

The Company's marketing policies are established as follows:

## Forever Living Products Japan, Limited

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TEL: (03) 6457-2500 (main)  
Gregg Maughan CEO

### ■ OVERVIEW OF COMPANY ■

#### OVERVIEW OF COMPANY

Forever Living Products Japan, Limited (hereinafter referred to as "the Company") is a corporation established as an affiliated company in Japan of Forever Living Products International Inc., based in Scottsdale, Arizona, U.S.A.

The Company markets aloe vera and bee products, which have been favored by many since ancient times for their health and beauty properties.

#### COMPANY PHILOSOPHY

The Company is dedicated to people's health and prosperity by providing superior quality products and giving opportunity for many people to participate in the distribution of these products.

#### REGIONAL SALES COORDINATOR (hereinafter referred to as "RSC")

RSC will supervise sales activity of the assigned area and be in charge of the following duties.

1. Hold seminars and events as a representative of the Company.
2. Support Forever Business Owner's activities.
3. Convey the Company's policy to Forever Business Owners.
4. Strictly follow related laws and instruct Forever Business Owner so their activities will be properly performed.

#### THREE HEART CLUB

1. This is an organization which is composed of the Company and specially recognized Forever Business Owners. They perform everyday Forever Business Owner activities properly based on the company policy, contributed to the society, with the aim that Forever Business Owner activities would be recognized properly and receive high social status.
2. The name of Three Heart Club represents 3 hearts: Health, communication with others (Heart), and the wish for other's happiness (Happiness).
3. Three Heart Club is composed of the Company and the following members in each area.
  - (1) Leaders Club Members (LCM)
  - (2) Area Presidents Club Members (APCM)
  - (3) Senior Presidents Club members (SPCM)
  - (4) Executive Presidents Club Members (EPCM)
  - (5) Senior Executive Presidents Club Members (SEPCM)
  - (6) Royal Executive Presidents Club Members (REPCM)
  - (7) Senior Royal Executive Presidents Club Members (SREPCM)
  - (8) Gold Royal Executive Presidents Club Members (GREPCM)

### ■ MARKETING SYSTEM ■

#### -MARKETING SYSTEM

Forever Business Owner (known as Assistant Supervisor, Supervisor, Assistant Manager, Manager, according to actual sales record) will retail products directly to Aiyosha.

## AIYOSHA

Customers are known as “Aiyosha”

### FOREVER FRIENDS

#### 1. Forever Friends

- (1) Can directly purchase the Company's products at Friends' price. (Can also purchase single product from sponsor at the Company's retail price.)
- (2) Cannot sponsor friends etc. until becoming a Forever Business Owner.
- (3) Cannot retail products until becoming a Forever Business Owner.

#### 2. Becoming Forever Friends

- (1) Basically only individuals (the person himself/herself) can apply. Cannot apply in company's name or group's name.
- (2) Cannot change his/her sponsor.
- (3) A couple is considered as one pair and cannot sponsor each other.
- (4) Applicants must be at least 20 years of age.
- (5) Applicants must be introduced to the Company by a person who has Forever Business Owner's status formally recognized by the Company and apply for registration under one of these methods:
  - ① Apply for registration via Official Website (designated for PC and smartphone)
  - ② Apply by using Forever Friend Application Form.

#### 3. Purchasing products

- (1) A Forever Business Owner can purchase individual cases of product directly from the Company at Forever Business Owner's price.
- (2) When purchasing products from the company, payment is to be made by one of these methods of payment: [in cash, postal transfer or bank transfer or by credit card] Products will be handed over or shipped after the order and payment are verified. Otherwise purchase can also be made through cash on delivery.
- (3) The amount of products purchased should be determined with a good understanding of products details. One should purchase the amount of products that can be used within one month. The amount of products that can be purchased within one month is up to 5 case counts.

#### 4. Returning products

(In case of returning products directly purchased from the Company)

- (1) Only unused products can be returned within 30 days of purchase by sending a written document such as postcards to the Company. The Company will pay for shipping charges.
  - (2) The Company will purchase back the returned products at purchased price. The Company will not charge damages or any other penalties.
  - (3) Any Friends Bonus, Leadership Bonus and Eagle Bonus received by an introducer or upper level Forever Business Owners will be subtracted from the next bonus.
  - (4) Products cannot be returned if they are purchased for more than 31 days.
- If products are returned with the above procedures, the particular Forever Friend will lose his/her entitlement to Forever Friend status.
- In this case, this may affect his/her promotion to upper Forever Business Owner status or bonus requirement.

#### 5. Termination of Forever Friend status

A Forever Friend can terminate his/her entitlement at any time by notifying the Company in writing.

### FOREVER BUSINESS OWNER

#### 1. Forever Business Owner

- (1) Can retail the Company products to his/her friends etc. at the Company's retail price.
- (2) Can sponsor his/her friends etc. as Forever Friends and Forever Business Owners.
- (3) Is an independent entrepreneur (independent Forever Business Owner), not a legal representative of the Company.
- (4) Must follow the Company marketing and sponsoring rules.

(5) Can directly purchase the Company products from the Company at Forever Business Owner price. (Can also purchase single product from sponsor at Company's retail price.)

## 2. Becoming Forever Business Owner

(1) Basically only individuals (the person himself/herself) can apply. Cannot apply in company's name or group's name.

(2) Cannot change his/her sponsor.

(3) A couple is considered as one pair and cannot sponsor each other.

(4) Applicants must be at least 20 years of age.

(5) The applicant has to purchase a total of 2 case counts of products directly from the Company and use them after registering as Forever Friend.

(6) The applicant should be introduced to the Company with "Forever Entry Guide (explanation documents and application)" issued by the Company along with explanation by a person who has Forever Business Owner's status formally recognized by the Company and apply for registration under one of these methods:

①Apply for registration via Official Website (designated for PC and smartphone)

②Apply by using Forever Business Owner Application Form.

(7) The only requirement of a Forever Business Owner is to understand properly and follow the Company's policies. There is no obligation nor condition to spend money or to purchase a certain amount of products.

## 3. Change of Forever Business Owner status

(1) When two Forever Business Owners get married.

