

Denmark Holdco I ApS

Carl Gustavs Gade 3, 1. th., 2630 Taastrup

CVR no. 25 29 72 45



Annual report 2015

Approved at the annual general meeting of shareholders on 16 June 2016

Chairman:

Poul Viggo Bartels Petersen



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Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Denmark Holdco I ApS for the financial year 1 January - 31 December 2015.

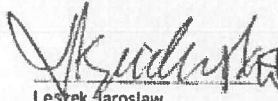
The annual report is prepared in accordance with the Danish Financial Statements Act.

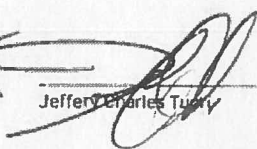
In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

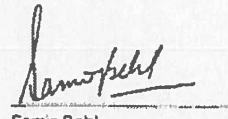
Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Taastrup, 16 June 2016
Executive Board:


Leszek Jaroslaw
Krecielewski


Jeffrey Charles Turry


Samir Behl

Independent auditors' report

To the shareholders of Denmark Holdco I ApS

Independent auditors' report on the financial statements

We have audited the financial statements of Denmark Holdco I ApS for the financial year 1 January - 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 16 June 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28


Peter Jensen
State Authorised Public Accountant



Management's review

Company details

Name Denmark Holdco I ApS
Address, Postal code, City Carl Gustavs Gade 3, 1. th., 2630 Taastrup

CVR No. 25 29 72 45
Registered office Høje-Taastrup
Financial year 1 January - 31 December

Executive Board Leszek Jarosław Krecielewski,
Jeffery Charles Tuori
Samir Behl

Auditors Ernst & Young Godkendt Revisionspartnerselskab
Osvald Helmuths Vej 4, P O Box 250, 2000 Frederiksberg,
Denmark

Bankers Nordea



Management's review

Operating review

The Company's business review

The objective of Denmark Holdco I ApS is to hold shares in other companies as long-term investments and to carry on other commercial and investment business. The Group's principal operating entities are located in Germany and Korea.

The Group distributes a range of household articles and other consumer products, largely supplied by other group entities.

Marketing is handled by a network of independent distributors, who receive training support, etc., who are contractually affiliated with the group, and whose earnings are entirely based on sales.

It is not Amway's ambition to supply discount products. The Company seeks to provide differentiated products representing quality, value, service and the Amway Satisfactory Guarantee, justifying the comparatively higher retail prices of the Company's products. Moreover, the Company believes that its person-to-person, direct selling structure leads to competitive customer services.

Financial review

The income statement for 2015 shows a profit of DKK 1,249,172 thousand against a loss of DKK 112 thousand last year, and the balance sheet at 31 December 2015 shows equity of DKK 503,321 thousand.

The significant increase in profit compared to last year is due to dividends received.

Post balance sheet events

No events have occurred after the financial year-end which could significantly affect the Company's financial position.



Financial statements for the period 1 January - 31 December

Income statement

Note	DKK'000	2015	2014
	Gross profit/loss	-237	-84
2	Staff costs	0	0
	Operating profit/loss	-237	-84
	Income from investments in associates	1,249,409	0
	Profit/loss before tax	1,249,172	-84
3	Tax for the year	0	-28
	Profit/loss for the year	1,249,172	-112
	Proposed profit appropriation/distribution of loss	1,249,409	0
	Extraordinary dividend	-237	-112
	Retained earnings/accumulated loss	1,249,172	-112



Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	2015	2014
	ASSETS		
	Non-current assets		
4	Investments		
	Investments in group enterprises	593,579	593,579
		<u>593,579</u>	<u>593,579</u>
	Total non-current assets	<u>593,579</u>	<u>593,579</u>
	Current assets		
	Receivables		
	Receivables from group enterprises	31,453	31,035
		<u>31,453</u>	<u>31,035</u>
	Cash	645	1,368
	Total current assets	<u>32,098</u>	<u>32,403</u>
	TOTAL ASSETS	<u>625,677</u>	<u>625,982</u>
	EQUITY AND LIABILITIES		
	Equity		
5	Share capital	600	600
	Share premium account	95,391	95,391
	Retained earnings	407,330	407,567
	Total equity	<u>503,321</u>	<u>503,558</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Payables to group enterprises	122,145	122,145
	Other payables	211	279
		<u>122,356</u>	<u>122,424</u>
	Total liabilities other than provisions	<u>122,356</u>	<u>122,424</u>
	TOTAL EQUITY AND LIABILITIES	<u>625,677</u>	<u>625,982</u>
1	Accounting policies		
6	Collateral		
7	Contractual obligations and contingencies, etc.		
8	Related parties		



Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Share premium account	Retained earnings	Total
Equity at 1 January 2015	600	95,391	407,567	503,558
Profit/loss for the year	0	0	1,249,172	1,249,172
Extraordinary dividend	0	0	-1,249,409	-1,249,409
Equity at 31 December 2015	600	95,391	407,330	503,321



Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Denmark Holdco I ApS for 2015 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements are prepared.

The consolidated financial statements of Solstice Holdings Inc. may be obtained from the company on request.

Reporting currency

The financial statements are presented in Danish kroner.

Income statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Costs of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit/loss'.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Income from investments in group entities and associates

The item includes dividend received from subsidiaries and associates.



Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

The parent company is covered by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The parent company is the management company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

On payment of joint taxation contributions, the current Danish corporation tax charge is allocated between the jointly taxed enterprises in proportion to their taxable income. Enterprises with tax losses receive joint taxation contributions from enterprises that have been able to use the tax losses to reduce their own taxable income.

Tax for the year comprises current corporation tax, joint taxation contributions for the year and changes in deferred tax for the year - including changes resulting from changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Investments in group entities

Investments in subsidiaries and associates are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.



Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Proposed dividends

Dividends proposed for the financial year are presented as a separate item under 'Equity'.

Corporation tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As management company for all the entities in the joint taxation arrangement, the parent is liable for the subsidiaries' income taxes vis-à-vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivables are recognised in the balance sheet as income tax receivable or payable.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual liability in respect of finance leases.

Other liabilities are measured at net realisable value.



Financial statements for the period 1 January - 31 December

Notes to the financial statements

2 Staff costs

No wages or salaries were paid in the financial year.

DKK'000	2015	2014
3 Tax for the year		
Deferred tax adjustments in the year	0	28
	0	28

4 Investments

DKK'000	Interest	Equity	Profit/loss
Subsidiaries			
Amway Danmark ApS	100.00 %	184,879	-2,159
Amway Europe Ltd.	100.00 %	2,145,992	337,509

The amounts of equity and profit/loss are measured according to the respective companies' own accounting policies. Both companies recognise and measure investments in group entities by using the cost method.



Financial statements for the period 1 January - 31 December

Notes to the financial statements

DKK'000	<u>2015</u>	<u>2014</u>
5 Share capital		
The share capital consists of the following:		
600 shares of DKK 1,000.00 each	<u>600</u>	<u>600</u>
	<u>600</u>	<u>600</u>

Analysis of changes in the share capital over the past 5 years:

DKK'000	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Opening balance	600	600	500	500	500
Capital increase	0	0	100	0	0
	<u>600</u>	<u>600</u>	<u>600</u>	<u>500</u>	<u>500</u>

6 Collateral

The Company has not placed any assets or other items as security for loans at 31 December 2015.

7 Contractual obligations and contingencies, etc.

Other contingent liabilities

As management company, the Company is jointly taxed with other Danish group entities and together with other jointly taxed group entities, the Company has joint and several liability for the payment of income taxes for the income year 2014 and onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2013.



Financial statements for the period 1 January - 31 December

Notes to the financial statements

8 Related parties

Denmark Holdco I ApS' related parties comprise the following:

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent's consolidated financial statements</u>
Solstice Holdings Inc.	7575 Fulton Street East Ada, MI 49355-0001 United States	Koncernregnskabet kan rekvireres ved henvendelse til selskabet. (The consolidated financial statements can be obtained from the company on request.)

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
Amway Euro Holdings Limited	1209 Orange Street, Wilmington, Delaware 19801, USA