

# The Company' s product–sales rules are hereby established as given below.

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## Company overview

### Company overview

Forever Living Products Japan, Ltd. (hereinafter “the Company” ), was established as the Japan affiliate of Forever Living Products International, Inc., which is headquartered in Scottsdale, Arizona, in the United States. The Company' s business is the sale of products that are useful for health and beauty, products made from ingredients such as aloe vera – a plant that aids health and has long been popular and widely used – and honey.

### Company philosophy

To provide products of excellent quality, to have many people take part in spreading these products, and to contribute to people' s health and prosperity.

### Regional Sales Coordinator (hereinafter “RSC” )

An RSC oversees the Company' s sales activities in the region that he/she is responsible for, and is in charge of the following tasks.

1. Representing the Company by organizing seminars and training events.
2. Assisting the activities of Forever Business Owners.
3. Communicating the Company' s policies to Forever Business Owners.
4. Complying with relevant laws and regulations, and providing instruction so that proper Forever Business Owner activity is carried out.

### Three Hearts Club

1. The Three Hearts Club is an organization composed of the Company and specially certified Forever Business Owners. The aim of the Club is for Forever Business Owners, based on the Company' s philosophy, to carry out their everyday Forever Business Owner activity properly, contribute to the local community, and have Forever Business Owner activity be correctly understood and be held in high regard by society.
2. The name “Three Hearts Club” refers to three hearts representing Health, Heart (contact between people), and Happiness (the feeling of desiring others to be happy).
3. The Three Hearts Club for each area consists of the Company and the following members:
  - (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)

## Sales system

### Sales system

Products are directly sold at retail to loyal users by Forever Business Owners (who, depending on their sales record, are referred to as Assistant Supervisors, Supervisors, Assistant Managers, Managers, etc.).

## Loyal users

Customers are referred to as “loyal users.”

## Forever Friends

### 1. About Forever Friends

(1) Forever Friends can purchase the Company’s products directly from the Company at Friends prices. (They can also purchase the products, in quantities down to single items, from their Sponsor at the Company’s suggested retail price.)

(2) Until they become Forever Business Owners, Forever Friends cannot sponsor friends, etc.

(3) Until they become Forever Business Owners, Forever Friends cannot sell products.

### 2. How to obtain Forever Friend status

(1) The process is based on an individual submitting an application in his/her own name; applications cannot be submitted in the name of a company or a group.

(2) It is not possible to change one’s Sponsor.

(3) A husband and wife cannot be sponsored together; a husband cannot sponsor his wife (and vice versa).

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

(5) One must be introduced by a person whose Forever Business Owner status is officially recognized by the Company, apply for registration using one of the following procedures, and the application must be accepted.

① Applying for registration via the official website (only for PCs and smartphones).

② Applying for registration using a Forever Friends application form.

### 3. Purchasing products

(1) Forever Friends may purchase the Company’s products directly from the Company at Friends prices.

(2) When purchasing products from the Company, payment is to be made in cash, by transfer from an account at a post office, bank, etc., or by credit card. After the order and the receipt of funds have been verified, the product(s) will either be handed over or shipped. Products can also be purchased cash-on-delivery.

(3) When purchasing a product, please be sure that you correctly understand what the product you are ordering consists of, so that you order an amount that you yourself can use in one month. The maximum quantity that can be purchased in 1 month is 5 case counts.

### 4. Returning products

(in the case of a Forever Friend returning to the Company products that he/she purchased from the Company)

(1) If no more than 30 days have passed from the time of the purchase, a Forever Friend may return, at the Company’s expense, any unused products by sending to the Company a written document such as a postcard.

(2) The Company will buy back, at the price of purchase, the products that are returned. The Company will not charge any damages, penalty for breach of contract, or any other sums whatsoever.

(3) Corresponding Friend Bonuses, Leadership Bonuses, and Eagle Bonuses already paid to the person who made the introduction and to the upline Forever Business Owner will be deducted from the bonuses to be paid the next time.

(4) If 31 or more days have passed since the time of the purchase, the products purchased cannot be returned.

A Forever Friend who returns products to the Company by means of the procedures indicated above loses, at that point, his/her Forever Friend status.

In that case, this may have an impact on the promotions and the bonus-acquisition conditions, etc., of Forever Business Owners upline.

### 5. Cancelling one’s Forever Friend status

One can quit being a Forever Friend at any time by notifying the Company in writing.

## Forever Business Owners

### 1. About Forever Business Owners

(1) Forever Business Owners can sell the Company’s products to friends, etc., at the Company’s suggested retail price.

(2) Forever Business Owners can sponsor friends, etc., to become Forever Friends or Forever Business Owners.

(3) Forever Business Owners are independent entrepreneurs (i.e., independent Forever Business Owners), and do not legally represent the Company.

(4) Forever Business Owners must follow the Company’s instructions with regard to how to sell the Company’s products and how to conduct sponsorship activity.

(5) Forever Business Owners can purchase the Company’s products directly from the Company at the Forever Business

Owner price. (They can also purchase them from their Sponsor, in quantities down to single items, at the Company' s suggested retail price.)

## 2. How to obtain Forever Business Owner status

(1) The process is based on an individual submitting an application in his/her own name; applications cannot be submitted in the name of a company or a group.

(2) It is not possible to change one' s Sponsor.

(3) A husband and wife cannot be sponsored together; a husband cannot sponsor his wife (and vice versa).

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

(5) After registering as a Forever Friend, one must directly purchase from the Company, and use, a total of 2 case counts of products.

(6) One must receive, from a person whose Forever Business Owner status is officially recognized by the Company, an explanation in accordance with the *Forever Entry Guide (Explanatory material and application form)* issued by the Company, apply for registration using one of the following procedures, and the application must be accepted.

① Applying for registration via the official website (only for PCs and smartphones).

② Applying for registration using a Forever Business Owner application form.

(7) Apart from correctly understanding and following the Company' s instructions, there are no other responsibilities or conditions whatsoever, such as regarding financial matters or the purchase of a certain quantity of products.

## 3. Changes in Forever Business Owner status

(1) If two Forever Business Owners marry

① Two Forever Business Owner statuses cannot be combined. After the two people marry, in principle one of the two must abandon his or her Forever Business Owner status, and the couple must carry out Forever Business Owner activity as a single unit.

② If the two wish to continue with independent Forever Business Owner statuses, then they must each apply to the Company and obtain the Company' s permission. In this case, one of the two will have the status of Forever Business Owner, and the other will have the status of Sub-Forever Business Owner. Sub-Forever Business Owner statuses are paid only Personal Bonuses, Friend Bonuses, Leadership Bonuses, and Eagle Bonuses, and do not receive other benefits. In order for a Leadership Bonus to be paid to a Sub-Forever Business Owner status, at least 4 case counts of products must, in the month in question, have been purchased directly from the Company and sold (including products used personally) using that Sub-Forever Business Owner status. If, in that month, at least 1 case count of products was purchased directly from the Company and sold (including products used personally) using the Sub-Forever Business Owner status, then the case counts of any products purchased from the Company in that month by Forever Friends sponsored by that Sub-Forever Business Owner status will be added to the case count that was purchased and sold by the Sub-Forever Business Owner. In order for an Eagle Bonus to be paid, the conditions set forth in the paragraph "Bonuses – 5. Eagle Bonus" must be satisfied.

