

FOHOWAY DISTRIBUTOR POLICIES AND PROCEDURES

SECTION 1 – DISTRIBUTORSHIP

1.1 Eligibility

The following persons/entities are eligible to apply for distributorship:

- (a) Any individual of 18 years and above who is a citizen or permanent resident of Malaysia;
- (b) A company incorporated in Malaysia;
- (c) A partnership;
- (d) A sole proprietor or
- (e) Foreigners with a valid passport or working permit in Malaysia

1.2 Each person is entitled to only seven (7) distributorships at any one time and the Company at its sole discretion whether with or without notice reserves the right to delete or terminate multiple distributorships.

1.3 To become a distributor, the applicant must be introduced by an existing introducer and pay the appropriate registration fee as determined by the Company. A distributor application form must be completed and submitted to the Company within seven (7) days upon signing, for the Company's attention.

1.4 In the case of a partnership or company, the Company will recognize only one person to be named and authorized to act on behalf of the company or partnership. This individual may participate in the training and activities if it is organized and sponsored by the Company. Any and all instructions given by such authorized person shall be deemed given by the partnership or company.

1.5 (a) If the distributor terminates his/her distributorship in accordance with section 8.1.2 (a), the said former distributor (or his/her spouse) may apply to become a new distributor under a new line of referrals after the lapse of not less than six (6) months from the date of termination in accordance with Section 8.1.2 (a) hereof. (b) If the distributor terminates his/her distributorship in accordance with Section 8.1.2(c), the said former distributor (or his/her spouse) may apply to become a new distributor under a new line of distributors immediately upon the date of termination in accordance with Section 8.1.2(c) hereof.

For purposes of this Section 1.5, the former distributor must submit a new distributor application form to the Company for approval. For the avoidance of doubt, such new application will only be considered where the former distributor's distributorship was previously terminated under Section 8.1.2 (a) or (c) only and not under any other event of termination.

1.6 In the event of the death of distributor, his/her next of kin(s) must obtain Letter of Administration in order to acquire the deceased's rights and/or entitlements (including income and bonus), if any, accruing from the distributorship. However, if the deceased has named a beneficiary or successor prior to his death, the rights and/or entitlements, if any, accruing from the distributorship may be passed to the beneficiary or to the successor concerned after the Grant of Probate has been obtained.

- 1.7 In applying for distributorship, the applicant shall submit true, accurate, current and complete information about himself/herself. Throughout the duration of distributorship, distributors are also required to maintain and promptly update his/her information to keep the same true, accurate, current and complete.

SECTION 2 – Maintenance of Distributorship

- 2.1 Distributorship must be maintained on a continuous basis, with recurring purchases required every four (4) weeks from the date of registration or the most recent maintenance period.
- 2.2 It is the Distributor's sole responsibility to ensure that his/her account remains active by achieving the required Personal Volume (PV) within each four (4) week cycle. Distributors must maintain a minimum of 20 PV, or 40 PV for those holding the rank of Diamond and above, as determined by the Company. Failure to meet the minimum PV requirement within the specified timeframe will result in the distributorship being considered inactive.

SECTION 3 – USERNAME AND PASSWORD

- 3.1 In accessing and using certain protected areas of the website, distributor will be required to enter his/her Username and Password during the login process in accordance with the applicable prompts, instructions and procedures. distributor shall immediately notify the Company of any unauthorized use of the Username and /or Password, or any other breach of security. distributor is fully responsible for all activities that occur in connection with the use of his/her Username and/or Password.
- 3.2 Distributor shall adhere to any and all security guidelines, instructions and/or directions issued by the Company from time to time relating to the access and/or use of the website services provided therein, including those specified below:
- (a) The Username and Password shall be kept confidential at all times by distributor;
 - (b) The default Password which Company issues to distributor upon approval of distributorship must be changed immediately on the first login process;
 - (c) The Username and Password are not transferable;
 - (d) The Username and Password must be changed if there is any indication that access security has been compromised (e.g. the Password is known by an unauthorized person);
 - (f) Distributor shall ensure that it does not leave the computer terminal or system unattended whilst distributor is online to the website and/or services provided therein and further distributor must log out from the computer terminal or system after completing his/her access to the website and/or the services provided therein; and
 - (e) Distributor is responsible for his/her own PC anti-virus and security measures to prevent unauthorized access to distributor's information, instructions, transactions and accounts via the website.

- 3.3 Distributor acknowledges and agrees that use of his/her Username and Password are adequate identification of distributor. distributor hereby authorizes the Company to act on his/her instruction(s) given via the website and using the aforesaid Username and Password, without having to obtain written or other confirmation from distributor even if those instruction(s) are not actually given or authorized by distributor. All such instruction(s) shall be binding on distributor once transmitted to the Company regardless of whether the instruction(s) are issued by distributor or by some other person, whether authorized or not. The Company will not be liable for any loss or damage suffered or incurred by distributor as a result of any misuse of distributor's account and/or unauthorized instructions effected using the Username and Password and any other security information required by the website.

