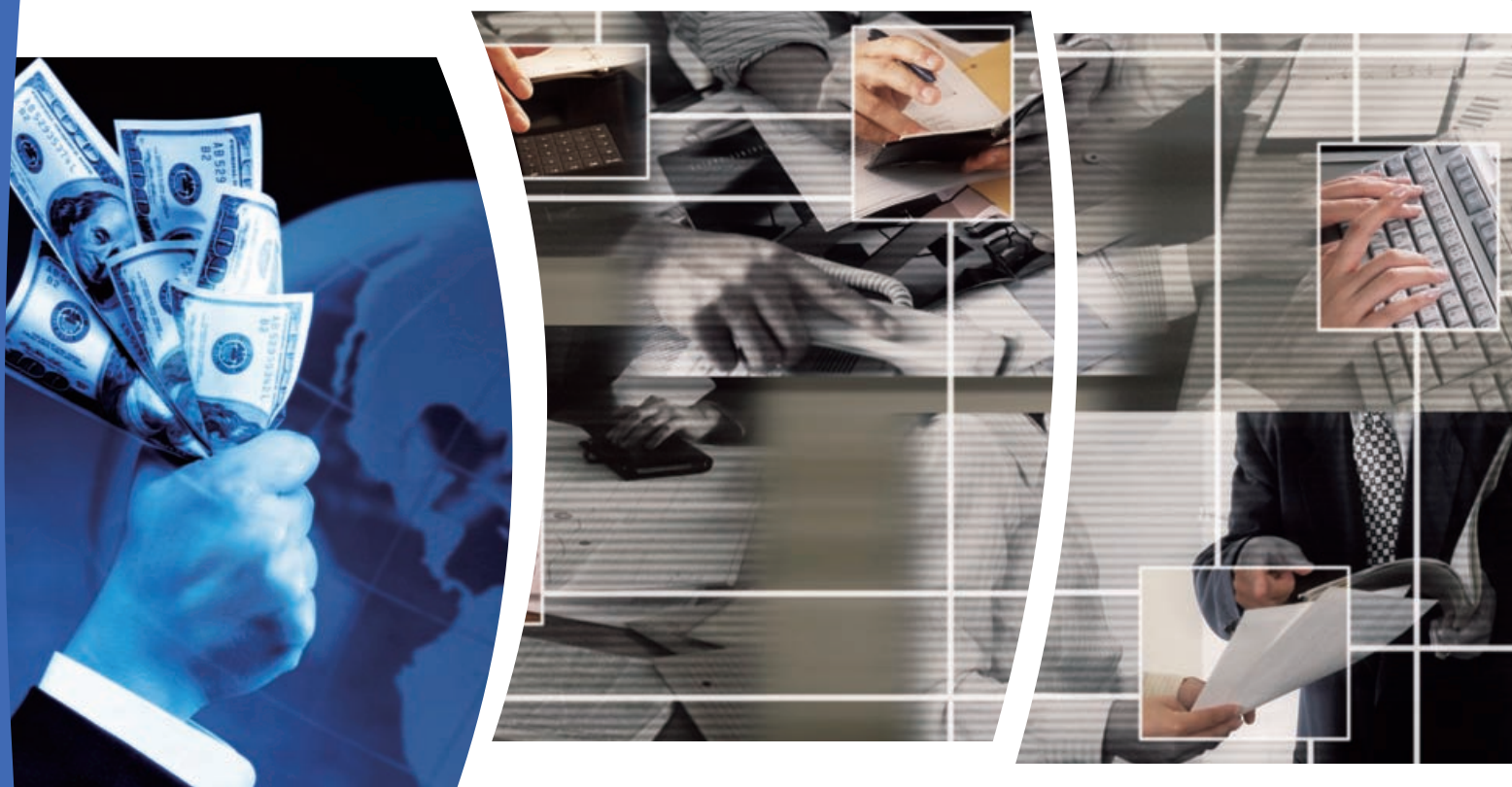


Part 2

Award and Reward



1. The Bonus System

The uniqueness of the Amway Business lies in its time-proven Sales & Marketing Plan which on one hand rewards the efforts of Distributors, and on the other, inspires Distributors' potential. It is possible, through the Amway Business Opportunity and through individual efforts, for a common individual to create success of his own and achieve financial security.

Distributors achieve their qualification levels by selling products, expand their networks by sponsoring others to become Distributors, and increase their Business Volume by duplicating their selling efforts.



BV & PV

Except the Retail Profit, Your business income is based on the monthly accumulation of points. All products are assigned 2 sets of numbers : Point Value (PV) and Business Volume (BV).The relationship between the 2 sets of value is governed by the PV/BV ratio as announced by Amway considering facts such as inflation, product price adjustment and Distributor income level. The PV/BV ratio is 1/42 now in Taiwan.



A Distributor's income consists of the following elements:

1. Immediate Income
 - Retail Profit : Approximately 25%~30%
2. Monthly Bonus
 - Performance Bonus : 3%~21%
 - Leadership Bonus : 4%
 - Ruby Bonus : 2%
 - Pearl Bonus : 1%
3. Annual Bonus
 - Emerald Bonus : 0.25%
 - Diamond Bonus : 0.25%
 - Diamond Plus Bonus : 0.25%
 - One-Time Cash Bonus : NT\$600,000~NT\$4.2 million are offered for first-time qualifying Double Diamond and up level.
 - Special Incentive Programs : (Different special incentive programs are offered yearly.)

The Performance Bonus

► Performance Bonus Schedule

If Your Total Monthly Point Value is:	Your Performance Bonus is:
10,000 or more	21% of you BV
7,000 ~ 9,999	18%
4,000 ~ 6,999	15%
2,400 ~ 3,999	12%
1,200 ~ 2,399	9%
600 ~ 1,199	6%
200 ~ 599	3%

The total Point Value of all the products you purchase and sell during a particular month determines your Performance Bonus percentage for that month. As you can see, the greater your total monthly Point Value, the greater your Performance Bonus. And the Performance Bonus is based not only on a Distributor's own Business Volume but also on purchases made by Distributors and Privileged Members whom he sponsors.