(2) If two Forever Business Owners divorce

① A Forever Business Owner status cannot be split. By mutual agreement at the time of the divorce, one of the two persons will carry on the Forever Business Owner status.

② If the party to whom Forever Business Owner status is not given at the time of the divorce submits, within one month of the divorce being officially finalized, an application to the Company to become a Forever Business Owner, then that party may, using a Sponsor of his/her choice who has the status of Manager or higher, register as a Forever Business Owner, receiving the status of Assistant Supervisor, Supervisor, Assistant Manager, or Manager that had been accorded at the time of the divorce.

Note: In this case, if the party is able to register as a Manager, then the line of this Forever Business Owner shall not be regarded as a line whose immediately upline Manager can receive therefrom Manager awards – of Soaring Manager or above – or Eagle Bonuses until such time as the line newly established by the party, together with the group newly sponsored by the party, reaches the point of purchasing directly from the Company and selling (including products used personally), within a period of 2 consecutive months (i. e., calendar months), a combined total of at least 120 case counts of products.

(3) If a Forever Business Owner dies

If a Forever Business Owner who passes away has no spouse, then the Forever Business Owner status terminates at the time of death.

(4)-1 Succeeding to a Forever Business Owner status

A Forever Business Owner status terminates at the time of death unless there is a spouse. However, someone can succeed to the status if the conditions given below are met and an application is filed in accordance with the prescribed procedure.

① The person being succeeded to must, before his/her death, create by himself/herself a written document that specifies the successor.

② The successor(s) must be at least 20 years of age, and must be an individual or a husband and wife within the third degree of consanguinity from the person who is being succeeded to.

③ The successor must file a request in accordance with the form used by the Company, and must attach to the request the aforementioned document created by the person being succeeded to.

④ The request for succession must be made within 3 months after the death of the Forever Business Owner.

⑤ The successor must participate in the meeting(s) that the Company indicates, receive correct explanations regarding the Company's philosophy, sales rules, and products, and have the intention of conducting activity in good faith as a Forever Business Owner of the Company.

⑥ If the successor already possesses a Forever Business Owner status from the Company, the successor shall, as a general rule, abandon that Forever Business Owner status.

⑦ If the successor already possesses a Forever Business Owner status from the Company, and wishes to continue said status, then he/she must file a request with the Company and obtain the Company's permission for this. If the permission is granted, one of the statuses will be a full Forever Business Owner status, and the other will be a Sub-Forever Business Owner status. Sub-Forever Business Owner statuses are paid only Personal Bonuses, Friend Bonuses, Leadership Bonuses, and Eagle Bonuses, and do not receive other benefits. In order for a Leadership Bonus to be paid to a Sub-Forever Business Owner status, at least 4 case counts of products must, in the month in question, have been purchased directly from the Company and sold (including products used personally) using that Sub-Forever Business Owner status. If, in that month, at least 1 case count of products was purchased directly from the Company and sold (including products used personally) using the Sub-Forever Business Owner status, then the case counts of any products purchased from the Company in that month by Forever Friends sponsored by that Sub-Forever Business Owner status will be added to the case count that was purchased and sold by the Sub-Forever Business Owner. In order for an Eagle Bonus to be paid, the conditions set forth in the paragraph "Bonuses – 5. Eagle Bonus" must be satisfied.

⑧ A Forever Business Owner status cannot be split during succession.

(4)-2 Exceptions regarding succession to a Forever Business Owner status

a. A legal guardian has, under the adult guardianship registration system, been registered for the person being succeeded to, the successor has been specified using the procedure set forth in ①, and the guardian for the person being succeeded to grants his/her consent.

b. The most recent certificate of nursing care insurance for the person being succeeded to states that a level of required nursing care of at least 1 has been certified, and the successor has been specified using the procedure set forth in ①.

In both of the above cases, succession can take place even if the person being succeeded to is alive, so long as the conditions in ② through ⑦ are met.

#### 4. Purchasing products

(1) A Forever Business Owner may purchase products directly from the Company at the Forever Business Owner price.

(2) The Forever Business Owner should correctly understand what the product consists of, and may not purchase a quantity that exceeds the quantity that he/she can sell or personally use in 1 month (i.e., the appropriate stock quantity). The maximum quantity that can be purchased in 1 month is 25 case counts. However, any time that the Forever Business Owner submits to the Company evidence (such as receipts or contracts) showing that he/she has sold 75% of the quantity purchased, and obtains the Company's permission, he/she may purchase up to 25 additional case counts.

(2)-1 Situations in which the limits given above regarding purchases do not apply. In both of these situations, the permission of the Company is necessary.

① The person making the purchase possesses the status of Manager at the time of the purchase.

② A copy of a Notification of Opening of an Individual Enterprise form that has been submitted to a tax office, along with the business plan prescribed by the Company, must be submitted to the Company. If the person is granted permission to purchase as an enterprise, however, the registered name may not be changed to the name of a company or organization.

(3) The purposes for which products are purchased

① Purchasing products solely for the purpose of achieving promotion to a higher rank is forbidden. If this is found to have occurred, all promotions connected with said purchase(s) will be annulled.

② Committing any of the acts below with the aim of obtaining a bonus is forbidden.

(i) Without the person's knowledge, submitting an application for, and registering, a person as a Forever Friend or a Forever Business Owner and purchasing products using the registered person's FLP number.

(ii) Registering a fictitious person as a Forever Friend or a Forever Business Owner and purchasing products using the registered person's FLP number.

(iii) Using a registered person's FLP number to make purchases solely in order to maximize bonuses, without the registered person either selling or personally using the products that are purchased.

## 5. Cancellation of Forever Business Owner status (hereinafter referred to as “cooling off” )

(1) An individual Forever Business Owner without a store may, at any time during a period of 20 days beginning from the date that he/she filed an application for Forever Business Owner registration or the date he/she received the first products that he/she ordered, whichever comes later, carry out cooling off by notifying the Company in writing.

(2) The cooling off goes into effect at the time that a written document clearly indicating such is sent (i.e., the date of the postmark), so the notification must be sent within the aforementioned 20-day period.

Note: To carry out cooling off, please send the Company a postcard or other document in which your address, name, and member number are indicated.

(3) If you carry out cooling off, please return – at Company expense – any unused products.

(4) If you carry out cooling off, the Company will promptly refund you the full purchase price of the products you purchased.

(5) No compensation for damages or penalty for breach of contract will be charged as a result of the cooling off.

