

QUALITY ASSURANCE STANDARDS-CONTENT STANDARDS Amway Hong Kong



# BSM QUALITY ASSURANCE STANDARDS

This document is intended as a standard for ABOs and speakers representing the Amway Business. In addition, it is intended to support ABOs and ABO Networks in the preparation of Business Support Materials (BSM).

Business Support Materials ("BSM"): All products and services (including but not limited to books, magazines, flip charts, and other printed material; online literature; Internet websites; audio, video, or digital media; rallies, meetings, and educational seminars), which are:

- i) designed to solicit and/or educate Prospects, customers, or prospective customers about AMWAY ® products and services, or to support, train, motivate, and/or educate ABOs. or
- ii) incorporate or use one or more of Amway's name, or trademarks, service marks, copyrighted works, or other intellectual property belonging or licensed to Amway, or
- iii) are otherwise offered with an explicit or implied sense of affiliation, connection, or association with Amway. When the term BSM is used without the preface "Amway Produced", it refers to non-Amway produced BSM only.

While these standards cover a wide range of topics, it is impossible to illustrate and advise on every possible scenario. Many factors determine compliance including visuals, context, intended audience, regulatory restraints and the overall impression left with a Prospect or ABO.

BSM in any form (e.g. print, audio, visual, apps, e-mail, voicemail, websites, and live) cannot include false, misleading, inaccurate or deceptive statements. All BSM and promotion of BSM, must comply with Amway Rules and Policies established for ABOs, ABO Networks and speakers in their respective markets.

Amway believes the use of BSM and attendance at meetings can be an effective tool in building an ABO's business and use of the tools and teachings developed by

#### **Positioning The Amway Opportunity**

How the Amway opportunity is presented to Prospects has a critical impact on the reputation and credibility of the presenting ABO/Network and the overall business. It is important that Prospects and ABOs have a clear and accurate understanding about the roles of Amway and the ABO/Network.

Statements to Prospects must be truthful, accurate and not misleading.

#### **DESCRIBING THE AMWAY BUSINESS OPPORTUNITY**

The Amway business must be presented as an opportunity to earn income through the selling of products and helping others they may choose to sponsor to do the same. It is a business that provides ABOs products, product education, distribution, sales, customer service, and the Amway Sales and Marketing Plan.

The Amway business should not be referred to as anything other than the Amway business opportunity. It must be clear that the Network does not supply the opportunity but supplies optional training and education materials, as well as community support.

Presenting the business primarily as a self-improvement program, e.g. to improve yourself, save your marriage, or improve relationships with your family or others, rather than a for profit business is a misrepresentation of the business. That would imply the primary activity in the business is something other than generating profit.

Stating or implying that the Amway Sales and Marketing Plan and/or business is a method of tax reduction or tax relief is not allowed.

Using a deceptive synonym for Amway is not allowed.

Some examples of how not to position the

Amway business:

- Employment opportunity
- Social event
- Market survey
- Tax seminar
- Financial seminar
- Investment seminar

It must be clear to the prospect that Amway is the principal contracting entity which provides the following:

- Amway ABO Compensation Plan which includes:
  - Compensation (and its administration)
  - Rewards (and its administration)
  - Recognition (and its administration)
- The Product
- Product education, product support
- Distribution

If the ABO/Network name and/or logo is used or promoted within a prospecting piece, the Amway name and/or logo must also be used with equal prominence the first and last time the ABO/Network logo appears.

Language that states or indicates that success or income is guaranteed is not allowed.

#### Show the Plan/Business Building

Direct or indirect earnings representations must be truthful, accurate, and not misleading and must only reflect the income available or earned through the Amway Sales and Marketing Plan and other incentive programs. All other sources of income are to be excluded.

Income representations related to achievement in the Amway business are limited to the income actually earned by the ABO making the representation. ABOs may not make income representations related to other ABOs or any other levels of achievement unless expressly permitted by Amway.

When describing the Amway Sales and Marketing Plan, the roles of a balanced business (ABO product sales, personal use, and sponsoring) must be explained accurately and in accordance with all Amway guidelines, directions, procedures and policies.

