however, is in no way limited to any of the above methods of disposition of a business and may exercise complete discretion as to methods and/or timing of disposition.

SECTION 16: INTERNATIONAL REVIEW PANEL

The International Review Panel provides an internal procedure for the review of decisions as to a Direct Retailer's/Seller's termination, suspension, and/or de-sponsorship

16.1

PROCEDURE FOR FILING AN APPEAL REQUEST TO THE INTERNATIONAL REVIEW PANEL:

An appeal must be submitted in writing and must be accompanied by all documents supporting this request (all documents must be provided in English). Only the Direct Retailer/Seller whose Amway business was sanctioned can appeal and must do so within 30 days of the date of Amway's decision letter. The appeal must be submitted to the Appeal Administrator either via email at appeal.administrator@amway.com or via postal service to: Amway Corporation, Attn: Appeal Administrator, Global Business Conduct & Rules, 7575 Fulton Street East, Ada Michigan 49355 USA.

16.2

MEMBERSHIP OF THE INTERNATIONAL REVIEW PANEL:

The International Review Panel consists of corporate staff from Global Rules, North America Rules, Global Sales and International Legal.

16.2.1 Members of the International Review Panel do not act as arbitrators.

16.3

MARKET DECISION REMAINS IN FORCE PENDING DECISION BY THE INTERNATIONAL REVIEW PANEL: In the event Amway grants an Direct Retailer/Seller the opportunity to have its decision reviewed by the International Review Panel, the decision taken by Amway will remain in force until the review has taken place and a final determination has been made by the International Review Panel.

16.4 PROCEDURES FOR REVIEW BY THE INTERNATIONAL REVIEW PANEL:

- 16.4.1 The Appeal Administrator will provide notification to all parties (Amway and appellant) concerning the scheduled appeal hearing date.
- 16.4.2 The parties may offer evidence and produce additional evidence independently or as requested by the International Review Panel. The International Review Panel will determine the relevance and materiality of the evidence offered.
- 16.4.3 Either party may attend the International Review Panel hearing (held at Amway's World Headquarters in Ada - USA), either via phone conference or in person at their own expense. If a translator is required, the appellant must provide their own translator at their expense.

16.5

FINAL DETERMINATION BY THE INTERNATIONAL REVIEW PANEL:

- 16.5.1 The International Review Panel may affirm, reverse and/or modify the decision of Amway.
- 16.5.2 The determination of the International Review Panel will be communicated to all parties.
- 16.5.3 Amway will take such steps as may be necessary to implement the International Review Panel's determination.
- 16.5.4 In the event the determination of the International Review Panel is rendered in favour of the Direct Retailer/Seller, Amway shall restore full rights and privileges, and as appropriate, pay the balance of monies.
 - 16.5.4.1 In the event of any other decision taken by the International Review Panel, Amway shall determine the disposition of the monies withheld by it, if any.
- 16.5.5 The decision of the International Review Panel shall not give rise to any legal or financial liability, claim for damages or other recourse, including but not limited to loss of profits or goodwill, on the part of Amway or any other Amway affiliate to the Direct Retailer/Seller or any other person.
- 16.5.6 Amway has the right to refer a decision of the International Review Panel to the Ombudsman of Amway. The decision of the Ombudsman shall be considered final in all regards.

16.6

Dispute Resolution:

Any dispute, differences or claim arising out of or in connection with the Direct Retailer/Seller Contract shall be submitted to binding arbitration and shall be referred to the sole Arbitrator appointed in accordance with the rules and regulation in accordance with Arbitration & Conciliation Act 1996. The venue of such arbitration shall be at New Delhi and the award of the Arbitrator shall be final and binding on all parties. Subject to the above, courts at New Delhi shall alone have jurisdiction in relation to the Direct Retailer/Seller Contract and matters connected thereto.

