

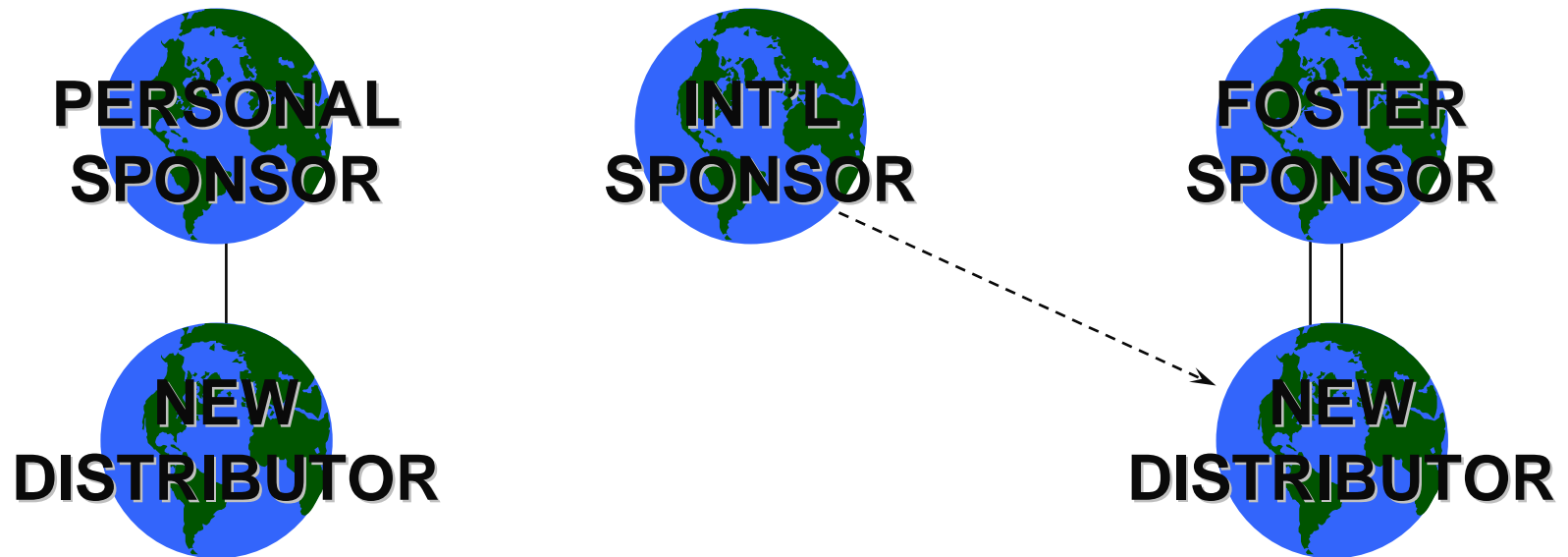


International Sponsoring

2003

Country 1

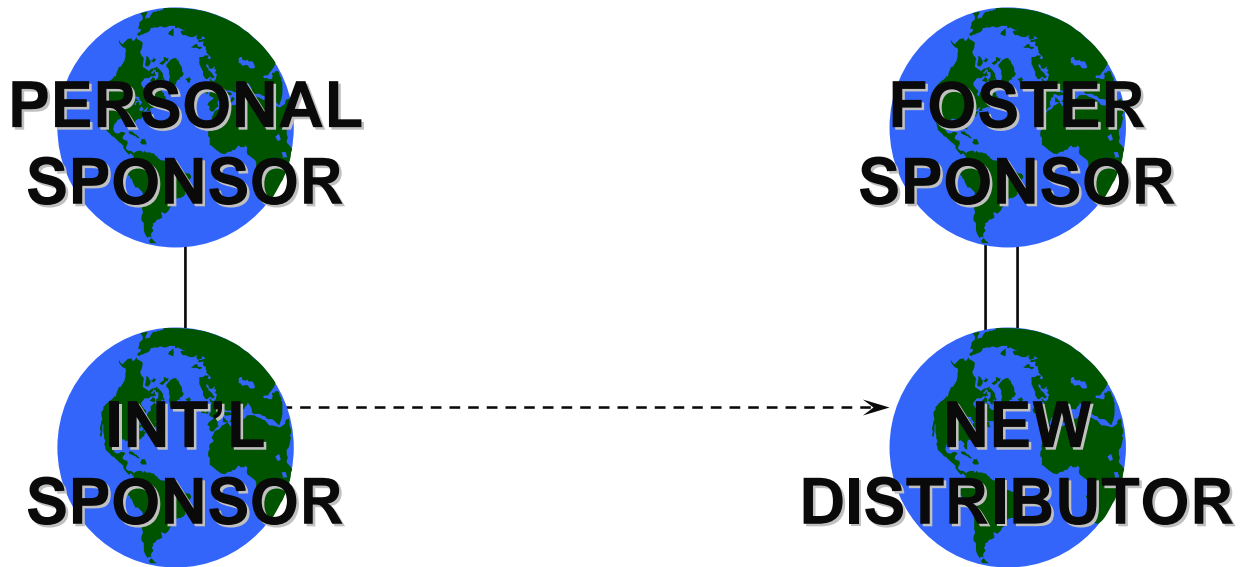
Country 2



The personal or international sponsor relationship is primary.
The foster sponsor relationship is secondary.

Country 1

Country 2



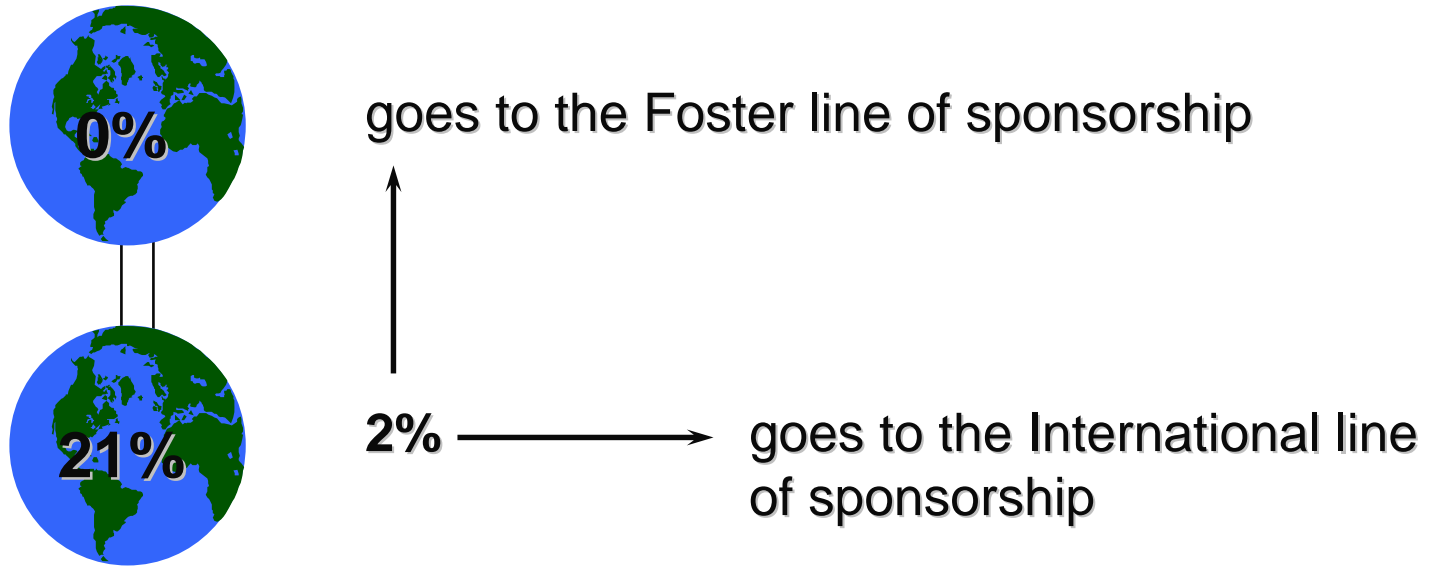
In the examples a single line refers to the personal sponsor relationship, a dotted line refers to the international sponsor relationship, and a double line refers to the foster sponsor relationship.

For simplicity in presenting the examples, PV and BV are assumed to be equal. The following Performance Bonus schedule will be used:

| | |
|-----|-----------|
| 21% | 10,000 PV |
| 18% | 7,000 PV |
| 15% | 4,000 PV |
| 12% | 2,400 PV |
| 9% | 1,200 PV |
| 6% | 600 PV |
| 3% | 200 PV |

The maximum Performance Bonus level that will be used in the examples will be 21% recognizing that in North America this figure is 25%.

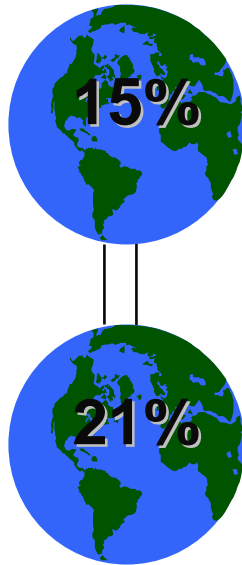
The volume necessary for Silver Producer, Gold Producer and Direct Distributor/Platinum Qualification is 15% (18%-Quixtar) Award Volume, with one qualified maximum Performance Bonus level group.



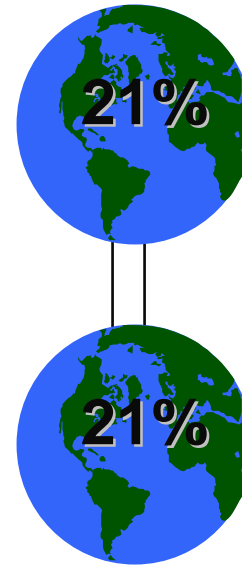
When a foster sponsored distributor reaches 21%, the Foster Sponsor is not automatically at 21% as he would be if he were the Personal Sponsor. The Foster Sponsor's Performance Bonus percentage is calculated only on his Personal Group Volume recognizing that for all new markets opened after September 1996 Performance Bonus will be paid at the 21% level for all distributor above a qualified leg.

The Leadership Bonus is shared between the International Sponsor and the Foster Sponsor.

Germany Before Sept '96



Philippines After Sept '96



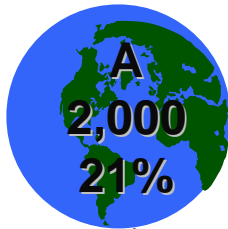
In the German example the Foster Sponsor's Performance Bonus percentage is calculate only on his Personal Group Volume. In the Philippine example the Foster Sponsor and all distributors above the qualified internationally sponsored distributor are at 21%.

Group Volume is the monthly volume used for monthly bonus calculations.

Award Volume is the monthly volume used for determining SP/GP/DD/Platinum and Ruby qualifications.

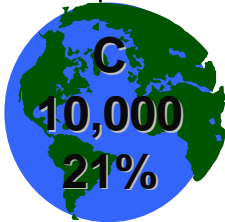
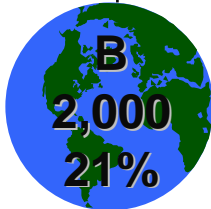
If all volume is personally sponsored not foster sponsored, Group Volume will normally always equal Award Volume. It is only when there is a foster sponsored group or negative volume that there is a possibility for a difference.

Example 1

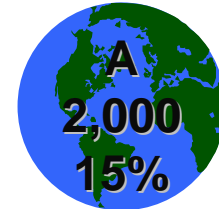


A's Personal Group Volume is 2,000

A's Award Volume is 2,000

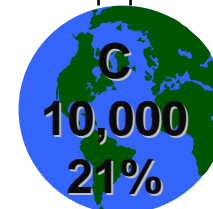
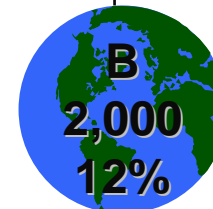


Example 2



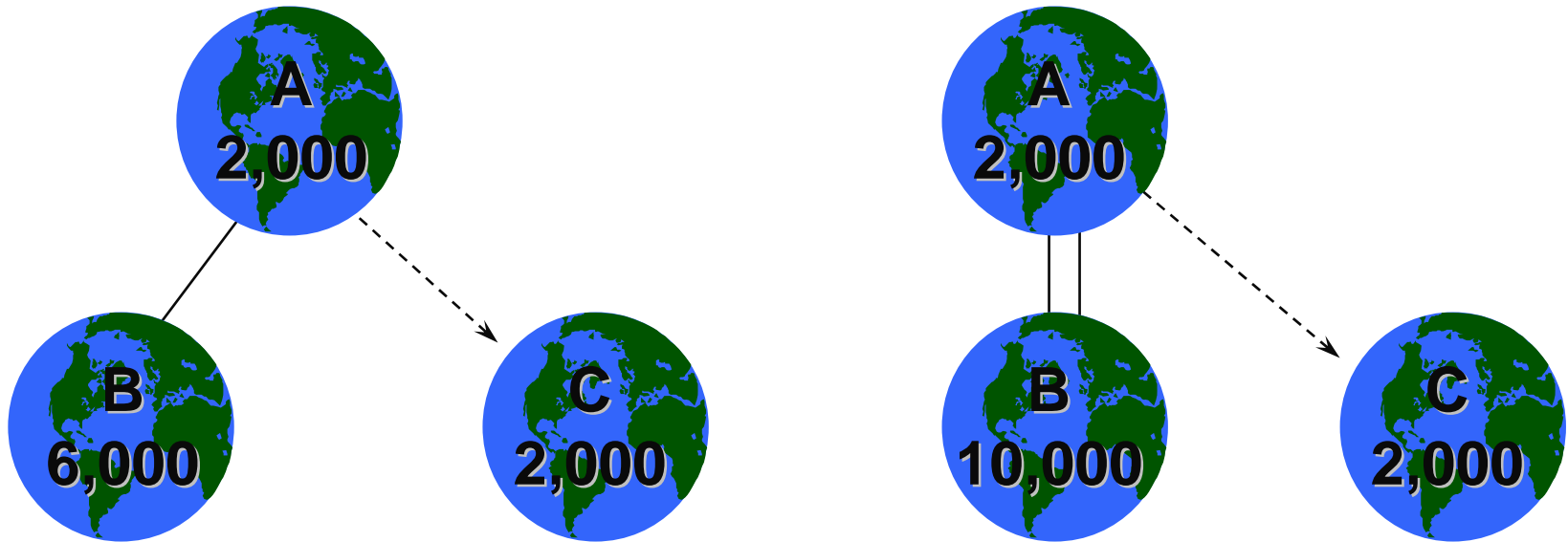
A's Personal Group Volume is 4,000

A's Award Volume is 2,000



A would not earn a SP month in either case since the Award Volume is not 4,000. In Example 2, although A receives 15% Performance Bonus based on 4,000 Personal Group Volume and has one qualified leg, A can not earn a SP month due to insufficient Award Volume.

