



CODE OF ETHICS & RULES OF CONDUCT

July 2022



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Code of Ethics	2
Section 1: Introduction	3
Section 2: Definitions	3
Section 3: Becoming an Amway Direct Selling Partner (Distributor)	6
Section 4: Responsibilities of All Amway Direct Selling Partners	10
Section 5: Responsibilities of a Sponsor	18
Section 6: Preservation of the Line of Sponsorship	20
Section 7: Business Support Materials (BSM)	25
Section 8: Presentation of the Amway Sales and Marketing Plan	27
Section 9: Use of the Amway Trade Name, Trademarks and Copyrighted Materials	29
Section 10: Death and Inheritance	31
Section 11: Enforcement of the Amway Rules of Conduct	32
Section 12: Termination and De-sponsorship	34
Section 13: Suspension of a Distributorship	36
Section 14: Termination, De-sponsorship or Suspension by Amway without Formal Complaint	37
Section 15: Disposition of Terminated or De-sponsored	37
Section 16: International Review Panel	38
Website Rules & Guidelines	40
Zero Tolerance Policy	43
Business Support Material Policy	47
Terms & Conditions of Sale of Products Amway Refund Policy	48

Code of Ethics of Amway Direct Selling Partners (ADS Partners)

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 Selling Partner (ADS Partner), 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 ADS Partners 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 ADS Partner has far reaching effects.
6. I will accept and carry out the responsibilities of an ADS Partner (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 ADS Partner.

The Rules are designed to preserve the benefits available to all the ADS Partners under Amway Sales and Marketing Plan.

Amway and its ADS Partners have a binding contractual relationship. The terms and conditions of this relationship are set forth in the ADS Partner 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 ADS Partners by publication on its website www.amway.in and other places wherever its 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 “**Amway Direct Selling Partner (ADS Partner)/ Distributor**” shall mean a person or entity that is appointed by Amway on a principal- to-principal basis through the Amway Direct Selling Partner Contract along with co-applicant, if any, to undertake sale, distribution and marketing of Amway products and services to their register Preferred Customers pursuant to Section 3 and Customers. Amway Direct Selling Partner shall need to achieve a defined sales and assessment criterion within a specified period as prescribed from time to time.
- 2.1.5 “**Amway Business Starter Guide**” means the literature providing information on the Amway Business, Code of Ethics for Amway Direct Selling Partners and the Rules of Conduct governing the ADS Partners.
- 2.1.6 “**Amway Products**” means alproducts and services, including literature, training and other support or auxiliary materials, made available by ADS Partners.
- 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 ADS Partner Contract. A brief description of the Amway Sales and Marketing Plan is included in the Amway Business Starter Guide.

2.1.8 **“Amway Direct Selling Partner Contract”** shall mean the agreement setting forth the rights and duties of an Amway Direct Selling Partner, which, in accordance with Section 3 below, is entered into through acceptance by Amway India of Amway Direct Selling Partner 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 ADS Partner Application Form;
 - b. The Terms and Conditions forming part of the ADS Partner Application;
 - c. The Amway Sales and Marketing Plan;
 - d. The Code of Ethics of ADS Partners;
 - e. The Rules of Conduct for ADS Partners;
 - f. The Amway Refund Policy;
 - g. The Quality Assurance Standards;
 - h. The Digital Communications Standards; and
- II. Government issued documents as follows:
 - a. The Consumer Protection (Direct Selling) Rules, 2021 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 an Amway Direct Selling Partner 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 Amway Direct Selling Partners 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 an ADS Partner and all his/her/its personally sponsored ADS Partners, all those ADS Partners sponsored by his/her/its personally sponsored ADS Partners and so on down to and including those who have not sponsored anyone but excluding any Platinum and above in the sales team under him or any ADS Partners in the Business Group of such Platinum and above.

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, and other types of materials and services that:

- A. Act as sales aids, and
 - i. are designed to 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 Amway Direct Selling Partners; 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 an ADS Partner, 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 an ADS Partner who agrees to assist, train and motivate an Internationally Sponsored ADS Partner as he would to a member of his own Business Group (e.g. ‘A’ an ADS Partner of Amway Corporation in USA sponsors ‘B’ an Indian resident in India as an ADS Partner of Amway. ‘C’ another ADS Partner in India agrees to be the ‘Foster Sponsor’ for ‘B’ in India).
- 2.1.16 **“Internationally Sponsored ADS Partner”** refers to any ADS Partner introduced to Amway by another ADS Partner who resides outside of India (International ADS Partner), 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 ADS Partner Contract, be completed by an ADS Partner 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 ADS Partners 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 **“Mis-selling”** means selling a product or service by misrepresenting in order to successfully complete a sale and includes providing consumers with misleading information about a product or service or omitting key information about a product or providing information that makes the product appear to be something it is not.
- 2.1.22 **“Platinum”** means an ADS Partner 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 an ADS Partner according to the applicable terms and conditions.
- 2.1.24 **“Prospect”** means a potential Amway Direct Selling Partner.
- 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 ADS Partners which can be changed or modified by Amway from time to time, as provided in these Rules.

2.1.28 “**Servicing ADS Partner**” means the ADS Partner providing pre-sale and post-sale support to a Preferred Customer.

