

# Income Disclosure

## 2019 U.S INCOME DISCLOSURE

### COMPENSATION

**The Amway business is based on product sales. There is no income earned from the mere act of sponsoring or recruiting others.** There are two fundamental ways in which an IBO can earn compensation:

1. Retail markup on products sold to customers; and
2. Sales Commissions (sometimes called bonuses or incentives) based on an IBO's product sales and product sales of those who are part of the sales team developed and supported by an IBO.

As with any other sales opportunity, the compensation earned by IBOs varies significantly. Many IBOs want to earn extra discretionary income, while some have other goals. Earnings depend on many factors, including: customer base, business experience, skills, effort, dedication, and quality and depth of your sales team. The information in this document is based on data relating to U.S. IBOs in calendar year 2019.

### COST TO REGISTER

**You are not required to buy any products or services to become or remain an IBO.**

**The annual cost to register with Amway is \$62**, which includes \$12 annually that Amway collects for your membership in the Independent Business Owners Association International (IBOAI), an Association whose Board of Directors and Officers are charged with making recommendations to Amway that are intended to serve the best interests of IBOs. A separate part of the \$62 includes an amount (which varies by year) that Amway applies towards the annual premium to support general liability and property insurance coverage and other benefits through the Independent Business Owners Benefits Association (IBOBA). **The cost to renew your registration annually is also \$62.**

### TYPICAL EARNINGS

As mentioned above, there are two ways to earn compensation: retail markup on product sales to customers and sales commission based on the sales of products.

For calendar year 2019, the average income for all U.S. registered IBOs at the Founders Platinum level and below was \$550 before expenses. Expenses may reduce your net income as an IBO and can include: registration/renewal fees, shipping charges, taxes and expenses you incur from samples, travel, any optional training and support you purchase from Approved Providers, or otherwise.

In 2019, 34% of all U.S. registered IBOs had no reported sales, did not sponsor another IBO, and did not earn any compensation from Amway; 57% of all U.S. registered IBOs in 2019 received a payment from Amway in at least one month for sales that occurred during 2019. Of the IBOs who received a payment from Amway in one or more months here is what they annually earned before expenses:

- The Top 1% earned \$72,850 (average) and \$43,853 (median)
- The Top 10% earned \$11,807 (average) and \$3,694 (median)
- The Top 50% earned \$2,705 (average) and \$404 (median)

IBOs have different goals, as such earnings vary based on their ability, skills, effort, and commitment. The Amway IBO Compensation Plan recognizes IBOs whose personal and downline volume achieves specified monthly or annual levels. IBOs who receive recognition at the Silver level have had at least one month in a performance year where their personal and downline volume qualify them to receive a 25% performance bonus on their personal volume. Gold, Platinum and Founders Platinum recognition have additional requirements. The following chart shows the breakdown of those U.S. IBOs that achieved one of these four recognition levels in 2019:

#### AVERAGE ANNUAL EARNINGS OF AMWAY IBOS IN 2019 BY RECOGNITION (PIN) LEVEL

Note: Figures do not include business expenses

Level	Average Time to Reach Level (in years)	% of all IBOs at this Level	Average Annual Earnings
Founders Platinum	3 - 13	0.43 %	\$ 41,066
Platinum	2 - 11	0.23 %	\$ 18,550
Gold	2 - 10	0.15 %	\$ 14,713
Silver	1 - 9	0.22 %	\$ 9,008

A small proportion of IBOs achieve higher levels of recognition and consequent rewards. The typical time and required effort to achieve such levels of recognition are extraordinary and should not form the basis of a decision to become an IBO.

### REFUND POLICIES

- **Cancelling your IBO Registration and getting a refund on amounts you paid to Amway:**
  - You can cancel your IBO registration with Amway at any time. If you do so within 90 days after your initial registration, you can receive a full refund on the \$62 you paid at registration.
  - You can return any unused and unsold products for a full refund. We will pay the shipping. Visit [https://www.amway.com/en\\_US/support-center/orders-and-returns](https://www.amway.com/en_US/support-center/orders-and-returns) for more information.
- **Refunds on amounts paid to Approved Providers:** If you paid for any training or support offered by an Approved Provider and you are not satisfied, the Approved Provider is required to refund any amounts you paid provided you request such a refund from the Approved Provider within your first 90 days after registering as an IBO. After your first 90 days, their regular return policies apply. Please contact the Approved Provider for more information.