For simplicity, in our examples we have assumed 1 PV is equal to 42 BV.

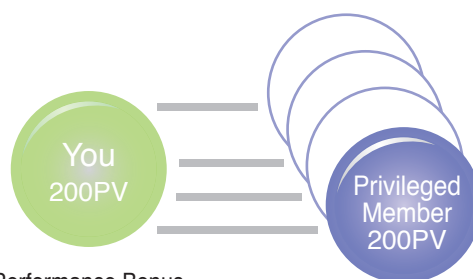
● Example 1



Your Performance Bonus

$$0 + 200 = 200\text{PV}$$

$$200\text{PV} \times 42 \times 3\% = \text{NT\$}252$$



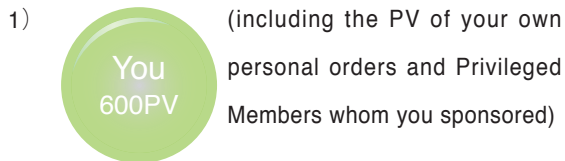
Your Performance Bonus

$$200 + 200 \times 4 = 1,000\text{PV}$$

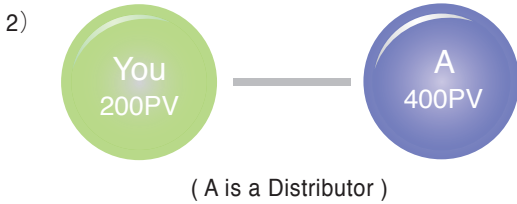
$$1,000\text{PV} \times 42 \times 6\% = \text{NT\$}2,520$$

● Example 2

Assuming the following 1, 2 and 3 situations, your total monthly Group PV will be the same at 600 PV, however, the Performance Bonus you receive is different.



$600PV \times 42\% \times 6\% = NT\$1,512$

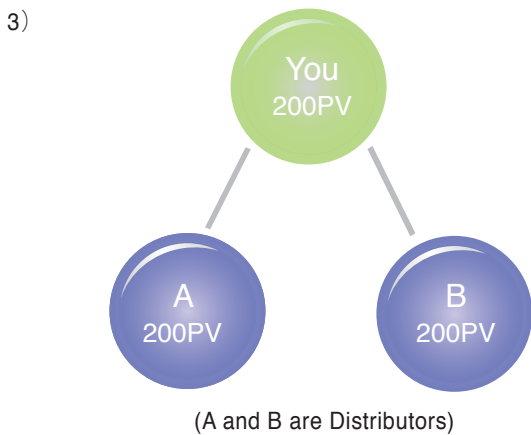


$200PV + 400PV = 600PV$

$600PV \times 42\% \times 6\% \dots \dots \dots$ Total Monthly Performance Bonus of your personal group

$-(400PV \times 42\%) \times 3\% \dots \dots \dots$ A's Performance Bonus

$= NT\$1,008 \dots \dots \dots$ Your Performance Bonus

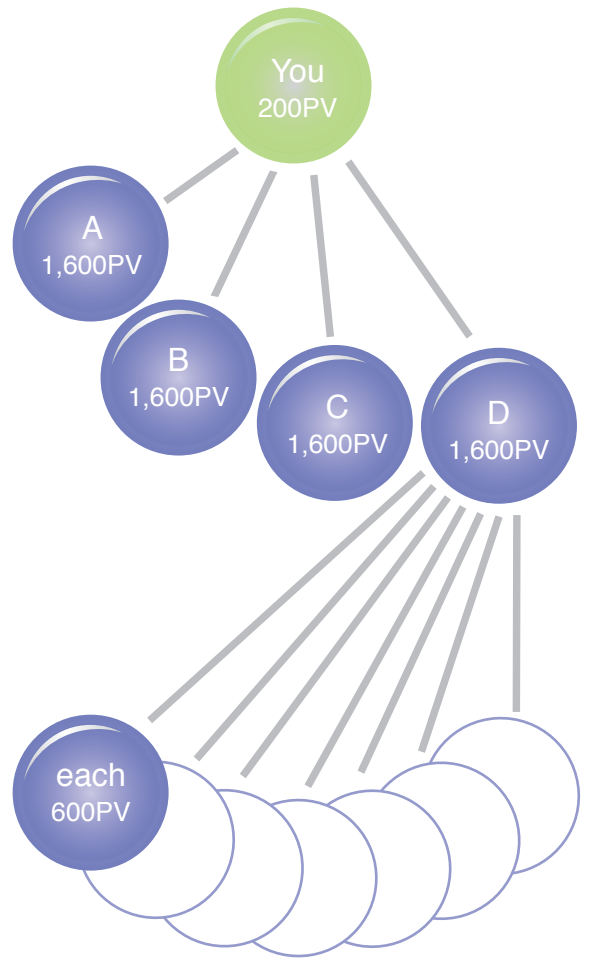


Your Performance Bonus

$600PV \times 42\% \times 6\% - A200PV \times 42\% \times 3\% - B200PV \times 42\% \times 3\% = NT\$1,008$

● The Amway business is a fair business. More effort made, more income earned.