2.1.29 “**Sponsor**” means an ADS Partner who, is identified by an applicant for seeking Amway Distributorship at the time of application, and who may in turn be assigned by Amway to support the requesting applicant if the applicant is accepted by Amway as an ADS Partner.

2.1.30 “**Upline**” ADS Partner, for the purposes of a LOS, shall mean the ADS Partner above an ADS Partner, the ADS Partner 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 AN AMWAY DIRECT SELLING PARTNER (ADS PARTNER)

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 ADS Partner 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 an ADS Partner 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 an ADS Partner. An ADS Partner 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 in the last five years prior to joining the Amway Business as defined in clause (3) of section 79 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

3.4

Acceptance or Rejection of ADS Partner Application:

Amway reserves the right to accept or reject any application to be a Amway Direct Selling Partner or reclassification 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. An application shall be considered accepted when Amway enters the personal details of an Amway Direct Selling Partner on its records and communicates its acceptance to the Amway Direct Selling Partner in any manner whatsoever whether by issue of an Identification Card or by issuing the Amway Business Starter Guide.

3.5.2 Effective Date and Authorization for Ordering:

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

3.6

Prohibited Sponsoring Practices:

No Prospect, a new ADS Partner 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 an ADS Partner or as a condition to provide assistance to a Prospect or ADS Partner, in the development of their Amway Distributorships as the case may be.
- 3.6.6 Promote the Business opportunity to prospects / downlines in any manner so as to create the impression of a Pyramid Scheme or Money Circulation scheme as defined in clause (c) of section 2 of the Prize Chits and Money Circulation Schemes (Banning) Act, 1978 (43 of 1978).

3.7

Membership Period:

Amway Direct Selling Partner shall continue to remain an Amway Direct Selling Partner for Amway unless the Amway Direct Selling Partner Contract is terminated by the Amway Direct Selling Partner or by Amway in terms of Clause 8 of the Terms and Conditions of ADS Partner Application Form or non-completion of business assessment criteria as prescribed by Amway from time to time.

3.8 Reserved

3.9 Reserved

3.10 Reserved

3.11

Resignation:

An ADS Partner can cancel his Amway Business at any time in terms of Clause 8 of the Terms and Conditions of the ADS Partner Contract by sending a written notice to Amway.

3.12

Application by Former Amway Direct Selling Partner:

A former ADS Partner can request to be appointed as a new ADS Partner 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:

An ADS Partner 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 ADS Partner and would not ordinarily appoint a sole proprietary concern/ partnership firm/limited liability company as a ADS Partner 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 ADS Partner 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 an ADS Partner or as a Platinum, especially those outlined in the Code of Ethics and Rules of Conduct of ADS Partner 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 ADS Partner at the time (or, in the case of a deceased ADS Partner, 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 ADS Partner, or deceased ADS Partner, whose Distributorship is to be transferred. However, the trustee of a trust must be an individual who is eligible to become an authorised ADS Partner. 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 Selling Partner 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 an ADS Partner 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 ADS Partner, 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 an ADS Partner, the other spouse, upon electing to become an ADS Partner, 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 ADS Partners, 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 ADS Partners 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 Selling Partner 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 AMWAY DIRECT SELLING PARTNERS

ADS Partners must meet sales criteria set by Amway from time to time in order to retain their status as ADS Partners as the case may be.

4.1

Abide by the ADS Partner Contract:

At all times, ADS Partners must strictly adhere to the Rules of Conduct and to other documents that comprise the ADS Partner Contract.

Amway may from time to time amend the Rules of Conduct and any other document comprising the ADS Partner Contract through notice on its website, www.amway.in or any other official means of communication such as Leaderships, group mailers, etc. If the ADS Partner does not agree to be bound by any amendment(s), he/she/they may terminate the ADS Partner Contract with immediate effect by giving a written notice to Amway. Otherwise, the ADS Partner's continued relationship with Amway constitutes an affirmative acknowledgment by the ADS Partner 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 ADS Partner 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 ADS Partner must, within 30 (thirty) days of becoming an ADS Partner, 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. An ADS Partner who does not fulfill these criteria will be reclassified as a Preferred Customer. Last date for an ADS Partner to complete their 30 days sales criteria is the last day of the month in which their joining date +30-day ends. In this case the ADS Partner sponsoring rights will be blocked and/or Contract will terminate automatically (as the case may be) without the requirement for any notice by Amway and any Preferred Customers and ADS Partners under such ADS Partner will be attached to the next available upline.
- 4.2.1(b) Upon achieving the 30-day sales criteria, an ADS Partner must successfully complete the Business Development Assessment and Certification Program to continue with sponsoring rights and also meet the 12 months sales criteria, as may be prescribed by Amway from time to time, to continue being an ADS Partner. Failure to meet the 12 months sales criteria will result in sponsoring rights being blocked and/or termination of the Amway Direct Selling Partner Contract and reclassification of such ADS Partners as a Preferred Customer and any ADS Partners and Preferred Customers under such ADS Partner will be attached to the next available upline.

