



## International Sponsoring Policies

1<sup>st</sup> July, 2018  
Amway



### **International Sponsoring Policies**

This Policy is applicable in all European markets (Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Republic of Ireland, Italy, Latvia, Lithuania, The Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom) in which Amway affiliates operate the Amway Sales- and Marketing Plan as of 1st July 2018.

Amway reserves the right to modify this Policy at any time.

Amway Business Owners (ABOs) may develop their Amway businesses through: (I) the international sponsorship of other ABOs; or (II) the establishment and international sponsorship of their own international multiple or second businesses ("Multiple Business").

International sponsorship of other ABOs and of Multiple Businesses, as well as international solicitation, are governed by applicable laws and regulations and the Amway Rules of Conduct, Policies, and Commercial Principles as set forth from time to time (Amway Rules of Conduct and Policies), including the specific Policies set forth below.

#### **I. International Sponsorship of Prospective ABOs**

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

- A. An International Sponsor has initial and ongoing obligations to their Internationally Sponsored ABO(s).
  1. The International Sponsor shall:
    - a. Personally know and personally introduce the business to the Internationally Sponsored ABO, such that the Internationally Sponsored ABO identifies the International Sponsor when registering with Amway;
    - b. Arrange, either directly or through Amway, for a Foster Sponsor to locally sponsor the Internationally Sponsored ABO;
    - c. Communicate with the Internationally Sponsored ABO on a regular basis, encouraging the Internationally Sponsored ABO to build the business in a manner appropriate to the market and consistent with the contractual obligations the local ABO has to the Amway affiliate; and
    - d. Communicate with and provide support to the Foster Sponsor as the Foster Sponsor provides ongoing in-market support to the Internationally Sponsored ABO.
  2. The International Sponsor shall not:
    - a. Interfere with the Foster Sponsor's provision of support and training to the Internationally Sponsored ABO;
    - b. Conduct business in the market beyond the extent allowed by applicable law and the Amway Rules and Policies;
    - c. Present the Amway Sales and Marketing Plan for that market to the prospective ABO (that is the role of the Foster Sponsor and/or the local Amway affiliate).
  3. The International Sponsor should fulfill all responsibilities as an International Sponsor from outside the market where the Internationally Sponsored ABO is operating his business. The International Sponsor may only travel to the international market to the extent allowed by applicable law.

- B. The Foster Sponsor shall present and explain the Amway Sales and Marketing Plan to the Internationally Sponsored ABO and have ongoing responsibility for the training, education, and motivation of the Internationally Sponsored ABO as provided for in the Amway Rules and Policies, especially section 5 of the Amway Rules of Conduct.
- C. The Internationally Sponsored ABO shall, at the time of signing the application, place the International Sponsor's and Foster Sponsor's names and ABO numbers on the application.
  - 1. When a prospective ABO is introduced to the Amway business by an in-market sponsor, no international sponsorship exists, and no International Sponsor may be identified on that Amway application form.
  - 2. The Internationally Sponsored ABO shall only identify an International Sponsor if that person personally introduced the Internationally Sponsored ABO to the Amway business.
  - 3. After the Internationally Sponsored ABO's registration has been submitted to and accepted by Amway, any change to the International Sponsor can only be undertaken in consent with Amway.
- D. When establishing an international linkage or linkages, it is important for the International Sponsor to understand that Amway at its sole discretion may refuse to recognise and/or pay compensation under the Amway Sales and Marketing Plan to any structure which Amway determines is a market plan distortion.

## **II. International Sponsorship of a Multiple Business**

When an ABO initiates a second business in a market different from the market of his original business, the second business must be internationally sponsored by the original business. Subsequent business (third, fourth etc.) must be also internationally linked to either the original business or his other business. In some markets in which Amway is present, the law allows a foreigner to own and operate an Amway business, which is considered the Multiple Business of any foreigner already registered as an ABO in another Amway market. The ABO must then internationally sponsor this Multiple Business and link it as such.