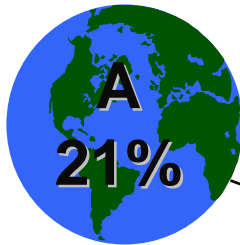
Internationally sponsored legs do not count for eligibility for Silver Producer, Gold Producer, Direct Distributor/Platinum or Ruby qualification.



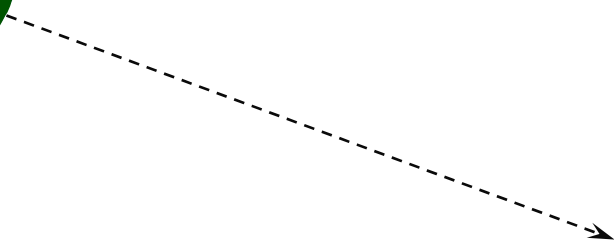
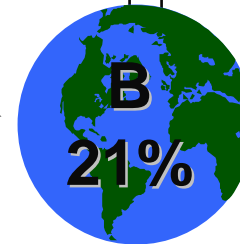
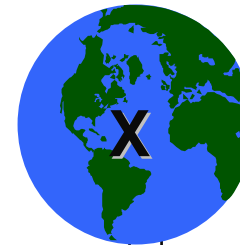
In both examples, Distributor A does not have a qualifying month for Direct Distributor/Platinum qualification. Internationally sponsored legs do not count for eligibility for Silver Producer, Gold Producer, Direct Distributor/Platinum or Ruby qualification.

International Sponsors receive all of the 2% International Leadership Bonus generated if the International Sponsor reaches the maximum Performance Bonus level or Leadership volume percentage during the same month that it was generated.

Country 1



Country 2



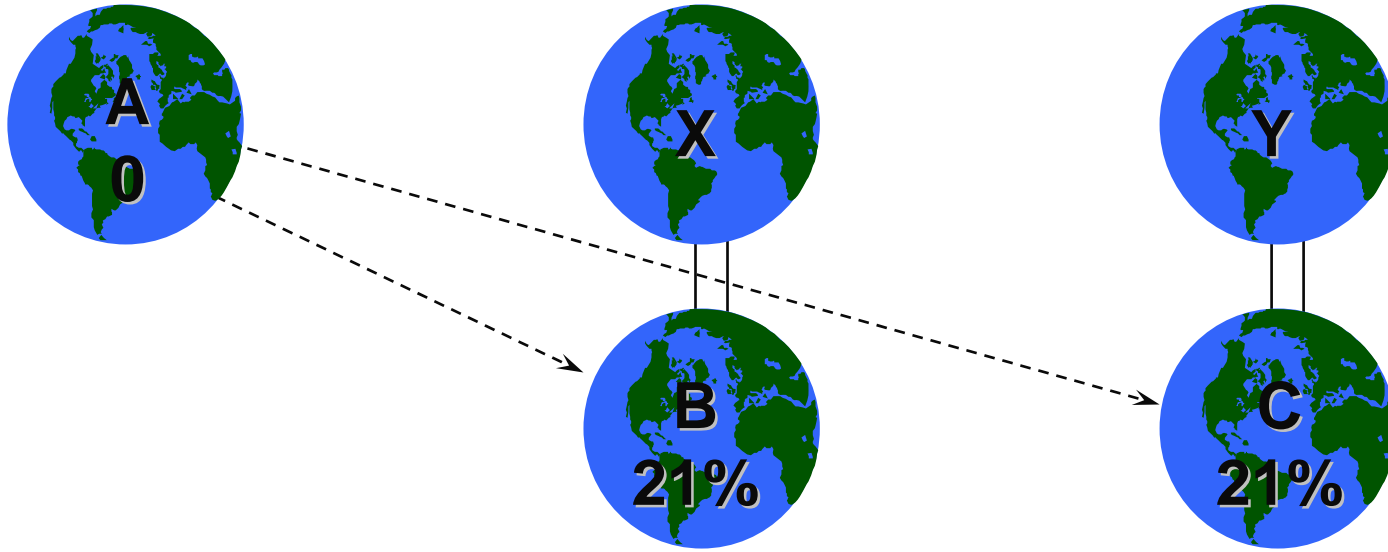
In this example, Distributor A receives all of the 2% International Leadership Bonus generated by B because Distributor A is at the maximum Performance Bonus level or Leadership volume percentage during the same month.

The International Sponsor receives some of the 2% International Leadership Bonus generated if the International Sponsor is not at the maximum Performance Bonus level or Leadership volume percentage, but has at least two 2% International Leadership Bonuses in the same month flowing to him/her. The first upline qualified distributor will receive the average 2% generated, not to exceed the 2% Leadership Bonus Adjustment amount of the International Sponsor's country, and the International Sponsor will receive the rest.

Country 1

Country 2

Country 3

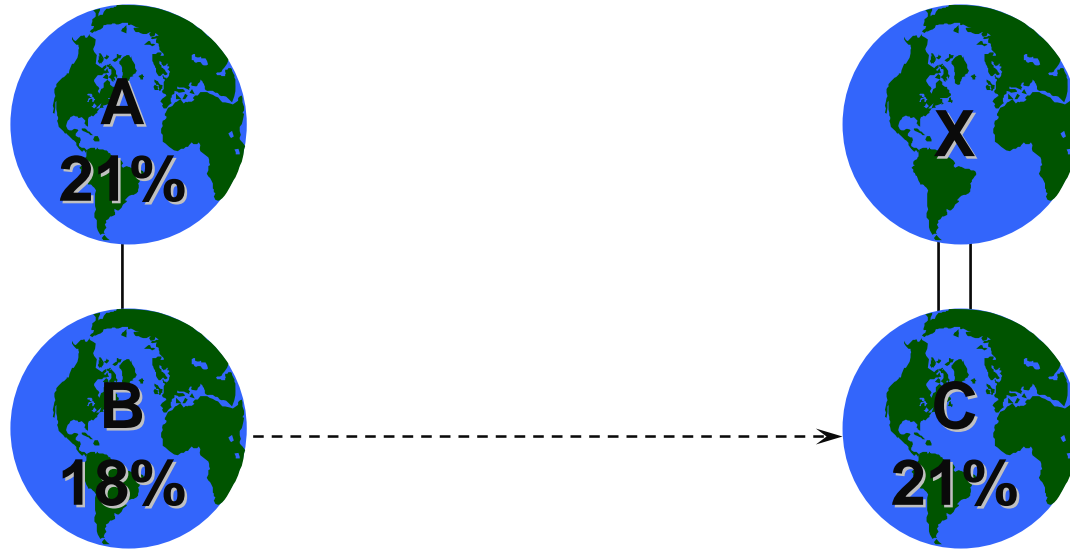


In this example, Distributor A receives some of the 2% International Leadership Bonus. The first upline qualified distributor will receive the average 2% generated not to exceed the 2% Leadership Bonus Adjustment amount of the International Sponsor's country, and the International Sponsor will receive the rest.

International Sponsors receive none of the 2% International Leadership Bonus generated if the International Sponsor is not at the maximum Performance Bonus level or Leadership volume percentage and has only one International Leadership Bonus flowing to him/her. The International Leadership Bonus will continue up the international line of sponsorship to the first qualified distributor.

Country 1

Country 2



In this example, Distributor B receives none of the 2% International Leadership Bonus because he is not at the maximum Performance Bonus level or Leadership volume percentage during the same month the 2% International Bonus is generated. Distributor A receives the 2% International Leadership Bonus.

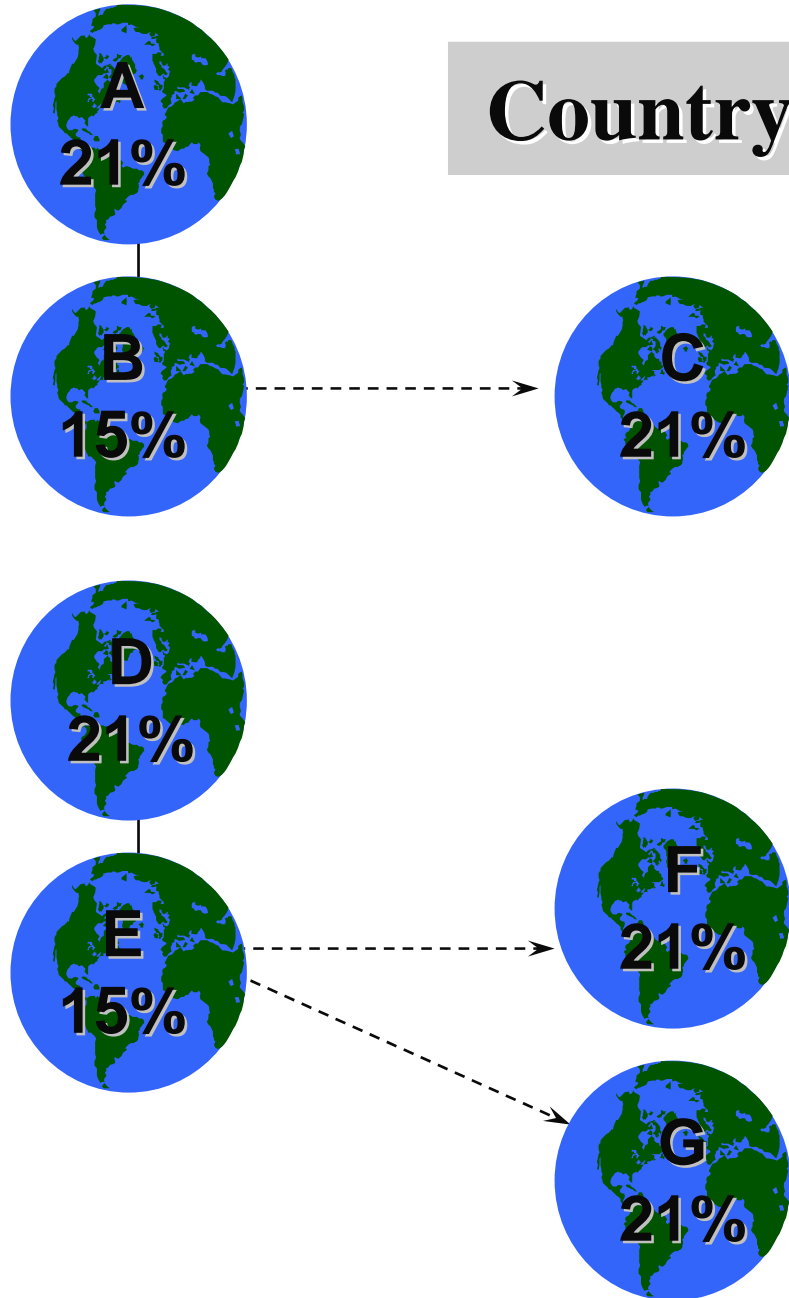
Country 1

Country 2

Identify which distributors receive 2% International Leadership Bonus. How much do they receive?

Answers:

A receives all
E receives some
D receives some



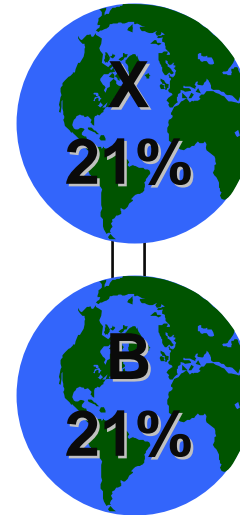
FOSTER LEADERSHIP BONUS

Foster Sponsors receive all of the Foster Leadership Bonus generated if the Foster Sponsor is also at the 21% Performance Bonus level or Leadership volume percentage.

Country 1



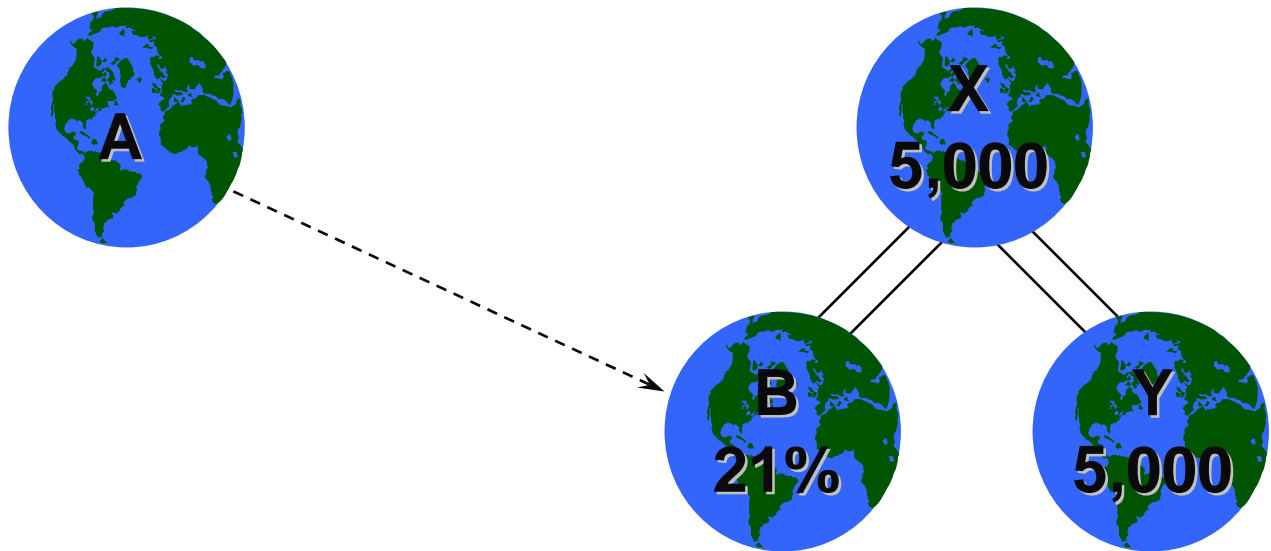
Country 2



In this example, Distributor X receives all of the Foster Leadership Bonus because he is at the maximum Performance Bonus level or Leadership volume percentage in the same month.