- ABO Product Sales Selling to customers must be stated as being a way to earn immediate income through retail margin and a requirement to earn additional bonuses.
- Personal Use Personal use must be characterized as a way to learn about the products and develop personal experience that may be useful in the selling of the products. Money saved through personal use is not income and should not be represented as such. Implying that the business is a wholesale buying club is not allowed. Implying that a successful Amway business can be built solely on personal consumption is contrary to the Rules of Conduct as having customers is an essential component of the Amway Sales and Marketing Plan.
- Sponsoring It must be emphasized that sponsoring allows ABOs to maximize the
  opportunities of the Amway Sales and Marketing Plan but that income is not earned from the
  act of sponsoring. Stating or implying that an ABO can be successful or earn bonuses solely
  from the act of sponsoring others is incorrect and is not allowed. When describing
  sponsoring, the importance of a prior or existing personal contact between the sponsor and
  the new ABO must be emphasized.

POSITIONING THE AMWAY OPPORTUNITY  This list is not all inclusive				
Content Permitted	Content NOT Permitted			
<ul> <li>Direct selling opportunity</li> <li>The AMWAY business</li> <li>The AMWAY Sales and Marketing Plan</li> <li>The AMWAY Opportunity</li> </ul>	<ul> <li>Private franchising/Franchise</li> <li>Internship program</li> <li>Wholesale buying club</li> <li>Financial or investment seminar</li> <li>Mentorship program</li> <li>All you have to do to go Diamond is to find six people and sponsor them</li> </ul>			

### WHY CONTENT IS NOT PERMITTED

Wholesale buying clubs and franchises may be subject to different regulatory guidelines than a direct selling company.

Representing the Amway Sales and Marketing Plan presentation as anything other than an explanation of a business is misleading.

Representing success and achievement as quick and easy is misleading regarding the time and effort required to build a successful business.

#### Time and Effort

Representations that success is guaranteed are not allowed.

Each ABO has complete freedom in determining the number of hours worked and in scheduling those hours. Mandatory quotas of appointments, calls, etc., are not allowed.

#### **Facts and Figures**

#### **CORPORATE INFORMATION**

Corporate statistics, rankings, and historical information should be consistent with, and not vary from, what is currently presented by Amway or Alticor Inc. Using proprietary and/or confidential Amway or Alticor Inc. information in any form or medium is not allowed.

Anything, including statements, statistics, direct quotations, and other information, used to promote the business or Amway products must always be truthful, accurate and not misleading. In addition, except for speeches and audio recordings, all BSM with statistics must, within the BSM at point of use, cite both the source and the date of the statistic.

#### **FOUNDING FAMILIES**

References to the DeVos and Van Andel families can be made in conjunction with the ownership of Amway and the Alticor family of companies. References to any of the private projects, businesses, and philanthropy of the Van Andel and DeVos families must always be accurate and have a clear distinction between those and Amway and the Alticor family of companies.

#### STATISTICAL INFORMATION

Graphs, visuals, quotes, and references to statistical data must be substantiated from an identified, credible, and current source (no more than 3 years) unless historical in nature. Facts must be applicable to the intended market.

#### RECOMMENDED LANGUAGE

Since 1959, Amway has paid out more bonuses and cash incentives to its Distributors worldwide than any other direct sales company in history. \*

\*Source: Euromonitor International Limited: www.euromonitor.com/amway-claims

#### **Intellectual Property**

#### USING COPYRIGHTED MATERIAL

The use of any copyrighted materials or other intellectual property including but not limited to music, textual materials, graphics, photos, people or model imaging, logos, or trademarks, either from a third party or produced by Amway or Alticor Inc. without proper licensing, authorization, or permission by the owner and without proof of same is not allowed.

Music played, performed, recorded, or broadcast in connection with the development or use of BSM must be appropriately licensed. Proof of all necessary licensing and authorization shall be retained and produced to Amway upon request.

Copyrighted materials include, but are not limited to: music; books; magazines; articles and other writings, including excerpts and translations; speeches; photographs, artwork, including clip art on the Internet; websites, blogs, and other social media posts; videos; movies; plays; sculptures; buildings, and 3D forms; and computer software.