4.2.1(c) Every ADS Partner shall achieve the sales criteria for a consecutive 12-month period as maybe specified from time to time by Amway. If an ADS Partner fails to meet the specified sales criteria at the end of the 12-month period, his/her/its sponsorship rights will be suspendedbut 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 an ADS Partner fails to meet the sales criteria in two consecutive 12-month periods, then he/she/it shall retain their Preferred Customers, but their sales team will be attached to the next available upline. However, if an ADS Partner fails to meet the sales criteria in three consecutive 12-month period, then he/she/it shall be reclassified as a Preferred customer and provisions of Clause 4.2.1(b) shall be applicable.

4.2.2 Any ADS Partner 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 an ADS Partner and follow such other applicable conditions under section 6 of these Rules.

Eligibility for a Sales Commission is based on an ADS Partner's demonstrated retail sales volume and contributions to retail sales by other ADS Partners in his/her/its downline sales team (for any given ADS Partner the applicable downline sales team shall mean and include every ADS Partner sponsored by him/her/it and thosesponsored by such sponsored ADS Partners and so forth and so on whose sales turnover shall be eligible for inclusion while calculating the Sales team turnover for a given ADS Partner for a given period). In order to earn a Sales Commission on applicable downline sales team volume during a given month, an ADS Partner must have at least three (3) Preferred Customers, each of whom places one or more orders for Amway Products in that month. If an A D S P a r t n e r 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 ADS Partner who meets this requirement. Upon request by Amway, an ADS Partner 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 ADS Partners to display/sell its products/literature through retail stores and third-party e-commerce websites.

No ADS Partner 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, shipsor military stores; nor shall he or she permit any Amway product to appear in such locations even ifthe Amway product or services themselves are not for sale. No Amway literature shall be displayed in retail establishments. An ADS Partner who works in or owns a retail store must operate his or her Amway business separate and apart from the retail store. Such ADS Partners must secure customers and deliver products to them in the same manner as ADS Partners 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, ADS Partners 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 andbeauty 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 An ADS Partner is the majority owner and operator of the establishment or the ADS Partner 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 ADS Partners provided in Clause 7 of the Terms and Conditions of A D S P a r t n e r Application, no ADS Partner shall make any offer to sell any Amway product which is not accurate and truthful as to price, grade, quality, performance, and availability. Further, ADS Partners 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.

ADS Partners shall not repackage, or otherwise change or alter any of the packaging labels of Amway Products.

4.6

Written Sales Receipt:

An ADS Partner 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 ADS Partner,
- d. Include Amway's Customer Product,

- e. Refund Policy, and
- f. Include Amway's Complaint Redressal mechanism.

4.7

Customer Product Refunds:

ADS Partners shall advise Amway of any customer complaint and provide copies of all correspondence and details of all conversations regarding the complaint.

- 4.7.1 ADS Partners 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 ADS Partner 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 ADS Partners hereby indemnifies 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 A D S P a r t n e r to observe this rule.

4.8

Compliance with Applicable Laws, Regulations and Codes:

ADS Partners 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 ADS Partner 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:

ADS Partners shall not engage in any deceptive or unlawful trade practice as defined by any Central, State or local law or regulation. No ADS Partner 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 an ADS Partner 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 an ADS Partner contract under this clause any accrued benefits, privileges and earnings will be withheld by Amway.

4.11

Professionalism:

An Amway Direct Selling Partner 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.). ADS Partner 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 Selling Partner 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 Selling Partner.
2. He/She shall provide the following information to the customer at the time of sale
 - a. His/ Her name, address and telephone number along with that of Amway.
 - b. He/ She shall at all times carry identity card provided by Amway along with any photo ID 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 ADS Partner shall immediately do so and shall leave the premises of the customer.

The ADS Partner at all times makes a truthful presentation of Amway products.

The ADS Partner 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:

ADS Partners shall not give a false representation as to the nature of the relationship between Amway and its ADS Partners or make any representation except in accordance with the explanation given in the Amway Business Starter Guide or other Amway literature. An ADS Partner 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 Selling Partners 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 ADS Partners 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 ADS Partners. Amway shall not permit and does not accept any relationship between, or representations by, ADS Partners which may impose liability on Amway under the employment laws of the Market).

ADS Partners shall not use the ADS Partner identification card to create the impression that there is a subordinate relationship with Amway. The identification card issued to an ADS Partner by Amway is to be used exclusively when the ADS Partner 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 ADS Partner shall represent to anyone that there are exclusive franchises or territories available under the Amway Sales and Marketing Plan.

No ADS Partner 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 ADS Partner or Sponsor may state or imply that he or she has a given territory, nor that any other ADS Partner is operating outside his territory.

Amway Direct Selling Partners have no territorial limits. They can operate anywhere within India.

4.14

Non-Amway Selling Activities:

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

No ADS Partner 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 ADS Partner or will induce another ADS Partner to participate in any other non-Amway selling activity and/or to sell such products, literature, sales aids, or services to any ADS Partner. Induce means to persuade (or attempt to persuade) another ADS Partner (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 ADS Partners in compliance with Section 7 of these Rules of Conduct.