● Example 3





D's Performance Bonus

$$1,600+600 \times 7 = 5,800 \text{PV}$$

$$5,800 \text{PV} \times 42 \times 15\% - (600 \text{PV} \times 42 \times 6\%) \times 7$$

$$= 36,540 - 10,584 = \text{NT\$}25,956$$

Monthly Performance Bonus paid to A, B and C each

$$1,600 \text{PV} \times 42 \times 9\% = \text{NT\$}6,048$$

The Performance Bonus you receive

$$200 + 1,600 \times 3 \text{ (A, B, C)} + 5,800 \text{ (total PV of D's Personal Group)}$$

$$= 10,800 \text{PV}$$

$$10,800 \text{PV} \times 42 \times 21\%$$

$$- 1,600 \text{PV} \times 42 \times 9\% \times 3 \text{ (total Performance Bonus paid to A, B and C)}$$

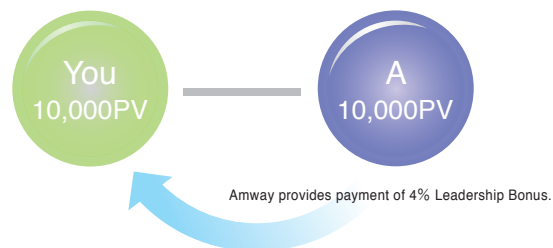
$$- 5,800 \text{PV} \times 42 \times 15\% \text{ (total Performance Bonus of D's Personal Group)}$$

$$= 95,256 - 18,144 - 36,540$$

$$= \text{NT\$}40,572$$

- By sponsoring and coaching Distributors, you increase the base of sales on which your bonuses are calculated. You not only build your own business network but also enable others to build their own business.

● Example 4



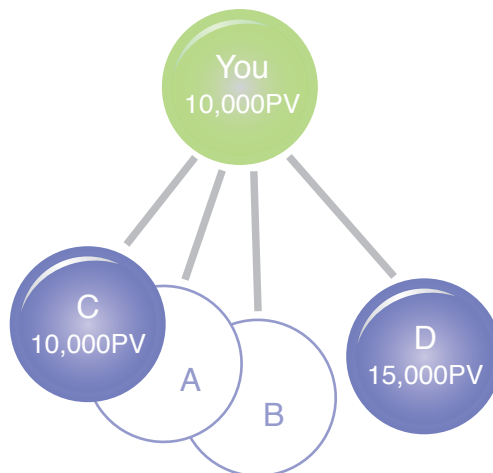
$$A \ 10,000 \text{PV} = 420,000 \text{BV}$$

Your Leadership Bonus

$$420,000 \times 4\% = \text{NT\$}16,800$$

Please refer to P14 for more detail.

● Example 5



4% Leadership Bonus generated by A, B and C

$$10,000 \text{PV} \times 42 \times 4\% \times 3 = \text{NT\$}50,400$$

4% Leadership Bonus generated by D

$$15,000 \text{PV} \times 42 \times 4\% = \text{NT\$}25,200$$

Your Leadership Bonus

$$50,400 + 25,200 = \text{NT\$}75,600$$

- As your personally sponsored Distributors reach the 21% level, you should continue to sponsor and support more Distributors to achieve their goals in order to keep growing.

● Example 6



Your Performance Bonus

$900PV \times 42\% = NT\$2,268$

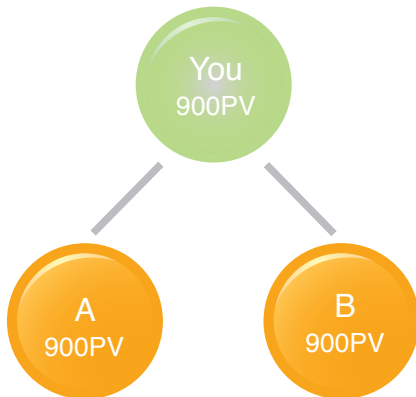


Your Performance Bonus+ A's Performance Bonus

$1,800PV \times 42\% = NT\$6,804$

Your Performance Bonus

$6,804 - (900PV \times 42\%) = NT\$4,536$



Total Performance Bonus (Yours+A's+B's)

$2,700PV \times 42\% = NT\$13,608$

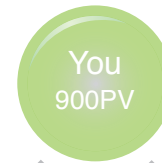
Your Performance Bonus

$13,608 - (900PV \times 42\%) \times 2 = NT\$9,072$

● As your network increases so do your bonuses.

Double

Double



Total Performance Bonus

$3,600PV \times 42\% = NT\$18,144$

Performance Bonus Your Upline receives

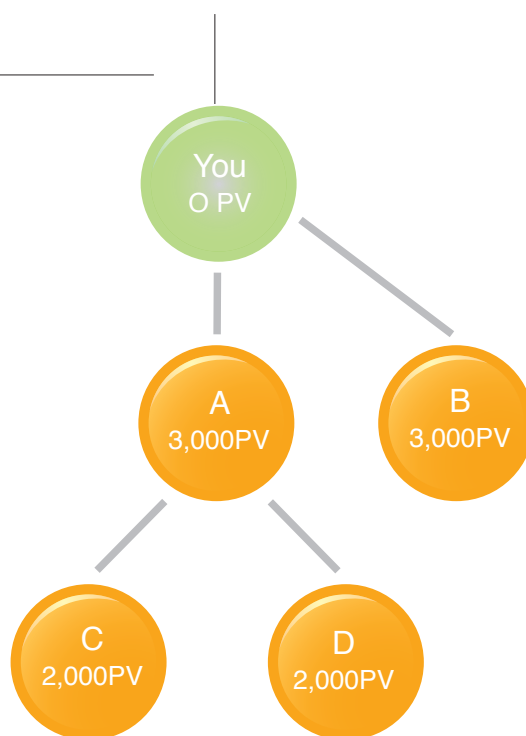
$18,144 - (2,700PV \times 42\%) = NT\$4,536$

$NT\$9,072(\text{you}) > NT\$4,536(\text{Upline})$

● You can build your own Amway Business and surpass your Upline in achieving higher level.