A Special Note About Music: Music reproduced, altered, played, performed, recorded, broadcast or streamed via the Internet cannot be used in connection with BSM without a proper written assignment, license, or other permission of the owner or through applicable laws that permit the use. MORE THAN ONE LICENSE IS OFTEN REQUIRED WHEN USING RECORDED MUSIC. Any written permission obtained shall be retained by the ABO/Training Provider and produced to Amway upon request.

A copyright owner may grant only limited rights to use copyrighted materials. Those rights may be limited in several ways, including by time, manner of use, territory or media. Therefore, a license to use copyrighted material in one situation may not permit the use of the same material in another situation. The ABO/Training Provider is responsible for confirming that its use of copyrighted materials is covered by the permission granted by the copyright owner.

#### **Tips for Avoiding Mistakes**

- 1. Do not assume materials available on the Internet are available for copying without permission. Internet postings may be subject to copyright. This would include re-use of materials submitted by visitors to an ABO/Training Provider site. If you want to republish or reuse material posted on your site, such as republishing a customer quote in promotional materials, you should seek permission.
- 2. If you permit content to be posted on your website, the conditions for posting of materials by others should comply with the restrictions on BSM, including prohibition of posting BSM without approval of Amway.
- 3. Purchasing music from the iTunes® store or another music supplier does not mean the purchaser can use the purchased music for any purpose. For example, you may need to obtain additional licenses to use the music in connection with BSMs, such as in videos, or for use on the Internet.
- 4. Quoting even a small portion of a copyrighted work may violate the author's copyright. Obtain written permission before using the writings or speeches of other people. You may also need to seek written permission to mention the name of author.
- 5. Even if Amway has obtained a license to use a copyrighted material, it does not necessarily mean that the license extends to an ABO/Training Providers use of the material.

#### **Rights of Publicity**

ABOs/Training Providers shall refrain from using an individual's likeness, including his or her name, photograph, image or voice in BSM without first obtaining written permission from that individual. This applies to celebrities, Amway employees and other ABOs/Training Providers. ABO/Training Provider shall maintain the written permission from the individual and produce it to Amway upon request.

Permission to use an individual's likeness may be limited in several ways, including by time, manner of use, territory or media. Therefore, permission to use a person's likeness in one situation may not permit the right to use the same image in another situation. You should confirm that your use is covered by the permission granted.

#### The following are common situations where publicity rights may arise:

- 1. A photograph contains the images of a number of individuals. The photographer provides written permission to an ABO/Training Provider to use the photograph. However, you should obtain the written permission of the individuals who appear in the photograph prior to using their image in any way (e.g. a model release).
- 2. A celebrity appears at an ABO/Training Provider meeting to provide a motivational speech and provides permission for the ABO/Training Provider to record the speech. That permission would not automatically include the right to use the celebrity's name in promoting the business or for other purposes.

#### **Proper Trademark Use**

The ABO/Training Providers shall not copy, distribute or in any other manner use trademarks of a third party or Amway or Alticor Inc. without proper written assignment, license, or other permission by the trademark owner. The written permission shall be retained by the ABO/Training Provider and produced to Amway upon request.

Amway or Alticor corporate-owned trademark and logo artwork, product photos, and corporate-related images shall be obtained only from approved corporate sources as specified by Amway.

Trademarks Are Proper Adjectives – A trademark is a proper adjective (never a noun), and it must be followed by the generic (or common descriptive) name of the product. The standard corporate style is to display trademarks in initial capital letters in text, or in stylized, bold, or distinctive type, followed by the "TM" symbol. There may be exceptions to the initial caps rule if the mark itself uses all upper or lower-case letters.

Example: L.O.C.™, Nutrilite™, XS™, iCook™

Generic product descriptors must have lowercase letters only.

Example: Artistry™ waterproof mascara

The trademark notice symbol (TM or ®) must appear after every use of the trademark. In text or copy, always use a product descriptor or noun after the trademark.

#### **Proper Trademark Use**

Trademark Notice – Use the TM notice symbol with no footnoted ownership statement unless otherwise directed during Amway's review process. The standard corporate style is to display trademarks with initial capital letters in text, or in stylized, bold or distinctive type. (Example: Nutrilite™ Supplements) It is acceptable to use lower case lettering when a mark appears in a stylized logo format. Generic product descriptors should have lowercase letters only. (Example: Artistry™ waterproof mascara.) The TM symbol should appear after each use of the trademark.