Website Rules and Guidelines

WITH JUST A CLICK OF THE BUTTON, people have realised the unlimited potential to conduct a business and communicate through the Internet. In general there are two types of Website you, as a Current Qualified Emerald & above Direct Seller can create:

- **Personal Home Page (PHP)** - You may share your personal story or information about your business, hobbies, or interests with friends and personal group. You may decide to include your name and state, achievement level, a personal statement regarding the business, a photograph or an audio greeting.
- **Prospecting Website** - You may develop a Website that is designed to interest potential Direct Retailers/Sellers in the business opportunity. Here you could include information regarding the benefits of participation in the business, your personal story regarding the business, general “how-to’s” or email addresses and Contact Numbers to facilitate communication.

Direct Seller desiring to create a Website should review all Rules of Conduct, paying particular attention to the following amendments and rules:

Rules 4.3 and 8.3.9 - (Mass Communication) prohibit any type of mass communication designed to obtain Direct Retailers/Sellers or sales of Amway Products.

AMENDMENTS TO EXISTING RULE

Section 7 (Business Support Materials) requires that BSM, including Internet Websites, used with prospects, or sites that contain a presentation, explanation, or illustration of the sales plan or product information to be reviewed by Amway prior to use.

APPLICATION OF CURRENT RULE

Section 9 (Trademarks, Trade Names and Copyrights) requires permission to use the Corporation’s trade names, or copyrights.

IMPORTANT

1. Nothing on the Internet is 100% secure, and therefore utmost precautions should be taken when handling sensitive customer information such as names, addresses, and credit card numbers. Direct Sellers are also required to abide by the terms and conditions of any privacy statement, privacy policies made available on the Website www.Amway.in.
2. All site contents must be reviewed and authorised in accordance with the Rules of Conduct of Amway Direct Sellers. Under the Rules of Conduct, the contents for all Internet and Websites should be reviewed and authorised by Amway India Enterprises Pvt. Ltd., Ground Floor, Elegance Tower, Plot No. 8, Non Hierarchical Commercial Centre, Jasola, New Delhi - 110 025.
3. Site-addresses and e-mail addresses: Address for Websites or e-mail must not be deceptive or misleading or violate the Rules of Conduct.
4. Non-corporate products or business opportunities: No product other than those offered by Amway to its Direct Sellers may be promoted, under these guide- lines.

All of these are subject to any specific law that the Government of India may promulgate in this regard.

If you are interested in more information, please contact Amway for more information regarding Website usage.

DIRECT SELLER WEBSITE GUIDELINES

Requirements Specific to Personal Home Page (PHP)

1. Passcode Protection is NOT required for PHPs.
2. Appropriate Content Includes
 - a. Direct Sellers name and state/city//country.
 - b. Direct Seller achievement level.
 - c. Personal statements regarding the business that comply with the general requirements stated above and the Rules of Conduct.
 - d. A photograph of the Direct Seller featured on the Personal Home Page.
 - e. Artistic elements in good taste which will reflect positively on the Direct Seller and the business opportunity.
 - f. An audio greeting.
 - g. The Business Opportunity must be identified as applicable in (Direct Seller's home market) only.

Please be aware this information can be viewed by anyone on the Internet so you may not wish to publish information considered private, personal or Confidential.

3. Prohibited Content (in addition to that listed in General Requirements above)
 - a. Product or service information specifically restricted by Amway.
 - b. Content which could be interpreted as an advertisement or prospecting information.

REQUIREMENTS SPECIFIC TO PROSPECTING WEB/INTERNET SITE

1. Passcode Protection
 - a. Prospecting sites must be passcode protected, utilizing a passcode that is not easily determined by uninvited individuals seeking entrance.
 - b. The passcode page may only contain information needed for sign-in purposes and a small introductory paragraph to verify a viewer has reached the correct site. A technical help e-mail address can appear for individuals experiencing difficulty. The page may not contain Direct Seller numbers or passcodes that would provide a casual web viewer access. Direct Sellers may give out their passcode to prospective Direct Retailer/Sellers only in face-to-face or other one-to-one contact situations.
 - c. The passcode page must carry the following statement: For use with prospects by Direct Sellers in (Direct Seller's home market) only.