Bonus

● Example 7



Total Performance Bonus

$$(0+3,000+3,000+2,000+2,000)PV \times 42\% \times 21\% = \text{NT\$}88,200$$

Performance Bonus of A Personal Group is

$$(3,000+2,000+2,000)PV \times 42\% \times 18\% = \text{NT\$}52,920$$

Performance Bonus of B Personal Group is

$$3,000PV \times 42\% \times 12\% = \text{NT\$}15,120$$

Your Performance Bonus

$$\text{Total} - (A+B) = \text{NT\$}20,160$$

A's Performance Bonus

$$52,920 - (2,000PV \times 2 \times 42\% \times 9\%) = \text{NT\$}37,800$$

$$\text{NT\$}37,800(A) > \text{NT\$}20,160(\text{you})$$

- Amway provides a flexible business opportunity.
There is no minimum order required and you decide how much time and efforts you want to invest.

● Leadership Bonus

The Leadership Bonus is paid each month by Amway to a qualified sponsor on the Personal Group BV of each 21% level group that he personally sponsors.

In the course of building an Amway business, a sponsor motivates and trains a Distributor to assist him in attaining the Maximum Performance Bonus level. At that time, both the sponsor and the Distributor are in the same Performance Bonus percentage bracket: 21%. Therefore, in order to provide the sponsor with an incentive to compensate for the hard work involved in doing so, the Amway Sales & Marketing Plan provides payment of a 4% Leadership Bonus to the sponsor. This Bonus is computed by Amway on the BV of each 21% qualifying group he or she personally sponsors.

Under this system, a Distributor who personally sponsors at least one 21% Group and who achieves the required Personal Group PV will be entitled to all or part of the 4% Leadership Bonus.

- To reward the time and effort you spend on developing training and servicing your Downline Distributors and PMs, Amway provides payment of a 4% Leadership Bonus to you accordance with the BV of the 21% qualifying group you personally sponsored as you meets Silver Producer qualification.
- The 4% Leadership Bonus is part of your estate and can be passed on to your heirs.

● Example 1

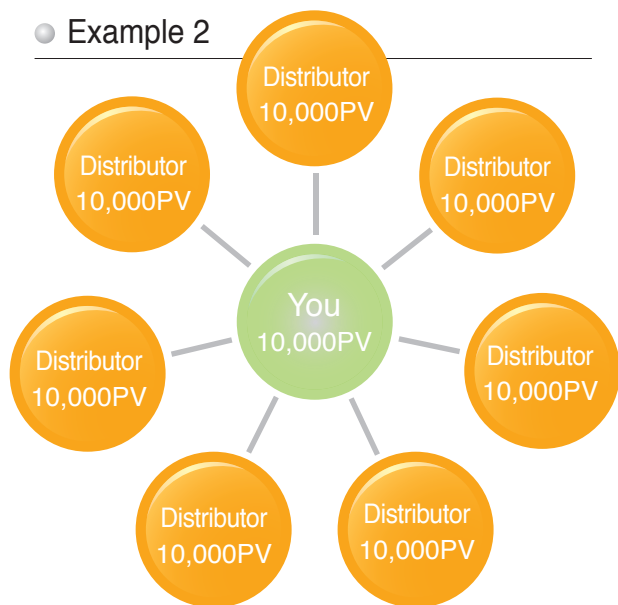
If you personally sponsor one Distributor or one PM who achieves 10,000PV and your Personal Group PV exceeds 10,000, you will receive all of the 4% Leadership Bonus($420,000 \times 4\% = \text{NT\$}16,800$).



If you sponsor 7 Distributors, each of them achieves 10,000PV and you maintains a Personal Group PV of at least 10,000, you will receive a monthly 4% Leadership Bonus of : NT\$117,600 ($420,000 \times 4\% \times 7$) or an annual 4% Leadership Bonus of : NT\$1,411,200.



● Example 2



● 4% Minimum Guarantee

While a qualified sponsor earns a Leadership Bonus on the Personal Group BV of the 21% groups that he personally sponsors, his qualified sponsor is entitled to receive a Bonus that is 4% of his BV or the established 4% Minimum Guarantee amount, whichever is greater.

This 4% Minimum Guarantee is determined in accordance with the ratio between BV and PV. As the BV:PV ratio changes, the amount is recalculated and the revised figure will be published by Amway in Amagram.

If the Personal Group BV of a qualified sponsor is insufficient to fulfill the 4% Minimum Guarantee to his sponsor, the difference between the Leadership Bonus actually generated by his volume and the 4% Minimum Guarantee is deducted from his Leadership Bonus to fulfill the 4% Minimum Guarantee to his qualified sponsor.



Bonus

For simplicity, in the following examples we have assumed 1 PV is equal to 42 BV and then the 4% Minimum Guarantee is NT\$16,800.

1. All of the 4% Leadership Bonus

If your Personal Group PV equals or exceeds 10,000, you will keep all of the 4% Leadership Bonus generated by your personally sponsored 21% Group.

● Example 1

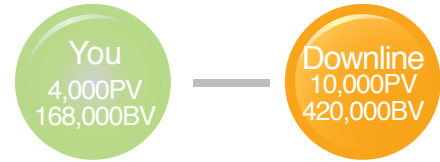


The 4% Leadership Bonus you received is $462,000 \times 4\% = \text{NT\$}18,480$.

2. Part of the 4% Leadership Bonus

If your Personal Group PV is between 4,000 and 10,000, you will only receive some of the 4% Leadership Bonus generated by your personally sponsored 21% Group because you have to ensure that your qualified Upline Sponsor will receive the 4% Minimum Guarantee of NT\$16,800.