Trade Names and Trademarks Are Not the Same – Trademarks must not be confused with trade names, which are corporate or business names. Trade names are proper nouns. Trade names can be used in the possessive form and do not require a generic term. It is neither necessary nor appropriate to use a trademark notice symbol ( $^{TM}$  or  $^{R}$ ) after a trade name.

Examples: "Amway makes great products" or "I love Amway's newest NUTRILITE probiotic supplement."

Amway's revised standard corporate style applies to the replication of previously authorized BSM and new BSM created and authorized as of the date of the publication of these content standards. For all BSM previously authorized and existing as of the date of the publication of these Quality Assurance Standards, the previous Amway standard corporate style (all capital letters or in stylized, bold or distinctive type) is acceptable.

#### **QUALITY OF MATERIALS**

All BSM shall produce a professional and pleasant visual, tactile and/or audio experience for the user.

#### AMWAY-PRODUCED MATERIALS

All Amway-produced materials are protected by copyright law and may not be used or reproduced in whole or in part without Amway's specific written authorization. To the extent that BSM incorporate Amway-produced materials, the notice "© (insert year of first publication to intended audience) Amway Hong Kong." must be maintained or added to that section of the BSM.

#### **AMWAY EMPLOYEES**

Presentations by employees or representatives of Amway may not be recorded, duplicated, used, distributed, or sold in whole or in part without Amway's prior written authorization.

#### **OTHER SOURCES**

Test results performed by respected publications in mass media may be quoted only if written permission is obtained from the publisher, but results cannot be characterized as an endorsement of Amway or Amway products. Health or medical associations or similar bodies must not be cited in BSM as a source in connection with Amway products. Permission from the publisher must still comply with requirements in the Describing Products section below.

#### **Describing Products**

Claims for Amway<sup>™</sup> products must be verbatim from official Amway<sup>™</sup> sources and cannot be altered in any way. Statements on Amway<sup>™</sup> products may be only taken verbatim from official Amway<sup>™</sup> literature and official Amway<sup>™</sup> websites intended and approved for use in the respective market.

Presenting truthful, accurate and not misleading benefits of general supplementation is acceptable provided there is clear separation between general claims and those claims published for Amway products.

#### **ENDORSEMENTS AND TESTIMONIALS**

- Endorsements and testimonials must be honest and not misleading.
- An endorsement or testimonial must reflect the honest opinion of the person providing it.
- An endorsement or testimonial can't be used to make a claim that Amway couldn't legally make.
- The connection between Amway and the ABO must be clear.

# Content NOT permitted (some examples)

- Statements on illness/disease
- Medical claims
- Analysis, diagnosis
- Direct or implied statements regarding cure, treatment or prevention
- Use of terms herbal, organic or natural

#### **Discussing Earnings**

#### **INCOME**

Direct or indirect earnings representations must be truthful, accurate, and not misleading and must only reflect the income available or earned through the Amway Sales and Marketing Plan and other incentive programs. Therefore, it is prohibited to make income representations related to or incorporated with income from other sources and suggesting that it is the result of building the Amway business.

Describing income as continuing (or any synonym of it) without the requirement for continued effort and/or meeting qualifications is not permitted.

All income representations must be realistic, not exaggerated. Earnings and Amway Sales and Marketing Plan materials may require the use of appropriate disclosures per market specific guidelines.

Any representation that income is guaranteed or assured is not allowed. Amway offers a business opportunity, not a guarantee of income or success. Language that implies a guarantee of income or success misrepresents the business being offered. Use of "risk-free" or other terms that imply a guarantee of results are also prohibited.

#### LIFESTYLE

Lifestyle representations may be used if:

- They provide realistic, not exaggerated income potential;
- Are appropriate for the level (in the Amway business) of the ABO making the representation;
- Reflect the actual lifestyle of the ABO depicted in the representation and the time and effort required to attain that lifestyle.

#### **Discussing Earnings**

#### **RETIREMENT**

ABOs can build their business to a level that may allow them to leave their traditional occupation in order to operate their Amway™ business full time. It must be clear that generating income through the Amway Sales and Marketing Plan requires time and effort. The Amway business opportunity does not guarantee income for life.

An ABO may discuss retiring from the Amway business. However, the ongoing income generated from this business must be discussed in the context of ongoing effort.