SECTION 4 – LIMITATIONS OF DISTRIBUTOR

- 4.1 Each distributor is strictly an independent business-person whose success or failure depends on his/her own efforts. Notwithstanding anything to the contrary, there is no joint venture, agency or employment relationship between the Company and any distributor.
- 4.2 Subject to the Direct Sales and Anti-Pyramid Scheme Act 1993, distributor does not have the authority or the power to (a) bind the Company in any manner whatsoever; (b) create any obligations on the part of the Company; (c) enter into any contract in the name of the Company; or (d) create any liability against the Company in any way and/or for any purpose.
- 4.3 Distributor shall not use the Company's name, slogans, taglines, logos, symbols and/or trademarks (whether registered, unregistered or pending registration) without the prior written consent of the Company. Further, distributor shall not use such terminology or descriptive phrases or reference like "subsidiary, employee, representative and/or agent" in any of his/her stationery or self-printed materials. distributor shall not self-print or use his/her own business cards for his/her business activities hereunder and shall only use such business cards provided by and/or approved by the Company.
- 4.4 Distributor shall not declare or represent to any party or person that he/she has an exclusive relationship with or has obtained exclusive rights (or any other rights of that nature) from the Company.
- 4.5 No distributor shall make any offer of settlement on behalf or otherwise bind the Company on any claim for damages relating to the Company's products and/or services.

SECTION 5 – RESPONSIBILITIES OF DISTRIBUTOR

- 5.1 Distributor has the responsibility to read and understand fully the Rules & Regulations and the provision of the Direct Sales and Anti-Pyramid Scheme Act 1993. Distributor shall operate his/her business strictly in accordance with the Rules & Regulations.
- 5.2 Distributor shall not under any circumstances sell the Company's product at any price other than the price set by the Company and the Company reserves the right to change products and/or pricing from time to time at its sole discretion.

- 5.3 Distributor shall not re-label, re-package or otherwise alter any of the Company's products in any way whatsoever. Distributor shall not at any time change the contents of any Company literature or sales kit.
- 5.4 Distributor must not in any way and at any time whether during his/her distributor presentation or otherwise (a) misrepresent or deviate from the Marketing Plan or otherwise misrepresent the quality or performance of the Company's products; (b) make any representations, guarantees, warranties or claims in respect of the Company's products other than or beyond those set out on product labels or in official Company literature; and/or (c) mislead prospective customers/recruits by overemphasizing on disproportionately high bonus payout. In the event of a breach of this Section 4.4 the indemnity in Section 4.16 below shall apply and without prejudice to any other rights or remedies available to the Company hereunder or at law. The Company shall be entitled to forthwith terminate the distributor's distributorship in accordance with Section 8.2.1 hereof.
- 5.5 Retail sales of products are not allowed in any retail establishment or in any commercial premises. However, if the owners of retail establishments may be a distributor, the product or Company literature may be displayed in the said retail establishment. Person to person sales between a distributor and customer is the essence of multi-level marketing. It is essential that this relationship be conserved and nurtured in the business.
- 5.6 No products or business aids can be sold at trade fairs and exhibitions unless prior written approval of the Company has been given.
- 5.7 Distributor shall comply strictly with all the provisions of the Direct Sales and Anti-Pyramid Scheme Act 1993 and Code of Ethics and shall not engage in any activity which may bring disrepute to himself/herself or the Company.
- 5.8 Upon presenting the Company's Marketing Plan to any party or person, distributor must make clear that (a) there is no requirement that a prospective distributor must make any purchase other than paying the registration fee to become a distributor; and (b) all distributors are required to fulfill the qualification and conditions set out in the Marketing Plan in order to enjoy the bonus.
- 5.9 The responsibilities of an introducer are to (a) work with and assist new distributors; (b) help them learn the business; and (c) support and encourage them in achieving success in their businesses.
- 5.10 Distributor is not permitted to diagnose or prescribe the Company's products as a specific treatment for any disease or condition.
- 5.11 Distributor agrees and accepts the Company all monies due to the Company's policy that forbids any purchases of products in large quantities to achieve a level of bonus. distributor is only required to purchase products or services in an amount that can be expected to be resold or consumed within a reasonable period of time. distributor must not practice "front loading" of products with prospects.