(6) If anyone upline, etc., engages in acts such as reporting facts that are contrary to the truth (i.e., misrepresentation) or creating uneasiness by means of intimidation, with the aim of impeding cooling off, and the cooling-off period passes, and a written document is received to the effect that cooling off may again be carried out, then cooling off by means of a written document will be possible during a 20-day period from the date of receipt of said communication.

## 6. Returning products

(1) Concerning returns (in the case of a purchaser wishing to return products that a Forever Business Owner sold directly):

① If no more than 30 days have passed from the time of purchase, any unused products may be returned.

② The Forever Business Owner who sold the products is asked to collect the products and receipt(s), and to return to the purchaser the full sales price.

③ If the Forever Business Owner who sold the products refuses to return them, such as by lying about the receiving of returned goods during the return period or creating difficulties for the purchaser, the Company will handle the return in place of the Forever Business Owner. In this case, the Forever Business Owner will lose his/her status.

(2) Concerning returns (in the case of a Forever Business Owner returning to the Company products that he/she purchased from the Company)

If no more than 30 days have passed from the time of the purchase

① Any unused products may be returned, at the Company’s expense, by sending to the Company a written document such as a postcard.

② The Company will buy back the products for a sum equal to the purchase price less the corresponding Personal Bonus that the person desiring the return received. The Company will not charge any damages, penalty for breach of contract, or any other sums whatsoever.

③ The corresponding Leadership Bonus and Eagle Bonus paid to the upline Forever Business Owner will be deducted from the bonuses to be paid the next time.

If at least 30 days but no more than 90 days have passed from the time of the purchase

① Any unused products may be returned, at the Company’s expense, by sending to the Company a written document such as a postcard.

② The Company will buy back the products for a sum equal to the purchase price less the corresponding Personal Bonus received by the person desiring the return, and less 10% of the purchase price.

③ The corresponding Leadership Bonus and Eagle Bonus paid to the upline Forever Business Owner will be deducted from the bonuses to be paid the next time.

If at least 90 days but no more than 120 days have passed from the time of the purchase

① Any unused products may be returned, at the Company’s expense, by sending to the Company a written document such as a postcard.

② The Company will buy back the products for a sum equal to the purchase price less the corresponding Personal Bonus received by the person desiring the return, and less 50% of the purchase price.

A Forever Business Owner who returns products to the Company by means of the procedures indicated above loses, at that point, his/her Forever Business Owner status. In that case, this may have an impact on the promotions and the bonus-acquisition conditions, etc., of Forever Business Owners upline.

## 7. Cancelling one’s Forever Business Owner status

(1) One can quit being a Forever Business Owner at any time by notifying the Company in writing.

(2) The returning of products purchased up until the time of quitting will be in accordance with the rules for returning products.

(3) When a Forever Business Owner quits, the Company will contact the Sponsor in writing.

(4) If a person returns products when cancelling his/her Forever Business Owner status, that person cannot register again.

## Selling products

### 1. Retail selling

(1) Please base your selling on retail sales to customers who need the Company's products, selling them the quantity that they need. You can sell at the Company's suggested retail price. When carrying out a transaction, please issue the receipt designated by the Company. Please be sure that the name, address, and telephone number of the Forever Business Owner are indicated on the receipt. At the time of the transaction, please be sure to explain the conditions for cooling off. There is no need to issue further receipts to a given purchaser after you have had two transactions with the purchaser in a given year. However, if someone requests a receipt, then a receipt must be issued even if it is the third or later transaction in that year.

(2) Please explain the products correctly, so that customers understand them correctly.

### 2. Sales methods

(1) Any promotional items created by a Forever Business Owner, regardless of the form they take, must be created in accordance with the Company's guidance. To sell such items, the permission of the Company must be obtained in advance.

(2) A Forever Business Owner may carry out advertising activities for the products or the business on his/her personal website so long as permission is obtained from the Company. Carrying out advertising activities regarding the Company on a personal website that lacks a permission number is not permitted.

(3) A Forever Business Owner may not sell Forever products on his/her own personal website, through online auctions, etc.

(4) A Forever Business Owner may not sell to anyone whatsoever for the purpose of resale. In addition, a Forever Business Owner may not entrust the selling of products to others, including other Forever Business Owners.

For matters regarding sales and advertising as per items (1)-(4) above, please follow the instructions of the RSC who is in charge of your region.

### Points to note when selling products

1. With regard to the matters listed below, providing information that is contrary to the truth, whether when selling products or in an attempt to hinder the cancellation of a status or the return of products, will be punished under the Act on Specified Commercial Transactions. In addition, causing another person uneasiness through intimidation, for the purpose of either making the person obtain a status or hindering the person from cancelling a status or returning products, will also be punished under the Act on Specified Commercial Transactions.

(1) The types, effectiveness, quality, prices, etc., of products.

(2) Canceling Forever Friend status, cooling off, etc.

(3) Any other important matter affecting the judgment of the other party regarding a transaction involving a product.

2. When selling products, products cannot be represented as having efficacy similar to pharmaceuticals.

When selling products, please communicate the information expressed in the official brochures, texts, etc., created by the Company.

In addition, if there is any risk that the person who is about to begin using a product may, for example, be undergoing medical treatment or have a predisposition to becoming allergic, then please tell the person to consult with a physician regarding the use of the product.

## Sponsorship activity, promotion to higher ranks, and bonuses

### Sponsorship activity

### 1. Sponsoring others

When a Forever Business Owner and loyal user of the Company's products, desiring that his/her friends, etc., also become loyal users of the products, introduces the products to them and thoughtfully explains to them how they can purchase the products at low prices, this is called "sponsoring."

Sponsorship activity involves doing things like the following:

- ① Being a loyal user of the products, and telling others what is good about them.
- ② Explaining the products in detail.
- ③ Explaining how the Company's sales system works.
- ④ Thoughtfully instructing people in how to actually order the products and, if necessary, selling to people, on a retail basis, the products that they want (and issuing a receipt).
- ⑤ Thoughtfully instructing people in precisely how they can register to become Forever Friends, and having them register as Forever Friends. If necessary, also providing them with an explanation based on the *Forever Friends (FF) Registration & Explanatory Material for Those Using the Quick 'n Easy Application Method* resource created by the Company.
- ⑥ If an FF has finished using 2 or more case counts and is interested, then talking to him/her about the Company's basic philosophy, giving him/her the *Forever Entry Guide (Explanatory Material and Application Form)*, explaining this document correctly and fully, and submitting his/her Forever Business Owner application form to the Company so that he/she registers as a Forever Business Owner.
- ⑦ Letting interested Forever Business Owners know about seminars and training events organized by the Company, and giving them support so that they can carry out sponsorship activity.

### 2. Re-sponsoring

A Forever Business Owner may re-sponsor a person who meets any of conditions ①-④ below.

① A person who submitted a notification of cancellation with respect to a Forever Business Owner or Forever Friend status, if at least 6 months have passed since the time of said submission.

Note 1: The months are counted beginning with the month after the notification of cancellation was submitted to, and accepted by, the Company.

Note 2: If the person returned products at the time of the cancellation, he/she cannot be re-sponsored.