Remember - Disseminating the passcode and URL address prior to receiving final authorisation will result in the enforcement of the Rules of Conduct.

2. Appropriate Content Includes
 - a. Information regarding the benefits of participation in the business.

- b. The personal story of the featured Direct Seller and/or personal reflections regarding the business opportunity.
 - c. Accurately sourced background and statistical information having to do with the economic trends, general business environment, and future projections.
 - d. General how to's reflective of the type of activities a new Direct Seller would engage in to build their business. Examples include how to make a prospecting list, how to conduct product demonstrations, etc.
 - e. Outbound links to other sites, provided such links are in accordance with the Rules of Conduct. These links may include Amway.com or IDSA etc.
 - f. Inbound links from an authorised Personal Home Page.
 - g. Communication areas may include e-mail addresses and Contact Numbers to facilitate communication.
3. Prohibited Content in addition to that listed in General Requirements above
- a. Language which states or implies a guarantee of income.
 - b. Product Sales.
 - c. Personal success stories that reflect a level of achievement not attained solely through participation in the business.
 - d. Sale of BSM.

GENERAL GUIDELINES

- Direct Sellers shall refrain from incorporating and shall not allow incorporation of any material relating to products of Amway's competitors.
- The Direct Seller Websites shall be hyper-linked to the Amway India and Amway Corporation Websites to enable individuals to access company policies, Rules of Conduct etc.
- The Website shall not contain any obscene material or any material that is in violation of the Rules of Conduct or ethics in general.
- Consequent action being taken against Distributorship for failure to comply with the Rules of Conduct and these guidelines, the Direct Seller shall refrain from using the Websites developed.
- Amway India will not be liable, in any manner whatsoever, for any content made available on the Direct Seller Websites.
- Amway India will have the right to access each relevant record of the Direct Seller Website and the Direct Seller shall, at regular intervals, provide the company with complete details of data pertaining to the site.

THESE GUIDELINES ARE SUBJECT TO CHANGE FROM TIME TO TIME. FAILURE TO COMPLY WITH THE RULES OF CONDUCT AND THESE GUIDELINES MAY RESULT IN ACTION AGAINST YOUR DISTRIBUTORSHIP.

ZERO TOLERANCE POLICY

'Zero Tolerance' means not allowing any undesirable behavior to continue and imposing definite sanctions against Direct Retailers/Sellers found indulging in such adverse conduct.

The Amway Zero Tolerance policy covers issues which can lead to potential reputational concerns for Amway thereby affecting the business at large. This policy underlines that Amway will not overlook any violation of the policy and no leniency shall be shown in dealing with a Direct Retailer/Seller who is found to be in violation of this policy. At present, six areas have been identified by Amway India as 'Zero Tolerance'. These are:

- Selling and/or making available Amway products for sale through retail shops, un- authorized channels and online stores
- Unauthorized Direct Retailer/Seller activity in unopened markets
- Business Support Material Policy, as amended from time to time;
- Quality Assurance Standards, as amended from time to time;
- Direct Selling Guidelines, as amended from time to time;
- Digital Communication Standards, as amended from time to time.

SELLING AND/OR MAKING AVAILABLE AMWAY PRODUCTS FOR SALE THROUGH RETAIL SHOPS, UNAUTHORIZED CHANNELS AND ONLINE STORES.

Amway India markets its products through the direct selling channel under which the sale of products by a Direct Retailer/Seller happens in a face-to-face manner with the consumer. This sale takes place away from fixed locations like retail shops. Use of any alternate channels by Direct Retailers/Sellers, for selling Amway products, violates the fundamental principle of Direct Selling and also distorts the level playing field provided to all Direct Retailers/Sellers to do business. Amway India is committed to protecting the rights and opportunities of every Amway Direct Retailer/Seller. Hence Rules of Conduct prohibits Direct Retailers/Sellers from selling products through retail shops, unauthorized channels and online stores. Amway has adopted a Zero Tolerance Policy for sale through alternate channels and reserves the right to take immediate action and/or sanction any Direct Retailers/Sellers on receipt of verifiable information.