#### **INHERITANCE**

One of the attributes of the Amway Sales & Marketing Plan is the ability of ABOs to build and establish a substantial

business, and then pass it on to their heirs as part of their estate.

An Amway business may be inherited in accordance with the Rules of Conduct. As long as the person(s) taking over the

business continues to achieve qualifications under the Amway Sales and Marketing Plan, they can also continue to achieve income, rewards and awards.

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This list is not all inclusive

Content Permitted	Content NOT Permitted			
<ul> <li>It must be clear that what is being described is income generated from the Amway Sales and Marketing Plan</li> <li>Performance Bonus income</li> <li>Ongoing income is acceptable with saying or implying ongoing effort</li> <li>Maintainable income/bonuses based on product sales and not guaranteed</li> <li>Performance-based income</li> <li>Financial Freedom</li> </ul>	<ul> <li>Residual, passive, royalties</li> <li>Risk free</li> <li>Never work again</li> <li>Setting timeframes on achieving income and achievement levels</li> <li>Money saved in personal use is not to be represented as income</li> <li>Permanent income</li> </ul>			

# WHY CONTENT IS NOT PERMITTED

Terms such as "residual, passive..." imply there is no continuing effort required to earn income in the Amway business.

Use of time frames as a normal expectation for achieving a specific Pin Level or income implies a guarantee.

Depictions of savings as income or profit based on buying at ABO cost is misleading.

#### Participation with the Network and Purchase of BSM

#### PARTICIPATION AND PURCHASE ARE OPTIONAL

Participation in a Network's BSM program and the purchase of BSM must be presented as optional and not a required component of building an Amway business

Participation in a Network's BSM program may assist an ABO to build a successful business, however it is not a guarantee.

Suggesting that any materials other than the literature portion of the Amway Registration Pack must be purchased to register as an ABO is not allowed.

#### **REFUND POLICY**

ABOs selling BSM shall provide refunds for BSM sold in accordance with Rules 7.2.

#### FINANCIAL RESPONSIBILITY

Sharing stories of purchases of Amway product or BSM, or other conduct or actions, which by the standards of society in general, would be considered to constitute financially irresponsible decisions or conduct by the purchasing ABOs, is not allowed.

Stating or imply money spent on BSM as an investment opportunity is not allowed.

#### **OTHER BUSINESS OPPORTUNITIES**

BSM cannot be used to promote any other business opportunity than the Amway Business.

PARTICIPATION WITH THE NETWORK				
Content Permitted	Content NOT Permitted (some examples)			
<ul> <li>It must be clear that purchase of materials or participation with a Network is optional.</li> <li>Professional Development Program/Materials</li> <li>Support System</li> <li>Entrepreneurial Development Program</li> <li>Networks provide training, education, motivation, development support and community</li> </ul>	<ul> <li>Stating or implying a guarantee of success from participation with a Network</li> <li>Stating or implying that participation with a Network is a required component of operating an Amway business</li> <li>Marriage, spiritual or financial counseling</li> <li>Equating the training system to higher education</li> <li>Life coach</li> </ul>			

# WHY CONTENT IS NOT PERMITTED

Success is not guaranteed based on system participation.

The role of the Network is to assist an ABO in building their Amway business not to provide counseling on personal matters.

Network participation does not result in a degree or certification associated with traditional education.

#### **Amway Business Environment**

The Amway business must be presented as an equal opportunity business. It must be clear that the Amway Business is an equal opportunity business open to all people from all walks of life regardless of religion, politics, nationalities, ethnicities, racial origins, gender, education, profession/occupation, or other basis.

#### SPIRITUAL/RELIGIOUS/POLITICAL COMMUNICATIONS

Spiritual, religious, and political communications are not allowed.

#### MORAL/SOCIAL COMMUNICATIONS

Disparaging statements regarding Amway, Alticor Inc., any of their affiliates, employees, ABOs, or other Training Providers are not permitted.

Using the business platform to express personal beliefs that are derogatory to the beliefs of others is not allowed.

Encouraging an ABO to limit contact with, or cut ties to, family and/or friends is not allowed.

It is appropriate to encourage ABOs to maintain a professional appearance.

Specific uniforms cannot be mandated