What is Amway?

• A privately held company based in Ada, MI.

• A world leader in direct selling that offers consumer products and business opportunities in more than 80 countries and territories worldwide.

• Parent company of Access Business Group and Alticor Corporate Enterprises.

• In the fiscal year of 2009, reported sales of US $8.4 billion.
Our Leadership

• Office of the Chief Executive:
  Steve Van Andel - Chairman
  Doug DeVos – President

• Board of Directors - Family Members and Outside Industry Leaders
Our Vision

• Helping people live better lives:
  • Our Customers
  • Our Distributors
  • Our Employees
  • Our Neighbors

• Through our products, services and opportunities
Our History

1959

Today
Our Neighborhood
Greater Grand Rapids area population 1,000,000+
Where We Do Business

- Manufacturing in USA, Vietnam and China (for China markets only)
- Farms in USA, Mexico, Brazil
- Distribution throughout North America, Europe and the Far East
Our Sales

Amway Sales Growth (Billion $)

- 2000: $3.8
- 2001: $4.1
- 2002: $4.5
- 2003: $4.9
- 2004: $6.2
- 2005: $6.4
- 2006: $6.3
- 2007: $7.1
- 2008: $8.2
- 2009: $8.4
Our People

• Amway and its companies employ more than 13,000 worldwide and offer more than 3 million people an opportunity to become entrepreneurs in more than 80 countries and territories.

• Over 450 products are sold through Amway, primarily focused on health, wellness and beauty categories, led by flagship brands Nutrilite and Artistry.
What is Direct Selling?

• US $113 billion industry

• Provides customers convenience and service, including personal demonstration and explanation of products, home delivery, and generous satisfaction guarantees

• Allows individuals an alternative to traditional employment by building a business of their own

• Provides a channel of distribution for companies with innovative or distinctive products not readily available through traditional retail
Alticor Corporate Enterprises (ACE) is a holding company for Alticor’s non-direct selling companies. ACE companies include:

- **Amway Hotel Corp.** – owner and operator of the Amway Grand Plaza Hotel, JW Marriott Grand Rapids, and Courtyard by Marriott – Downtown Grand Rapids;
- **Interleukin Genetics** – a publicly listed developer of innovative nutrition and consumer genetic health tests; and
- **Gurwitch Products** – a luxury cosmetics and skin care company which develops and markets premium lines under the brand names Laura Mercier® and ReVive®.
- **Metagenics** – a company which develops, manufactures and markets branded nutritional supplements through practitioners in North America, Australia and Europe.
• Founded in 1959, by Rich DeVos and Jay Van Andel

• One of the world’s best known direct selling brands

• Offered in more than 80 countries and territories worldwide

• More than 70% of sales generated in Asia
Amway Business Opportunity

- Low risk and low cost opportunity to run a business based on one’s own needs and priorities
- Trusted business plan recognized as a benchmark model for direct selling
- Supported by high-quality consumable products
- World-class infrastructure and logistics
Amway Research and Development

**Product Development**
- More than 800 patents granted, and more than 500 pending
- 65 R&D labs worldwide
- Over 500 full time employees, including 100 with advanced degrees

**Technical/Regulatory Affairs**
- Responsible for worldwide product compliance, registration and safety
- Reviews and approves product concepts, ingredients, specifications, claims

**Quality Assurance**
- Partners with our suppliers to provide world class quality to our customers
- Includes Supplier Quality Development, Global Field Services and Process Quality Improvement
- Affiliate quality representation present in all major markets
Amway Product Demand

Global Procurement
• 2006 Supply Chain Council Award Winner for Global Supply Chain Excellence
• Controls over $2 billion in annual spending
• Supplier requirements, scorecards and analytical reporting available at www.supplier.alicor.com

Supply Chain Planning
• Scheduling, material planning, manufacturing operations and inventory planning
• Places purchase orders with suppliers based on agreed-upon terms
• Key member of Sourcing Strategy Teams (SSTs), and provides feedback on supplier performance

Project Management
• Leads the Idea to Market (ITM) process designed to bring high-quality, innovative and cost-competitive products to market
• Includes the Documents and Design team responsible for development and maintenance of packaging artwork and manufacturing documents
Amway’s Strategic Sourcing Teams

Strategic Sourcing Goals
• Cross functional collaboration
• Recommend and implement category strategies globally
• Create long-term partnerships with suppliers
• Drive the lowest total cost
• Align marketing, technology and sourcing plans