Country 1

Country 2

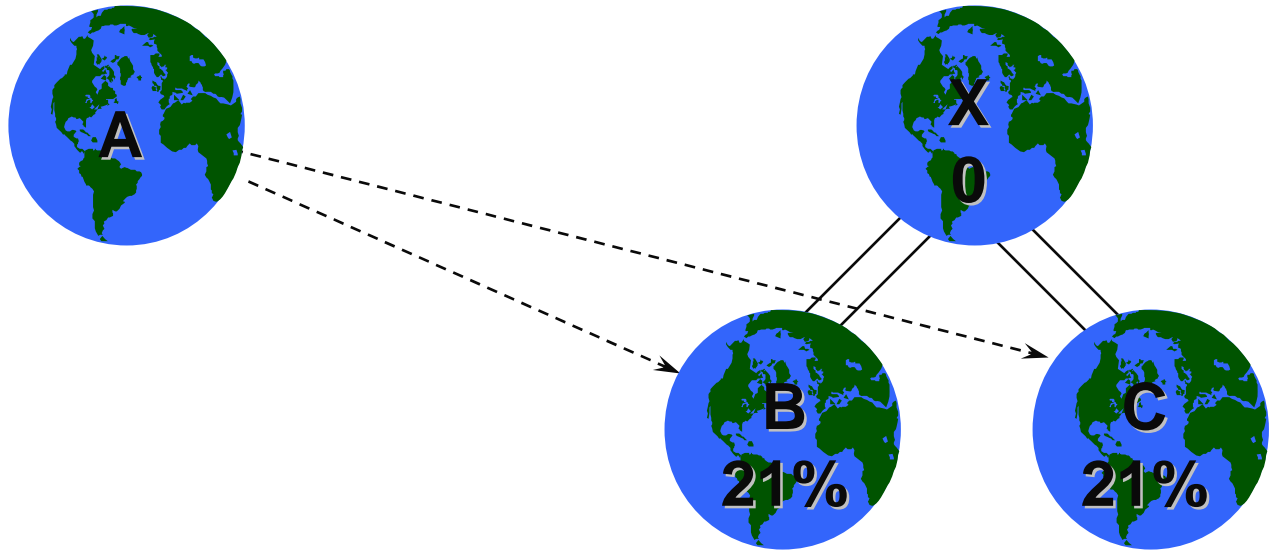


In this example, Distributor X receives all of the Foster Leadership Bonus because X's Group Point Value, with pass-up from Y is equal to 21%, the maximum Performance Bonus level.

The Foster Sponsor receives some of the 2% Foster Leadership Bonus generated if the Foster Sponsor is not at the maximum Performance Bonus level or Leadership volume percentage, but has at least two 2% Foster Leadership Bonuses flowing to him/her. The first upline qualified distributor will receive the average 2% generated, not to exceed the 2% Leadership Bonus Adjustment amount, and the Foster Sponsor will receive the rest.

Country 1

Country 2

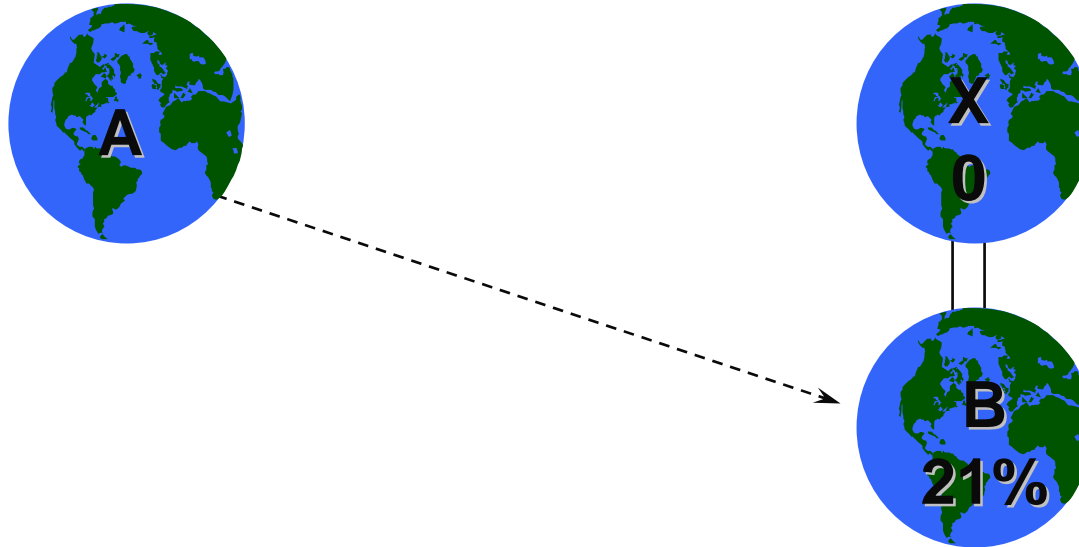


In this example, Distributor X receives some of the Foster Leadership Bonus because he has at least two 2% Foster Leadership Bonuses flowing to him.

Foster Sponsors receive none of the 2% Foster Leadership Bonus generated if the Foster Sponsor is not at the maximum Performance Bonus level or Leadership volume percentage and has only one Foster Leadership Bonus flowing to him/her. The Foster Leadership Bonus will continue up the foster line of sponsorship to the first qualified distributor.

Country 1

Country 2



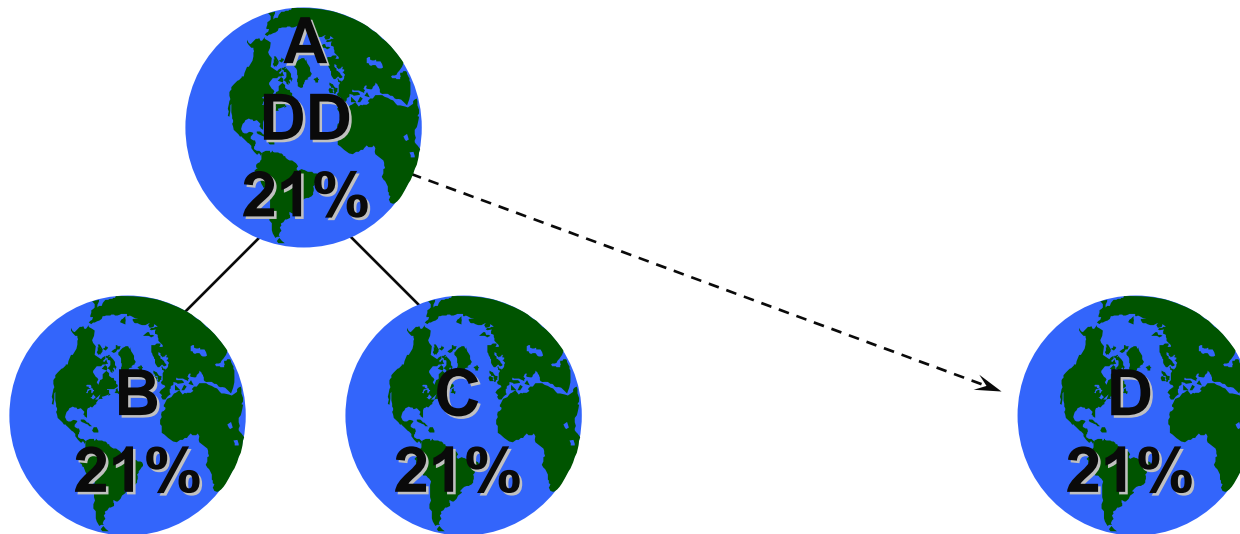
In this example, Distributor X receives none of the 2% Foster Leadership Bonus because he is not at the maximum Performance Bonus level or Leadership volume percentage.

Whenever an International Leadership Bonus is generated, international credit (IQ) for Emerald and above awards will be extended to the International line of sponsorship up to the first maximum Performance Bonus level or Leadership volume percentage distributor. To receive the benefit of the international award credit (IQ), the distributor within the international line must be a qualified Direct Distributor/Platinum.

If you receive the International Leadership Bonus on an internationally sponsored leg, you may count that leg for Emerald and above awards.

Country 1

Country 2

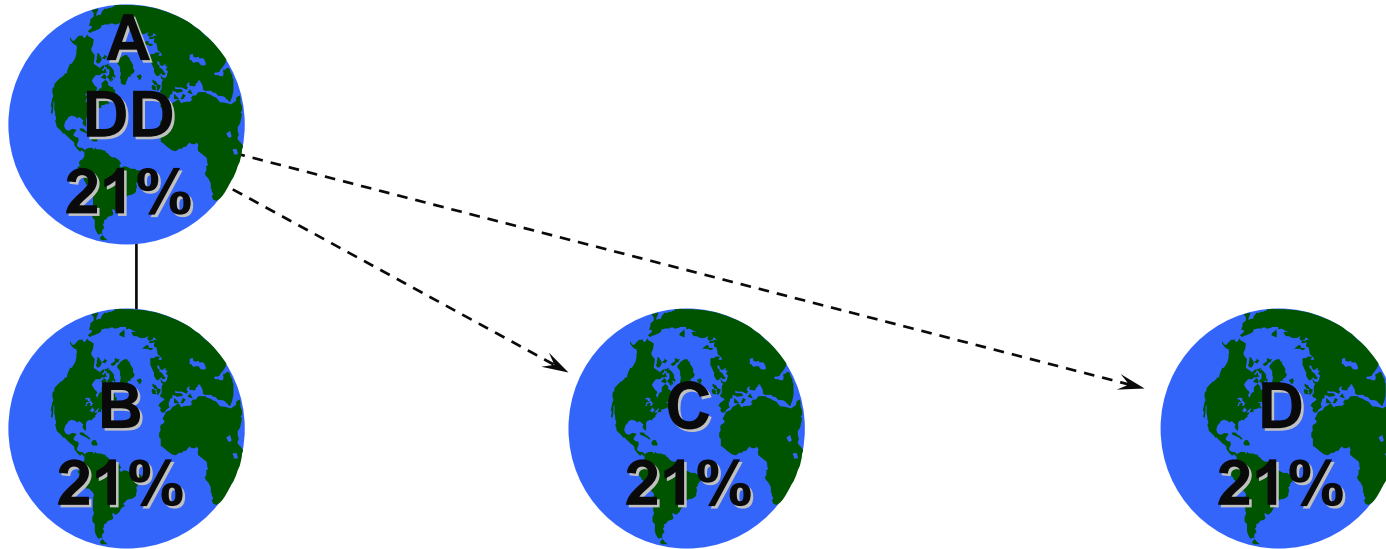


In this example, Distributor A is a Direct Distributor/Platinum and receives the International Leadership Bonus from D, therefore, Distributor A receives the IQ for Emerald and above award credit (pin only).

Country 1

Country 2

Country 3



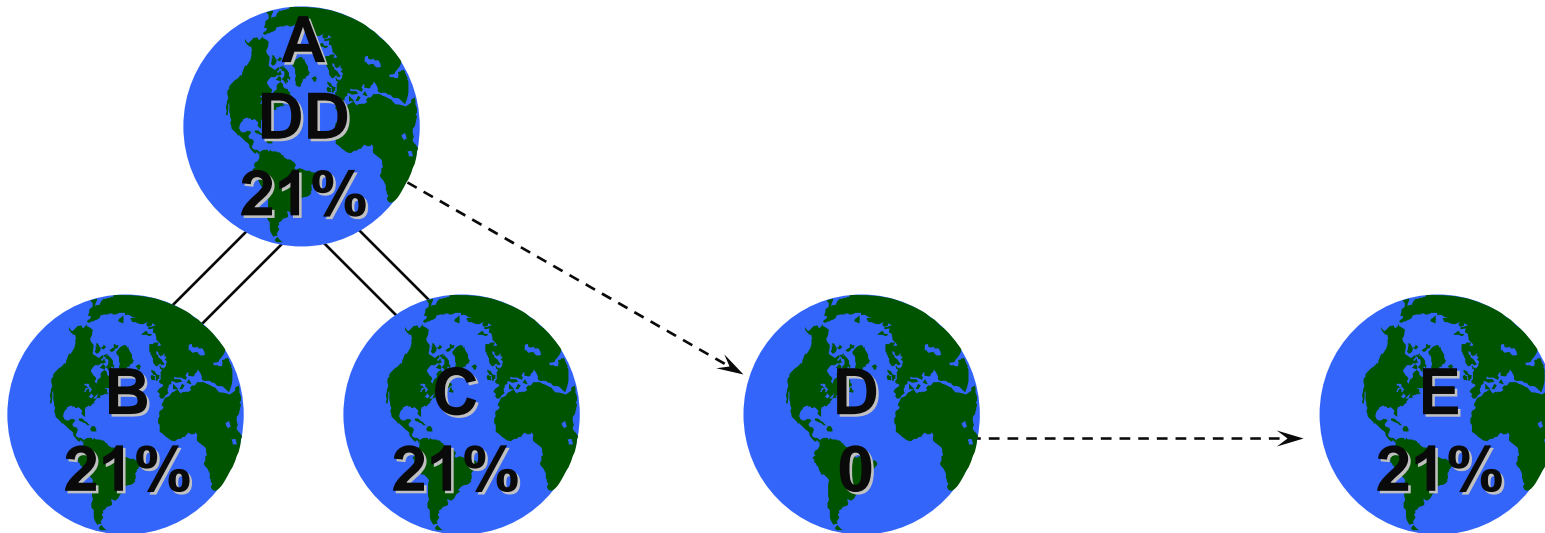
In this example, Distributor A is a Direct Distributor/Platinum and receives the International Leadership Bonus from C and D, therefore, Distributor A receives the IQ for Emerald and above award credit (pin only).

Whenever an International Leadership Bonus is generated, international credit (IQ) for Emerald and above awards will be extended to the International line of sponsorship up to the first maximum Performance Bonus level or Leadership volume percentage distributor. To receive the benefit of the international award credit, the distributor within the international line must be a qualified Direct Distributor/Platinum.