①In principle, two Forever Business ownerships cannot be combined. It is required that one of the two Forever Business Ownerships be terminated and that the couple work together under one line after marriage.

②If a couple wishes to maintain both lines, each must apply separately for special permission from the Company. In this case, one Forever Business Ownership will be registered as a full ownership and the other as a Sub-Ownership. The Sub-Ownership is only eligible for Personal Bonus, Friends Bonus, Leadership Bonus and Eagle Bonus, but not other Forever Business Ownership privileges. In order to receive Leadership Bonus, the Sub-Forever Business Ownership must purchase directly from the Company and retail more than four case counts of products (including personal use) each month.

If Sub-Forever Business Ownership purchases directly from the Company and retails more than one case count (including personal use) per month, his/her sponsored Forever Friends' purchase case counts will be added to his/her case. In order to receive Eagle Bonus, he/she must fulfill conditions in "Various Bonuses 5. Eagle Bonus".

(2) When Forever Business Owners divorce

①Forever Business Ownership cannot be split. The divorce agreement must designate which one of the two parties will be awarded with Forever Business Ownership.

②If the party who was not awarded Forever Business Ownership at the time of divorce re-applies within a month of legalization of the divorce, he/she can re-register to be a Forever Business Owner under a Sponsor of his/her choice, whose rank is Manager or above and enjoy his/her rank before the divorce, be it Assistant Supervisor, Supervisor, Assistant Manager or Manager.

※ In this case, should he/she re-register as Manager, his/her Forever Business owner line will not be taken into account for his/her intermediate upline manager to receive Soaring Manager or other upper-level Manager Awards or Eagle Bonus until he/she and/or his/her group purchases and retails a total of 120 case counts of products (including for personal use) during two consecutive calendar months.

(3) When a Forever Business Owner passes away

When a Forever Business Owner passes away without a surviving spouse, the ownership is terminated.

(4) - 1 Passing Forever Business Ownership status

Forever Business Ownership is terminated unless the deceased person has a spouse, but the ownership can be passed when it fulfills the following requirement and applied through prescribed procedure.

①The inheritee must prepare a written document that designates the inheritor.

②The inheritor must be an individual with at least 20 years old of age and must also be related to the deceased within the third degree of relationship or the spouse.

③The inheritor must submit to the Company with the pre-described document made by the inheritee and apply according to the Company rules.

④The inheritor must apply within 3 months of the inheritee's death.

⑤The inheritor must attend a company training session, receive proper explanation of the Company's philosophy, marketing rules, and products and have the desire to be a faithful Forever Business Owner for the Company.

⑥If the inheritor currently has Forever Business Owner status, he/she basically needs to terminate the current Forever Business Owner's status.

⑦If the inheritor is currently has Forever Business Owner status and wishes to maintain two Forever Business Owner's status, he/she will need to apply and receive special permission from the Company. In this case, one Forever Business Owner status will be registered as a full ownership and the other as sub-ownership. The Sub-Ownership is only eligible for Personal Bonus, Friends Bonus, Leadership Bonus and Eagle Bonus, but not other Forever Business Ownership privileges. In order to receive Leadership Bonus, the Sub-Forever Business Ownership must purchase directly from the Company and retail more than four case counts of products (including personal use) each month. If Sub-Forever Business Ownership purchases directly from the Company and retails more than one case count (including personal use) per month, his/her sponsored Forever Friends' purchase case counts will be added to his/her case. In order to receive Eagle Bonus, he/she must fulfill conditions in "Various Bonuses 5. Eagle Bonus".

⑧Under no circumstances can Forever Business Owner status be split between two inheritors.

(4) - 2 Special cases of passing Forever Business Ownership status

a. In case the inheritee uses Legal Guardian System and designated a legal guardian after a court of law, and the inheritor is designated by written document as stated in ①

b. In case the inheritee has the newest version of nursing care insured card and has been assessed with nursing care level 1 and above, and the inheritor is designated by written document as stated in ①

In either case, if the inheritor fulfills the requirements in ②~⑦, the inherited can pass Forever Business Ownership to the inheritor before his/her death.

4. Purchasing products

(1) A Forever Business Owner can purchase individual cases of product directly from the Company at Forever Business Owner's price.

(2) A Forever Business Owner should understand correctly the details of products and should not purchase more products than he/she could retail or use personally in one month period (reasonable inventory). The amount of products that he/she can purchase in one month period is up to 25 case counts. However, if he/she could produce a prove (receipt or contract etc) to the Company that he/she has already sold 75% of the products purchased and get the approval from the Company, he/she would then be able to purchase up to 25 case counts anew.

(2) -1 The above restrictions for product purchase do not apply in these cases. For both cases, he/she will need an approval from the Company.

①Has manager status when purchasing

②In case he/she has submitted a [Notice of commencement of personal business] (copy) that has already been submitted to the tax office and a [business plan] in the Company format. But even if he/she gets the approval to purchase products from the Company, he/she cannot change registered name to a corporation's or a group's name.

(3) Purpose of purchasing

①A Forever Business Owner should not purchase product for the purpose of moving up. Discovery of such activity will result in forfeiture of move-ups that were based on such purchase practices.

②A Forever Business owner cannot do the followings in order to receive bonus.

(1) To register someone as Forever Friends or Forever Business Owner without his/her consent and purchase with his/her FLP number.

(2) To register non-existent person as Forever friends or Forever Business Owner and purchase with his/her FLP number.

(3) To purchase strategically with downline's FLP number in order to maximize the bonus even though he/she does not sell or use the purchase products.

5. Cancellation of Forever Business owner status (Hereinafter referred to as: Cooling Off)

(1) A Forever Business Owner who does not own a shop can notify the Company in writing to cool off his/her Forever Business Owner status at any time within 20 days counting from registration date as a Forever Business Owner or from the date that he/she has received the first shipment of products purchased, whichever is the latest.

(2) Cooling off will be effective by the date stamped on the postage when Forever Business Owner sends his/her written notification on cooling off decision to the Company so it is imperative to send out the notification within 20 days as stated above.

※ For Cooling off, please write down the names, address, membership number clearly on a postcard and send it to the Company.