● Example 2



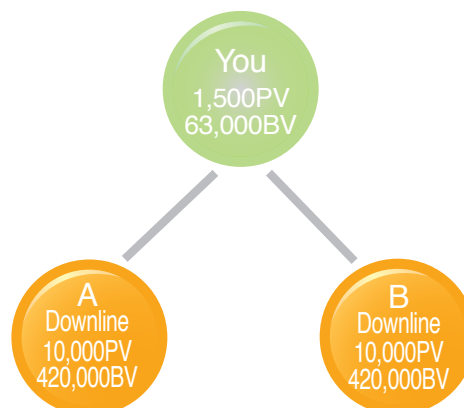
- The 4% Leadership Bonus generated by your Downline
 $420,000 \times 4\% = \text{NT\$}16,800$
- The 4% Leadership Bonus you generated
 $168,000 \times 4\% = \text{NT\$}6,720$

The difference between the 4% Minimum Guarantee and the 4% Leadership Bonus you generated is NT\$10,080. To ensure your qualified Upline Sponsor receive the 4% Minimum Guarantee of NT\$16,800, NT\$10,080 of the 4% Leadership Bonus generated by your Downline is deducted. The 4% Leadership Bonus you actually receive is NT\$6,720.

3. If your Personal Group PV is less than 4,000 and you personally sponsor two 21% Groups, you will receive only part of the 4% Leadership Bonus generated by your personally sponsored 21% Groups because you have to ensure that your qualified Upline Sponsor will receive the 4% Minimum Guarantee.



● Example 3



- The 4% Leadership Bonus generated by your Downlines

$$A : 420,000 \times 4\% = \text{NT\$}16,800$$

$$B : 420,000 \times 4\% = \text{NT\$}16,800$$

$$A+B = \text{NT\$}33,600$$

- The 4% Leadership Bonus you generated
 $63,000 \text{BV} \times 4\% = \text{NT\$}2,520$

The difference between the 4% Minimum Guarantee and the 4% Leadership Bonus you generated is NT\$14,280. To ensure your qualified Upline Sponsor receive the 4% Minimum Guarantee of NT\$16,800, NT\$14,280 of the 4% Leadership Bonus (NT\$33,600) generated by your Downlines is deducted. The 4% Leadership Bonus you actually receive is $\text{NT\$}33,600 - \text{NT\$}14,280 = \text{NT\$}19,320$.

Bonus

● Ruby Bonus

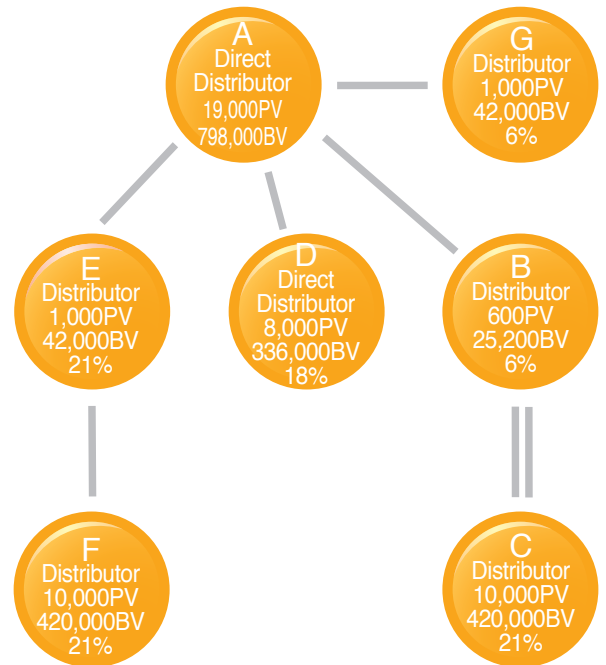
A Ruby Bonus is paid by Amway when a Distributor reaches Ruby volume 20,000PV in any one month, no matter he qualifies Direct Distributor or not. The amount is equal to 2% of the Distributor's Ruby volume in that month.

The Ruby volume excludes the following:

1. The PV generated by Downlines who reach the 21% Performance Bonus Level in that month.
2. The PV generated by Downline Direct Distributors, no matter they reach the 21% Performance Bonus Level or not in that month.
3. The PV generated by the Uplines of Foster Sponsored 21% Groups in that month (except the Distributor himself).

BONUS

● Example 1



The Ruby volume of Direct Distributor A excludes the following 3 items:

1. The PV of 21% Silver Producer F and his Upline Distributor E.
2. The PV of Downline Direct Distributor D.
3. The PV of 21% Foster Sponsored Group C and his Upline B.

The Ruby volume of Direct Distributor A :

$$A + G = 19,000PV + 1,000PV = 20,000PV$$



● Pearl Bonus

Each Distributor who personally or foster sponsors 3 or more groups which qualify at the 21% Performance Bonus level in any one month is eligible to receive a Pearl Bonus.

Each month, Amway pays a qualified recipient a Pearl Bonus equal to 1% of the BV generated by all second level 21% groups, down to and including the first qualified Pearl Bonus recipient plus the personally or foster sponsored 21% groups of that (Downline) Pearl Bonus recipient.

If a qualified Pearl Bonus recipient personally or foster sponsors a qualified Pearl Bonus recipient, the Pearl Bonus for the sponsoring Pearl Bonus recipient is paid only on the 21% groups personally or foster sponsored by the sponsored Pearl Bonus recipient.

To qualify for the Pearl Bonus, a Pearl Direct Distributor must be a qualified Direct Distributor and must personally or foster sponsor at least three 21% groups in his own market.

(BV generated by first level 21% groups does not count toward the Pearl Bonus since the Leadership Bonus is paid on this volume. Pearl Bonus is paid to the Upline Pearl Bonus recipient on this volume.)