Additionally, Direct Retailers/Sellers and Uplines need to consider certain aspects as they build their business and help their downlines do the same:

- Uplines must educate their downlines on the correct and ethical business building practices with a special focus on the 'Zero Tolerance' policy.
- Ordering Direct Retailers/Sellers who place orders for other Direct Retailers/Sellers or Preferred Customers are responsible for the orders placed by them. Ordering Direct Retailers/Sellers need to be prudent so as to safeguard their business interest.
- Uplines should encourage downlines to place their orders independently.

CONSEQUENCES OF NON-COMPLIANCE

Those who fail to comply or who have shown a disregard for the policy may be subject to one or more of the following actions:

- a. Suspension of business activities and commissions
- b. Elimination from all GIP awards/rewards.
- c. Reduction and/or elimination of GAR points for India.
- d. Non-invitation to award trips.
- e. Denial of any cash/ noncash awards and rewards from affected Sales Teams to uplines.
- f. Termination of their Amway Business.

For the purposes of this Rule it is expressly clarified that in case a Direct Retailer/Seller is found violating any element of the Zero Tolerance Policy then along with the concerned Direct Retailer/Seller, any upline of that Direct Retailer/Seller who stands to benefit from such violation shall be declared to be 'not in good standing' with Amway and may also be subject to penal action by Amway at the discretion of Amway. Such penal action may extend to termination of distributorship of such upline.

REGARDING UNAUTHORIZED DIRECT SELLER ACTIVITY IN UNOPENED MARKETS

IMPORTANT!! Direct Sellers considering expanding their businesses internationally must not conduct unauthorized activities in markets not yet opened by Amway. Penalties for unauthorized activities can seriously jeopardize your current and future businesses.

Amway is currently open in the following countries and territories :

American Samoa, Anguilla, Antigua, Argentina, Aruba, Australia, Austria, Azores, Bahamas, Barbados, Barbuda, Belgium, Bermuda, Botswana, Brazil, British Virgin Islands, Brunei, Bulgaria, Canada, Canary Islands, Cayman Islands, Ceuta - Autonomous City of Ceuta,, Channel Islands (Guernsey, Jersey Island), Chatham Islands, Chile, Colombia, Costa Rica, Croatia, Curacao, Czech Republic, Denmark, Dominica, Dominican Republic, El Salvador, Estonia, Finland, France, French Antilles (Martinique, Guadalupe), French Guiana, Germany, Granada, Greece, Guam, Guatemala, Haiti, Honduras, Hong Kong, Hungary, India, Indonesia, Republic of Ireland, Isle of Man, Italy, Jamaica, Japan, Kazakhstan, Korea, La Reunion, Latvia, Leeward Islands, Lithuania, Macau, Madeira, Malaysia, Melilla Autonomous City of Melilla, Mexico, Micronesia, Montserrat, Namibia, The Netherlands , New Zealand, Northern Mariana Islands, Norway, Palau Islands, Panama, Peoples Republic of China, Philippines, Poland, Portugal, Puerto Rico, Romania, Russia, Singapore, The Slovak Republic, Slovenia, South Africa, Spain, St. Barthelemy, St. Kitts and Nevis, St. Lucia, St. Martin/St. Maarten, St. Vincent, Sweden, Switzerland, Taiwan, Thailand, Trinidad and Tobago, Trust Territories of the Pacific (Mariana, Marshall, and Caroline Islands), Turkey, Turks and Caicos Islands, Ukraine, United Kingdom, United States of America, US Virgin Islands, Uruguay, Venezuela, Vietnam, Wake Islands.