(3) In case of Cooling off, please return unused products to the Company. The Company will pay for shipping charges only for unused products.

(4) In case of cooling off, the Company will refund without delay the cost of product purchased with the purchased price.

(5) The Company will not charge damages or assess any other penalties due to Cooling off.

(6) In case cooling off period is already passed due to disturbing acts by upper level Forever Business Owner trying to prevent cooling off by notifying incorrectly (false notification) or menacing Forever Business Owner, he/she can notify by writing to the Company about cooling off within 20 days after he/she receives a written document anew saying that he/she can apply for cooling off.

6. Returning Products

(1) Returning products (when a purchaser wishes to return products directly retailed by a Forever Business Owner to the customer)

① Unused products can be returned within 30 days of purchase.

② The Forever Business Owner who retailed the product accepts back the product and receipt, and refunds the full purchase price.

③ If the Forever Business Owner lies about returning products within a time frame or refuses to accept back the product and give the purchaser a hard time, the General Manager for that area will act over. In this case, the Forever Business Owner's refusal will result in forfeiture of his/her Forever Business Ownership.

(2) Returning products (when a Forever Business Owner purchased directly from the Company for re-tailing)

Within 30 days of purchase

① Unused products can be returned by notifying the Company in writing. The Company will pay shipping charges.

② Any bonus received by a Forever Business Owner based on product that is later returned will be subtracted from the product refund. The Company will not charge for damages or assess any other penalties.

③ Any Leadership and Eagle Bonuses paid to upper level Forever Business Owners will be subtracted from the next bonus.

Between 30 and 90 days of purchase

① Unused products can be returned by notifying the Company in writing. The Company will pay shipping charges.

② Any bonus received by a Forever Business Owner based on product that is later returned will be subtracted from the product refund. An additional 10% of the purchase price will also be deducted.

③ In this case, any Leadership and Eagle bonuses paid to upper level Forever Business Owners will be subtracted from the next bonus.

Between 90 and 120 days of purchase

① Unused products can be returned by notifying the Company in writing. The Company will pay shipping charges.

② Any bonus received by a Forever Business Owner based on product that is later returned will be subtracted from the product refund. An additional 50% of the purchase price will also be deducted.

The Forever Business Owner must forfeit his/her Forever Business Ownership at the time the products are returned by any of the above procedures. In this case, this may affect the promotion or bonus requirement of Forever Business Owners in his/her upline.

#### 7. Termination of Forever Business Ownership

(1) A Forever Business Owner may terminate his/her ownership at any time by notifying the Company in writing.

(2) The Forever Business owner needs to return unused products according to the rules of returning products before termination of his/her Forever Business Ownership.

(3) The Company will notify the Forever Business Owner's Sponsor of this termination of Ownership in writing.

(4) A person who has terminated his/her Forever Business Ownership by returning unused products is not eligible for re-registration.

### PRODUCT SALES

#### 1. Retail Sales

(1) Forever Business Owner basically should sell necessary amount of the Company products to customers. The products can be sold at retail price. Forever Business Owner should issue an official Company receipt to the customer. The receipt should show Forever Business Owner's name, address, and phone number. At this point, please be sure to explain the cooling-off conditions. The issuance of receipt is not required after the customer has purchased the products for the third time in one year. However, if he/she requests so, Forever Business Owner needs to issue the receipt even after the third purchase.

(2) Forever Business Owner strives to explain accurately to ascertain that a customer fully understand the products.

#### 2. Sales method

1. Forever Business Owner must follow the Company's guideline when offering any kind of promotional items no matter which forms they would be. When selling them, the Forever Business Owner must receive the Company's permission in advance.

2. Forever Business Owner can perform the promotional and advertising activities of the products and business on his/her personal website upon receiving permission from the Company. A personal website without the permission number is not allowed to promote or advertise.

3. Forever Business Owner cannot sell Forever products on his/her personal website or Internet auction.

4. Forever Business Owner cannot sell the products to those who plan to resell them. Forever Business Owner cannot entrust others including other Forever Business Owners to sell the products.

Concerning above items (1-4) on Sales method, please follow the instruction of Regional Sales Coordinator (RSC) of the area.

#### Important notes for Retail Sales

1. If Forever Business Owner tells things that are not based on the fact regarding product sales or following items in order to prevent Forever Business Ownership termination or product return, he/she will be punished according to Special Merchandize Law. And if he/she threatens the other in order to obtain Forever Business Ownership, or to prevent Forever Business Ownership termination, he/she will be punished according to Special Merchandize Law.

(1) Concerning kinds of products, its effect and quality, and its price.

(2) Concerning Forever Friendship termination or cooling off.

(3) Concerning other important items that would influence the decision of the other transaction of the products.

2. Regarding product sales, Forever Business Owner cannot sell saying it has effects like medical products. When selling products, please convey the information that is included in official pamphlets and texts produced by the Company.

Also, when someone who is starting to use the products is under treatment or possibly has allergies, tell him/her to consult a doctor first about using the product.

## SPONSORING

### 1. Sponsoring

Sponsoring involves introducing others such as Forever Business Owner's friends to the Company's products and teaching them kindly how they can obtain them at reduced price so they can also enjoy using the products regularly.

When sponsoring, a Forever Business Owner should take measures as follows.

1. Use the products and tell the benefits.
2. Explain the products in details.
3. Explain the Company's sales system.
4. Teach kindly in detail how to order the products, and retail the amount desired products upon necessity. (Issue a receipt)
5. Explain the procedure to register as Forever Friends, and have him/her register as Forever Friends. If necessary, use "Explanation of procedure for Forever Friends Registration and application for Rakuraku bin" produced by the Company for the explanation.
6. If desired, explain the Basic Principles of the Company to a Forever Friend who purchased two or more case counts of Product. Hand him/her "Forever Entry Guide (Explanation and application form)" and thoroughly and accurately explain its content. Have him/her register as a Forever Business Owner by submitting Forever Business Owner application to the Company.
7. Introduce seminars and events organized by the Company to a Forever Business Owner who desires to register and support his/her registration.

### 2. Re-sponsoring

A Forever Business Owner can re-sponsor a person who qualifies in either of the following ① to ④

① A person whose Forever Business Ownership or Forever Friendship has been terminated for more than a six-month period.

