## **New Shipping Lead Time Promise FAQ**

### **Overview**

Effective June 16, 2022, Amway is updating the Lead Time Promise for U.S. customers. These updates are part of our ongoing effort to satisfy customers' needs while supporting Independent Business Owners (IBOs).

## **Frequently Asked Questions**

Questions and answers to help you understand the advantages that new shipping-related changes provide to both customers and IBOs.

#### 1. What is Lead Time Promise and how it is defined?

Lead Time Promise is the total time from order placement to door delivery. The "math magic" that helps us get those delivery dates is dependent on cut-off times. For example, an order placed before 3 p.m., ET will take a true 5 business days. However, orders placed after 3 p.m., ET will calculate the next business day and appear to take 6 business days.

#### 2. Why are we making this change?

#### Customers' expectations are changing.

As more e-tailers offer speedy delivery at low costs, it's important for Amway to keep pace and stay competitive. By updating our Lead Time Promise for U.S. customers, we'll be able to better deliver on customers' demand for speed, convenience, flexibility, shipping visibility and tracking.

#### Customers' needs are different than IBOs' needs.

By creating IBO- and customer-specific experiences and Lead Time Promise, we can move from a "one size fits all" shipping approach to a more customized solution. This will allow us to better satisfy the needs of customers and IBOs, with valuable benefits to both (outlined below).

#### **IBOs**

#### The new experience:

- · Inspired by direct selling
- DITTO<sup>™</sup> subscription delivery option

#### The benefits:

- Increasing efficiency (enabling prioritization of customer order processing at end of month and other order peaks)
- Continuing the consolidation of orders
- Increasing sales and earnings with solutions designed to better meet customers' time and budget needs

#### **CUSTOMERS**

#### The new experience:

- Inspired by e-commerce
- Dedicated to building customer loyalty
- Variety of delivery options to fit time and budget needs – fast, faster, lowest cost
- DITTO<sup>™</sup> subscription delivery option

#### The benefits:

- Offering options for faster delivery
- Simplifying online checkout/ordering

# 3. How will shipping evolve from the current shipping structure? CURRENT STRUCTURE: Everyone gets the same service.

| Service Option   | Shipping Fee | Lead Time Promise                          |
|--|--------------|--|
| Ground*  | \$9.95       | Within 7 business days                     |
| Expedited  | \$14.95      | Within 5 business days                     |
| Premium  | \$24.00      | Within 5 business days                     |
| Offshore   | \$16.00      | No promise<br>(7–10 business days average) |
| Promotion AmPerks™ Loyalty Program > \$99 (customers only) |              | Within 7 business days                     |

<sup>\*</sup>IBOs and customer DITTO™ subscription orders default to Ground; both can "upgrade" to Expedited.

#### **SHIFTING TO: Two distinct delivery services.**

#### A. IBO-Specific Structure – Standard, market costs & consistent delivery

| Service Option                         | Shipping Fee | Lead Time Promise                          |
|--|--------------|--|
| Ground                                 | \$9.95       | 7 business days                            |
| DITTO <sup>™</sup> Ground <sup>†</sup> | \$9.95       | 7 business days                            |
| Expedited                              | \$14.95      | 5 business days                            |
| Offshore                               | \$16.00      | No promise<br>(7–10 business days average) |
| Premium                                | \$24.00      | 2 business days                            |

 $<sup>\</sup>dagger \text{DITTO}^{\text{TM}}$  subscription orders default to DITTO™ Ground and cannot be upgraded.

#### B. Customer-Specific Structure – Priority and Faster Delivery

| Service Option                                  | Shipping Fee | Lead Time Promise                          |
|---|--------------|--|
| Customer Ground                                 | \$9.95       | 5 business days                            |
| Customer DITTO <sup>™</sup> Ground <sup>‡</sup> | \$9.95       | 5 business days                            |
| Customer Expedited                              | \$14.95      | 3 business days                            |
| Offshore  | \$16.00      | No promise<br>(7–10 business days average) |
| AmPerks™ – Promo> \$99                          |              | 5 business days                            |

<sup>‡</sup>DITTO™ subscription orders default to Customer DITTO™ Ground and cannot be upgraded, but now feature an improved Lead Time Promise of 5 business days (same as former upgrade option).

**What's staying the same:** As the #1 direct seller in the world, Amway will continue to offer a preeminent delivery experience to IBOs and customers.\*\*

**4.** Are Canada and Dominican Republic included in Lead Time Promise changes? No, Canada and Dominican Republic are out of scope at this time.

To learn more about Amway shipping and delivery, go to: https://www.amway.com/support-center/shipping-and-delivery

\*\*Source: 2021 Direct Selling News Global 100