4.14.2 ADS Partners 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 specially to promote Amway Products or Amway, or any other ADS Partner's efforts or resources, or of their knowledge of, or association with, other ADS Partners to promote and expand their non-Amway businesses. To do so constitutes an unwarranted and unreasonable interference in the business of other ADS Partners. This does not mean, however, that an ADS Partner 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 ADS Partners and have sought them out, but it does mean that such ADS Partner may not actively solicit the patronage of other ADS Partners.

4.14.3 Amway reserves the right to terminate the remaining ADS Partner's authorization as an ADS Partner in the event that one partner of husband-wife partnership elects to resign his or her authorization as a ADS Partner and subsequently takes advantage of his or her knowledge of, or association with, other ADS Partners to promote and expand his or her non-Amway business.

4.15

Enticement to Change Lines of Sponsorship:

No ADS Partner shall, directly or indirectly, induce/entice other ADS Partners to change their Line of Sponsorship. E.g. Inducing an ADS Partner to start a new business in their parent's 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 an ADS Partner solicit, interfere or attempt to induce another ADS Partner to leave his Line of Sponsorship or change his Line of Sponsorship.

4.16

Exporting Amway Products:

Amway Direct Selling Partners must sell Amway products and/or sponsor prospective ADS Partner, as applicable, within Market only.

No ADS Partner 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 ADS Partner to retail customers located within Market. The term “products” includes, without limitation, all BSM and any other items obtained by an ADS Partner 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. ADS Partners may, however, take Amway products across borders for personal use, with the following limitations:

- a. The ADS Partner is visiting another country and personally places the product order in that country.
- b. The ADS Partner 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 ADS Partner 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 ADS Partner’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 ADS Partner’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 ADS Partner 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 Selling Partner must operate his or her Distributorship in a financially responsible, solvent, and businesslike manner. ADS Partner shall not permit a non - ADS Partner to build / promote his or her Amway business.

In signing an ADS Partner Application an ADS Partner undertakes to Amway that there is no legal bar or limitation on his or her ability to meet the legal obligations of an ADS Partner, whether such obligations are to Amway itself, to customers, or to other ADS Partners. If there is an obstacle or limitation, the ADS Partner 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 ADS Partner must immediately inform Amway. In such cases, Amway reserves the right to terminate the Distributorship, or alter its terms of trading with the ADS Partner, 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 ADS Partner.

4.18

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

No ADS Partner 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 ADS Partner in good standing and meet all ADS Partner requirements as set forth in these Rules. An ADS Partner 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 ADS Partner or on the reputation of Amway. In the event a Sponsor ceases to be a qualified ADS Partner, the rights to any ADS Partners whom he or she may have sponsored shall pass up to the next qualified ADS Partner in his or her Line of Sponsorship.

4.20

Activity Outside India or Activity Outside the Market Where the Amway Direct Selling Partner is Registered:

ADS Partners 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 ADS Partners in that Jurisdiction. Failure to do so shall be a breach of the ADS Partner Contract.

4.21

“Spamming”- Prohibits ADS Partners from sending messages to persons whom they do not know.

Unsolicited e-mail messages:

No ADS Partner shall send, transmit or otherwise communicate any unsolicited e-mail messages to persons with whom the ADS Partner 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 ADS Partner does not have a relationship).

4.21.1 Employment Postings: If an ADS Partner 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 ADS Partners are required to abide by Amway's Privacy Policy with regard to ADS Partner, client and member information, and its Confidentiality Policy with regard to ADS Partner and business information.

Further, all ADS Partners 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 ADS Partner to check compliance with ADS Partner obligations under the ADS Partner Contract from time to time with or without notice at Amway's discretion.

4.23.2 All ADS Partners who earn sales commission from applicable downline sales team shall maintain a logbook in the manner prescribed by Amway, if any. In the event an ADS Partner 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 discretionary 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 ADS Partner 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 ADS Partners he/she has Sponsored to sell Amway product;
3. Encourage his personally sponsored ADS Partners to attend free Amway trainings;
4. Advise his/her sponsored ADS Partner (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, an ADS Partner, in addition to the requirements given in Clause 4.2.1 (c) must,

5.1

Amway Business Starter Guide:

Encourage all ADS Partners 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 ADS Partners to attend trainings organized by Amway and/or may personally train the ADS Partners whom he or she sponsors or arrange for support from other ADS Partners, including his or her upline Platinum and Amway. In all cases the Sponsor remains responsible and accountable under the ADS Partner Contract for ensuring that compliant training and motivation are made available to his or her sponsored ADS Partners.

5.4

Independent Relationship:

Not represent that there is an employment or agency relationship between himself and the ADS Partners which he sponsors.

5.5

Attend Amway Trainings:

Use his best efforts to encourage his personally sponsored ADS Partners to attend Amway trainings.

5.6

Follow the Rules:

Use his best efforts to encourage each of his personally sponsored ADS Partners 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 ADS Partners to ensure that they conform to Amway-approved procedures and Rules.

5.8

Prohibited Registration Practices:

Neither a prospective ADS Partner, as a condition to becoming a new ADS Partner, nor any currently authorised ADS Partner, 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 program 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 ADS Partners based on geography or otherwise. Any such restriction will be communicated to the ADS Partners affected.

