

Proposed Criteria-based Reclassification FAQs

1. What is the proposed change to the IBO contract regarding Criteria-based Reclassification?

The following changes are proposed, effective with the new IBO contract on January 1, 2022:

For existing IBOs who entered the business and have **0 frontline** on or before December 31, 2021:

- **Monitoring Begins:** IBOs who have Personal PV but 0% VCS for a calendar month will be notified that they have entered a period of monthly VCS monitoring.
- **Duration:** Total three months (initiating month of 0% VCS and up to two months monitoring).
- **Monitoring Ends:** Monitoring will end if an IBO achieves a minimum 60% VCS within either of the following two months.
- **Result of Not Meeting VCS Requirement:** IBO will automatically be reclassified as a Preferred Customer.*

For existing IBOs who entered the business and **have frontlines** on or before December 31, 2021:

- **Monitoring Begins:** IBOs who have Personal PV but 0% VCS for a calendar month will be notified that they have entered a period of monthly VCS monitoring.
- **Duration:** Total six months (initiating month of 0% VCS and up to five months monitoring).
- **Monitoring Ends:** Monitoring will end if an IBO achieves a minimum 60% VCS within any of the following five months.
- **Result of Not Meeting VCS Requirement:** IBO will automatically be reclassified as a Preferred Customer.*

For IBOs registered on January 1, 2022, and beyond:

- **Monitoring Begins:** IBOs who have Personal PV but 0% VCS for a calendar month will be notified that they have entered a period of monthly VCS monitoring.
- **Duration:** Total six months (initiating month of 0% VCS and up to five months monitoring).
- **Monitoring Ends:** Monitoring will end if an IBO achieves a minimum 60% VCS within any of the following five months.
- **Result of Not Meeting VCS Requirement:** IBO will automatically be reclassified as a Registered Customer.

2. What is considered Personal PV?

Personal PV includes purchases of Amway products for personal use or PV earned from use of the Amway Visa Card or Amway Partner Store purchases.

3. If a new IBO registers mid-month, when will they be required to generate VCS if they have Personal PV?

The new IBO would be required to generate VCS if they have Personal PV during the first full calendar month following registration.

4. How many times can an IBO be in a Verified Customer Sales monitoring period?

Every time an IBO has Personal PV and 0% VCS in a month, monitoring will begin. There is no limit to how many times an IBO can be in a monitoring phase.

* Subject to Preferred Customer Terms and Conditions

5. Each time an IBO moves out of a monitoring period, does the clock reset?

Once an IBO resumes a minimum of 60% VCS within the monitoring phase, monitoring will cease. Another month with Personal PV and 0% VCS will initiate another monitoring period, as follows:

- If an existing IBO with no frontline as of December 31, 2021, has a 0% VCS month with Personal PV, monitoring will begin again for up to another two months for up to a total of three months.
- If an existing IBO with frontline as of December 31, 2021, has a 0% VCS month with Personal PV, monitoring will begin again for up to another five months for up to a total of six months.
- If a new IBO as of January 1, 2022, has a 0% VCS month with Personal PV, monitoring will begin for up to an additional five months, for up to a total of six months.

6. Will an IBO receive a notice when they begin a period of VCS monitoring? Will they also receive a notice when they have ended VCS monitoring?

Yes. IBOs will be notified on My Performance Dashboard when they have a 0% VCS month with Personal PV and monitoring begins. After they achieve a month with a minimum 60% VCS, they will be informed monitoring has ended.

7. Will an IBO be notified when they are automatically reclassified as a Preferred Customer or a Registered Customer? Will they be notified as they are getting close to automatic reclassification?

An IBO being monitored can track their status on My Performance Dashboard. An email will be sent to those who are automatically reclassified to Preferred Customer or Registered Customer.

8. How will an IBO be able to track the status of their VCS monitoring?

Their My Performance Dashboard will indicate personal and group VCS for the month and whether the individual is in a VCS monitoring period or has downline who are being monitored.

9. How will an IBO be able to track the status of IBOs in their group who are being monitored for VCS?

Upline IBOs will be able to access action reports detailing overall VCS, IBOs who are being monitored and any IBOs who have been reclassified to Preferred Customer or Registered Customer.

10. Will the Criteria-based Reclassification policy apply to all IBOs no matter what pin level they are?

Yes. This applies to every IBO.

11. What impact will Amway Visa and Partner Store purchases by IBOs have on the requirement?

Any PV earned from IBO purchases from Partner Stores or with the Amway Visa will count as Personal PV, requiring VCS to avoid a 0% VCS month, initiating monitoring and the requirement of 60% or more VCS to stop monitoring.

12. What if an active IBO requires an extended absence from the business due to a vacation, health challenges, personal issues, etc.? Will the Criteria-based Reclassification policy automatically go into effect?

IBOs with no VCS and no Personal PV are not subject to monitoring because we recognize the need for IBOs to occasionally pause business building (care for someone, military service, etc.). In those cases, we want their business to be there for them when they are ready to resume.

13. If an IBO gets reclassified to a Preferred Customer or Registered Customer will their registration or renewal fee be refunded?

Yes. IBOs who are reclassified as part of Criteria-based Reclassification will receive a full refund.

14. What happens to the customers of an IBO when that IBO becomes a Preferred Customer?

Customers will roll up to the next active IBO in the LOS and their purchases will count as customer sales.