※However, this period should be counted from the following month which termination request was received and processed by the Company.

※A person who returned the products at the termination cannot be re-sponsored.

② A person who has not purchased from the Company for twelve or more months (counting from the following month of the last purchase) and his/her sponsor also has not purchased from the Company for twelve or more months (counting from the following month of the last purchase).

※However, it is required that the termination request of Forever Business Owner or Forever Friends has been received and processed by the Company before re-sponsoring.

③ A person who has not purchased directly from the Company for twelve months or more (counting from the following month of the last purchase) and whose sponsor with the purchase record from the Company in the past twelve months (calendar month) submitted written approval.

※However, it is required that the termination request of Forever Business Owner or Forever Friends has been received and processed by the Company before re-sponsoring.

④ A person who has not purchased directly from the Company for twenty-four months (counting from the following month of the last purchase).

※However, it is required that the termination request of Forever Business Owner or Forever Friends has been received and processed by the Company before re-sponsoring.

※ The re-sponsored person begins as a Forever Friend, relinquishing any previous rank, sales record, and sponsored downline group. The Forever Business Owner's former downline will remain with the original upline group.

※ If the Company finds any irregularities of the re-sponsored person either in the record as a Forever Business Owner or in the process of re-sponsoring, he/she will be disqualified.

### 3. Responsibility as a Sponsor

#### (1) Action principle

① Have correct knowledge of the Company policy on products and marketing rules, and be a good model of a Forever Business Owner.

② Make effort to teach, help and encourage Forever Friends and Forever Business Owners one sponsored and one's own downline Forever Business Owners.

#### (2) Presentation of the products.

1. Make correct explanations by means of sales materials produced by the Company.

2. Have correct knowledge of pharmaceutical laws, food hygiene laws, and other related laws.

#### Presentation of Business

a. Accurately explain that the bonus is paid as a reward for the sales to Aiyosha as well as for helping one's downline and never being paid just for sponsoring others.

- b. Never exaggerate exceptional success examples implying that everybody will succeed.
- c. Explain the bonus accurately based on the bonus statement.
- d. Emphasize the need to declare earnings from one's FLP business every year for income tax purposes in accordance with tax laws.

### Important notes for Sponsoring

When soliciting a customer for the registration as a Forever Business Owner, or in order to prevent the customer from terminating the qualification, a Forever Business Owner shall be punished according to Special Merchandise Law if he/she gives a factually inaccurate explanations below (1-4) to the customer. Forever Business Owner shall also be punished according to Special Merchandise Law if he/she threatens and confuses the customer to make the customer qualified or to prevent him/her from terminating the qualification and returning the products.

- ①Concerning kinds of products, its effect and quality, and its price.
- ②Concerning Forever Business Owner's status termination and cooling-off.
- ③Benefits that could be earned through this business (sales benefit and bonus) and the conditions required for this benefits.
- ④Concerning other important matters that would influence the decision regarding sales transaction or registration as a Forever Business Owner.

#### 4. International Sponsoring

If a Forever Business Owner wishes to do business in foreign country, he/she can be internationally registered through the head office of Forever Living Products in the country of residence.

### PROMOTION (PART 1)

#### 1. Promotion / Bonus Payment / Retaining the rank

(1) Promotion is awarded based on the number of case counts of product retailed by a Forever Business Owner and his/her group.

(2) Bonus is paid as a reward based on a Forever Business Owner's personal sales results as well as his/her efforts to teach the people he/she sponsored and his/her contribution to their sales activities.

(3) There is no obligation to retail a specified amount of product to retain the rank attained.

#### 2. To become Assistant Supervisor (AS)

Forever Business Owner must apply for the registration of Forever Business Ownership and receive an approval from the Company.

#### 3. To become Supervisor (S)

He/she must be an Assistant Supervisor. The Forever Business Owner and his/her group should purchase directly from the Company and retail a total of 10 or more case counts of product (including for personal use) in one calendar month.

#### 4. To become Assistant Manager (AM)

He/she must be an Assistant Supervisor or Supervisor. The Forever Business Owner and his/her group should purchase directly from the Company and retail a total of 75 or more case counts of product (including for personal use) in two consecutive calendar months.

#### 5. To become Manager (M)

He/she must be an Assistant Supervisor, Supervisor or Assistant Manager. The Forever Business Owner and his/her group should purchase directly from the Company and retail a total 120 or more case counts of product (including for personal use) in two consecutive calendar months.

### PROMOTION (PART 2)

#### ①Ascending Manager

A Manager who has two or more active lines headed by first-generation Supervisor or above for one or more calendar month is recognized as an Ascending Manager.

#### ②Soaring Manager

A Manager who has five or more first-generation Managers is recognized as a Soaring Manager.

#### ③Sapphire Manager

A Manager who has nine or more first-generation Managers is recognized as a Sapphire Manager.

#### ④Diamond Sapphire Manager

A Manager who has seventeen or more first-generation Managers is recognized as a Diamond Sapphire Manager.

⑤Diamond Manager

A Manager who has twenty-five or more first-generation Managers is recognized as a Diamond Manager.

⑥Double Diamond Manager

A Manager who has fifty or more first-generation Managers is recognized as a Double Diamond Manager.

**VARIOUS BONUS**

1. Base for bonus calculation and bonus transfer

1. Bonus is calculated based on the sales result of the product purchased directly from the Company and retailed (including for personal use). The purchase of Forever Friends will be calculated as their sponsor's personal case counts.
2. Bonus is calculated based on suggested retail price.
3. Bonus is calculated based on the sales result of a Forever Business Owner according to the Forever Business Owner's rank and the sales result of his/her group during the bonus calculation period (from the first to the last day of current month), and confirmed (occurred) on the first day of next month.
4. Bonus is paid by transfer to the account designated by Forever Business Owner between the 15<sup>th</sup> and the 25<sup>th</sup> of the month following the purchase of product. The personal account has to be under the Forever Business Owner's name and has to be registered by himself/herself using the proper application form.
5. If the transfer of bonus is not completed within 5 years after bonus payment date, the said bonus will automatically be forfeited.