5.10

Upline Involvement

Each ADS Partner 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 ADS Partner 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 an Amway Direct Selling Partner at Platinum Level or above

ADS Partners who qualify at the Emerald or Diamond level have the following additional responsibilities related to the ADS Partners 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 ADS Partners. Amway keeps LOS Information proprietary and confidential and treats it as a trade secret. The ADS Partner 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 ADS Partner to any person whatsoever. The ADS Partner further agrees that a breach by an ADS Partner 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 ADS Partner 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 ADS Partner Contract or an amendment thereof, and, as such, require prior authorization by Amway. Transfers of ADS Partners 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 ADS Partner (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 ADS Partners 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 An ADS Partner 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 ADS Partners 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 ADS Partners whom the transferring ADS Partner 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, ADS Partner 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. An ADS Partner 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 ADS Partner 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 ADS Partner contract or these Rules, an ADS partner 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 ADS Partner must submit complete a new ADS Partner Application. The applicant is under an obligation to provide the details of the previous distributorship at the time of filling the ADS Partner 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 an ADS Partner 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 ADS Partner has in fact been inactive for six months, then no further action will be taken by Amway under this clause. The right of an ADS Partner to contest the sponsorship of a former ADS Partner 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 ADS Partner's meetings.

Inactivity for purposes of this Rule shall mean that during the period of inactivity, ADS Partner shall have been completely inactive, which means he/she/it shall not have purchased any Amway product as an ADS Partner 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 ADS Partner or any Amway company-sponsored meetings. During the inactive period, the former ADS Partner 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 an ADS Partner, both must fulfil the six-month inactivity requirements before one or both can be registered as an ADS Partner.

- 6.4.3 An ADS Partner 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, an ADS Partner cannot poach persons from his/her/itsold group except for ADS Partners who were inactive for at least 2 years. An ADS Partner 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 ADS Partner 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, an ADS Partner 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 ADS Partner's continuing business activity in one market will not affect his requirement to reapply after six months of inactivity as an ADS Partner in any other country in which Amway does business.
- 6.4.6 A formerly foster-sponsored ADS Partner 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 ADS Partner must specify whether or not he wishes to be internationally, and foster sponsored again, and
- 6.4.6.2 A former ADS Partner 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 ADS Partner 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:

An ADS Partner 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:

An ADS Partner 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 An ADS Partner’s business can only be sold to another ADS Partner’s business can be sold to an ADS Partner. 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 an ADS Partner wishes to sell his or her Amway business, he or she must offer it to another ADS Partner, 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 ADS Partner.

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 ADS Partners personally sponsored by the owner.

6.6.2.5 In the case where none of the ADS Partners personally sponsored by the ADS Partner 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 ADS Partner in question to the next qualified Diamond also reject the purchase offer, or fail to respond to the offer, the ADS Partner 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 ADS Partner 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 ADS Partner, 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:

An ADS Partner can own or have an ownership interest in only one Distributorship except as provided below:

6.8.1 Where two ADS Partners 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 an ADS Partner (transferor), in order to facilitate the transfer of a Distributorship in the event of his or her death, requests the name of another existing ADS Partner 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 an ADS Partner 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 an ADS Partner terminates/cancels his Distributorship or dies without leaving heirs/nominees who are ready, willing, and able to become ADS Partners 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 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 ADS Partners.

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 option of BSM is strictly voluntary. In no circumstance shall the acquisition of BSM or participation in any training or support offered by Training Providers be made a condition of the ADS Partner 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 ADS Partners who have officially attained the following recognition levels or as amended from time to time (the "Qualification Criteria") shall be designated as ADS Partner Training Providers, and thus, to the extent expressly authorized, be allowed to create BSM (as applicable):
- 7.1.2.1. A Current Qualified Emerald ADS Partner and above is allowed to create BSM.
 - 7.1.2.2. A Current Qualified Platinum ADS Partner and above is allowed to promote BSM within his or her Business Group.
- 7.1.3 ADS Partner may neither give to, nor receive compensation, remuneration or other financial incentives from, other ADS Partners for the promotion, distribution of BSM.
- 7.1.4 Amway shall reserve the IP rights for the BSM, the rights to distribute/stream online content. 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. ADS Partners promoting, distributing, offering 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 ADS Partner 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 ADS Partners/Training Providers. 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 ADS Partner 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 to Amway India for review, approval and publication; (b) be expressly authorized by Amway India; and (c) bear the Content Review Number (CRN) 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. ADS Partners 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 an ADS Partner, 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 ADS Partner organizing or providing access to the same to ensure that the content presented, as well as the duration, frequency, 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 ADS Partner 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 Training Provider providing the training and support at the ADS Partner's request; and (c) refund rights, including the applicable return period.
- 7.2.4 PSM
- i. No Training Provider/ ADS Partner 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 ADS Partners.
 - 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 ADS Partners 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

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 Selling Partner shall neither utilize the following invitations nor directly or indirectly induce other ADS Partners 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, ADS Partners 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 Amway Direct Selling Partners:

At the first contact with prospective customers and ADS Partner, an ADS Partner 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 ADS Partner 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.
- 8.2.4 Make an offer to the prospect providing accurate and complete information, demonstration of goods and services, prices, credit terms, terms of payment, return, exchange, refund policy, return policy, terms of guarantee and after-sale service.