- A. In order to establish a Multiple Business in another market, an ABO must currently be at least a Qualified Platinum in an Amway market. Exceptions from the Qualified Platinum requirement are:
  - 1. An ABO residing outside of their home market if the ABO can provide proof of residency and is eligible to own and operate an Amway business in the target international market. Proof of residency can be provided e. g. by a copy of the passport, copy of a working visa, work permit, etc. for details, pls. contact your home market affiliate;
  - 2. An ABO that does have an immediate family member in the target country, which needs to be affirmed in writing to the Amway affiliate in the home market, by providing information on who the family member is and the family member's name. Immediate family members according to this policy are a defined group of relations as used in rules and laws, that is parents, siblings, children, spouse, grandparents, grandchildren, by blood, adoption or marriage.  
In case of an adoption, only the adopting parents / grandparents are counted.

Effective June 1, 2016, the Multiple Business Certificate test is no longer required, however, the Multiple Business Training is strongly recommended.

In addition, certain markets may impose more stringent requirement. For example, Amway China Sales Representatives must be at the Senior Sales Manager (Diamond) level or above before they are eligible to open a Multiple Business in another Amway market and they are still required to pass

the Multiple Business Certification test, for more information, pls. contact the respective affiliate.

Section A does not apply to ABOs operating their Amway business in Europe and who would like to establish a Multiple Business in a European market.

- B. When establishing a Multiple Business in a foreign country, the ABO must designate one of his or her existing businesses as the International Sponsor on the application.
- C. When establishing a Multiple Business, foreign ABOs must adhere to both local laws and regulations. In addition, Multiple Business owners must fulfill their responsibilities as sponsors in the international market; they must build balanced Multiple Businesses, including personally providing training and support to their downline ABOs or, alternatively, making arrangements for the provision of the same according to the Amway Rules of Conduct and Policies.
- D. Globally, effective September 1, 2017, once an ABO establishes a Multiple Business in an Amway market, the ABO may only Internationally Sponsor new ABOs downline of that Multiple Business. Any international sponsorship established prior to September 1, 2017, will be grandfathered in and not impacted. For Europe this rule applies as of July 1, 2018.  
For this item D of the policy, the European CLOS<sup>1</sup> is considered one market. European SLOS<sup>2</sup> regions are also considered one market each.
  - ABOs, who already have a multiple business in a CLOS or SLOS market may only Internationally Sponsor new ABOs downline of that multiple business.
  - ABOs, who have more than one multiple business within the CLOS market or any of the SLOS regions, may choose under which of these businesses they want to sponsor a new ABO. In that case they may also choose to internationally sponsor that new ABO from any of their multiple businesses outside the CLOS or the respective SLOS region.
- E. While building a Multiple Business, ABOs remain responsible for meeting their obligations under Amway Rules of Conduct and Policies in all markets in which they do business.

### III. International Solicitation Policy

When registering with Amway, ABOs make their own decisions to identify a sponsor and/or International Sponsor and are not required to join the same line of sponsorship in all markets. However, solicitation of existing ABOs (as well as prospective ABOs) is governed by Amway Rules and Policies, and improper solicitation is subject to corrective action by Amway.

- A. As ABOs attempt to internationally sponsor other personally known ABOs or to build their own Multiple Businesses, they may only approach personally sponsored ABOs. Soliciting any other existing ABOs is a violation of Amway Rules and Policies.
- B. More restrictive Amway Rules and Policies may apply. For example, in some markets ABOs building Multiple Businesses may not solicit *any* ABO, including personally sponsored ABOs. It is the responsibility of each ABO to consult with Amway regarding local rules and policies.

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<sup>1</sup> CLOS in Europe: Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia, Turkey & Ukraine

<sup>2</sup> SLOS in Europe: Belgium & Netherlands; UK&Republic of Ireland; Denmark, Finland, Norway & Sweden; Germany & France; Spain & Portugal

#### IV. Non Compliance

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

In addition to the corrective action that may be imposed based on section 12 of the Amway Rules of Conduct, Amway is entitled to take action as follows:

In case a Multiple Business has been set up, not meeting the requirements laid down in Policy II above, this Multiple Business can be terminated retrospectively by Amway.