2. Friends Bonus

Forever Business Owner will receive Friends Bonus based on the Company's sales result of Forever Friends whom Forever Business Owner sponsored.

3. Personal Bonus

Personal Bonus is paid to a Forever Business Owner based on his/her personal sales amount.

4. Leadership Bonus

1. Leadership Bonus is paid to a Forever Business Owner based on the sales result of the downline group that he/she sponsored.
2. In order to receive Leadership Bonus, a Forever Business Owner must purchase directly from the Company and retail four or more case counts of product (including for personal use) during one month. If a Forever Business Owner purchases directly from the Company one or more case count of products (including for personal use) during the month, the case count of products purchased by Forever Friends sponsored by the Director will be added as the Director's case counts.

<div style="border: 1px solid black; padding: 2px; display: inline-block;">Bonus</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Your Sales Level</div>	Friends Bonus	Personal Bonus	Leadership Bonus		
	Based on the personal sales of FF	Based on your personal sales	Based on the sales of your group		
			Group of your AS	Group of your S	Group of your AM
M Manager	23%	18%	15%	10%	5%
AM Assistant Manager	23%	13%	10%	5%	-
S Supervisor	18%	8%	5%	-	-
AS Assistant Supervisor	13%	3%	-	-	-

5. Eagle Bonus

1. When a Forever Business Owner sponsors another Forever Business Owner and another Forever Business Owner becomes a Manager, the new Manager and his/her group become independent. Eagle Bonus is paid to the Forever Business Owner based on the group sales amount.
2. In order to receive Eagle Bonus, the active point\* of the month has to be either "0" (zero) or "+" (positive), and a Forever Business Owner must purchase directly from the Company and retail four or more case counts of product (including for personal use) during the month. If a Forever Business Owner purchases directly from the Company and retail one or more case count of product (including for personal use) during the month, the case count of products purchased by Forever Friends sponsored by the Forever Business Owner will be added as the Forever Business Owner's case counts. Also, the following conditions based on the bonus rank must be met.

\* Active Point: From the month following the month in which a Forever Business Owner was promoted to a Manager, positive one point is accumulated when the Forever Business Owner purchases one or more case count of product (including for personal use) in a month. Negative one point is accumulated when a Forever Business Owner purchases less than one case count of product (including for personal use) or has no purchase result in a month. Active points are determined on a cumulative basis. (Effective as of January 1997)

① Ascending Bonus

Must meet one of the following conditions.

- a. First generation must become supervisor or above during the month. ※Must have two or more active lines

\* Active line: An active line is a line that has within the first three generations one or more Forever Business Owners who purchase directly from the Company and retail four or more case counts of product (including for personal use) during the month. If a Forever Business Owner purchases directly from the Company and retail one or more count of Products (including for personal use) during the month, the case count of products purchased by Forever Friends sponsored by the Forever Business Owner will be added as the Forever Business Owner's case count.

- b. One or more Directors of the first three generations in the group (excluding independent Manager's groups) has to be promoted to Supervisor, Assistant Manager or Manager during the month.

② Soaring Bonus

Must have five or more active lines headed by first-generation Manager during the month.

③ Sapphire Bonus

Must have nine or more active lines headed by first-generation Manager during the month.

④ Diamond Sapphire Bonus

Must have seventeen or more active lines headed by first-generation Manager during the month.

⑤ Diamond Bonus

Must have twenty-five or more active lines headed by first-generation Manager during the month.

⑥ Double Diamond Bonus

Must have fifty or more active lines headed by first-generation Manager during the month.

<b>Eagle Bonus</b>			
<b>Bonus Level</b>	<b>Based on the sales of the following group</b>		
	<b>Group of your 1st generation Manager</b>	<b>Group of your 2nd generation Manager</b>	<b>Group of your 3rd generation Manager</b>
<b>Ascending Bonus</b>	<b>60%</b>	<b>30%</b>	<b>20%</b>
<b>Soaring Bonus</b>	<b>65%</b>	<b>35%</b>	<b>25%</b>
<b>Sapphire Bonus</b>	<b>70%</b>	<b>40%</b>	<b>30%</b>
<b>Diamond Sapphire Bonus</b>	<b>75%</b>	<b>45%</b>	<b>35%</b>
<b>Diamond Bonus</b>	<b>80%</b>	<b>50%</b>	<b>40%</b>
<b>Double Diamond Bonus</b>	<b>85%<sup>10</sup></b>	<b>55%</b>	<b>45%</b>

6. Car and Dream Bonus Program

(1) Car and Dream Bonus Program

A Forever Business Owner should purchase a car personally (under the name of the Forever Business Owner or his/her spouse), and the Company will subsidize the payments for three years (36 months) by paying Car Bonus to Forever Business Owner. Dream Bonus is to help Forever Business Owners realize their dreams. The Company will subsidize for the expense such as home purchase or education expenses for three years (36 months) by paying Dream Bonus to the Forever Business Owner.

◇In the case of Car Bonus, the car to be purchased must be the latest model at the time of purchase, and the purchase price must be above the price corresponding to each program. In the case of Dream Bonus, the above expenses must be above the price corresponding to each program.

(2) Requirement

A Forever Business Owner must purchase directly from the Company and retails four or more case counts of product (including for personal use) for three consecutive calendar months. If a Forever Business Owner purchases directly from the Company and retails one or more case count of product (including for personal use) during the month, the case count of product purchased by Forever Friends sponsored by the Forever Business Owner will be added as the Forever Business Owner's case count. Also, a Forever Business Owner who achieves "Group Case Counts" on the following chart during the three-month period, he/she is qualified to participate in each "Program" for three years (36 months).

※The third month to be qualified for the bonus program is called as "Qualifying Month." The group case count required for the Qualifying Month is called as "Necessary Group Case Counts."