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 ADS Partner 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 ADS Partner 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.
- 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 ADS Partner, 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 “ADS Partner” at ADS Partner 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 ADS Partner.
- 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, ADS Partners 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 ADS Partner Guidelines, the Digital Communications Standards, and otherwise complies with the Rules of Conduct.

8.4

No Exclusive Territories:

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

8.5

No Obligation to Purchase:

No ADS Partner 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 housetrademark 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 ADS Partners, 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, ADS Partners would soon find the market flooded with “Amway” products not produced by Amway or sold by ADS Partners. Obviously, ADS Partners 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, There- fore, 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 ADS Partner 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 ADS Partner on the cheques.

9.5.1 The only authorized use of the Amway name on imprinted cheques used by ADS Partners is either of the following:

Ramesh Kumar
Amway Products ADS Partner Or
Ramesh Kumar
ADS Partner of Amway Products

9.5.2 Such cheques may not use the Amway logotype or the trademark Amway. No ADS Partner may use such imprints as "Amway Company," "Amway Sales Company," or "Amway Products Company," nor any name implying an agency or representative relationship. An ADS Partner who actually carries on business as a company may imprint his cheques only as follows:

Kumar Company
Amway Products ADS Partner Or
Kumar Company
ADS Partner of Amway Products

9.6

Promotional Literature, Stationery, Premiums, etc.:

No ADS Partner 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 ADS Partner 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 ADS Partner shall, without Amway's prior approval, produce any item bearing the Amway name/logo type 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 ADS Partners or other persons except by prior written permission from Amway.

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 ADS Partners 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, ADS Partners 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 Selling Partner 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.

9.7.1 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 ADS Partners as well as Amway itself.

9.8

Penalties for Violators of Section 9:

Any ADS Partners who violate 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 ADS Partners:

- 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 ADS Partner’s estate shall, with letters of administration or other proper authority, and as soon as possible following the death of the ADS Partner (s), do the following:
 - a. Sell the Amway Distributorship in accordance with Section 6 of these rules;
 - b. If he is or becomes a ADS Partner, take charge of the deceased ADS Partner’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 an ADS Partner 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 ADS Partner 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 ADS Partner shall obtain (by will or sale or operation of law) the interest of the deceased ADS Partner or,
 - b. The administrator of the deceased ADS Partner's estate can assign or transfer the latter's part to another ADS Partner who shall operate the business with the surviving ADS Partner or,
 - c. The Amway Distributorship can be sold in accordance with Section 6 of these Rules or,
 - d. The administrator of the deceased ADS Partner's estate and the surviving ADS Partner 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 ADS Partner before he takes charge of the business.

10.3.

Amway distributorship can be passed on to a deceased ADS Partner's spouse, heirs or other beneficiary.

- 10.3.1 In cases where the Amway distributorship is owned jointly, such as a husband and wife and one spouse or partner dies, unless they have previously arranged otherwise, Amway will recognize the surviving spouse as the owner(s) of the Amway distributorship. The survivor(s) must forward a certified copy of the death certificate in order for Amway to change its records.

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) ADS Partner and his Business Group;
- b. Suspension period for the offending Distributorship;
- c. De-sponsoring the offending ADS Partner of his Business Group;
- d. Termination of the offending Distributorship.

In instances of violation of the Amway Rules of Conduct any ADS Partner 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 an ADS Partner 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 ADS Partner(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 ADS Partners involved to explain the rationale behind the rule and to obtain adequate assurance from the ADS Partners 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 ADS Partner, as well as the sponsor and the Platinum in the Line of Sponsorship of the violating ADS Partner. 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 ADS Partner 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 ADS Partner, 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 an ADS Partner, 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 declared bankrupt.
- Is not mentally sound to handle the business.

12.1

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

- 12.1.1 If, in Amway's opinion, the ADS Partner provided false information in his ADS Partner Application.
- 12.1.2 If the ADS Partner 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 ADS Partner 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 ADS Partner;

- 12.1.4 If the ADS Partner 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 ADS Partner (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 ADS Partner (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 ADS Partner becomes the subject of bankruptcy or winding-up proceedings;
- 12.1.8 In the event that an ADS Partner 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 an ADS Partner is incapable of managing his affairs by reason of mental condition.
- 12.1.10 If the ADS Partner commits a breach of terms and conditions of availing of any value-added service including any payment thereof and/or fails to make payment of any products /services provided by Amway.

12.2

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

12.3

Termination of an ADS Partner means termination of

- All rights as an Amway Direct Selling Partner.
- All income being generated after the date of termination.

Termination of the ADS Partner's authorisation to operate as an Amway Direct Selling Partner 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 ADS Partner.

12.4

De-sponsorship means removal of an ADS Partner 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 an ADS Partner from his/her/its position as a Sponsor in the Line of Sponsorship (including, at the absolute discretion of Amway, the removal of the ADS Partner'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 ADS Partner and becoming effective on the date stated in such notice.

12.5

The Process of Termination or De-sponsorship:

The ADS Partner, 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 ADS Partner in Amway's records;
- 12.5.2 If applicable, state the Rule(s) violated by the ADS Partner ;
- 12.5.3 State the date on which any such action shall become effective, and
- 12.5.4 If applicable, advise the ADS Partner 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 Selling Partner for any cause or without cause as mentioned in Clause 8 of the Terms & Conditions whatsoever, the ADS Partner 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 ADS Partner.