Direct Retailers/Sellers are encouraged to contact Amway to ensure that they have up to date information on the procedures for international sponsoring. Additionally, Direct Retailers/Sellers should become aware of and uphold the laws and regulations of each market, as well as understand and be considerate of social and cultural customs.

NOTICE

Amway has adopted a Zero-Tolerance Policy that prohibits any Direct Retailer/Seller activity in markets that have not been officially opened by Amway.

Amway defines "Direct Retailer/Seller activity" as any activity which is designed to promote or build the Amway business. All Direct Retailers/Sellers are prohibited from visiting a new market country for the purpose of interesting one or more prospective Direct Retailers/Sellers in the Amway business. Amway does not permit holding meetings (even one-on-one meetings) in any country prior to the announcement of the launch

date and launch plans. Prospecting by websites directed at the unopened market is also considered as inappropriate Direct Retailer/Seller activity.

It is highly inappropriate and a violation of the “spirit” of these Rules to educate a non- Direct Retailer/Seller about the Amway Opportunity and to then encourage the prospective Direct Retailer/Seller to return to his/her native country for the purpose of generating interest prematurely.

In the event that Amway officially launches a new market, Amway will announce the opening of the market through official corporate communications. Such communications will announce the date of launch, indicate what pre-launch activity is permitted, and provide other information critical for successful Direct Retailer/Seller participation. If Amway has not officially opened a market, no Direct Retailer/Seller activity is authorized with respect to that market.

Any mention in the media of Amway’s public relations efforts or of legal notices that Amway is required to file in a new market must not be interpreted as the official announcement of Amway’s intention to open a new market.

ACTIVITIES NOT AUTHORIZED AT ANY TIME

Amway has adopted a Zero Tolerance Policy for unauthorized activity in unopened markets. Below is a list of behavior/ activity that would be subject to the Zero Tolerance Policy no matter whether such activity takes place in an unopened market or in a market that has been officially launched by Amway. The Corporation reserves the right to take immediate action and or sanction any Direct Retailer/Seller once it receives a verifiable complaint.

1. Direct Retailers/Sellers cannot solicit other Direct Sellers from outside their Line of Sponsorship or Business Group to sign under or to provide prospects in a new market. To do so is a direct violation of the contract between Amway and its Direct Retailers/Sellers and the Rules of Conduct or Commercial Principles applicable in a Direct Retailer’s/Seller’s market. Amway encourages Direct Retailer/Seller to follow their original Line of Sponsorship when applying for authorization in a new market.
2. The importation, use, or sale of any privately produced literature, tapes or other such Business Support Materials (including the use of websites, e-mail and other electronic means of advertisement or communication) in relation to the Amway business not previously reviewed by Amway for use in a/each specific market is unauthorized. Authorization in one market does not automatically serve as authorization for use in ALL and especially new or unopened markets.
3. The import of any Amway product into a market for any reason (other than for personal consumption) including sales, demonstration, or display is strictly prohibited. Import of products and promotional materials without proper import licenses, registrations, and labelling may subject the violating Direct Retailer/Seller and Amway to substantial fines, imprisonment, and confiscation of materials and product and undermines the reputation and goodwill associated with the Amway trademarks and brand. It may also seriously jeopardize Amway’s ability to open a market in the future, or to offer its full range of products.
4. Advertising for prospective Retailer/Direct Sellers in the new market in any format is prohibited, both, in the new market and in the Direct Retailer’s/Seller’s home market. This includes flyers, bulletin boards, misuse of business cards, publication of meeting schedules, and seeking media coverage. Direct Retailer/Seller cannot participate in “blind prospecting” by using phone books, professional society membership lists, etc. Under no circumstances may Direct Retailers/Sellers use any form of mass communication such as spam (unsolicited email), television merchandising channels or computer networks to advertise the Amway opportunity.