Country 1

Country 2

Country 3

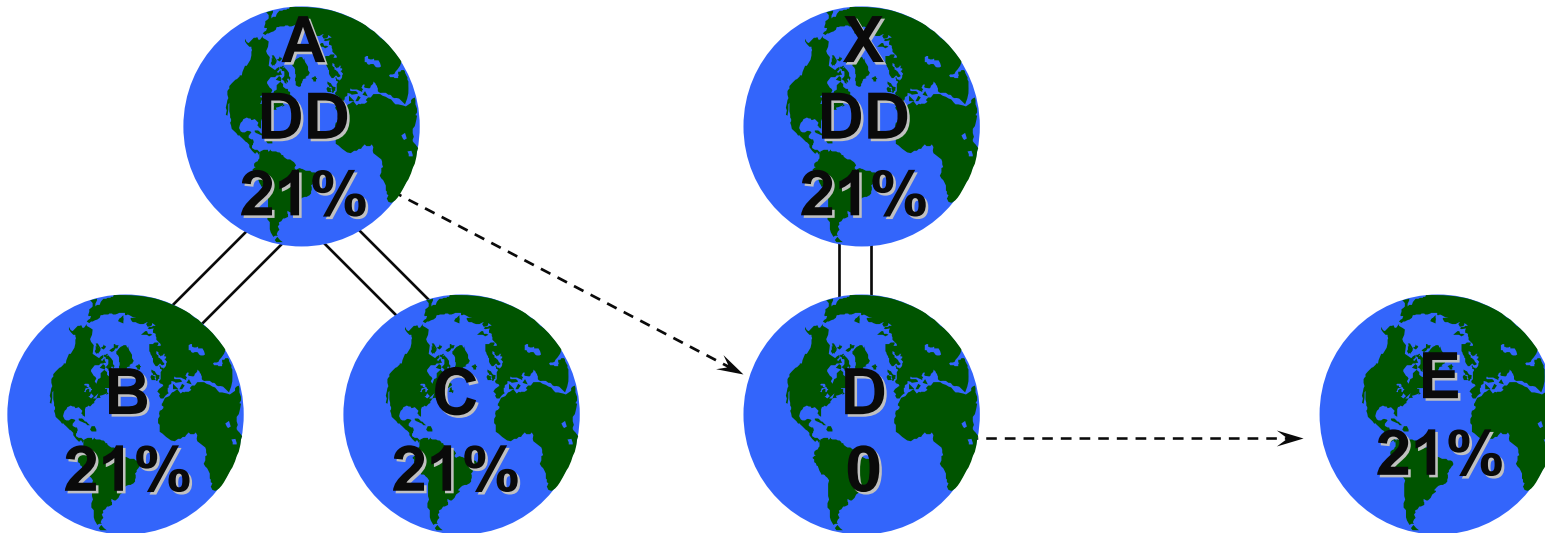


In this example, Distributors A and D receive award credits (IQ). Whenever an International Leadership Bonus is generated, credit for Emerald and above awards will be extended to the International line of sponsorship up to the first maximum Performance Bonus level or Leadership volume percentage distributor.

Country 1

Country 2

Country 3

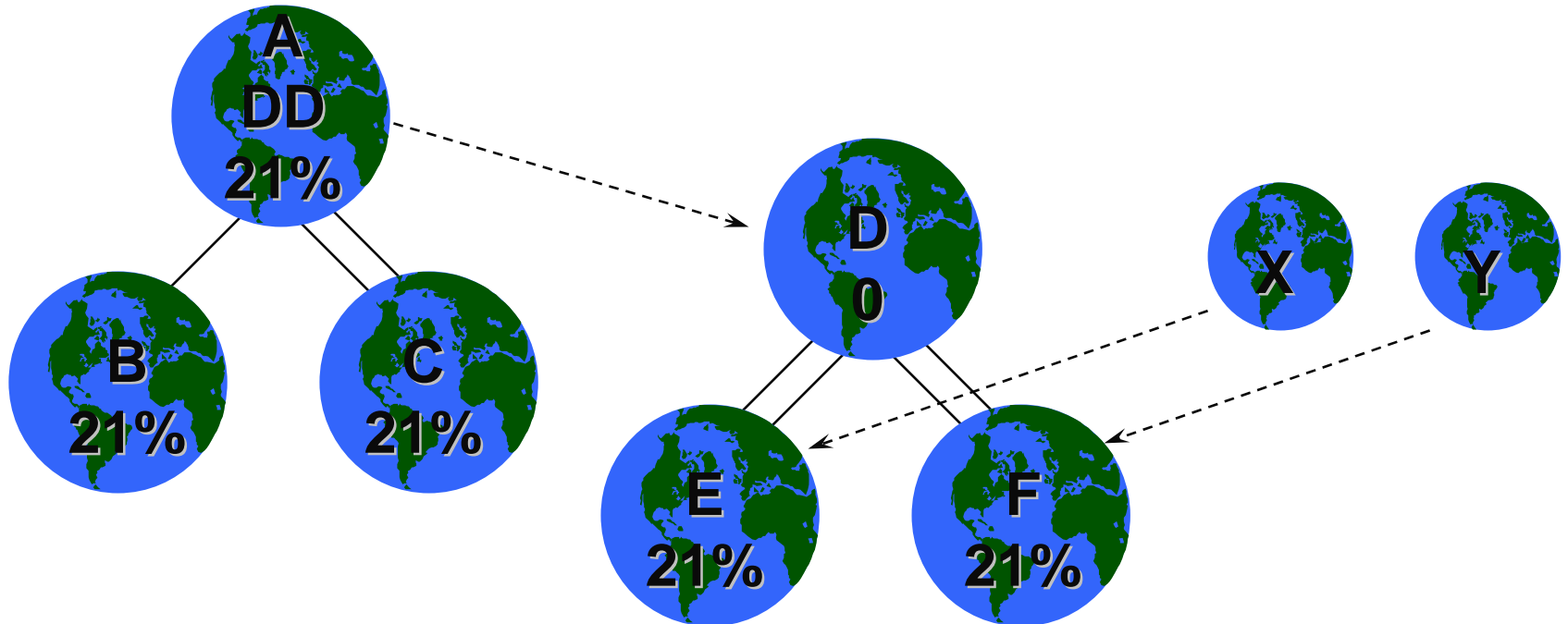


In this example, Distributors A and D receive award credits (IQ). Distributor X does not have a qualified leg for award purposes because whenever an International Leadership Bonus is generated, credit for Emerald and above awards will be extended to the International line of sponsorship, not the Foster line of sponsorship, up to the first maximum Performance Bonus level or Leadership volume percentage distributor.

If the internationally sponsored distributor does not generate an International Leadership Bonus to his International Sponsor, the International Sponsor may still count it as a qualified leg toward Emerald and above awards if the internationally sponsored distributor foster sponsors two or more qualified legs and the International Sponsor is not already receiving award credit for them. To receive the benefit of the international award credit (IA), the distributor within the international line must be a qualified Direct Distributor/Platinum.

Country 1

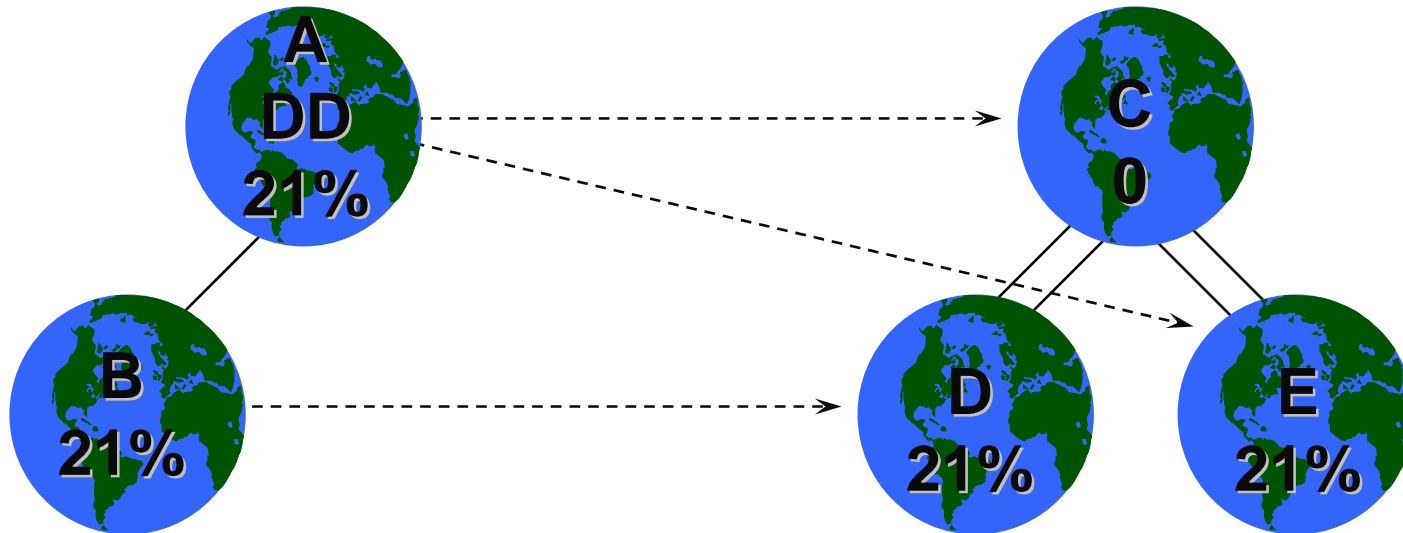
Country 2



In this example, Distributor A receives the IA for Emerald award credit. He internationally sponsors a distributor below the maximum Performance Bonus level or Leadership volume percentage with at least two foster sponsored 21% groups downline not already credited to him, therefore, he may count that international leg (IA) toward his eligibility for Emerald and above awards.

Country 1

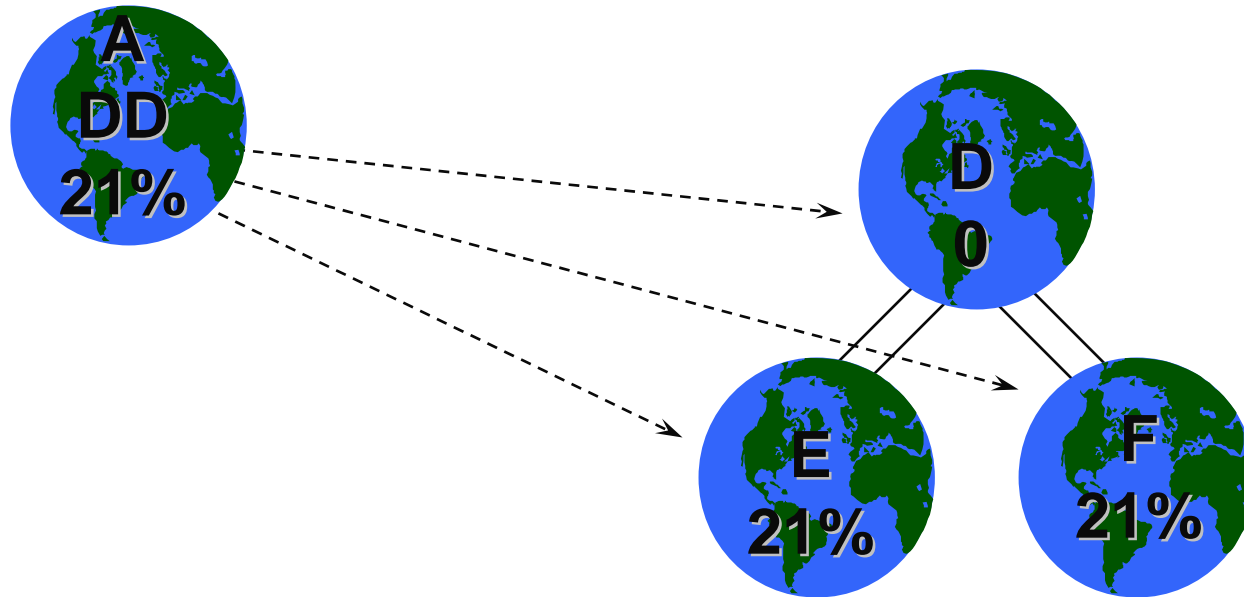
Country 2



In this example, Distributor A does not receive an IA for Emerald award credit. Distributor A receives credit for B and E only. Distributor A internationally sponsors C who fails to generate a Leadership Bonus and has two foster sponsored 21% groups (D and E), but A is credited (received International Leadership Bonus-IQ) for E. Distributor A is not allowed to count E twice.

Country 1

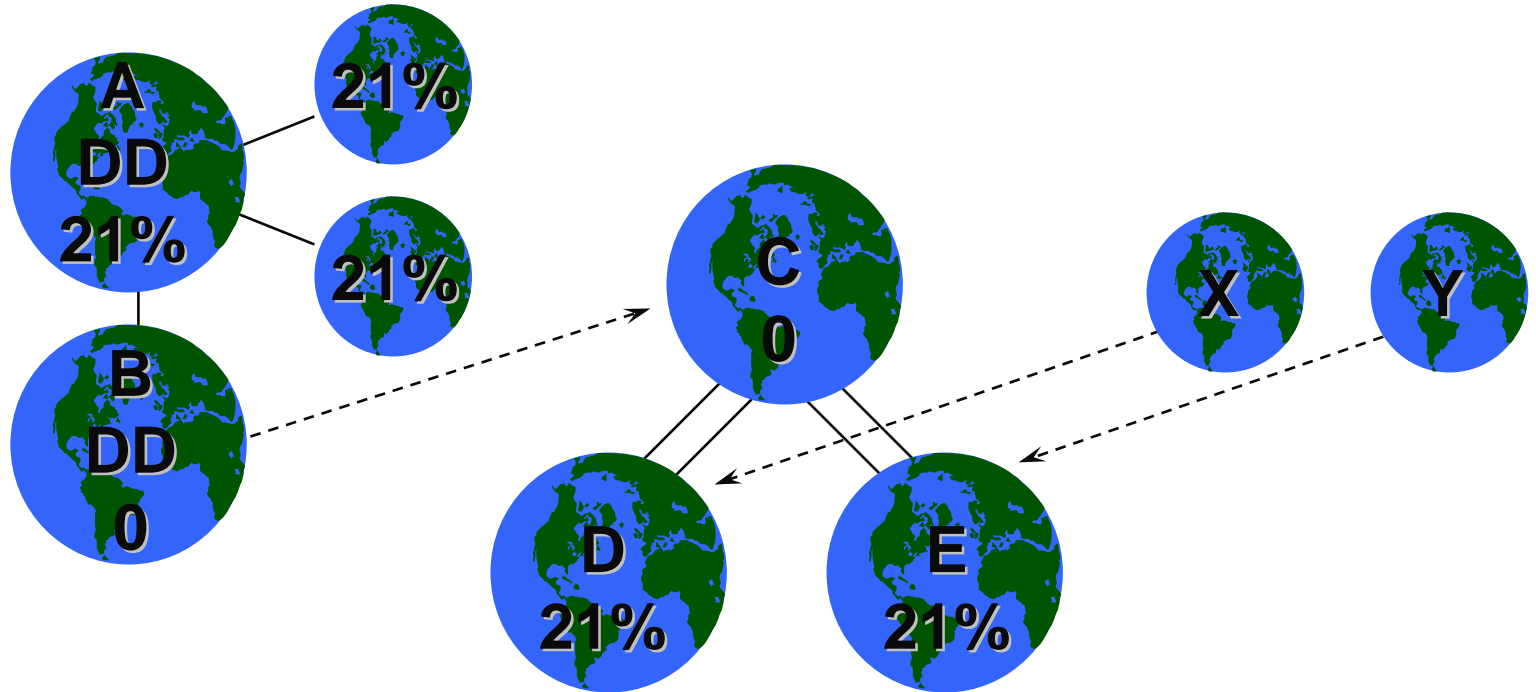
Country 2



In this example, Distributor A does not receive an IA for Emerald award credit for D because A is already receiving the International Leadership Bonus (IQ's) from E and F. Distributor A has two internationally qualified legs (E and F). Only if he internationally sponsors a distributor below the maximum Performance Bonus level or Leadership volume percentage with at least two foster sponsored 21% groups downline not already credited to him, may he count that international leg (IA) toward his eligibility for Emerald and above awards.