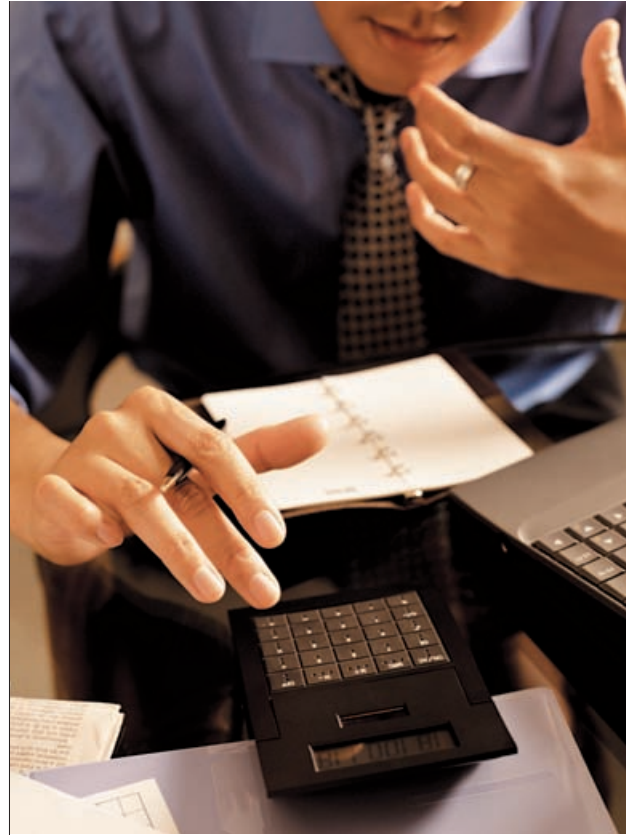
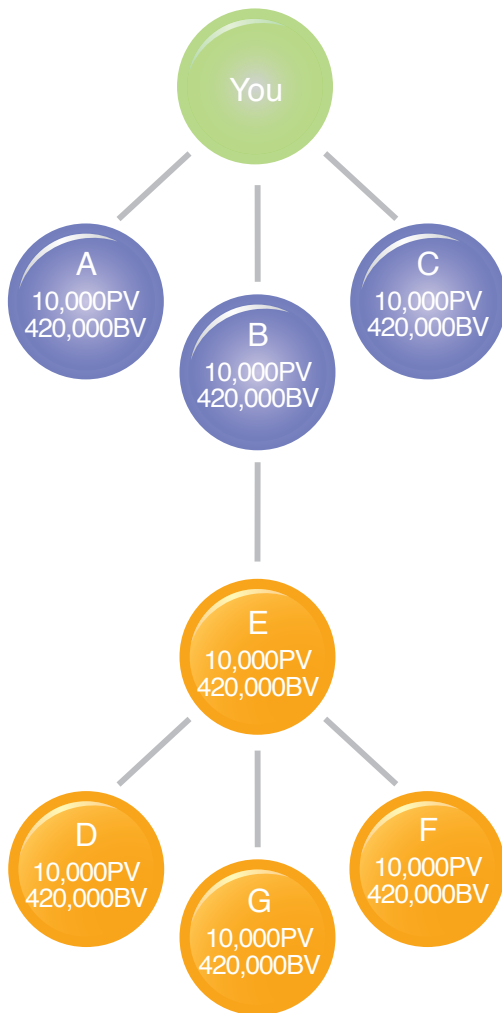
● Minimum Pearl Bonus

Each qualified Pearl Bonus recipient must guarantee to his sponsoring Pearl Bonus recipient a minimum of 1% of 10,000 points times the BV/PV ratio on his 21% group as well as one each of his personally or foster sponsored 21% groups.

Whenever a qualified Pearl Bonus recipient or one of his personally or foster sponsored 21% groups does not generate sufficient volume to fulfill the Minimum guarantee to the Upline Pearl Bonus recipient, Amway will adjust the amount of the Pearl Bonus to make up the difference. The PV/BV ratio is 1/42 and then the 1% Minimum Pearl Bonus guarantee is NT\$4,200.

The 1% Minimum Pearl Bonus changes if the BV/PV ratio changes. Amway will publish the amount updates in Amagram.

● Example 1



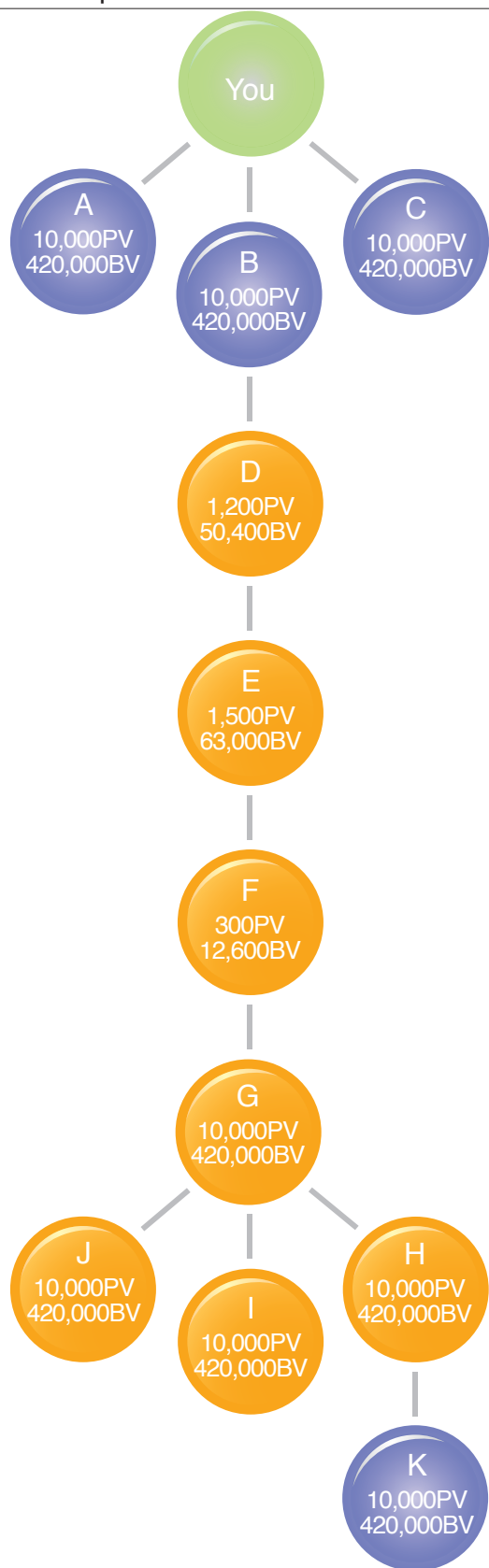
You cannot receive the Pearl Bonus generated by A, B & C since the 4% Leadership Bonus is paid on these volume.

