

PROPOSED CRITERIA-BASED RECLASSIFICATION (CBR)

Beginning January 1, 2022

Under the proposed changes to the IBO contract, any IBO generating Personal PV but 0% VCS in a month will be notified that the clock is starting on a period during which they must achieve a 60% VCS month. Generating 60% VCS in a month will stop the clock. If the IBO does not achieve a 60% VCS month within this period, they will be automatically reclassified.

The duration of this process and the result of reclassification differ slightly by audience. See details on the next page.

Proposed Criteria-based Reclassification Audiences

IBOS WITH NO FRONTLINE BY DECEMBER 31, 2021

IBOS WITH AT LEAST ONE FRONTLINE BY DECEMBER 31, 2021

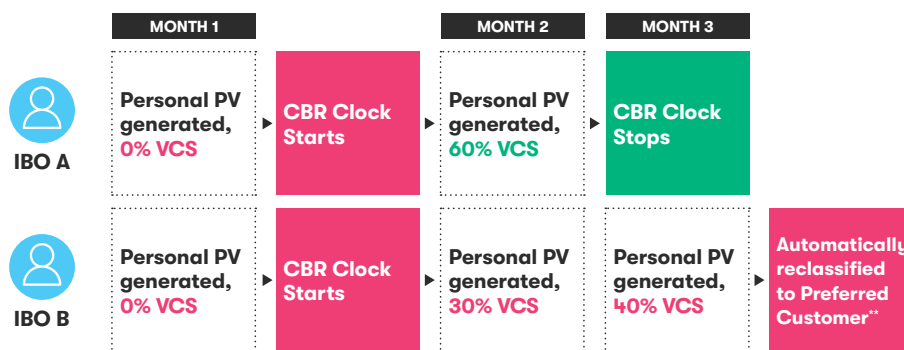
IBOS WHO JOIN THE BUSINESS AFTER JANUARY 1, 2022

PROPOSED CRITERIA-BASED RECLASSIFICATION (continued)

Beginning January 1, 2022

➔ **IBOs with no frontline*** by December 31, 2021, who generate Personal PV but 0% VCS in a month will start the clock on a **two-month period** during which they must achieve a 60% VCS month. If 60% VCS is not generated in the second or third month, the IBO will automatically be reclassified to a **Preferred Customer.****

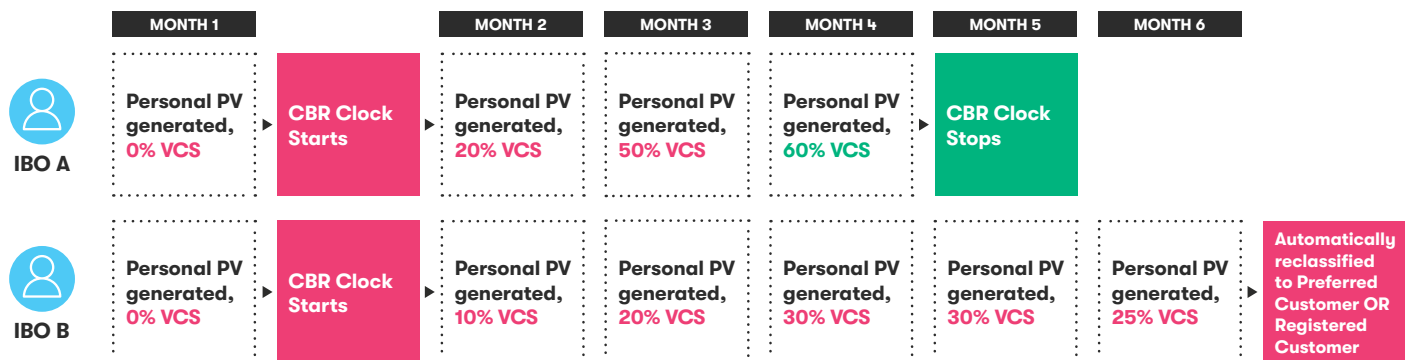
EXAMPLE: TWO-MONTH PERIOD



➔ **IBOs with at least one frontline** by December 31, 2021, who generate Personal PV but 0% VCS in a month start the clock on a **five-month period** during which they must achieve a 60% VCS month. If 60% VCS is not generated in any of the five months, the IBO will automatically be reclassified to a **Preferred Customer.****

➔ **IBOs who join the business on or after January 1, 2022,** who generate Personal PV but 0% VCS in a month*** will start the clock on a **five-month period** during which they must achieve a 60% VCS month. If 60% VCS is not generated in any of the five months, the IBO will automatically be reclassified to a **Registered Customer.**

EXAMPLE: FIVE-MONTH PERIOD



A month generating **no Personal PV** (and no VCS) does NOT start the clock.

* IBOs with no frontline on or before December 31, 2021, will always be subject to a 2-month period after a month with Personal PV but 0% VCS.

** Subject to Preferred Customer Terms and Conditions.

*** Excluding the month of registration.

PROPOSED CRITERIA-BASED RECLASSIFICATION *(continued)*

Beginning January 1, 2022

	IBOs registered before 2022 with no frontline*	IBOs registered before 2022 with frontline	IBOs registered in 2022
Clock Starts	0% VCS + Personal PV	0% VCS + Personal PV	0% VCS + Personal PV
Clock Stops	60% VCS	60% VCS	60% VCS
Total Duration	3 Months	6 Months	6 Months
Result of Not Meeting VCS Requirement	Preferred Customer**	Preferred Customer**	Registered Customer

* IBOs with no frontline on or before December 31, 2021, will always be subject to a 2-month period after a month with Personal PV but 0% VCS

** Subject to Preferred Customer Terms and Conditions.

AUTOMATION OF RULE 4.12

Beginning in 2022

When automated tracking of Rule 4.12 begins in 2022, any IBO generating less than 60% VCS will be earning – and passing up – prorated BV, impacting your profitability. Protect your bonus by teaching every IBO on your team to generate at least 60% VCS each month.

While IBOs who are generating 0% VCS will be selected for Interrupted and Modified Late Renewal, as well as Criteria-based Reclassification, those who generate between 1-59% VCS will still be reducing your overall profitability by generating less bonusable BV.

Help every IBO make an informed decision today.

As a **business owner**, they should focus on generating 60% or more VCS every month to make the most!

If they aren't ready to commit to at least 60% VCS each month, encourage them to transition to **Preferred Customers** whose purchases will count as VCS. They'll enjoy IBO cost* without an annual renewal fee, and when they're ready to build a business built on selling to customers, they can re-register any time.

For information on these changes and resources to share with your team, visit Amway.com/better-than-ever



* For as long as they remain a Preferred Customer, subject to Preferred Customer Terms and Conditions.