② A person who has not made any purchase from the Company in at least 12 months (starting from the month following the month in which the last purchase was made), provided that the Sponsor as well has not made any purchase from the Company in at least 12 months (starting from the month following the month in which the last purchase was made).

Note: Before the person can be re-sponsored, he/she must submit to the Company a notification of cancellation for his/her Forever Business Owner or Forever Friend status, and the notification must be accepted by the Company.

③ A person who has not made any purchase directly from the Company in at least 12 months (starting from the month following the month in which the last purchase was made), provided that the person submits written consent from a Sponsor who has made a purchase from the Company within the last 12 months (i.e., calendar months).

Note: Before the person can be re-sponsored, he/she must submit to the Company a notification of cancellation for his/her Forever Business Owner or Forever Friend status, and the notification must be accepted by the Company.

④ A person who has not made any purchase directly from the Company in at least 24 months (starting from the month following the month in which the last purchase was made).

Note 1: Before the person can be re-sponsored, he/she must submit to the Company a notification of cancellation for his/her Forever Business Owner or Forever Friend status, and the notification must be accepted by the Company.

Note 2: The re-sponsored person will start off as a new Forever Friend, and the person will be completely separated from his/her rank and sales record at that point – and from the group that the person has sponsored up to that point – as a Forever Business Owner for the Company. The group that up to that point had been sponsored by the person will remain as it is in the original group.

Note 3: If the Company judges that there is anything inappropriate in the record of the re-sponsored Forever Friend as a Forever Business Owner for the Company, or in the process by which the person has been re-sponsored, the person will lose his/her status at that point.

### 3. Responsibilities of Sponsors

#### (1) Code of conduct

① Please have a correct understanding of the Company's policy regarding the explaining of the Company's products and business, and conduct yourself as a model Forever Business Owner.

② Please strive to guide, assist, and encourage the activity of Forever Friends and Forever Business Owners that you sponsored, and of Forever Business Owners downline from them.

## (2) Explaining products

- ① Please give correct explanations, using the sales-promotion materials created by the Company.
- ② Please have a correct understanding of relevant laws and regulations, such as the Pharmaceutical Affairs Act and the Food Sanitation Act.
- ③ Explaining the business
  - a. Please explain correctly that bonuses are paid as compensation for the sale of products to loyal users and for guidance given in making such sales, with the result that it is not possible to obtain bonuses simply by sponsoring people.
  - b. It is forbidden to give faulty explanations that cite some success stories and suggest that anyone can succeed.
  - c. Please give a correct explanation of bonuses, based on the bonus statement.
  - d. Please correctly declare your Forever business income annually in accordance with tax laws.

### Points to note when carrying out sponsorship activity

With regard to the matters listed in ① through ④ below, providing information that is contrary to the truth, whether when soliciting someone to register as a Forever Business Owner or in an attempt to hinder the cancellation of a status, will be punished under the Act on Specified Commercial Transactions. In addition, causing another person uneasiness through intimidation, for the purpose of either making the person obtain a status or hindering the person from cancelling a status or returning products, will also be punished under the Act on Specified Commercial Transactions.

- ① The types, effectiveness, quality, prices, etc., of products.
- ② Canceling Forever Business Owner status, cooling off, etc.
- ③ The profit (i. e., sales profit and bonuses) that is obtained through these transactions, and the conditions under which said profit is obtained.
- ④ Any other important matter affecting the judgment of the other party regarding a transaction involving a product or regarding registration as a Forever Business Owner.

## 4. International registration

If a Forever Business Owner wishes to carry out Forever Business Owner activity in a foreign country, he/she can register in the foreign country through the Forever Living Products headquarters in the country where he/she resides.

### Promotion to higher ranks (1)

#### 1. Promotions, payment of bonuses, and maintaining of status

(1) A Forever Business Owner is promoted to higher ranks on the basis of his/her own case count and the case count of the group that he/she has sponsored.

(2) Bonuses are paid as compensation for one's own sales and for one's broader contribution – through guidance – to the activity of the group that one has sponsored.

(3) There is no obligation to sell any set quantity of products in order to maintain a status acquired through a promotion.

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

Apply to the Company for registration using a Forever Business Owner application form, and receive certification by the Company.

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

As an Assistant Supervisor, you and the group that you have sponsored must purchase directly from the Company and sell (including products used personally) a combined total of at least 10 case counts of products in 1 month (i. e., 1 calendar month).

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

As an Assistant Supervisor or Supervisor, you and the group that you have sponsored must purchase directly from the Company and sell (including products used personally) a combined total of at least 75 case counts of products within a period of 2 consecutive months (i. e., calendar months).

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

As an Assistant Supervisor, Supervisor, or Assistant Manager, you and the group that you have sponsored must purchase directly from the Company and sell (including products used personally) a combined total of at least 120 case counts of products within a period of 2 consecutive months (i. e., calendar months).



## Promotion to higher ranks (2)

### ① Ascending Manager

When a Manager has at least one month (i.e., calendar month) in which he/she has at least 2 active lines whose 1<sup>st</sup> generation is a Supervisor or higher, he/she is promoted to Ascending Manager.

### ② Soaring Manager

When a Manager has brought up at least 5 1<sup>st</sup>-generation Managers, he/she is promoted to Soaring Manager.

### ③ Sapphire Manager

When a Manager has brought up at least 9 1<sup>st</sup>-generation Managers, he/she is promoted to Sapphire Manager.

### ④ Diamond Sapphire Manager

When a Manager has brought up at least 17 1<sup>st</sup>-generation Managers, he/she is promoted to Diamond Sapphire Manager.

### ⑤ Diamond Manager

When a Manager has brought up at least 25 1<sup>st</sup>-generation Managers, he/she is promoted to Diamond Manager.

### ⑥ Double-Diamond Manager

When a Manager has brought up at least 50 1<sup>st</sup>-generation Managers, he/she is promoted to Double-Diamond Manager.

## Bonuses

### 1. How bonuses are calculated, and how they are paid by direct deposit

(1) Bonuses are calculated on the basis of the quantity of products that a Forever Business Owner has purchased directly from the Company and sold (including products used personally). Products purchased by Forever Friends are counted in the personal case count of their Sponsor.

(2) Bonuses are calculated on the basis of the suggested retail prices of the products.

(3) Bonuses are calculated on the basis of the Forever Business Owner's sales during the bonus calculation period (from the first day through the last day of the given month), calculated respectively for each status that the Forever Business Owner held during the month, plus the sales of the group that the Forever Business Owner guided as Sponsor, and the bonuses shall be confirmed (come into existence) on the first day of the succeeding month.

(4) Between the 15<sup>th</sup> and the 25<sup>th</sup> day of the month following the month in which products are purchased, bonuses are directly deposited into the personal account designated by the Forever Business Owner. This personal account must have been registered in the name of the Forever Business Owner on the Forever Business Owner application form submitted by the Forever Business Owner applicant.