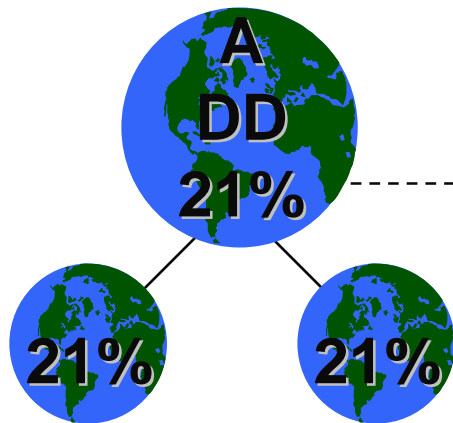
Country 1

Country 2

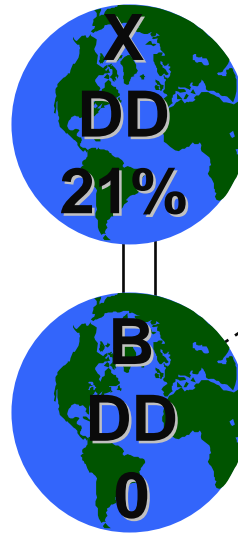


In this example, Distributor B and A may count C (IA). If a distributor internationally sponsors a distributor below the maximum Performance Bonus level or Leadership volume percentage with at least two foster sponsored 21% groups downline not already credited to him, he may count that international leg toward his eligibility for Emerald and above awards. Emerald and above award credit (IA) passes up the International line of sponsorship.

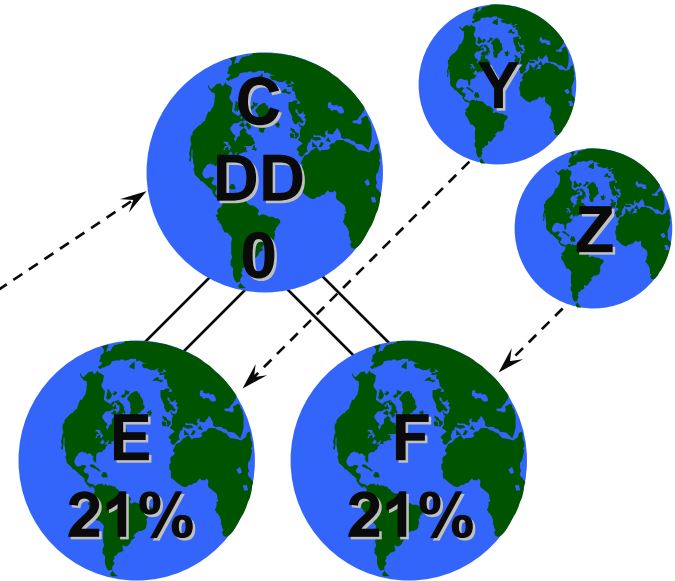
Country 1



Country 2



Country 3

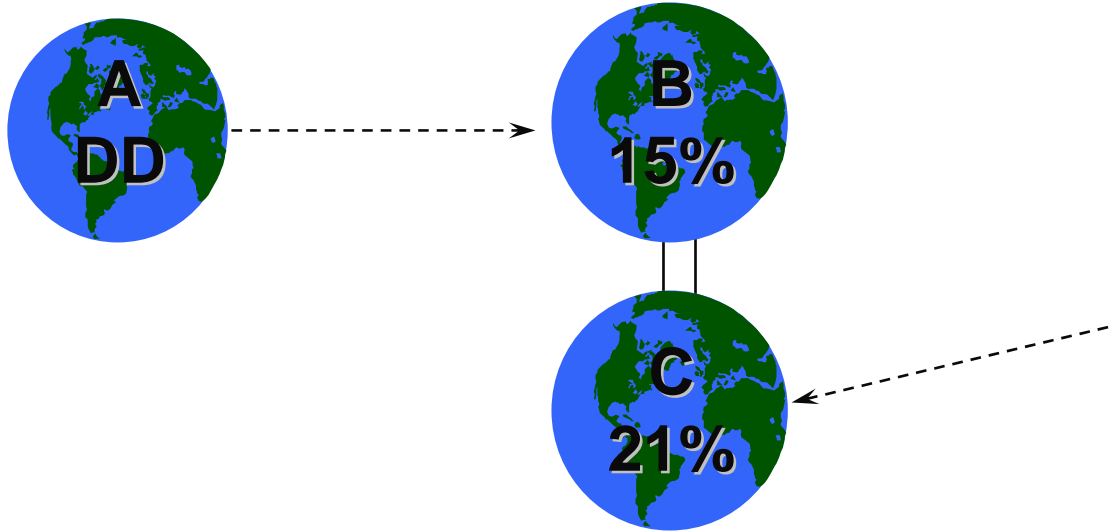


In this example, Distributors A and B receive the IA for Emerald award credit. Emerald and above award credit passes up the International line of sponsorship not the Foster line of sponsorship. Distributor X does not receive the IA for Emerald and above award credit. Distributor B has one internationally qualified leg - C/E/F and Distributor A has one internationally qualified leg B/C/E/F.

If the internationally sponsored distributor does not generate an International Leadership Bonus to his International Sponsor, the International Sponsor may still count it as a qualified leg toward Emerald and above awards if the Internationally Sponsored distributor or any distributor in the leg has a minimum of 15% (18%-Quixtar) Award Volume and foster sponsors one qualified leg that is not already generating award credit to the same International Sponsor. A distributor may have only one International Direct Distributor/Platinum (ID) per market. To receive the benefit of the International DD award credit, the distributor within the international line must be a qualified Direct Distributor/Platinum.

Country 1

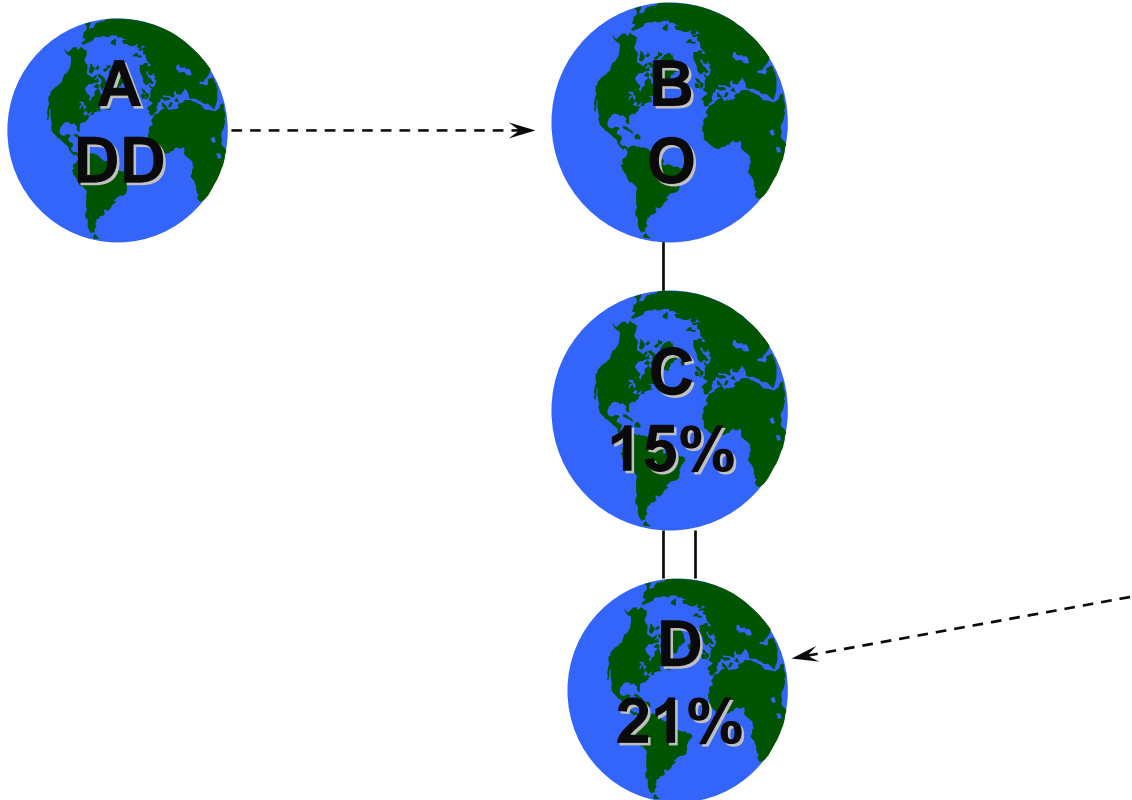
Country 2



In this example, no ILB (IQ) is generated, but Distributor B has a minimum of 15% Award Volume and foster sponsors one qualified leg that his/she is not already receiving credit for. In this example, Distributor A will receive an ID award for B as long as A is not receiving credit for C. A distributor may have only one ID per market.

Country 1

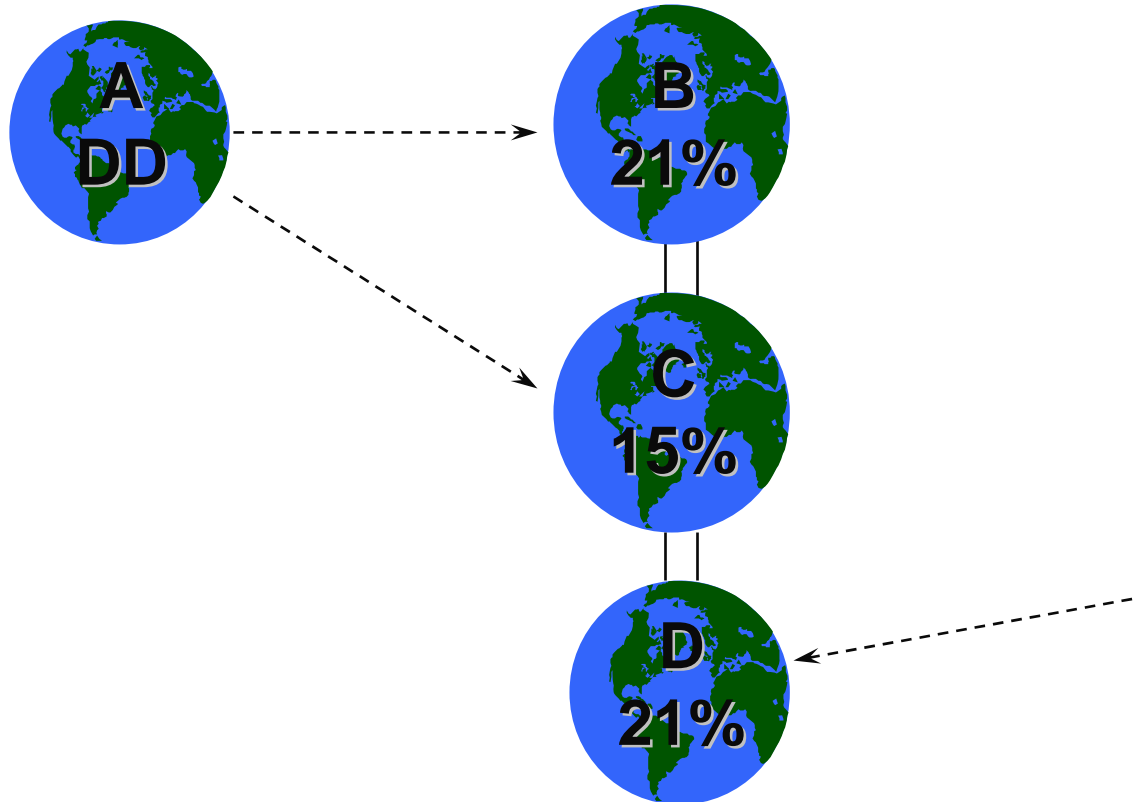
Country 2



Distributor C is generating an ID award credit through Distributor B to Distributor A. Distributor C has a minimum of 15% Award Volume and fosters one qualified leg that Distributor A is not already receiving credit for. In this example, Distributor A will receive an ID award for C. A distributor may have only one ID per market.

Country 1

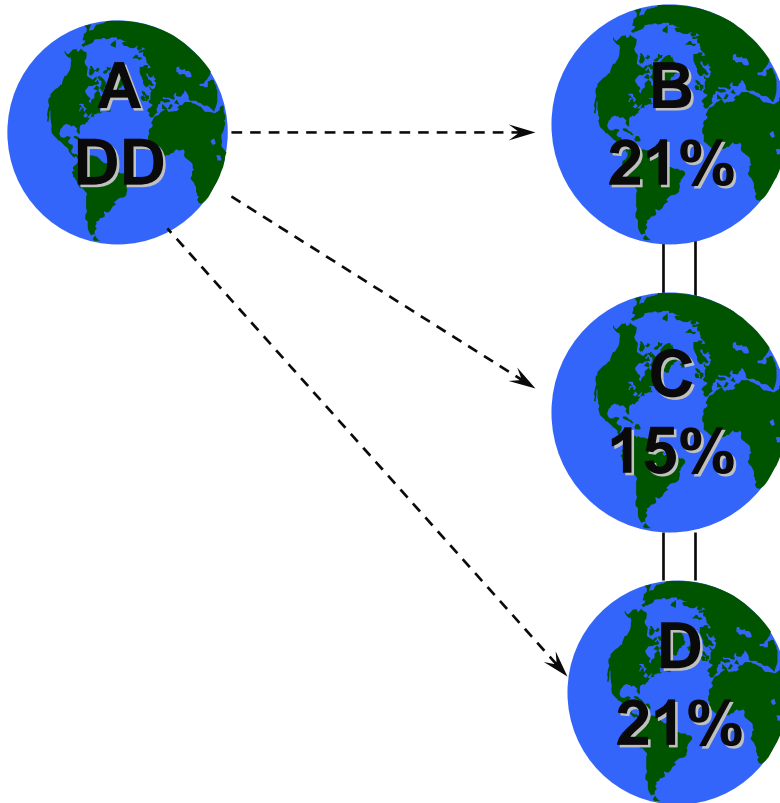
Country 2



Distributor B is generating an IQ award credit to Distributor A. Distributor C has a minimum of 15% Award Volume and foster sponsors one qualified leg that Distributor A is not already receiving credit for. In this example, Distributor A will also receive an ID award for C. A distributor may have only one ID per market.