12.7

In the event that Amway terminates a ADS Partner's business or that an ADS Partner is de-sponsored of his Business Group by Amway pursuant to these Rules of Conduct, the ADS Partner, 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 misrepresentations of the Amway Sales and Marketing Plan within a Line of Sponsorship, or as an alternative to terminating the business of an A D S P a r t n e r 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 ADS Partners 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 an A D S P a r t n e r within the same Line of Sponsorship to properly carry out his/her responsibilities and obligations as an ADS Partner, Amway may by notice in writing appoint an Interim Manager to run the business of the violating A D S P a r t n e r . 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 an ADS Partner's business even in the absence of a formal complaint. Amway shall not, however, take action against the ADS Partner until Amway has first offered the violating ADS Partner 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 ADS Partner to continue to operate his business, Amway may terminate without affording the ADS Partner the opportunity to rectify his past improper conduct.

14.3

The A D S P a r t n e r 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 A D S P a r t n e r 's business, or if an ADS Partner cancels his ADS Partner 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 ADS Partner, as applicable, recognizing 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 ADS Partners, 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 the termination, suspension, and/or de-sponsorship of Amway Direct Selling Partner qualified at Platinum level or higher. Any other decision may be reviewed by the IRP as per the process mentioned herein.

16.1

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

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

An appeal must be submitted in writing and must be accompanied by all documents supporting this request (all documents must be provided in English). The appeal request should contain a 1-2-page narrative describing the basis for the appeal, issues to be considered for the appeal, any relevant facts, and the relief being sought. The appeal should also contain any information and documents (translated into English) which support the appeal. Only the Amway Direct Selling Partner qualified at the Platinum level or higher whose Amway business was sanctioned can appeal and must do so within 30 days of the date of Amway's decision letter. In the case of an Amway Direct Selling Partner not qualified at the Platinum level or higher, his or her upline qualified Platinum may submit an appeal request within 30 days of the date of the affiliate's decision letter. The appeal must be submitted to the Review Panel Chair either via email at appeal.administrator@amway.com or via postalservice to: Amway Corporation, Attn: Review Panel Chair Center Rules/ IRP, Mail Code: 78-2G, 7575 Fulton Street East, Ada Michigan 49355 USA.

16.2

MEMBERSHIP OF THE INTERNATIONAL REVIEW PANEL:

The International Review Panel consists of the Review Panel Chair and additional corporate staff from the Amway Legal Division in Ada, all of whom are Legal or Rules professionals

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 Amway Direct Selling Partner 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 Review Panel Chair will review the appeal request and determine if it meets the requirements for review by the IRP. If the requirements are met and/or if the IRP chooses to exercise its discretion to review an appeal request, the Review Panel Chair will provide notification to all parties (affiliate and the Amway Direct Selling Partner) that the appeal request will be reviewed by the IRP. If the requirements are not met or the IRP declines to review the appeal in its discretion, the Review Panel Chair will advise the Amway Direct Selling Partner accordingly and if possible, permit the Amway Direct Selling Partner to rectify and resubmit the appeal request within the stated deadline
- 16.4.2 The parties may produce additional evidence independently or as requested by the International Review Panel. The International Review Panel will determine the relevancy and materiality of the information offered.

16.5

FINAL DETERMINATION BY THE INTERNATIONAL REVIEW PANEL:

- 16.5.1 The International Review Panel may affirm or reverse the decision of Amway or may remand the case back to the affiliate for further action.
- 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 ADS Partner, 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 ADS Partner 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 Amway Direct Selling Partner 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 Amway Direct Selling Partner 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 Amway Direct Selling Partner 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 ADS Partner 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.

ADS Partner 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 ADS Partners 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. ADS Partners 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 Selling Partners. 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 ADS Partners may be promoted, under these guidelines.

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.

AMWAY DIRECT SELLING PARTNER WEBSITE GUIDELINES

Requirements Specific to Personal Home Page (PHP)

1. Passcode Protection is NOT required for PHPs.
2. Appropriate Content Includes
 - a. ADS Partners name and state/city/country.
 - b. ADS Partner 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 ADS Partner featured on the Personal Home Page.
 - e. Artistic elements in good taste which will reflect positively on the ADS Partner and the business opportunity.
 - f. An audio greeting.
 - g. The Business Opportunity must be identified as applicable in (ADS Partner'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 ADS Partner numbers or passcodes that would provide a casual web viewer access. ADS Partners may give out their passcode to prospective ADS Partners 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 ADS Partners in (ADS Partner'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 ADS Partner 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 ADS Partner 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.

Any exception to the above rules should be approved by Amway in writing.