(5) Any bonus that has not been completely paid within 5 years from the date of payment will automatically become void.

### 2. Friend Bonuses

Friend Bonuses are paid to the Forever Business Owner based on the amount that the Company actually sells to Forever Friends sponsored by the Forever Business Owner.

### 3. Personal Bonuses

Personal Bonuses are paid to the Forever Business Owner based on the amount of his/her actual personal results.

### 4. Leadership Bonuses

(1) Leadership Bonuses are paid to the Forever Business Owner based on the amount that the group sponsored by the Forever Business Owner actually sells.

(2) In order for a Leadership Bonus to be paid, you must have purchased directly from the Company and sold (including products used personally), on your own, at least 4 case counts of products in that month. If, in that month, you purchased directly from the Company and sold (including products used personally), on your own, at least 1 case count of products, then the case counts of any products purchased from the Company in that month by Forever Friends sponsored by you will be added to your case count.

Bonus type    Your status	Friend Bonus	Personal Bonus	Leadership Bonus		
	Percentage of amount	Percentage of amount	Percentage of sales by the groups sponsored by you		
	of actual results of actual results by Forever Friends	of your actual results	ASs and their groups	Ss and their groups	AMs and their groups

M – Manager	28%	18%	15%	10%	5%
AM – Assistant Manager	23%	13%	10%	5%	—
S – Supervisor	18%	8%	5%	—	—
AS – Assistant Supervisor	13%	3%	—	—	—

5. Eagle Bonuses

(1) If a person sponsored by a Forever Business Owner becomes a Manager, then this Manager and his/her group become independent, and an Eagle Bonus is paid to the Forever Business Owner based on the amount of that group’s actual results.

(2) In order for an Eagle Bonus to be paid, your active point\* in that month must be either “0” (zero) or “+” (positive), and you must have purchased directly from the Company and sold (including products used personally), on your own, at least 4 case counts of products in that month. If, in that month, you purchased directly from the Company and sold (including products used personally), on your own, at least 1 case count of products, then the case counts of any products purchased from the Company in that month by Forever Friends sponsored by you will be added to your case count. In addition, you must satisfy the conditions listed below for the different ranks.

\*Active point: Starting in the month following the month in which a person is promoted to Manager, if, in a particular month, the person purchases directly from the Company and sells (including products used personally) at least 1 case count of products, then the person receives an active point of +1 point for the month, while if, in a particular month, the person purchases directly from the Company and sells (including products used personally) less than 1 case count of products, or has no sales, then the person receives an active point of -1 point for the month. The person’s current active point is the cumulative sum of these monthly point scores. (In force from January 1997.)

① Ascending Bonus

At least 1 of the conditions below must be satisfied.

a. In that month, the person has at least 2 active\* lines whose 1<sup>st</sup> generation is a Supervisor or higher.

\*Active: An active line is a line in which at least one Forever Business Owner in the 1<sup>st</sup>, 2<sup>nd</sup>, or 3<sup>rd</sup> generation has purchased directly from the Company and sold (including products used personally) at least 4 case counts of products in that month. If, in that month, that Forever Business Owner purchased directly from the Company and sold (including products used personally), on his/her own, at least 1 case count of products, then the case counts of any products purchased from the Company in that month by Forever Friends sponsored by that Forever Business Owner will be added to that Forever Business Owner’s case count.

b. In that month, at least 1 Forever Business Owner in the 1<sup>st</sup>, 2<sup>nd</sup>, or 3<sup>rd</sup> generation of the person’s group (not counting groups led by Managers who have become independent) is promoted to Supervisor, Assistant Manager, or Manager.

② Soaring Bonus

In that month, the person has at least 5 active lines whose 1<sup>st</sup> generation is a Manager.

③ Sapphire Bonus

In that month, the person has at least 9 active lines whose 1<sup>st</sup> generation is a Manager.

④ Diamond Sapphire Bonus

In that month, the person has at least 17 active lines whose 1<sup>st</sup> generation is a Manager.

⑤ Diamond Bonus

In that month, the person has at least 25 active lines whose 1<sup>st</sup> generation is a Manager.

⑥ Double-Diamond Bonus

In that month, the person has at least 50 active lines whose 1<sup>st</sup> generation is a Manager.

Eagle Bonus			
Bonus rank	Percentage of amount of actual results <del>sales</del> by your groups		
	1 <sup>st</sup> -generation	2 <sup>nd</sup> -generation	3 <sup>rd</sup> -generation

	Managers and their groups	Managers and their groups	Managers and their groups
Ascending Bonus	6.0%	3.0%	2.0%
Soaring Bonus	6.5%	3.5%	2.5%
Sapphire Bonus	7.0%	4.0%	3.0%
Diamond Sapphire Bonus	7.5%	4.5%	3.5%
Diamond Bonus	8.0%	5.0%	4.0%
Double-Diamond Bonus	8.5%	5.5%	4.5%

## 6. Car / Dream Bonus Acquisition Program

### (1) How the Car / Dream Bonus Acquisition Program works

In the case of the Car Bonus, the Forever Business Owner personally purchases (either in his/her own name or in the name of his/her spouse) a car, and the Company pays the Car Bonus to the Forever Business Owner for a period of 3 years (36 months) to cover part of the purchase price of the car. The Dream Bonus is a bonus designed to help the Forever Business Owner achieve his/her dreams. For a period of 3 years (36 months), the Company pays the Dream Bonus to the Forever Business Owner to cover part of the cost of buying a house, of educational expenses, etc.

Note: In the case of the Car Bonus, the car that is purchased must be the latest model available at the time of the purchase, and the purchase price must exceed the value of the applicable Program. In the case of the Dream Bonus, too, the expense it is used for must exceed the value of the applicable Program.

### (2) How to qualify

To qualify, a Forever Business Owner must, in 3 consecutive months (i.e., calendar months), purchase directly from the Company and sell (including products used personally), on his/her own, at least 4 case counts of products. If, in a given month, you purchased directly from the Company and sold (including products used personally), on your own, at least 1 case count of products, then the case counts of any products purchased from the Company in that month by Forever Friends sponsored by you will be added to your case count. Moreover, if, in that 3-month period, you reach the “group case count” indicated below, then you will qualify to participate in the respective Program(s) for a period of 3 years (36 months).

Note: The third month of the period for qualification is called the “qualification acquisition month.” The “group case count” that is required in the “qualification acquisition month” is called the “required group case count.”

カーボーナス	プログラム (I)	プログラム (II)	プログラム (III)
ドリームボーナス	プログラム (VI)	プログラム (VII)	プログラム (VIII)
資格取得のための 連続した3ヶ月	1ヶ月目	100グループ ケースカウント以上	100グループ ケースカウント以上
	2ヶ月目	110グループ ケースカウント以上	150グループ ケースカウント以上
	3ヶ月目 [資格取得月]	120グループ ケースカウント以上 [必要グループ ケースカウント]	200グループ ケースカウント以上 [必要グループ ケースカウント]
月間ボーナス (36ヶ月合計)	45,000円 (162万円)	75,000円 (270万円)	105,000円 (378万円)

### (3) Conditions to be met in order for the bonus to be paid

① In a given month, you must have purchased directly from the Company and sold (including products used personally), on your own, at least 4 case counts of products. If, in that month, you purchased directly from the Company and sold (including products used personally), on your own, at least 1 case count of products, then the case counts of any products purchased from the Company in that month by Forever Friends sponsored by you will be added to your case count.