5. Direct Retailers/Sellers may never misrepresent the Amway business by promising wealth with little effort, no retailing, tax shelter, guaranteed residual income for life, etc. Such claims are prohibited in every Amway market.
6. Direct Retailers/Sellers may neither state, nor imply that they are employees or representatives of Amway Corporation or any of its affiliated Companies, nor may they say that they are the exclusive representative of Amway in any particular country.
7. No Direct Retailer/Seller-produced “pre-applications”, or any similar documents which appear to commit a prospective Direct Retailer/Seller to join a particular line of sponsorship, are authorized “Lead Forms”, which are used only for a Direct Retailer’s/Seller’s internal use to collect information about prospective Direct Retailers/Sellers, must NEVER be utilized as “pre-applications” and are not legally binding. The lead form must not be signed by the prospective Direct Retailer/Seller and a copy must not be left with the prospect. The Lead Form and its use must never appear to commit or obligate the prospect in any manner.
8. Prospective Direct Retailers/Sellers who are residents of non-Amway markets should not be invited to any Direct Retailer/Seller- sponsored or Company-sponsored functions organized in either Amway- or non-Amway markets.
9. Showing the Amway Sales Plan, importing, selling Amway produced or provided products, in an unopened market is not permitted at any time.
10. Violation of the Direct Selling Guide- lines.
11. Violation of the Quality Assurance Standards (QAS).

PENALTIES FOR UNAUTHORIZED ACTIVITY IN NON-AMWAY MARKETS

Penalties may include any action deemed appropriate by Amway. Corrective action may range from re-educating an offending group and/or suspension to termination of the violator’s business. Corrective action may negatively impact the violator’s annual bonuses, award recognition and other rewards such as SIP, non-cash awards.

1. Complaints of improper activity are to be submitted in writing to the appropriate Sales/Direct Retailer/Seller Relations 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.
2. Penalties may include any action deemed appropriate by Amway up to and including suspension or termination. Amway may sanction rewards and recognition derived unauthorized activities in an unopened market and may prohibit the Direct Retailers/Sellers from entering into new markets.
3. In the event of termination action, the appeal rights as granted by the Enforcement Procedures in the Rules of Conduct, Commercial Principles or applicable policies in an Amway affiliate may be invoked by the Direct Retailer/Seller.
4. Platinums are responsible for ensuring that all Direct Retailers/Sellers in their organizations who are involved in international markets understand these Rules. It is the responsibility of each Direct Retailer/Seller to abide by this Policy.
5. Violators will be required to provide Amway with a mailing list, complete with names and addresses, of all persons solicited / contacted by him or her as prospective Direct Retailers/Sellers as the result of

unauthorized pre-launch activity.

THESE GUIDELINES ARE SUBJECT TO CHANGE FROM TIME TO TIME. FAILURE TO COMPLY WITH THE RULES OF CONDUCT AND THESE GUIDELINES MAY RESULT IN ACTION AGAINST YOUR DISTRIBUTORSHIP.

BUSINESS SUPPORT MATERIAL POLICY

(THIS POLICY APPLIES TO ALL TRAINING PROVIDERS AND DIRECT SELLERS)

DEFINITION OF BUSINESS SUPPORT MATERIALS (BSM)

For purposes of this Policy, “Business Support Materials”(BSM) means and includes all products and services(including but not limited to business aids, books, magazines, flip charts and other printed material, online literature, internet websites, audio, video or digital media, rallies, meetings and educational seminars (inclusive of tickets for the same), and other types of materials and services that:

- A. Act as sales aids and
 - i. are designed to solicit and/or educate Prospects, prospective consumers or Preferred Customers of Amway products or services on the Amway Business opportunity, or to support, train, motivate and/or educate Direct Retailers/Sellers; and
 - ii. incorporate or use one or more of Amway’s trademarks, service marks or copyrighted works; and
 - iii. are otherwise offered with an explicit or implied sense of affiliation, connection or association with Amway.
- B. Product Support Material (PSM) that act as product information sources and are designed to provide information about the products of the company, their usage, the associated claims, and other similar information.