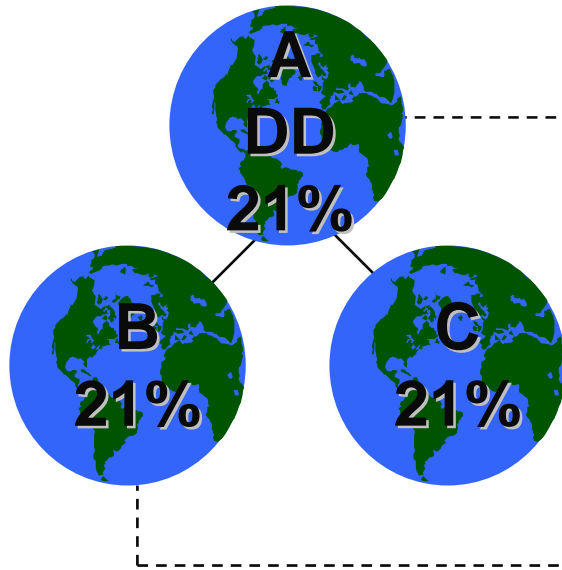
Country 1

Country 2

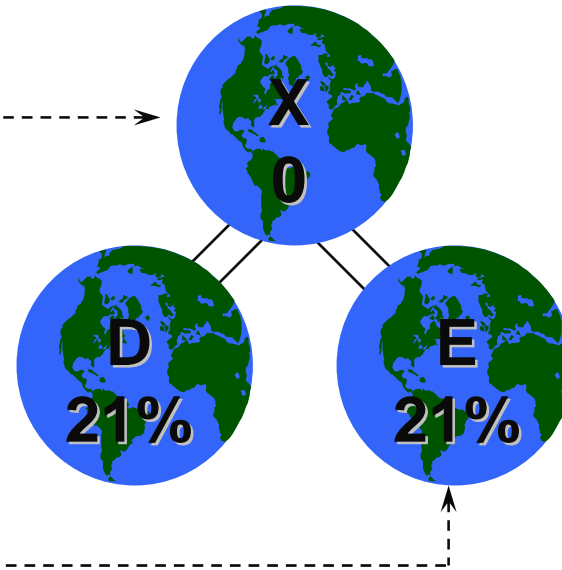


Distributor B is generating an IQ award credit to Distributor A. Distributor C has a minimum of 15% Award Volume and foster sponsors one qualified leg, however, Distributor A is already receiving IQ credit for Distributor D. In this example, Distributor A will not receive an ID award for C. Distributor A cannot have two qualifications based on the same volume (Distributor D).

Country 1



Country 2

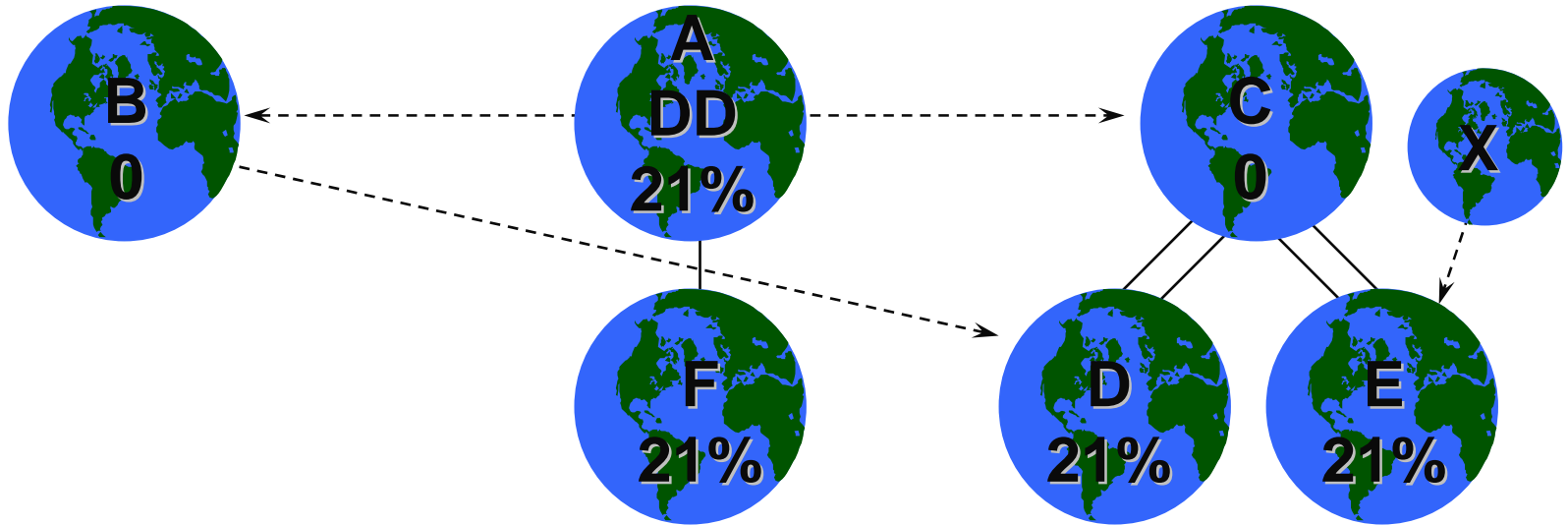


Does Distributor A receive Emerald award credit? Answer: Yes
Direct Distributor/Platinum A receives the IA Emerald and above award credit. Distributor A receives credit for personally sponsored B and C. Distributor A internationally sponsors X who fails to generate a Leadership Bonus but has two foster sponsored 21% groups D and E not already credited to A (D and E are credited to C and B respectively). Direct Distributor/Platinum A may count X/D/E toward Emerald and above awards (pin only).

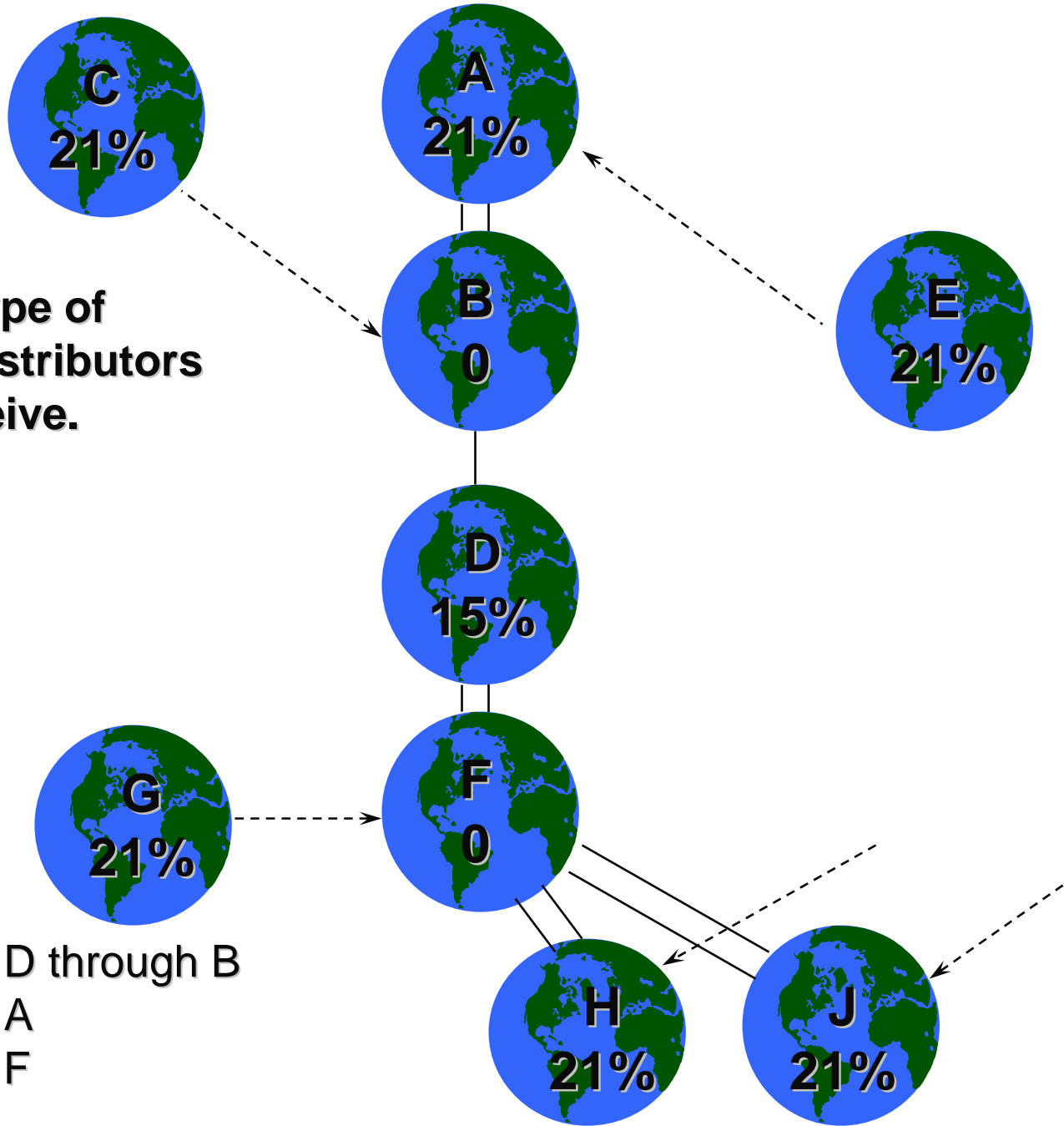
Country 1

Country 2

Country 3



Does Distributor A receive Emerald award credit? Answer: No
Distributor A does not receive Emerald award credit. Distributor A receives credit for F, and D through non-qualified B. Distributor A may not count C/D/E because he is already credited (received International Leadership Bonus-IQ) for D through non-qualified B. Distributor A is not allowed to count D twice.

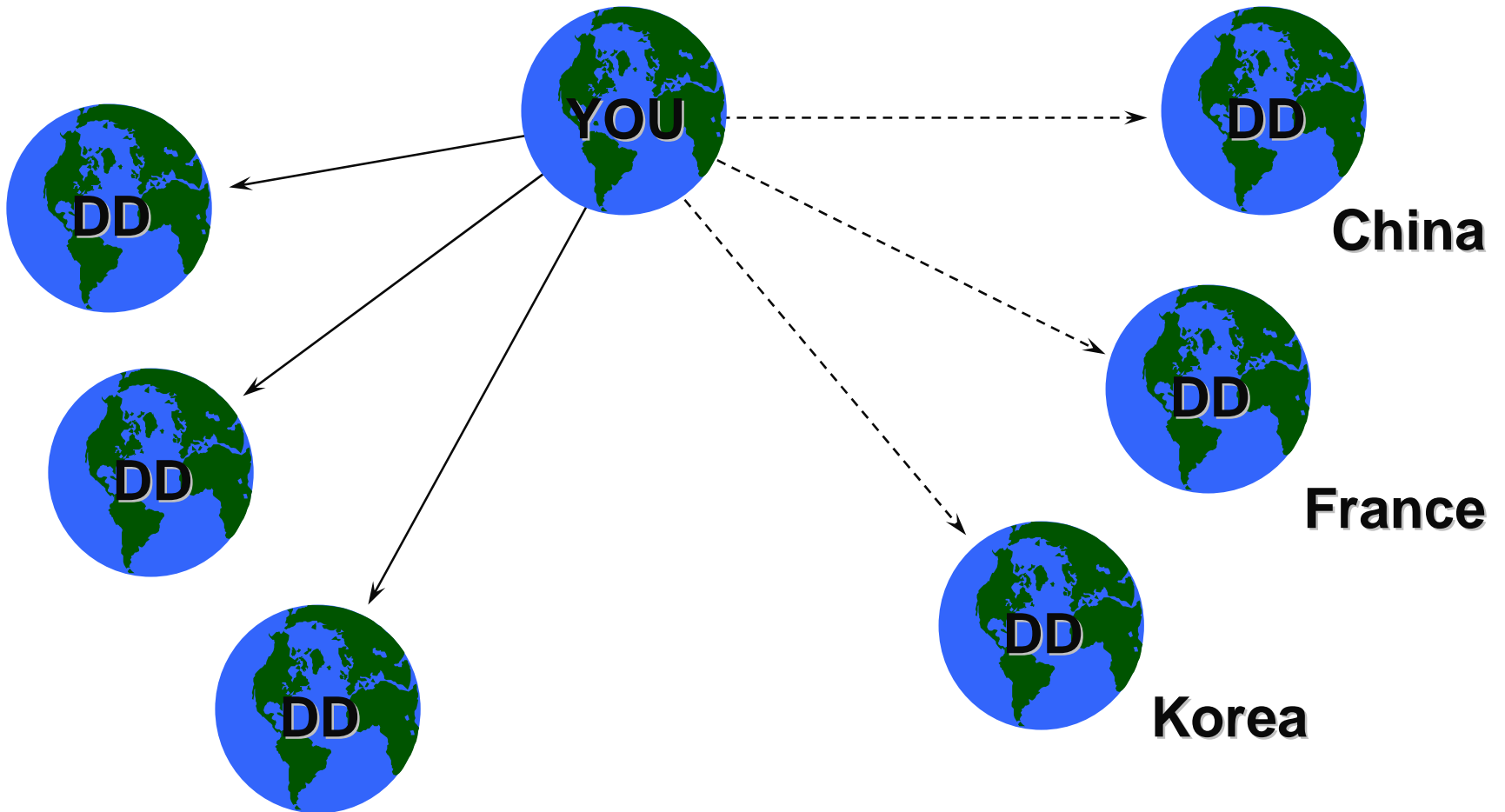


Identify what type of award credit Distributors C, E and G receive.

Answer:
 C receives ID from D through B
 E receives IQ from A
 G receives IA from F

A Direct Distributor/Platinum who personally, internationally, or foster sponsors three or more qualified legs, each of which is at the maximum Performance Bonus level for at least six months of the fiscal year qualifies as an Emerald and above pin award. The Foster Sponsor may count foster sponsored legs as if they are personally sponsored.