Systematic Actions
• Develop the category strategy
• Evaluate the supplier segmentation status
• Evaluate and implement the commodity coding structure
• Engage the leadership team
• Apply risk management
Amway Supplier Segmentation

**Alliance Partner**
- Supplier relationship is critical to Amway’s long-term success (<1% of supply base)
- Integrated involvement in each parties’ activities

**Global Preferred & Preferred Suppliers (regional, local)**
- Supplier relationship is important to Amway’s success, and difficult to replace
- Collaborative involvement in each parties’ activities
- A ‘global preferred’ supplier can supply a majority of Amway’s global markets

**Approved Supplier**
- Supplier relationship is considered ‘standard’
- Activities are coordinated on a limited basis

**Mandated Supplier**
- Sourcing decision is made by a Contract Customer, not Amway
- Activities are coordinated on a limited basis

**Probationary Supplier**
- Supplier is either new to Amway (probationary evaluation period), or
  supplier is performing sub-par (probationary period for improvement)
- Supplier can provide existing items, but no new items without pre-approval

**Recover**
- Supplier offering, performance and/or behavior is deemed a risk to Amway
- Amway to commit significant resources to short-term performance improvement, risk mitigation, and/or supplier replacement activities
Amway Supplier Portal

Supplier Portal

- Central location for all Amway requirements
- Access to Business Requirements
- Access to Supplier Analytics

Welcome to Amway's Supplier Portal

We appreciate your company's role in helping us to build strong relationships. Working together, our goals are to develop innovative products, manage total cost, and improve supply chain performance.

This Supplier Portal is your central location for all Amway and ABG Supplier Requirements.

In The News

APRIL 2019
Effective April, the ABG Supplier Portal has changed both its name and address. Its new name is the Amway Supplier Portal, and its new address is supplier.amway.com. Please update any links you may have stored. In the weeks following, we will be working to update this site’s appearance and documents to better reflect our company’s move back to the Amway brand.

APRIL 2019
ABG announces that its annual Supplier Conference will be held on Wednesday, June 19th, at Abigayel’s Hyatt Hotel. The supplier invitation and registration processes have just begun. Supplier Invitation will begin according to the upper schedule of our updated Supplier Invitation Process (see link at left, and Nov. story). During 01 and 02 of 2005, all Amway SST teams are re-segmenting their supplier bases. In advance of this conference, supplier responses to ABG Buyer requests for Continuous Improvement Innovation Plan (CIP) will be revealing on their Supplier Segmentation.

FEBRUARY 2019
Amway’s parent company, Allocor Inc., announced record sales of more than US $6.2 billion for the year ended Dec. 31, 2000, a 15% increase over the $5.4 billion reported in 2000. Two-thirds of our SBH retail stores recorded sales increases in 2000, including strong growth in the China, Russia and India markets.

Amway Supplier Analytics

Features

- Provides on-demand secure access to:
  - Forecasts and open orders
  - Item information
  - Purchase history
  - Supplier performance

Current Availability

- 23/7
- Data current through prior day
Ada, Michigan Complex

300 acres (121 hectares)
Ada, Michigan Manufacturing

- Cosmetics
  - 150 million unit capacity
- Personal Care (*shampoos, soaps and lotions*)
  - 75 million unit capacity
- Home Care (*cleaning powders and liquids*)
  - Liquids: 85 million unit capacity, 1 million liters at any time
  - Powder: patented process with capacity for 60 million units
- Home Tech (*air and water treatment systems*)
  - 400,000 unit capacity on seven assembly lines.
- Aerosol
  - 85,000 square feet (*8,000 m²*) with 33,000 square foot (*3,000 m²*) gas tank farm
- Printing
  - Nearly 200 million impressions annually
Buena Park / Lakeview, California

Combined 500,000 square feet (46,500 m²)

Buena Park, CA                   Lakeview, CA
Buena Park/Lakeview, California Manufacturing

Tableting
• Weigh Up
• Granulation
• Compression
• Coating/Inspection
• Packaging

• Powder Drink

• Food Bar
  • Size: 500,000 square feet (46,500 m²)

• Estimated capacity:
  • 10 billion tablets
  • 40 million food bars
  • 100 million pouches
  • 10 million canisters

• Products: A-Z vitamins, herbal supplements, meal replacement and weight management food bars, powdered drinks and meal supplements
China Manufacturing

City of Guangzhou in the Guangdong province
1,517,711 square feet (141,000 m²) production facility
430,556 square feet (40,000 m²) logistics center
China Manufacturing