STATEMENT OF REQUIREMENTS

The following general standards will apply:

Subject to such requirements as Amway may prescribe from time to time, including the requirement to sell BSM at cost, Training Providers can only sell or promote authorized BSM to existing Direct Retailers /Sellers. All Direct Retailers/Sellers are advised that Amway, apart from periodically holding a number of free training sessions, also provides BSM that it itself publishes free of cost to all Direct Retailers/Sellers in digital format and these are available for download at www.amway.in. In such cases where a Direct Retailer/Seller requests Amway for a print copy of a BSM/PSM, Amway may charge the “at cost” price of a BSM (including a PSM) to recover the cost of publication. Amway does not require a Direct Retailer/Seller to purchase any BSM from any other Direct Seller or third-party source whether as a condition of participation or otherwise.

In order to ensure compliance with extant laws as amended from time to time, BSM may only be offered by Training Providers free of charge or at cost.

In order to ensure compliance to this requirement, Amway reserves the right to audit the books of accounts of Training Providers to ensure that all BSM commercialized by them were sold at cost or given free of charge. Any deviations from this requirement may attract disciplinary action against such Training Provider by Amway.

In case any meeting is permitted to be organized by Amway, then the charges to attend the meeting shall also be at cost and no profits should be derived from attendance of such meetings or through the event organization. Amway reserves the right to attend any meeting and audit the books of account of such Training Providers/Direct Sellers/Direct Retailers who organize meetings to ensure the meetings are organized in accordance with the Rules of Conduct and the BSM policy.

DIAMOND CONSENT RULE

Direct Retailers/Sellers shall not solicit or induce any Direct Seller of another group to plug-in with their group. Cross group supply of tickets/passes to Direct Seller organized events is strictly prohibited. Uplines are to ensure event promotion, if any, should strictly be within their own business group and no cross-group promotion of events unless with the written consent of upline Diamond. The immediate Upline Diamond's consent is required for any Platinum and above Direct Retailer's/Seller's who wish to plug-in into events organized by other Diamonds or groups not in their natural LOS. Provided however that Amway shall have the discretion to waive the requirement of such consent in the event it is of the opinion that such refusal of consent is not in Amway's business interest.

CONSEQUENCES OF NON-COMPLIANCE

This is a Zero Tolerance policy.

Those who fail to comply or who have shown a disregard for the policy may be subject to one or more of the following actions:

- a. Suspension of business activities (which may include commissions)
- b. Elimination from all GIP awards/ rewards.
- c. Reduction and/ or elimination of GAR points for India
- d. Non-invitation to award trips.
- e. Termination of their Amway Business.

TERMS AND CONDITIONS OF SALE OF PRODUCTS

- a. Supply of goods by Amway under an Invoice shall be subject to the terms and conditions of sale herein contained.
- b. Amway weights, measures and statement as to quantity, quality, date of manufacture etc. as contained on the packing shall be presumed to be correct.
- c. Amway legal title of the goods shall cease as soon as the goods are handed over to the Buyer/or to the Carriers as the case may be.
- d. Buyer is requested to verify quality/ and quantity of the goods before accepting delivery. No claim regarding quality/quantity of the goods will be entertained once goods are handed over to the Buyer/Carriers as the case may be unless promptly notified in the Delivery Challan.
- e. Price is inclusive of all taxes as on date of sale. Any levy/increase in taxes/freight, in respect of goods sold, before/after delivery to the Buyer shall be reimbursed by the Buyer to Amway.
- f. Refund of taxes/duties/statutory levies, as applicable already collected will be allowed only on rejected goods received as per Amway's returns policy as laid down in the Amway Business Starter Guide and as updated from time to time.