Your Pearl Bonus is based on the total BV of D, E, F & G:

$$(420,000+420,000+420,000+420,000) \times 1\% = \text{NT\$}16,800$$

E is also a qualified Pearl Bonus recipient. However he cannot receive the Pearl Bonus because he does not have second level 21% groups. E will receive the 4% Leadership Bonus.

● Example 2



Your 4% Leadership Bonus is based on the total BV of A, B & C.

Your Pearl Bonus is based on the total BV of D, E, F, G, H, I & J:

$$(50,400+63,000+12,600+420,000+420,000+420,000 +420,000) \times 1\% = \text{NT\$}18,060$$

G's Pearl Bonus is based on the BV of K.

● Example 3

Your Pearl Bonus is based on the total BV of D, E & F :

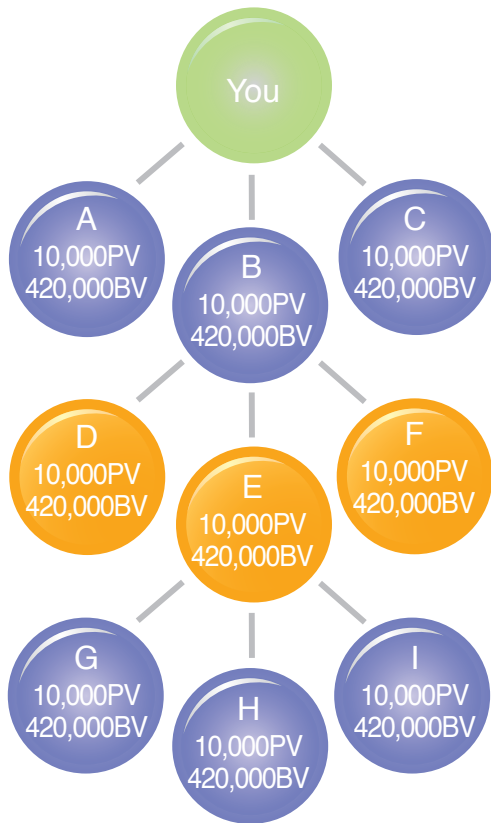
$$(420,000+420,000+420,000) \times 1\% = \text{NT\$}12,600$$

B is also a Pearl Bonus recipient.

B's Pearl Bonus is based on the total BV of G, H & I :

$$(420,000+420,000+420,000) \times 1\% = \text{NT\$}12,600$$

E's Pearl Bonus is 0 because he does not have second level 21% groups.



● Example 4

In this example, you, B & E are Pearl Direct Distributors.

B's Pearl Bonus is based on the total BV of D, E & F.

Since E does not generate sufficient volume to fulfill the 1% Minimum guarantee, the difference portion will be deducted from your Pearl Bonus.

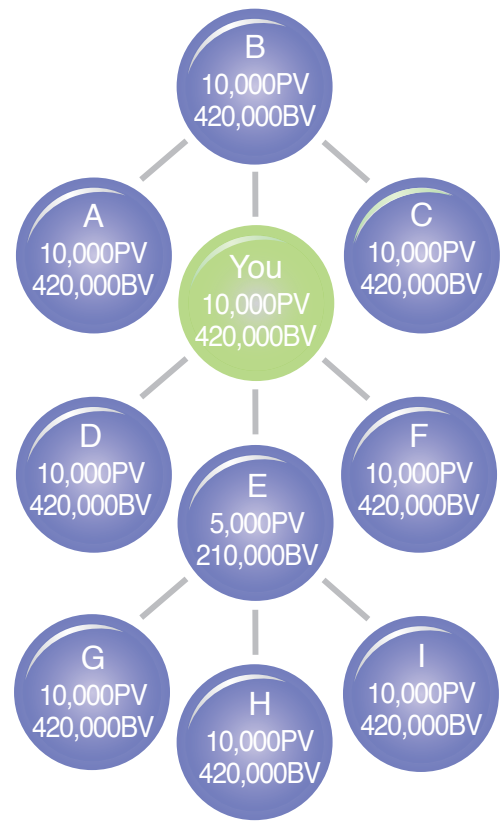
B's Pearl Bonus:

$$[(420,000+210,000+420,000) \times 1\%] + [1\% \text{ Minimum guarantee NT\$}4,200 - (210,000 \times 1\%)] = \text{NT\$}12,600$$

Your Pearl Bonus:

$$[(420,000+420,000+420,000) \times 1\%] - [1\% \text{ Minimum guarantee NT\$}4,200 - (210,000 \times 1\%)] = \text{NT\$}10,500$$

E's Pearl Bonus is 0 because he does not have second level 21% groups.



● Emerald Bonus

To qualify for the annually paid Emerald Bonus, a Direct Distributor must personally or foster sponsor three or more 21% groups in his own market, each of which qualifies at the 21% Performance Bonus level at least 6 months during the fiscal year.