- Nearly 180 products
  - Home Care
  - Cosmetics
  - Nutrition Protein Powders
  - Nutrition Tablets
  - Nutrition Softgel Capsules
  - Is currently expanding operational capacity to support the potential of $3.5B in sales and 300 million units
- ISO9001 & ISO14001 certifications
- 5,000+ employees
- Named one of Ten Best Employers in China
- Sponsorships: NUTRILITE™ was the official food supplement brand of the Chinese Olympic Team for the 2000 and 2004 Olympic Games
- 12 products selected as the official products for the Chinese Polar Expedition Teams
- Amway China Co. Ltd. has received nearly 500 honors and awards from the Chinese government
Certified Organic Farms

Processing Operations
- Concentration
- Dehydration
- Extraction
- Milling

Main Crops: alfalfa, citrus trees, watercress, parsley, acerola cherries, echinacea, mango, pineapple, coconut, carrots, and broccoli

Organic Farming: organic practices promote healthier plants and soils by avoiding synthetic chemical pesticides, herbicides, and fertilizers. It results in plants that resist disease and insects.
Amway Logistics

North American Distribution
• Multiple distribution centers in the US and Canada provide support to Amway and 3rd party contractors

Global Transportation
• World-class transportation, door-to-door delivery

Europe Logistics
• Product supply to growing Amway Europe markets

Global Trade Operations
• Administers international trade and compliance

Facilities Management
• Integrated engineering and related technical support services for Alticor companies
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<td>Extruded, slab, and multi-layered food bars</td>
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Our Business Lines

nutrition

beauty

durables

home care
Nutrition

NUTRILITE™ Brand – more than 75 years of trust

• Combines the best of science and the best of nature to build quality and value into all of its products
• The only global vitamin and mineral brand to grow, harvest and process plants on its own certified organic farms
• Full line of nutritional supplements in three main categories:
  • weight management
  • essentials
  • targeted formulas
Beauty

ARTISTRY™— global leader in prestige beauty

• The only direct-sell brand classified in the prestige category, with over US $1 billion in annual sales
• More than 250 unique products sold in over 50 markets around the world
• At the forefront of technological developments in cosmetics research and formulations
• All products are dermatologically and allergy tested
BEAUTY CYCLE™

- Approachable skincare products and color cosmetics
- A symbiosis of nature’s elements and results-driven personal beauty solutions
  - Elemental themes address all skin types, enveloped in liposomes Microquad™ (cleanser, toner, day cream, night cream)
    - Air – Rejuvenates aging skin.
    - Water – Quenches thirsty skin.
    - Earth – Balances oily skin.
    - Fire – Re-energizes all skin types.
- Good value at affordable pricing, Something for everyone
- Forecasted sales of $76M for 2010
Beauty

Personal Care

- SATINIQUE™ salon quality hair care products featuring the unique Ceramide Infusion System—repairs strengthens and protects in one use
- BODY SERIES™ family line of soaps, deodorants and lotions
- GLISTER™ brand oral care products
Synergy Between NUTRILITE™ and ARTISTRY™ Brands
Durables

eSPRING™
• First in-home water treatment system to combine ultraviolet light technology with a patented multi-stage carbon-block filter
• Destroys more than 99.99% of waterborne, disease-causing bacteria and viruses in drinking water.

ATMOSPHERE™ Air Purifiers
• Effectively removes up to 99.99% of airborne particulates that are drawn through the system
Durables

iCOOK™ / AMWAY QUEEN™ Cookware

- Premium-grade materials and precision manufacturing provide years of superb cooking performance and durability
Home Care

Three distinct brands:

L.O.C.™
- Offers cleaning products for diverse jobs throughout the house

SA8™
- Laundry Care system guaranteed to provide extraordinary results - ranked No. 1 Detergent by a leading consumer magazine in Dec. 2006

DISH DROPS™
- Offers powerful dishwashing performance
Satisfaction Guaranteed

- Our satisfaction guarantee ensures that if the customer or an IBO is not completely satisfied with the product, it will be exchanged or refunded. No questions asked. In fact, Amway takes this obligation so seriously that the customer often receives a replacement product before returning the first one.

- Our mission is to enhance distributors’ credibility and support their relationships with customers.

- Only companies with confidence in their products can offer and honor such promises.
Amway Suppliers... The Keys to Our Success

Our suppliers are critical to our achievement of customer satisfaction and growth objectives:

- Innovative products and services
- Lowest Total Cost
- Supply Chain Excellence:
  
  *exceptional Quality…
  
  …delivered On-Time…
  
  …with outstanding Customer Service
Questions?

www.alticor.com

www.amway.com

www.accessbusinessgroup.com