Car Bonus		Program (I)	Program (II)	Program (III)
Dream Bonus		Program (VI)	Program (VII)	Program (VIII)
3consecutive months for qualification	1st month	100cc or more	100cc or more	100cc or more
	2nd month	110cc or more	150cc or more	200cc or more
	3rd qualification month	120cc or more	200cc or more	300cc or more
		(Maintenance Requirement)	(Maintenance Requirement)	(Maintenance Requirement)
Monthly Bonus		¥45,000-	¥75,000-	¥105,000
(Total for 36months)		(¥1,620,000)	(¥2,700,000)	(¥3,780,000)

(3) Bonus payment condition

①Forever Business Owner must have personally purchased and retailed four or more case counts of products directly from the Company (including personal use) during the month. If a Forever Business Owner himself/herself purchases from the Company and retail more than one case count of products (including personal use) during the month, then the case counts purchased by Forever Friends sponsored by yourself will be added as your case count.

②This program's [Group Case Count] is calculated by adding the following (a), (b), (c) to Forever Business Owner's own group case count.

(a) 30% of all first-generation Manager's group case counts (rounded off to the nearest whole number)

(b) 20% of all second-generation Manager's group case counts (rounded off to the nearest whole number)

(c) 10% of all third-generation Manager's group case counts (rounded off to the nearest whole number)

※In order to add the above (a), (b), (c) case counts, it is necessary to meet one of the followings

- a. Must have two or more first-generation active lines headed by a Supervisor or above during the month.  
 ※Active line : An Active Line is a line that has within the first three generations one or more Forever Business Owners who purchase directly from the Company and retail four case counts of products (including personal use) during the month. If a Forever Business Owner purchases from the Company and retail more than one case count of products (including personal use) during the month, then the case count purchase by Forever Friends sponsored by the Forever Business Owner will be added as the Forever Business Owner's case count.
- b. Within the month, at least one Forever Business Owner until the third generation in your own group (excluding independent manager's group) must have been advanced to Supervisor, Assistant Manager or Manager.

③During the Qualifying Month as well as for each month of participation in the program (36 months), if the Forever Business Owner has first-generation Managers with 5 active lines, the "Necessary Group Case Counts" for that particular month will be reduced by the following amounts, Program (I) & (VI): 30 case counts, Program (II) & (VII): 40 case counts, Program (III) & (VIII): 60 case counts.

※Furthermore, for every five additional Active Lines for first-generation Managers, the "Necessary Group Case Count" for that particular month will be further reduced by the following amount, Program (I) & (VI): 30 case counts, Program (II) & (VII): 40 case counts, Program (III) & (VIII): 60 case counts.

④The "Required Group Case Counts" must be maintained each month throughout participation in this program (36 months) in order to obtain full bonus. For each case count short of the "Required Group Case Count", 500 yen will be deducted from Car Bonus or Dream Bonus in that particular month.

⑤During the last six months of the program, if the Forever Business Owner again fulfills the requirement of No. 2 above for three consecutive months, at the end of the program, he/she can qualify again for participation in the Earned Car or Dream Bonus Program . In case of Dream bonus, only house purchase and education can be continuously considered for qualification.

#### (4) Application

- ①The Company will notify in writing any Forever Business Owner who qualifies to participate in the [Earned Car Program] and [Dream Bonus Program]
- ②The Forever Business Owner who has been so notified may then submit an [Earned Car or Dream Bonus Application] and other necessary applications to the Company and have it checked and approved by the Company.
- ③After that, the Forever Business Owner contacts to purchase the car of his/her choice. Car bonus payments will commence the month after copies of the auto registration and the purchase contracts are submitted to the Company. These documents must be submitted to the Company within six months of the month following qualification. If the documents are submitted late, the Car Bonus will not be paid for the number of month delinquent (calendar month). In case of Dream Bonus, the Company separately requires copies of receipts (under the name of him/her or the spouse) to be submitted within a specified time (basically the same as Car Bonus). The Bonus is paid starting from the month following the reception of these documents. If the documents are submitted after the specified time, the Dream Bonus will not be paid for the number of month delinquent (calendar month).
- ④If Forever Business Owner's use of Dream Bonus is judged socially inappropriate, the payment of the bonus may be discontinued.

## ■ RECOGNITION AND SPECIAL BONUSES

### MANAGER AWARDS

#### 1. Manager

A Manager is given a commemorative gift and Manager certificate at a meeting held by the Company.

#### 2. Ascending Manager

An Ascending Manager will be given a 2-ruby gold pin and Ascending Manager wall plaque at a meeting held by the Company.

#### 3. Soaring Manager

An Ascending Manager who has trained five or more first-generation Managers is recognized as a Soaring

Manager and given a 4-ruby gold pin and Soaring Manager wall plaque at a meeting held by the Company.

#### 4. Sapphire Manager

An Ascending Manager who has trained nine or more first-generation Managers is recognized as a Sapphire Manager and given a sapphire gold pin and Sapphire Manager wall plaque at a meeting held by the Company.

#### 5. Diamond Sapphire Manager

An Ascending Manager who has trained seventeen or more first-generation Managers is recognized as a Diamond Sapphire Manager and given a diamond sapphire gold pin and Diamond Sapphire Manager wall plaque at a meeting held by the Company.

#### 6. Diamond Manager

An Ascending Manager who has trained twenty-five or more first-generation Managers is recognized as a Diamond Manager and given a diamond gold pin and Diamond Manager wall plaque at a meeting held by the Company.

#### 7. Double diamond Manager

An Ascending Manager who has trained fifty or more first-generation Managers is recognized as a Double Diamond Manager and given a double diamond gold pin and Double Diamond Manager wall plaque at a meeting held by the Company.

### CONDITION FOR FURUSATO SEMINAR INVITATION

#### 1. Soaring Manager

If one has more than three active Manager lines for three consecutive months after becoming a Soaring Manager (including the promoted month), one out of a couple will be invited.

#### 2. Sapphire Manager

If one has more than five active Manager lines for three consecutive months after becoming a Sapphire Manager (including the promoted month), the couple will be invited.

#### 3. Diamond Sapphire Manager

If one has more than nine active Manager lines for three consecutive months after becoming a Diamond Sapphire Manager (including the promoted month), the couple will be invited.

#### 4. Diamond Manager

If one has more than thirteen active Manager lines for three consecutive months after becoming a Diamond Manager (including the promoted month), the couple will be invited.

#### 5. Double Diamond Manager

If one has more than twenty-five active Manager lines for three consecutive months after becoming a Double Diamond Manager (including the promoted month), the couple will be invited.