Effective September 1, 1996

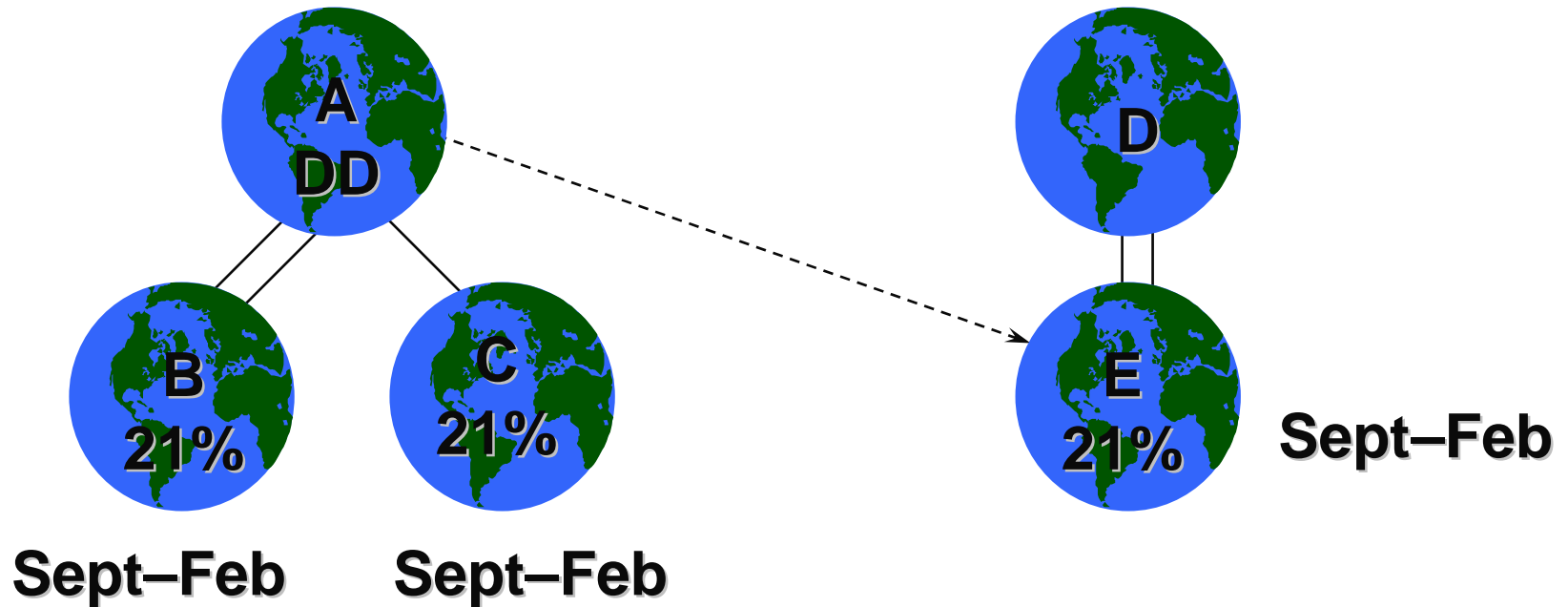


You must be an Emerald Bonus recipient in market to qualify for Diamond and above awards in the same market.

If a distributor receives the International Leadership Bonus on an internationally sponsored leg, he may count that leg for Emerald and above awards. If the internationally sponsored distributor does not generate an International Leadership Bonus, the International line of sponsorship may still count it as a qualified leg toward Emerald and above awards if the internationally sponsored distributor foster sponsors two or more qualified legs and he is not already receiving award credit from them.

Country 1

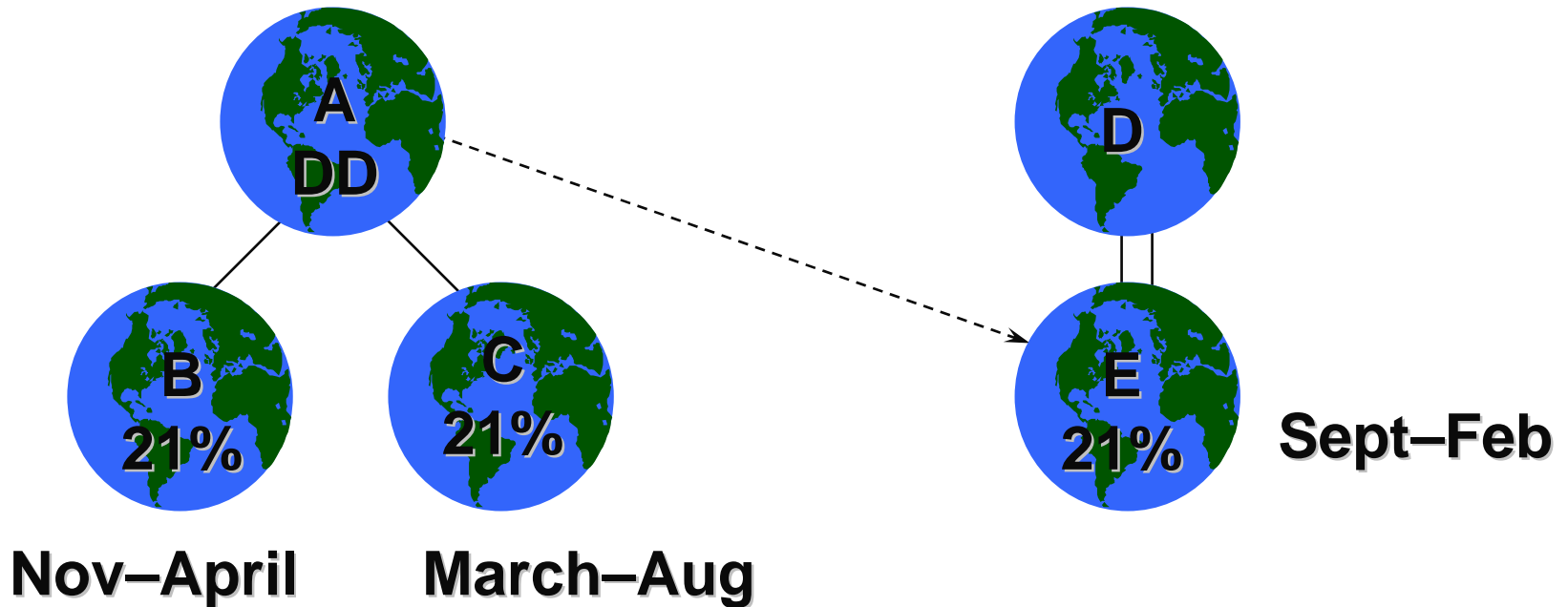
Country 2



In this example, Direct Distributor/Platinum A has one personally sponsored qualified leg and one foster sponsored qualified leg for six months - C and B, and one internationally sponsored qualified leg for six months - E. He/she is an Emerald award qualifier (pin only).

Country 1

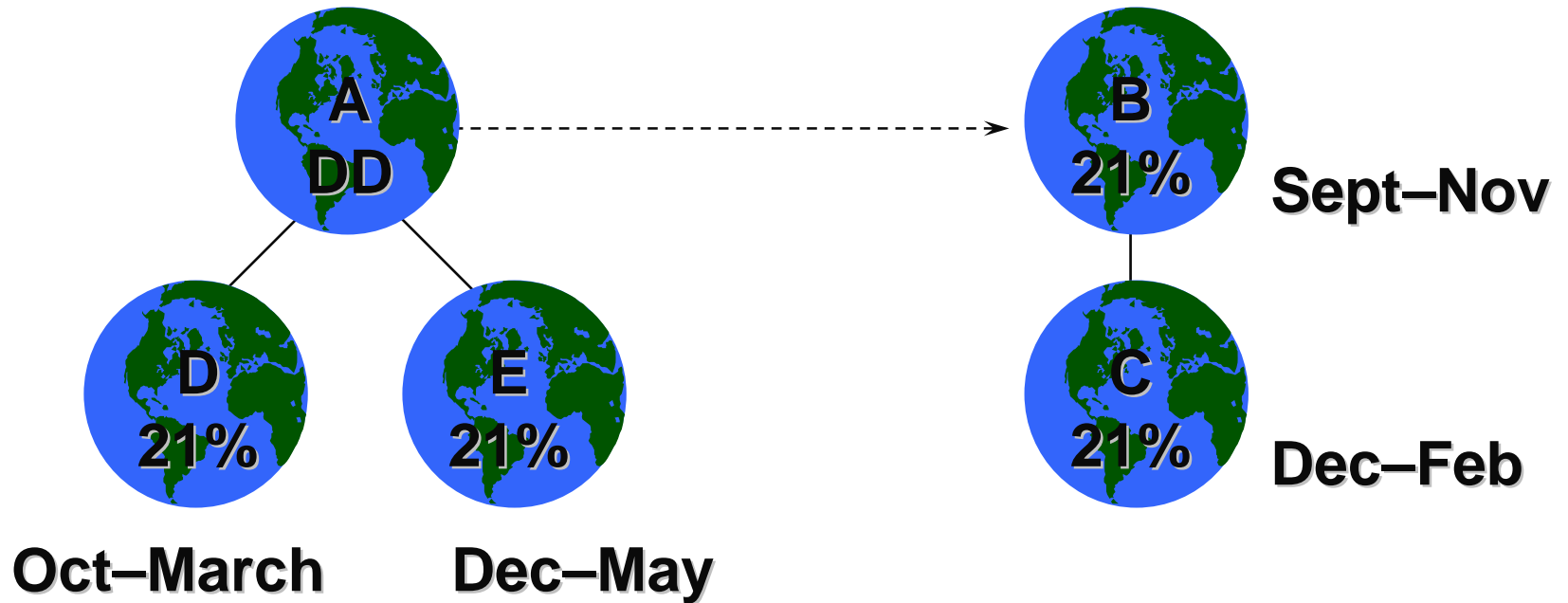
Country 2



In this example, Direct Distributor/Platinum A has two personally sponsored qualified legs for six months, B and C, and one internationally sponsored qualified leg for six months - E. He/she is an Emerald award qualifier (pin only).

Country 1

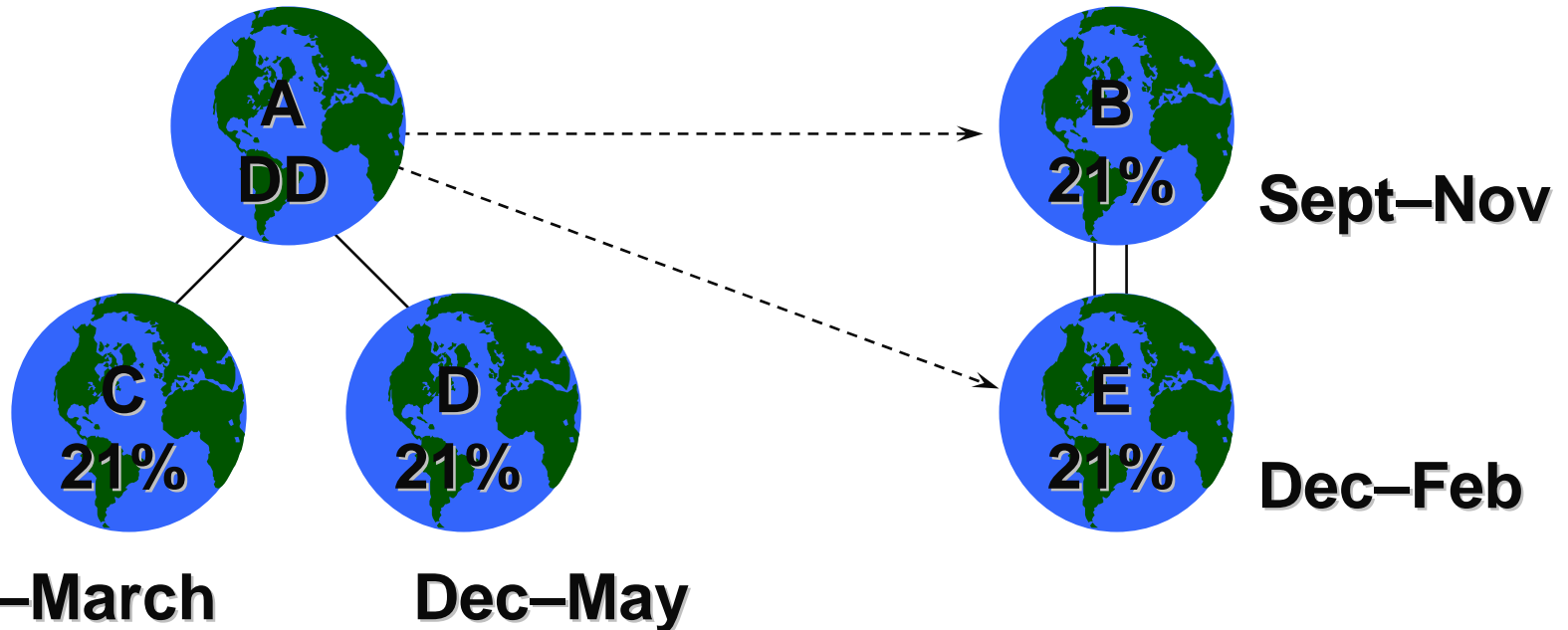
Country 2



In this example, Direct Distributor/Platinum A has two personally sponsored qualified legs for six months, D and E, and one internationally sponsored qualified leg for six months - B for three months and C for three other months. He/she is an Emerald award qualifier (pin only).

Country 1

Country 2

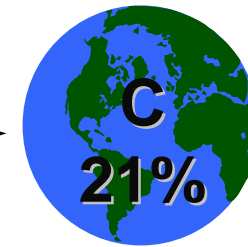
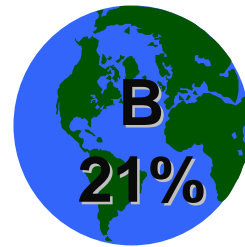
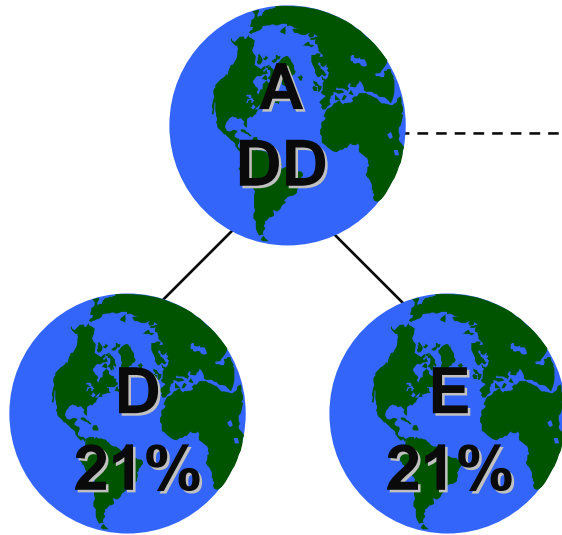


In this example, Direct Distributor/Platinum A only has two personally sponsored qualified legs for six months - C and D. He has two additional legs qualified for three months each. Internationally sponsored Distributor B qualified for 3 months and internationally sponsored Distributor E qualified for 3 months. International credit follows the International line of sponsorship not the Foster line of sponsorship. Distributor A is not an Emerald award qualifier.