② The “group case count” for the Programs is calculated by adding to the complete group case count for your group the case counts in (a), (b), and (c) below.

- (a) 30% of the case count of 1<sup>st</sup>-generation groups headed by a Manager (rounded to the nearest whole number).
- (b) 20% of the case count of 2<sup>nd</sup>-generation groups headed by a Manager (rounded to the nearest whole number).
- (c) 10% of the case count of 3<sup>rd</sup>-generation groups headed by a Manager (rounded to the nearest whole number).

Note: In order to be able to add in the case counts in (a), (b), and (c) above, at least 1 of the conditions below must be satisfied.

- i. In that month, you have at least 2 active\* lines whose 1<sup>st</sup> generation is a Supervisor or higher.

\*Active: An active line is a line in which at least one Forever Business Owner in the 1<sup>st</sup>, 2<sup>nd</sup>, or 3<sup>rd</sup> generation has purchased directly from the Company and sold (including products used personally) at least 4 case counts of products in that month. If, in that month, that Forever Business Owner purchased directly from the Company and sold (including products used personally), on his/her own, at least 1 case count of products, then the case counts of any products purchased from the Company in that month by Forever Friends sponsored by that Forever Business Owner will be added to that Forever Business Owner's case count.

- ii. In that month, at least 1 Forever Business Owner in the 1<sup>st</sup>, 2<sup>nd</sup>, or 3<sup>rd</sup> generation in your group (not counting groups led by Managers who have become independent) is promoted to Supervisor, Assistant Manager, or Manager.

③ In the qualification acquisition month, and in any month of the period (36 months) in which you participate in the Program, if you have 5 active lines whose 1<sup>st</sup> generation is a Manager, then your "required group case count" for that particular month is reduced by 30 case counts in Programs (I) and (VI), by 40 case counts in Programs (II) and (VII), and by 60 case counts in Programs (III) and (VIII).

Note: Each time the number of your active lines whose 1<sup>st</sup> generation is a Manager increases by an additional 5 lines, your "required group case count" for that particular month is reduced by 30 case counts in Programs (I) and (VI), by 40 case counts in Programs (II) and (VII), and by 60 case counts in Programs (III) and (VIII).

④ To obtain the full amount of the bonus during the period, you must maintain the "required group case count" throughout the period (36 months) in which you participate in the Program.

If your case count falls short of the "required group case count," then ¥500 will be deducted from your Car Bonus or Dream Bonus for that month for each 1 case count that you fall short.

⑤ If a Forever Business Owner satisfies the conditions in "(2) How to qualify" in 3 consecutive months during the last 6 months of his/her participation in the Program, then he/she will be qualified under those conditions, at the end of the Program, to participate once again, anew, in the Car Acquisition Program or the Dream Bonus Acquisition Program. In the case of the Dream Bonus, he/she may also apply to continue, but only in the case of expenses for house acquisition or education.

#### (4) How to apply

① The Company informs a Forever Business Owner in writing that he/she has qualified to participate in the Car Acquisition Program and/or the Dream Bonus Acquisition Program.

② After receiving the notification, the Forever Business Owner submits to the Company the "Car / Dream Bonus Acquisition Application Form" and the documentation that the Company designates as necessary, and the Company examines and approves the application.

③ After that, in the case of the Car Bonus, the Forever Business Owner, on his/her own, selects a car and signs a contract for it. He/she then submits to the Company copies of the vehicle inspection certificate and the order form for the car, and payment of the Car Bonus begins in the month following. These documents must be submitted to the Company within 6 months from the month after the qualification acquisition month. If the documentation is submitted late, then the monthly Bonus will not be paid for the number of months (i.e., calendar months) by which the documentation is delayed. In the case of the Dream Bonus, the Forever Business Owner submits a copy of the receipt (made out to either the qualified person or the person's spouse) by the deadline (which, as a general rule, is as per the deadline for the Car Bonus) separately specified by the Company, and payment of the Dream Bonus begins in the month following. If the receipt is submitted late, then the monthly Bonus will not be paid for the number of months (i.e., calendar months) by which the receipt is delayed.

④ In addition, payment of the Dream Bonus may be stopped if it is judged that the purpose for which it is being used is contrary to public order and morals.

## Awards and special bonuses

### Manager awards

#### 1. Managers

Managers receive a commemorative item and a Manager recognition certificate at a meeting organized by the Company.

#### 2. Ascending Managers

Ascending Managers receive a 2-ruby gold pin and an Ascending Manager recognition plaque at a meeting organized by the Company.

#### 3. Soaring Managers

When an Ascending Manager has brought up at least 5 1<sup>st</sup>-generation Managers, he/she becomes a Soaring Manager, and receives a 4-ruby gold pin and a Soaring Manager recognition plaque at a meeting organized by the Company.

#### 4. Sapphire Managers

When an Ascending Manager has brought up at least 9 1<sup>st</sup>-generation Managers, he/she becomes a Sapphire Manager, and receives a sapphire gold pin and a Sapphire Manager recognition plaque at a meeting organized by the Company.

#### 5. Diamond Sapphire Managers

When an Ascending Manager has brought up at least 17 1<sup>st</sup>-generation Managers, he/she becomes a Diamond Sapphire Manager, and receives a diamond-sapphire gold pin and a Diamond Sapphire Manager recognition plaque at a meeting organized by the Company.

#### 6. Diamond Managers

When an Ascending Manager has brought up at least 25 1<sup>st</sup>-generation Managers, he/she becomes a Diamond Manager, and receives a diamond gold pin and a Diamond Manager recognition plaque at a meeting organized by the Company.

#### 7. Double-Diamond Managers

When an Ascending Manager has brought up at least 50 1<sup>st</sup>-generation Managers, he/she becomes a Double-Diamond Manager, and receives a double-diamond gold pin and a Double-Diamond Manager recognition plaque at a meeting organized by the Company.

### Invitations to Hometown Seminars

#### 1. Soaring Managers

If a Forever Business Owner, after being promoted to Soaring Manager, has, for 3 consecutive months (and the month of the promotion can be included), at least 3 active Manager lines, the Forever Business Owner or his/her spouse will be invited to attend a Hometown Seminar.

#### 2. Sapphire Managers

If a Forever Business Owner, after being promoted to Sapphire Manager, has, for 3 consecutive months (and the month of the promotion can be included), at least 5 active Manager lines, the Forever Business Owner and his/her spouse will be invited to attend a Hometown Seminar.