※However, if a couple cannot attend the seminar at the same time from conditions No. 2 to No. 4 and one of them wants to attend twice, he/she needs to fulfill other requirements.

### SPECIAL RECOGNITION (PART 1)

#### 1. Personal Achievement Award

A Forever Business Owner who has achieved 200 case counts of individual sales is given a certificate and prize. Furthermore, he/she will receive a certificate and prize for each additional 100 case counts of individual sales.

#### 2. Best Sponsor Award

Each time a Forever Business Owner accrues five first-generation supervisors, he/she is given a certificate and prize.

#### 3. Eagle Award

Give to top ten PCM based on personal and downline group (except Manager) annual case counts. 40% of first-generation, 20% of second-generation, and 10% of third-generation of annual case counts combined.

#### 4. Special Recognition Award

Other than the above, some awards are set by the Company when necessary.

## SPECIAL RECOGNITION (PART 2)

### 1. Presidents Club Member (PCM) and Leaders Club Member (LCM)

Forever Business Owners who achieved distinguished sales records are specially appointed President Club Members (hereinafter referred to as PCM) and Leaders Club Members (hereinafter referred to as LCM) and are specially recognized for their accomplishments. Privileges are given to Forever Business Owners appointed.

(※However, if he/she registered as Forever Business Owner after July 1st 2013 and didn't participate in [Yume Tsumuki Seminar] (Business registration event) nor register during the event, he/she is not eligible for these privileges)

#### (1) Conditions

- ① To agree on conditions proposed by the Company
- ② To finish seminars appointed by the Company within a time frame
- ③ To be approved by respective RSC
- ④ To have his/her active point above 0 at the end of December of the year before year of assessment.
- ⑤ To fulfill the requirements on the following chart. Total annual bonus amount paid by the Company and the number of first-generation Managers should be fulfilled at the end of December of the year before the year of assessment.

#### (2) Other privileges

Incentives such as invitation to various international/domestic seminars are given. The Company will give the details at the time of appointment.

#### (3) Special rule for the name of PCM and LCM.

For Forever Business Owners who are appointed PCM or LCM, if he/she fulfills all the requirements in (1) except for ⑤, he/she can retain the highest PCM or LCM rank ever achieved for the rest of his/her life.

Level	Annual Bonus Requirement(JPY)	1st Generation Manager Requirement
GREPCM	200million	30lines or more
☆SREPCM	150million	25lines or more
SREPCM	120million	25lines or more
☆REPCM	100million	20lines or more
REPCM	80million	20lines or more
☆SEPCM	60million	15lines or more
SEPCM	50million	15lines or more
☆EPCM	40million	10lines or more
EPCM	30million	10lines or more
☆SPCM	20million	5lines or more
SPCM	10million	5lines or more
APCM	6million	3lines or more
LCM	3million	0 or more
		(Must be Ascending M)

## ■FOREVER FRIEND'S AND FOREVER BUSINESS OWNER'S PERSONAL INFORMATION HANDLING AND ACTION GUIDELINE AS A FOREVER BUSINESS OWNER AND SANCTION■

### FOREVER FRIEND AND FOREVER BUSINESS OWNER' S PERSONAL INFORMATION HANDLING

- Personal information handling policies

The Company collects personal information on Forever Friends application forms, Forever Business Owner application forms, questionnaires etc. The Company treats personal information as follows:

1 . The Company collects information on Forever Friends application form and Forever Business Owner application form, information on transaction when one purchases Forever Products, information on questionnaire to the Company, and information recorded on the Company website.

2 . The personal information collected from Forever Business Owners and Forever Friends will be used for the following purposes. They will not be used for other purposes than these.  
If any change occurs on the purpose, we will promptly announce it on the website etc.

①In order to record/organize the contents of questions and requests.

②In order to correspond to orders and applications. In order to give destination information to forwarder for delivery.

③In order to perform our responsibility based on the agreement between us and Forever Business Owners and Forever Friends.

④In order to solve and prevent problems regarding products provided and the service.

⑤In order to develop products and service that match the needs of Forever Business Owners and Forever Friends.

⑥In order to notify information on our products and service.

⑦In order to perform smoothly business activities within the group, we give information on your Forever products purchase records, FLP number and names to upper level Forever Business owners of the group that Forever Friends and Forever Business Owner belong to.

3 . Personal information that Company holds is protected by necessary security action. For the employees, the Company holds educational meeting periodically on personal information protection and takes all possible measures to protect the possessed personal information.

4. Personal information of Forever Business Owners and Forever Friends that the Company holds will be provided to the following persons to the extent necessary in order to achieve a contract goal. They will not be provided to the third party other than the above without consent from Forever Business Owners or Forever Friends. However, if it was requested legally, it can be provided accordingly.

■Persons provided to: Upper-line group business associates that Forever Business Owners and Forever Friends belong to.

■ Personal information provided : Forever products purchase records, FLP number and names.

■ Procedure or method of provision : Bonus statement, organization chart provided by electronic data or printed data.

5 . Personal information the Company obtains is deposited to an association who has confidentiality obligation based of the contract to the Company in order to achieve contracting purpose with Forever Business Owners and Forever Friends to the extent necessary. The deposition is done through written contract with appropriate supervision.

6. Personal information the Company collected will be shared for International registration to the extent necessary.

■ Personal data items : Information on Forever Business Owner Application Form and product purchase record.

■ Parties that will share the information : Forever International and Forever offices in other countries.  
※Forever Living Products Japan will be responsible for the use of personal information at the time of International Registration.

7. The disclosure, correction, addition or elimination, suspension, deletion of personal information of Forever Business owners and Forever Friends that the Company obtains will be done with reasonable extent by a written request from the person in question.

#### ・ PERSONAL INFORMATION PROTECTION POLICY

Forever Living Products Japan Limited (hereinafter referred to as [Our Company]) handles a large amount of personal information in order to retail lifestyle related products to consumers with their participation in retail activities. Our Company has established and enforce personal information protection management system according to our Personal Information Protection Policy. All our employees who are in charge of business activities work together to implement an appropriate way to handle personal information.