The Emerald Bonus is paid annually. Amway sets aside an amount equal to 0.25% of all qualified BV Downline from all qualified Emerald Direct Distributors in the market (including 0.25% of all Amway foreign subsidiary volume traceable to Taiwan sponsorship, provided that volume is only one country removed from the market). At the end of each fiscal year (August 31), this fund is distributed among all the Emerald Direct Distributors who qualify in the following manner:

1. The annual qualified BV of each of the Emerald Direct Distributor's groups, including the BV on which the Emerald Direct Distributor has earned the Leadership Bonus, is added together.

2. A point value of 4 points is assigned for each 1,000 BV per group for the first 1,250,000 BV; 2 points are assigned for each 1,000 BV per group for the next 1,250,001~3,750,000 BV; 1 point is assigned for each 1,000 BV per group for the next 3,750,001~6,250,000 BV and 1 point is assigned for each 10,000 BV per group thereafter. This computation is made for each group.
3. The total points for all groups of each participating Emerald Direct Distributor are then added.
4. Dividing the total fund available by the total points gives a NT\$ value per point.
5. The Emerald Bonus is then determined for each qualified Emerald Direct Distributor by multiplying his points by the NT\$ value per point.
6. Payment for the fiscal year ending August 31 is sent out in late December.

Calculation Method Amway Fiscal Year : September 1 to August 31

BV	1 ~ 1,250,000	1,250,001 ~ 3,750,000	3,750,001 ~ 6,250,000	over 6,250,001
Point Value	4 Points /1,000BV	2 Points /1,000BV	1 Points /1,000BV	1 Points /10,000BV
	A	B	C	D

Total Points=A+B+C+D

$$\text{Bonus of the qualified Emerald Bonus recipient} = \frac{\text{Emerald Bonus Fund}}{\text{Total Points of all qualified Emerald Bonus recipients}} \times \text{Total Points of a qualified Emerald Bonus recipient}$$

The Volume of an Internationally Sponsored 21% group will be calculated for Emerald Bonus twice: one for the Foster Sponsor and the other for the Internationally Sponsor.

Bonus

● Diamond Bonus

To qualify for the annual Diamond Bonus, a Direct Distributor must personally or foster sponsor six 21% groups in his own market, each of which qualifies at the 21% Performance Bonus level at least 6 months during the fiscal year.

The Diamond Bonus is paid out of a fund consisting of 0.25% of the total BV of all qualified Diamond Bonus recipients, their personally, internationally and foster sponsored 21% groups in the market as the Diamond Bonus Fund. The Volume of an Internationally Sponsored 21% group will be calculated for Diamond Bonus twice: one for the Foster Sponsor and the other for the Internationally Sponsor (including 0.25% of all Amway foreign subsidiary qualified volume traceable to Taiwan sponsorship, provided that volume is only one country removed from the market).

The fund is distributed to eligible participants in accordance with the same formula employed for the calculation of the Emerald Bonus. The Diamond Direct Distributor who personally or foster sponsors at least seven 21% groups, each of which qualifies at the 21% Performance Bonus level during 6 months out of the fiscal year can also share in the Diamond Plus Bonus Fund.

● Diamond Plus Bonus

A Diamond Plus Bonus is paid to each Direct Distributor who personally or foster sponsors 7 or more 21% groups whose volume qualifies for at least 6 months during a fiscal year. Internationally sponsored groups are not included in the computation and payments of the Diamond Plus Bonus. The bonus is paid according to the following method:

Units are assigned to each qualified 21% group for each month they qualify. The number of units assigned to each group per month is as follows:

Each fiscal year, Amway sets aside a fund equal to 0.25% of all qualified in the market volume Downlines from all in the market Diamond Plus Bonus recipients. Once the total number of units is assigned to each Diamond Plus Bonus Qualifier see schedule below, the grand total of units is divided into the Diamond Plus Bonus Fund to determine the NT\$ value of each unit. Each qualifier's bonus is determined by multiplying the NT\$ value per unit by the total number of units for that qualifier. This amount is to be paid before the end of the calendar year for the previous fiscal year.

● Example 1

You are a qualified Diamond Direct Distributor and have 8 groups. Each of them achieved 21% Performance Bonus Level for 8 months during the same fiscal year. Your Diamond Plus Bonus : Payment unit is

$8 \text{ Groups} \times 8 \text{ months} \times 100 = 6,400 \text{ unit.}$

Assuming the average bonus amount per payment unit in a given year is NT\$20, your Diamond Plus Bonus is NT\$128,000 (6,400 X 20).

● Example 2

You have personally sponsored eighteen 21% groups in a fiscal year. 3 groups achieved 21% Performance Bonus Level for 4 months, 5 groups for 6 months, 5 groups for 9 months, and the other 5 groups for 12 months. You have qualified as a Triple Diamond Direct Distributor because you have total 15 groups with qualified volume for at least 6 out of 12 months in the same fiscal year. Your Diamond Plus Bonus Payment unit is

$5 \text{ Groups} \times 6 \text{ months} \times 300 = 9,000 \text{ unit}$

$+5 \text{ Groups} \times 9 \text{ months} \times 300 = 13,500 \text{ unit}$

$+5 \text{ Groups} \times 12 \text{ months} \times 300 = 18,000 \text{ unit}$

Assuming the average bonus amount per payment unit in a given year is NT\$20, your Diamond Plus Bonus is NT\$810,000.

$(9,000+13,500+18,000) \times 20 = \text{NT\$}810,000$

Diamond Plus Bonus Qualification and Unit Computation Schedule

	Number of Personally or Foster Sponsored Qualified 21% Groups	Bonus Payment Unit
● Diamond	7 to 11 groups	100 per group multiplied by months qualified
● Double Diamond	12 to 14 groups	200 per group multiplied by months qualified
● Triple Diamond	15 to 17 groups	300 per group multiplied by months qualified
● Crown	18 to 19 groups	400 per group multiplied by months qualified
● Crown Ambassador	20 or more groups	500 per group multiplied by months qualified