GENERAL GUIDELINES

- ADS Partners shall refrain from incorporating and shall not allow incorporation of any material relating to products of Amway's competitors.
- The ADS Partner Websites shall be hyperlinked 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 ADS Partner shall refrain from using the Websites developed.
- Amway India will not be liable, in any manner whatsoever, for any content made available on the ADS Partner Websites.
- Amway India will have the right to access each relevant record of the ADS Partner Website and the ADS Partner 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 ADS Partners 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 an ADS Partner 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 ADS Partner 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 an ADS Partner 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 ADS Partner, for selling Amway products, violates the fundamental principle of Direct Selling and also distorts the level playing field provided to all ADS Partners to do business. Amway India is committed to protecting the rights and opportunities of every Amway Direct Selling Partner. Hence Rules of Conduct prohibits ADS Partners 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 ADS Partner on receipt of verifiable information.

Additionally, ADS Partners 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 ADS Partners who place orders for other ADS Partners or Preferred Customers are responsible for the orders placed by them. Ordering ADS Partners 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 discretionary 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 an ADS Partner is found violating any element of the Zero Tolerance Policy then along with the concerned ADS Partner, any upline of that ADS Partner 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 AMWAY DIRECT SELLING PARTNER ACTIVITY IN UNOPENED MARKETS

IMPORTANT!! ADS Partners 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.

ADS Partners are encouraged to contact Amway to ensure that they have up to date information on the procedures for international sponsoring. Additionally, ADS Partners 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 ADS Partner activity in markets that have not been officially opened by Amway.

Amway defines “Amway Direct Selling Partner activity” as any activity which is designed to promote or build the Amway business. All ADS Partners are prohibited from visiting a new market country for the purpose of interesting one or more prospective ADS Partners 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 ADS Partner activity.

It is highly inappropriate and a violation of the “spirit” of these Rules to educate a non- ADS Partner about the Amway Opportunity and to then encourage the prospective ADS Partner 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 ADS Partner participation. If Amway has not officially opened a market, no ADS Partner 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 ADS Partner once it receives a verifiable complaint.

1. ADS Partners cannot solicit other ADS Partners 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 ADS Partners and the Rules of Conduct or Commercial Principles applicable in an ADS Partner’s market. Amway encourages ADS Partner 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 ADS Partner 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 ADS Partners in the new market in any format is prohibited, both, in the new market and in the ADS Partner's home market. This includes flyers, bulletin boards, misuse of business cards, publication of meeting schedules, and seeking media coverage. ADS Partner cannot participate in "blind prospecting" by using phone books, professional society membership lists, etc. Under no circumstances may ADS Partners use any form of mass communication such as spam (unsolicited email), television merchandising channels or computer networks to advertise the Amway opportunity.
5. ADS Partners 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. ADS Partners 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 ADS Partner-produced "pre-applications", or any similar documents which appear to commit a prospective ADS Partner to join a particular line of sponsorship, are authorized "Lead Forms", which are used only for an ADS Partner's internal use to collect information about prospective ADS Partners, must NEVER be utilized as "pre-applications" and are not legally binding. The lead form must not be signed by the prospective ADS Partner 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 ADS Partners who are residents of non-Amway markets should not be invited to any ADS Partner-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 Guidelines/ Consumer Protection (Direct Selling) Rules.
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/ADS Partner 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 ADS Partners 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 ADS Partner.

4. Platinums are responsible for ensuring that all ADS Partners in their organizations who are involved in international markets understand these Rules. It is the responsibility of each ADS Partner 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 A D S P a r t n e r s 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.

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, 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 ADS Partners; 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 distribute BSM, Training Provider ADS Partner can only distribute or promote authorized BSM to existing ADS Partners. All ADS Partners 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 ADS Partners in digital format and these are available for download at www.amway.in. Amway does not require an ADS Partner to purchase any BSM from any other ADS Partner 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 Amway free of cost. Right to distribute is reserved by Amway.

In order to ensure compliance to this requirement, Amway reserves the right to investigate the Training Provider ADS Partners to ensure that all BSM commercialized by them given free of charge. Any deviations from this requirement may attract disciplinary action against such Training Provider ADS Partners by Amway.

In case any meeting is permitted to be organized by Amway, then the meeting shall also be free of charge and no fee 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 Provider ADS Partners who organize meetings, to ensure the meetings are organized in accordance with the Rules of Conduct and

the BSM policy.

Any exception to any of these Rules needs to be approved by Amway in writing.

DIAMOND CONSENT RULE

Amway Direct Selling Partners shall not solicit or induce any ADS Partner of another group to plug-in with their group. Cross group solicitation to ADS Partner 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 ADS Partners 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 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 ADS Partner's account & any excess amount paid shall be recoverable from ADS Partner.

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 ADS Partners 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 or purchased through unauthorized channels. It is incumbent upon ADS Partner to follow the Customer Product Refund Policy in letter and spirit.

AMWAY RETURNS POLICY FOR AMWAY DIRECT SELLING PARTNER/PREFERRED CUSTOMER

AMWAY DIRECT SELLING PARTNER/ PREFERRED CUSTOMER MAY RETURN THE PRODUCTS WITHIN 30 DAYSO F PURCHASE AS GIVEN BELOW.

RETURN OF PRODUCTS BY AMWAY DIRECT SELLING PARTNERS/ PREFERRED CUSTOMERS

CONDITION	TIME PERIOD	INVOICE	PAYMENT
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 ADS Partner 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 ADS Partner 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 ADS Partner'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 ADS Partner's account & any excess amount paid shall be recoverable from ADS Partner.