- g. In case of failure to take delivery of goods, Buyer shall be solely liable for all storage, demurrage costs and other expenses. Amway shall be entitled to treat such failures as a breach of contract in addition and without prejudice to Amway's other rights and remedies.
- h. Amway is not liable for delays or non-delivery of goods by the Carrier or due to Force Majeure conditions in course of transit/delivery or any loss arising there from.
- i. Each lot/instalment of goods delivered under an invoice shall be deemed to be sold under a separate contract.
- j. All Bank charges (including collection charges), shall be payable by the Buyer. Amway shall not be liable for any loss/theft of bank drafts/cheques etc. in transit.
- k. Any notice to be served on the Buyer by Amway shall be deemed to be validly served if sent by ordinary prepaid post to the buyer's address as mentioned on the invoice or sent by Amway's official email to the email address of the buyer.
- l. All sale contracts and transactions of Amway are subject to exclusive jurisdiction of the Courts at Delhi.
- m. If products are returned by customers directly to Amway, Points/Business Volume adjustment shall be done from the Direct Retailer's/Seller's account & any excess amount paid shall be recoverable from Direct Retailer/Seller.

AMWAY REFUND POLICY

Amway Corporation is the world's largest direct selling organisation. The superior value and high quality of Amway products and services have earned us the trust of our Direct Retailers/Sellers and their customers. This trust is a precious and unique relationship. Everyone must share in the Amway commitment to excellence. Everyone has a responsibility to ensure the superior value and high quality of Amway products and services – quality and value that we guarantee!

AMWAY'S CUSTOMER PRODUCT REFUND POLICY

We stand behind the quality of Amway products.

All Amway Products are covered by Amway's Customer Product Refund Policy. If the Customer is not completely satisfied, he/she is entitled to return the products within 30 days from the date of delivery for a full refund. The refund policy is applicable only for products in saleable condition, and partially used products (30%) accompanied with an invoice. This policy does not apply to products that have been intentionally damaged or misused. It is incumbent upon Amway Direct Retailers/Sellers to follow the Customer Product Refund Policy in letter and spirit.

AMWAY RETURNS POLICY FOR DIRECT RETAILER/SELLER/PREFERRED CUSTOMER

DIRECT RETAIER/SELLER/ PREFERRED CUSTOMER MAY RETURN THE PRODUCTS WITHIN 30 DAYS OF PURCHASE AS GIVEN BELOW.

RETURN OF PRODUCTS BY DIRECT RETAILERS/SELLERS/ PREFERRED CUSTOMERS

<u>CONDITION</u>	<u>TIME PERIOD</u>	<u>INVOICE</u>	<u>PAYMENT</u>
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Saleable*	Within 30 days of purchase	Yes	DAP
	Within 30 days of purchase	No	DAP less Taxes [#]

Unmarketable**	Within 30 days of purchase	Yes	DAP less Taxes [#]
	Within 30 days of purchase	No	DAP less Taxes [#]

Excess Stock***	Within 60 days of purchase	Yes	DAP
	Within 60 days of purchase	No	DAP less Taxes [#]

*'Saleable' refers to those products that are marketable, unused, not expired and, not seasonal, discontinued or special promotional products and/or services.

**Unmarketable are products which have been partially used (30%).

***Excess stock refers to products greater than or equal to six in number.

[#]GST and any other taxes, duties, levies that may be levied from time to time by the appropriate government authority.

REFERENCE NOTES

- The Direct Retailer/Seller must return the product(s) to Amway.
- Period of return for products is calculated as the number of days from the Invoice date, to the date of receipt at the Amway's office.
- Condition refers to the condition in which the stock is received back from the Direct Retailer /Seller as a return. The product can be 'saleable' or 'unmarketable' depending on the condition of the returned stock as assessed by concerned staff at the Amway office.
- Points/Net Sales Volume adjustment of Products returned up till 25th of each month shall be processed in the same month. Total Points/Net Sales Volume of the returned products will be deducted from the returning Direct Retailer's/Seller's account.
- Total returns cannot exceed the quantity appearing on the Invoice.
- If products are returned by customers directly to Amway, Points/Net Sales Volume adjustment shall be done from the Direct Retailer's/Seller's account & any excess amount paid shall be recoverable from Direct Retailer/Seller.