#### 3. Diamond Sapphire Managers

If a Forever Business Owner, after being promoted to Diamond Sapphire Manager, has, for 3 consecutive months (and the month of the promotion can be included), at least 9 active Manager lines, the Forever Business Owner and his/her spouse will be invited to attend a Hometown Seminar.

#### 4. Diamond Managers

If a Forever Business Owner, after being promoted to Diamond Manager, has, for 3 consecutive months (and the month of the promotion can be included), at least 13 active Manager lines, the Forever Business Owner and his/her spouse will

be invited to attend a Hometown Seminar.

5. Double-Diamond Managers

If a Forever Business Owner, after being promoted to Double-Diamond Manager, has, for 3 consecutive months (and the month of the promotion can be included), at least 25 active Manager lines, the Forever Business Owner and his/her spouse will be invited to attend a Hometown Seminar.

Note: in the case of 2, 3, and 4, if the husband and wife cannot attend at the same time, then one of the two can attend 2 times provided that certain separate conditions are met.

**Special awards (1)**

1. Personal Achievement Award

When one's personal sales volume reaches 200 case counts, as well as each time it reaches 100 case counts after that, the person will be given an award certificate and a prize.

2. Best Sponsor Award

Each time a person raises 5 1<sup>st</sup>-generation Supervisors, the person will be given an award certificate and a prize.

3. Eagle Award

The 10 PCMs having the highest combined totals for personal annual total case count plus group (excluding Managers) annual total case count plus 40%, 20%, and 10%, respectively, of the annual group case counts of their 1<sup>st</sup>-generation, 2<sup>nd</sup>-generation, and 3<sup>rd</sup>-generation Managers, will receive Eagle Awards.

4. Special Recognition Award

In addition to the above awards, there are awards that the Company gives out as needed.

**Special awards (2)**

5. Presidents Club Members (PCMs) and Leaders Club Members (LCMs)

Forever Business Owners who have achieved excellent results are awarded special certification and distinction as Presidents Club Members (hereinafter "PCMs") or Leaders Club Members (hereinafter "LCMs"). Forever Business Owners who receive this certification are given special benefits.

(1) Conditions

- ① The person must agree to matters presented by the Company.
- ② The person must have completed, within the assigned period, the seminars that the Company designates.
- ③ The RSC who is in charge must give his/her approval.
- ④ The person's active point must have been at least 0 as of the last day of December of the year preceding the year in which he/she receives the certification.
- ⑤ The person must meet the requirements in the table below regarding both the total amount of bonuses paid by the Company in the year and the number of 1<sup>st</sup>-generation Manager lines that the person has as of the last day of December of the year preceding the year in which he/she receives the certification.

(2) Other special benefits

The Company also awards incentives such as invitations to various domestic and overseas seminars that the Company decides upon in that year. Details will be announced by the Company from time to time when certifications are conferred.

(3) Special provision regarding the use of PCM and LCM titles

Forever Business Owners who have been certified as PCMs or LCMs and who continuously satisfy the conditions in (1) (aside from the conditions in ⑤) may use, for life, the highest PCM or LCM title that they acquired in the past.

Status	Sum total of bonuses (in yen)	Number of Manager lines
GREPCM	200 million	≥ 30
☆SREPCM	150 million	≥ 25
SREPCM	120 million	≥ 25
☆REPCM	100 million	≥ 20
REPCM	80 million	≥ 20
☆SEPCM	60 million	≥ 15
SEPCM	50 million	≥ 15

☆EPCM	40 million	≥ 10
EPCM	30 million	≥ 10
☆SPCM	20 million	≥ 5
SPCM	10 million	≥ 5
APCM	6 million	≥ 3
LCM	3 million	None (Ascending M status required)

## Handling of Forever Friends' and Forever Business Owners' personal information, code of conduct for Forever Business Owners, and disciplinary measures for Forever Business Owners

### Handling of Forever Friends' and Forever Business Owners' personal information

#### 1. The Company's basic stance regarding protection of personal information

The Company respects the goals of the Act on the Protection of Personal Information, and complies with the Act.

Note: For details on the Company's privacy policy, please consult the Company's website (<http://www.flpj.co.jp/privacypolicy.html>).

2. The Company obtains information that is written in Forever Friend application forms and Forever Business Owner application forms, information on money received when Forever products are purchased, information written on questionnaires addressed to the Company, and information that is recorded on the Company's website. In addition, the Company obtains information – such as passport information – that is necessary for the planning and carrying out of events such as seminars and tours.

3. The Company uses information obtained from Forever Business Owners and Forever Friends for the purposes listed below, but not for any other purpose.

(1) To register Forever Business Owners.

(2) To sell and deliver products.

(3) To respond to inquiries.

(4) To provide notifications containing information on the Company's products, services, etc.

(5) To develop products and services that meet people's needs.

(6) To provide the services that are necessary when Forever Business Owners carry out sales activity for the Company's products.

(7) To carry out international registration for those who desire it.

(8) To facilitate business activity within groups, by providing groups' upline business participants with the Forever product purchase histories, FLP numbers, and names of those who belong to their groups.

(9) To plan and carry out events such as seminars and tours.

4. Necessary security measures are taken with the personal information that the Company possesses. In addition, the Company periodically gives its employees education and training on the protection of personal information, and takes all possible precautions in managing the personal information that is in its possession.

5. The personal information on Forever Business Owners and Forever Friends that the Company obtains is provided to the parties listed below to the extent necessary for them to accomplish the objectives of their contracts. The information is not provided to third parties other than those listed below without the consent of Forever Business Owners and Forever Friends. Nevertheless, if the Company receives a legal request, the Company may provide information based on that request.

(1) To whom the information is provided: upline business participants in the groups that Forever Business Owners and Forever Friends belong to.

(2) What personal information is provided: Forever product purchase histories, FLP numbers, and personal names.

(3) How the information is provided: as electronic or printed data within bonus statements and organization charts, or in response to inquiries received by telephone, e-mail, etc.

6. To the extent necessary for the Company to accomplish the objectives of its contracts with Forever Business Owners and Forever Friends, the Company entrusts personal data in its possession to business operators at subcontractors that have a duty of confidentiality based on contracts with the Company. The entrusting of the data involves the signing of the necessary written contracts, and appropriate management oversight is carried out.

7. The personal information that the Company obtains is shared to the extent necessary to carry out international registration.

(1) Types of personal data shared: information entered on Forever Business Owner application forms, and also product purchase histories.

(2) With whom the data is shared: Forever International as well as Forever offices in the different countries.

It should be noted that when international registration is carried out, responsibility for managing the personal information shared lies with Forever Living Products Japan.

8. If a person does not provide the information that is necessary, it may not be possible to complete the person's member registration.

9. If a Forever Business Owner or Forever Friend personally requests, in writing, that the Company disclose, correct, add to, delete, use, or cease using the personal information of his/hers that is in the Company's possession, the Company will, to a reasonable extent, carry this out.

For any complaints or inquiries regarding the handling of personal information at the Company, please contact the contact point below.