Country 1

Country 2

Country 3



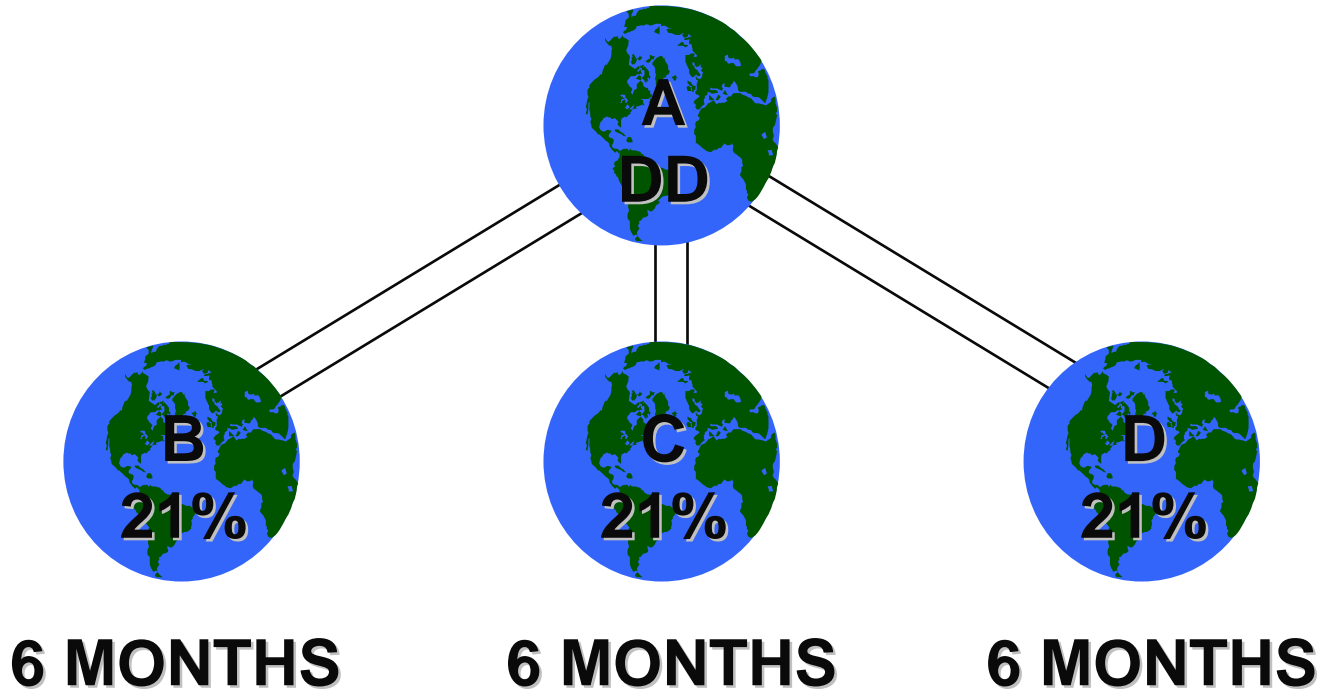
Sept–Nov

Dec–Feb

Oct–March Dec–May

In this example, Direct Distributor/Platinum A has two personally sponsored qualified legs for six months, D and E, and one internationally sponsored qualified leg for six months - B-C, B for three months and C for three other months. He/she is an Emerald award qualifier (pin only).

The Foster Sponsor may count foster sponsored legs as if personally sponsored.

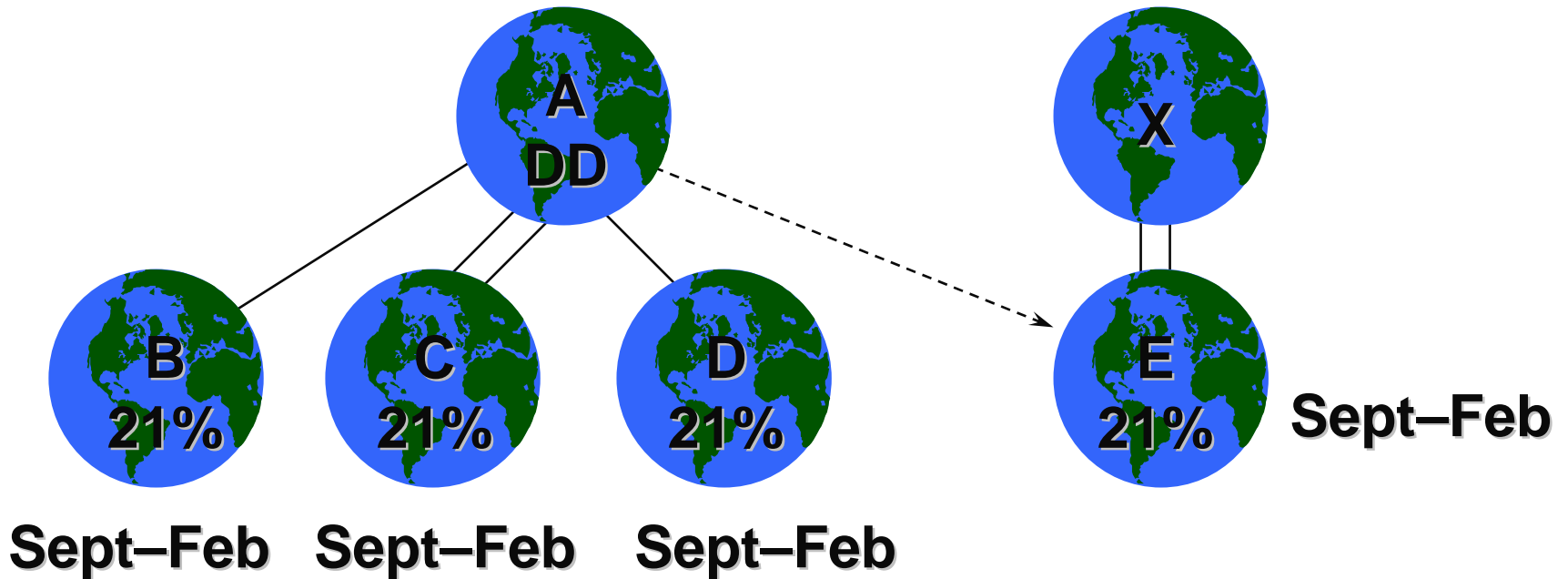


In this example, Direct Distributor/Platinum A has three foster sponsored qualified legs for six months - B, C and D. He/she is an Emerald award and Emerald bonus qualifier. The Foster Sponsor may count foster sponsored legs for Emerald and Diamond award levels as if personally sponsored.

Amway identifies all internationally sponsored qualified volume and any personally sponsored distributors downline from the internationally sponsored distributor, stopping at any foster sponsored distributor, links it to the appropriate International Sponsor and pays Emerald and Diamond bonus to the International and the Foster line of sponsorship.

Country 1

Country 2



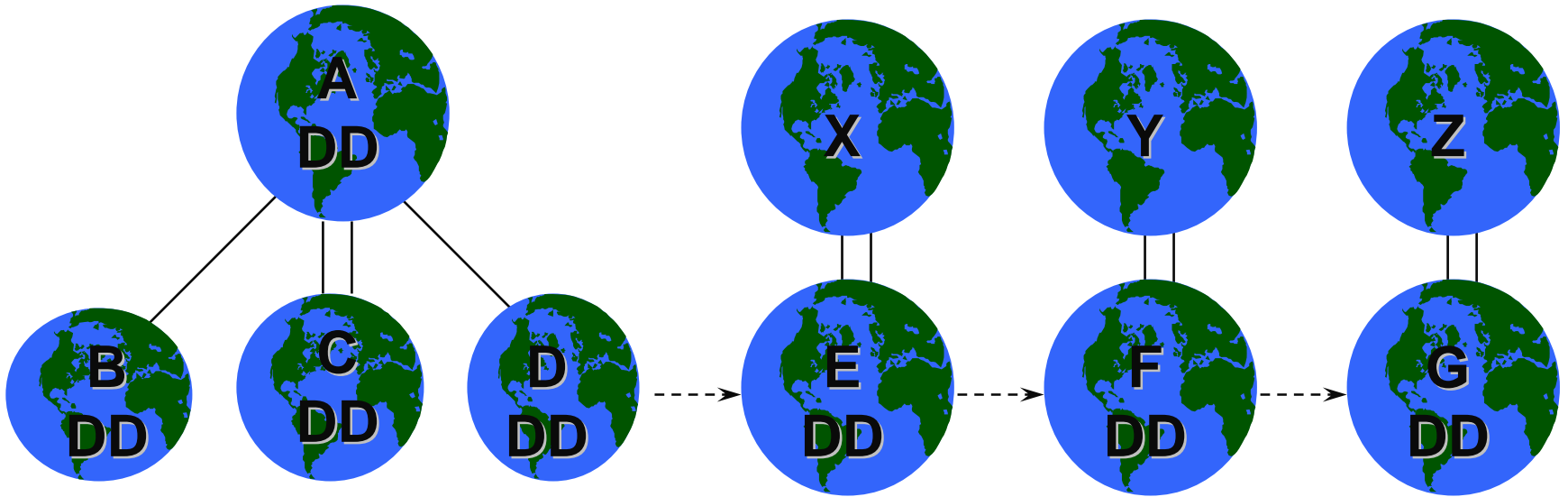
In this example, Direct Distributor/Platinum A is an Emerald Bonus recipient in Country 1. Therefore, A receives Emerald points and payment on inter-nationally sponsored E's qualified volume, as if domestically produced.

Country 1

Country 2

Country 3

Country 4



In this example, Direct Distributor/Platinum A is an Emerald Bonus recipient in Country 1. Therefore, A will receive points and payment on qualified international volume from Country 2 only, as if domestically produced. To avoid multiple Emerald and Diamond Bonus payments, internationally sponsored qualified volume is credited in only two countries - the International Sponsor's and the Foster Sponsor's.

Summary

- The personal or international sponsor relationship is primary.
- The foster sponsor relationship is secondary.
- Internationally sponsored legs do not count for eligibility for Silver Producer, Gold Producer, Direct Distributor/Platinum or Ruby qualification.
- The Leadership Bonus is shared with the International Sponsor and the Foster Sponsor.
- International Sponsors receive all of the 2% Leadership Bonus if the International Sponsor reaches the maximum Performance Bonus level in the same month the 2% Leadership Bonus was generated.

- International Sponsors receive some of the 2% Leadership Bonus generated if the International Sponsor is not at the maximum Performance Bonus level or Leadership volume percentage, but has at least two 2% bonuses in the same month flowing to him.
- The eligibility requirements are the same for the 2% Foster Leadership Bonus.
- Whenever an International Leadership Bonus is generated, credit for Emerald and above awards will be extended to the International line of sponsorship up to the first maximum Performance Bonus level or Leadership Bonus percentage distributor .

•If the internationally sponsored distributor does not generate an International Leadership Bonus (IQ) to his International Sponsor, the International Sponsor may still count it as a qualified leg toward Emerald and above awards-

★ if the internationally sponsored distributor foster sponsors two or more internationally sponsored qualified legs (IA),

★ or the internationally sponsored distributor or any distributor in the leg has a minimum of 15% (18%- Quixtar) Award Volume and foster sponsors one qualified leg that the International Sponsor is not already receiving credit for (ID).

- A Direct Distributor/Platinum who personally, internationally, or foster sponsors three or more qualified legs, each of which is at the maximum Performance Bonus level or Leadership volume percentage for at least six months of the fiscal year qualifies as an Emerald and above pin award.
- The Foster Sponsor may count foster sponsored legs as if they are personally sponsored.

- Amway identifies all internationally sponsored qualified volume and any personally sponsored distributors downline from the internationally sponsored distributor, stopping at any foster sponsored distributor links it to the appropriate International Sponsor and pays Emerald and Diamond bonus to the International and the Foster line of sponsorship.
- You must be an Emerald Bonus recipient in market to qualify for Diamond and above awards in the same market.

Glossary

Award Volume - Monthly Volume used to determine a qualifying SP/DD (Silver Producer/Direct Distributor/Platinum) month. It includes downline negatives, but excludes volume from all Maximum Performance Bonus (MPB) downline legs. Award Volume also combines the PV/BV in the multiple country markets.

Awards - The levels of recognition given to Distributor/IBO's as they build their businesses identified by various pins.

Foster Bonus and International Leadership Bonus - When and internationally sponsored distributor reaches maximum Performance Bonus level the Leadership Bonus is split with the Foster Line of Sponsorship receiving 2% (Foster Bonus) and the International Line of Sponsorship receiving 2% (International Bonus) provided the minimum qualification requirements are met.

Foster Sponsor - A Distributor, who lives in the country of an internationally sponsored Distributor and serves as the local sponsor. Like a Personal Sponsor, the Foster Sponsor is responsible for training and motivation of the sponsored Distributor.

International Sponsor - A Distributor who sponsors a prospect who lives in another country.

Leadership Bonus - A Bonus of 4% paid monthly on the Business Group BV of any personally sponsored Distributor at the maximum Performance Bonus level to the sponsor provided he/she meets the minimum qualification requirements.

Leadership Volume - Volume used for International/Foster Leadership Bonus purposes. It includes a Distributor's personal group volume plus volume from non-maximum Performance Bonus level Distributors above a maximum Performance Bonus level foster sponsored Distributor.

Maximum Performance Bonus Level - The highest Performance Bonus percentage; 25% in the U.S. and Canada, 21% in all other markets.

Maximum Performance Volume Level - The Business Group Volume needed to achieve the highest Performance Bonus level.

Multiple Distributorships - A new Distributorship(s) established by a Distributor who already has an Amway Distributorship in another country. Each new business must have a Foster Sponsor in the country in which it is established. Multiple businesses must be established in compliance with all local government regulations and Amway rules.

Personal Sponsor - A Distributor who directly sponsors a prospect with no international connection or linkage.

Rewards - The bonuses, trips and benefits given to Distributors at different levels of achievement.

Sponsor - All persons who become Amway Distributors must be brought into the business, or sponsored, by another Amway Distributor. This person is responsible for training and motivating sponsored Distributors.