#### 1. OBTAINMENT, USE AND PROVISION OF PERSONAL INFORMATION

Our Company takes into account business details and scale, and obtains necessary extent of personal information through appropriate method to use in business activities. The use of personal information will be under an extent of a specified purpose. If any change occurs on the purpose of use, we will promptly contact the person concerned and get consent from him/her. Except for the case of commissioning business to other entity, we will not provide personal data to the third party without consent from the person concerned. In order to prevent misused of personal information, personnels in charge of personal information protection will check if the use is appropriate or not before using or providing personal information. Moreover, we enhance activities to control personal information by having regular self inspection and internal inspection on this subject.

#### 2. Safety Control Strategy on personal information protection.

##### (1) Prevention of leak, loss or damage of personal information.

Our Company enforces appropriate security measures for prevention of leak, loss or damage of personal information. We train and supervise our employees for a thorough enforcement of these measures. When we commission business which includes personal information to the third party, we select and supervise them strictly.

##### (2) Rectification of leak, loss or damage of personal information.

In case of leak, loss or damage of personal information, prevention of damage expansion is our first priority. We take prevention of damage expansion measures speedily and at the same time investigate the cause and prevent recurrence of the incident. Also, we will report information in necessary extent about the incident to persons and organizations concerned.

#### 3. Compliance with law, the country's agenda and other rules

Our Company complies with law, related regulations, and competent government agency's agenda concerning handling of personal information.

#### 4. Continuous improvement on protection of personal information management system.

Our Company put into action and maintain personal information protection management system and at the same time review it regularly in order to improve it continuously.

#### 5. Reception of complaints and consultation concerning personal information.

In case of complaints and consultation to our Company concerning personal information, please contact [Personal Information Inquiry Desk] For inquiry concerning protection of personal information, you can also contact the same desk below.

Complaints/ questions to the Company's handling of personal information can be submitted to the following

department in charge.  
Forever Living Products Japan  
Japan FLP Toranomon Building 3-22-14 Toranomon, Minato-ku,  
Tokyo 105-0001

Desk in charge Customer Consultation Room 0120-448-446

Opening hours 9 : 30 ~ 17 : 30 (except Saturday, Sunday, Public Holidays and the Company's closing day)

Forever Living Products Japan, Limited  
Gregg Maughan

#### **ACTION GUIDELINE**

##### (1) Organize various meeting

- ① Forever Business Owners may hold Forever Business Owners various conferences (meetings) as a part of their activities.
- ② Forever business owners who preside over meetings should not collect unreasonable fees solely for the purpose of making profit.
- ③ A Forever business owner who presides over a meeting should report the date, place, agenda and fee to the responsible RSC in the area when requested.

##### (2) Maintaining and enhancing trusting relationship among Forever Business Owners.

- ① Forever Business owners should demonstrate a positive attitude as they participate in Forever Business owner activities in order to keep and promote mutual trust among Forever Business Owners.
- ② Forever Business Owners are not permitted to use the Forever Living products sales organization to sell any other company's products or to develop any other sales organization.

#### **SANCTION**

The following sanctions will be applied to Forever Business Owner when Forever Business Owner's conduct is contrary to the Company's policies, marketing rules, the law, and other social standards, according to degree of violation.

##### (1) warning :

- In case a violation is committed against the law, marketing rules, Company's policy, and other social standards.
- The Company issues a written warning to the Forever Business Owner and warn about his/her future behavior.

##### (2) Strict Warning :

- In case a serious violation is committed against the law, marketing rules, Company's policy, and other social standards.
- Or,
- Regardless of the warning, a violation is committed against the law, marketing rules, Company's policy, and other social standards (not only violation specified in written warning)
- The Company issues a written serious warning to the Forever Business Owner and warn about his/her future behavior.
- If necessary, make him/her attend special training

##### (3) Suspension of status :

- In case a serious violation is committed against the law, marketing rules, Company's policy, and other social standards.
- Regardless of the strict warning, a violation is committed against the law, marketing rules, Company's policy, and other social standards (not only violation specified in written warning). Or,
- In case the person has received 2 strict warnings or more.
- After suspension date, the Company will not be liable to pay all payable bonus including delivery of products to Forever Business Owner within the period that the Company has determined (maximum 6 months). Forever Business Owner will permanently lose his/her right to claim bonus during that period.

○ Forever Business Owner will be banned from attending all events organized by the Company during the period that the Company has determined (maximum 6 months)

(4) Discharge of status :

● In case an even more serious violation is committed against the law, marketing rules, Company's policy, and other social standards. or,

● Regardless of the sanction received, a violation is committed against the law, marketing rules, Company's policy, and other social standards (not only violation specified in written sanction)

○ Forever Business Owner will forfeit his/her ownership. In this case, Forever Business Owner should immediately pay full amount of liability he/she has towards the Company. After discharge date, the Company will not be liable to pay all payable bonus at that point of time nor any bonus that might incur after that date. Forever Business Owner will permanently lose his/her right to claim any bonus.

The Company reserves the right to change marketing rules for products by informing Forever Business Owners in writing or other way of announcement. After the change has been made and Forever Business Owners have purchased the products following marketing rules, it is considered that they accept the change of marketing rules.

FOREVER LIVING PRODUCTS HONOR CODE  
FOREVER LIVING PRODUCTS JAPAN

Your success is our business.  
Your happiness is our goal.

Forever Business Owner activities are based on mutual trust and confidence among Forever Business Owners. This trust will develop even further when Forever Business Owners could confirm that each of them shares the same purpose and Code of conduct. The Company conceive this Honor Code with the hope that the efforts of every Forever Business Owner shall be correctly understood and held in high regard by the society.

- 1 . Forever Business Owner strives to receive a high level of acceptance and support in society through his/her personal activities.
- 2 . Forever Business Owner strives to receive a high level of acceptance and support among other Forever Business Owners through his/her personal activities.
- 3 . Forever Business Owner is committed to utilize the Company's products and have correct knowledge about them.
- 4 . Forever Business Owner shall possess correct knowledge of the Company's marketing policy in order to perform appropriate Forever Business Owner's activities.
- 5 . Forever Business Owner shall carry out his/her activities with the goal of pursuing the other's success and happiness.