Contact point: Customer Support Office, 0120-448-446 (9:30 a.m. -5:30 p.m. except for Saturdays, Sundays, and holidays)

Personal-information protection manager: General manager of the business division

## Privacy policy

Forever Living Products Japan, Ltd. (hereinafter "the Company"), handles a great deal of personal information in the course of sales operations for its consumer-participatory, life-related products. The Company has therefore, on the basis of this privacy policy, established and put into operation a management system for the protection of personal information, and all of the Company's employees who are involved in business activities work together to make sure that personal information is handled appropriately.

### 1. The appropriate acquisition, use, and providing of personal information

The Company, giving consideration to the content and scale of its business, acquires personal information using appropriate methods and to the extent necessary to carry out its operations. Personal information is used only for specified purposes of use, and the Company notifies individuals in advance and obtains their consent prior to changing the purposes of use. Except when operations are outsourced in order to accomplish the purposes of use, personal information is not provided to third parties without the individuals' consent. In order to prevent personal information from being used or provided for any other purpose, such information is used and provided only after the personal-information protection manager has confirmed that this is appropriate. In addition, the Company enhances its control activities through means such as self-inspections and internal audits.

### 2. Safety-management measures for the protection of personal information

(1) The Company has implemented appropriate security measures to prevent personal information from being leaked, lost, damaged, etc. The Company also educates and supervises employees so as to ensure that these measures work. When the handling of personal information is outsourced outside the Company, the subcontractors for the outsourcing are rigorously selected and supervised.

(2) Corrective actions taken if personal information is leaked, lost, damaged, etc.

In the event that personal information is leaked, lost, damaged, etc., top priority will be given to keeping damage from spreading. In addition to promptly taking corrective action, the Company will investigate the cause of the incident and strive to prevent recurrence. Information regarding the incident will be reported, to the extent necessary, to the parties concerned and to relevant institutions.

### 3. Compliance with laws, regulations, government-established guidelines, and other standards

The Company complies with laws and ordinances, with guidelines issued by competent authorities, with standards issued by associations that it belongs to, etc., that relate to the handling of personal information.

### 4. Continuous improvement of the management system for the protection of personal information

The Company has implemented a management system for the protection of personal information. The Company maintains the system, periodically reviews it, and strives to continuously improve it.

### 5. Complaints and inquiries regarding personal information

If you wish to make a complaint or inquiry to the Company regarding the handling of personal information, please contact the Personal-Information Contact Point indicated below. The Contact Point also handles inquiries regarding the protection of personal information at the Company.

Contact point for inquiries regarding personal information:

Tel.: 0120-448-446 (Customer Support Office)

(Weekdays, 9:30 a.m. -5:30 p.m.)

Forever Living Products Japan, Ltd.

Personal-information protection manager: General manager of the business division



## Code of conduct

### (1) Holding meetings

- ① Forever Business Owners may, as part of their Forever Business Owner activity, hold meetings of various kinds.
- ② The organizer of a meeting may not collect expensive participation fees for the purpose of making a profit.
- ③ If the RSC in charge of the region inquires, the organizer of a meeting must report to the RSC the meeting's date and time, location, content, participation fee, etc.

### (2) Maintaining and enhancing mutual trust among Forever Business Owners

- ① Please participate actively in group activities, and strive to maintain and enhance mutual trust among Forever Business Owners.
- ② You may not use the Company's sales organization for the purpose of selling other companies' products or for the purpose of building a sales organization for another company.

## Disciplinary measures

If a Forever Business Owner violates Company policies, the product-sales rules, laws, or public order and morals, then, depending on the seriousness of the violation, the disciplinary measures indicated below will be applied.

(1) Warning – ● In the event of a violation of laws, regulations, the product-sales rules, Company policies, or public order and morals.

- Issue a written warning, and admonish regarding future conduct.

(2) Strong warning – ● In the event of a serious violation of laws, regulations, the product-sales rules, Company policies, or public order and morals, or

● in the event of a violation of laws, regulations, the product-sales rules, Company policies, or public order and morals that occurs after a written warning has been given, regardless of whether or not the written warning was for the type of violation in question.

- Issue a strong written warning, and admonish regarding future conduct.

- If necessary, the person will undergo special training.

(3) Suspension of status – ● In the event of a serious violation of laws, regulations, the product-sales rules, Company policies, or public order and morals, or

● in the event of a violation of laws, regulations, the product-sales rules, Company policies, or public order and morals that occurs after a strong written warning has been given, regardless of whether or not the strong written warning was for the type of violation in question, or

- in the event that 2 or more strong written warnings have been given.

○ The Company is freed of any obligation to pay to the Forever Business Owner in question any and all obligations, including the payment of bonuses and the delivery of products, that the Company incurs from the day of status suspension through to the end of the suspension period (whose length is set by the Company, up to a maximum of 6 months), and the Forever Business Owner permanently loses the right to demand performance of obligations, such as the payment of bonuses, that are incurred during this period.

○ The Forever Business Owner is forbidden to take part in any event organized by the Company during the period set by the Company (up to a maximum of 6 months).

(4) Revoking of status – ● In the event of a particularly serious violation of laws, regulations, the product-sales rules, Company policies, or public order and morals, or

● in the event of a violation of laws, regulations, the product-sales rules, Company policies, or public order and morals that occurs after the Forever Business Owner has been subjected to suspension of status, regardless of whether or not the suspension was imposed for the type of violation in question.

○ The Forever Business Owner loses his/her Forever Business Owner status. In this case, the Forever Business Owner in question shall immediately pay in full any obligations he/she may have towards the Company. In addition, the Company is freed of any obligation to pay to the Forever Business Owner in question any and all obligations, including the payment of bonuses, that the Company may have as of the day that the status is revoked or that the Company may incur thereafter, and the Forever Business Owner permanently loses the right to demand performance of obligations, such as the payment of said bonuses.

The Company has the right to modify these product-sales rules. If a Forever Business Owner, after having been notified, whether in writing or by other means, of any such modification, purchases any products based on these product-sales rules, then he/she shall be deemed to have agreed to said modification.

Forever Business Owner code of ethics

Forever Living Products Japan

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

The activity of Forever Business Owners is based on mutual trust among Forever Business Owners. And when it is clear that all Forever Business Owners share the same goals and standards of conduct, this trust grows greatly. In the hope that the activity of Forever Business Owners will be correctly understood, and be held in high regard by society, the Company has established the goals of Forever Business Owner activity in the form of this code of ethics.

1. Forever Business Owners aim to have their activity always be widely held in high regard – and supported – by society.

2. Forever Business Owners aim to have their activity always be held in high regard – and supported – by other Forever Business Owners.

3. Forever Business Owners are loyal users of the Company' s products, and strive to acquire correct knowledge concerning the products.

4. Forever Business Owners have a correct understanding of the Company' s product–sales rules, and conduct proper Forever Business Owner activity.

5. Forever Business Owners always desire the success of others, and carry out their Forever Business Owner activity with the objective of making others happy.