- 5.12 Distributor shall immediately remit to the Company all monies due to the Company that are collected and received from customers, new applications or new distributors (including without limitation, registration fees and costs of product package) and shall not in any event hold such monies for more than one (1) business day. The aforesaid remittance to the Company shall be made in such manner(s) or method(s) as prescribed by the Company.
- 5.13 Throughout the duration of the distributor's distributorship hereunder, distributor shall not directly or indirectly influence or recruit other distributor(s) to join other multi-level marketing companies.
- 5.14 Distributor shall fully indemnify, defend and hold the Company (including its parent company, holding company, related companies and/or subsidiaries harmless against any and all claims, demands, suits, actions, judgments, damages, costs, losses, expenses (including legal fees and expenses on a full indemnity basis) and other liabilities whatsoever and howsoever caused that may arise or be incurred by the Company (including its parent company, holding company, related companies and/or subsidiaries) arising from or in connection with (a) breach of any provision for the Rules & Regulations (including without limitation, a breach of Section 3 or 4 of these Policies and Procedures; (b) any acts, omissions, defaults or negligence of the distributor; and (c) the distributor's mode, method or manner of operation of his/her business. The foregoing indemnity shall survive the termination of distributorship for any reason whatsoever.
- 5.15 Distributor shall not transfer or withdraw funds from their downlines' e-wallet without the prior written approval of their downlines.

SECTION 6 – TRANSFER OF DISTRIBUTORSHIP

- 6.1 Distributorship cannot be merged or combined without the prior written approval of the Company in writing or via email.
- 6.2 In the event of the death of a distributor,
(a) in the case where the distributor dies intestate (without a will) or without specifying a beneficiary in the distributorship application form, distributorship may be transferred to his/her next of kin(s) subject to mutual consent of both the Company and the next of kin(s) and provided that the Letters of Administration have been obtained; or
(b) in the case where distributor dies testate (with a will) or specifies a beneficiary in the distributorship form, distributorship may be transferred to his/her beneficiary subject to mutual consent of both the Company and the beneficiary and provided that the Grant of Probate has been obtained. It is the distributor's sole responsibility to notify the Company in writing of any changes to the beneficiary specified in the distributorship application form. In the event the beneficiary specified in the distributorship application form (or last beneficiary notified to the Company in writing) is different from the beneficiary named in the will, the beneficiary specified in the distributorship application form (or last beneficiary notified to the Company in writing) shall be considered by the Company to be rightful beneficiary for purposes of the distributorship transfer hereunder, unless otherwise directed by the Courts.

For the avoidance of doubt, consent from either upline or downline is not required for the aforesaid transfers of distributorship. In the event there is no mutual consent between the

parties above, the Company may exercise its right to terminate the distributorship in accordance with Section 8.2.1 (a).

- 6.3 A distributor may offer his/her distributorship for transfer to another party ("Transferee"). The conditions of a distributorship transfer (save and except for the price of transfer) must be approved in writing by the Company before it can be affected and prior to such approval, the Transferee shall submit to the Company. Any offer for transfer is subject to the following conditions.

(a) The offer of transfer must be made in the following sequence:

The offer must first be made to the distributor's introducer or any upline(s)

☒ If the introducer or upline(s) declines the offer, it must next be made to all the personally referred immediate downlines of the distributor. If all the personally referred downlines decline, the offer must next be made to any leaders who are recognized and approved by the Company.

(b) All bonuses accruing to the distributorship after the transfer will be paid to the new distributor.

SECTION 7 – BONUSES AND INCOME

- 7.1 Notwithstanding anything to the contrary, all distributors are not guaranteed of any income, bonuses or assured of any success. Success will only come from hard work and from individual efforts. All bonuses will be paid except if there is a law or court order restraining or prohibiting such payments.
- 7.2 A distributor will be fully responsible for all costs and expenses incurred in relation to distributor's business and for all his/her income tax and other taxes (if any).
- 7.3 The Company shall reserve the absolute right to deduct or set-off without notice, at any time, any or all monies owing by the distributor to the Company from any bonuses due to the distributor.
- 7.4 All incentives, bonuses and awards that are offered by the Company are valid and redeemable only while the distributorship is in force and effect.
- 7.5 Any dispute or discrepancy in the bonus calculation or claim of non-receipt of bonus must be brought to the attention of the Company in writing within forty-eight (48) hours from the bonus calculation date, failing which the bonus calculation shall be deemed correct and the bonus duly received.
- 7.6 All distributors are strongly advised to operate a savings/current account with a bank or banks nominated by the Company to ensure smooth receipt of bonus payments.
- 7.7 The Company shall reserve the absolute right to modify or enhance the marketing plan at any time.

SECTION 8 – ENFORCEMENT OF RULES & REGULATIONS

8.1 Termination

8.1.1 Without any prejudice to any other rights or remedies available to the Company hereunder or at law, the Company reserves the right to terminate the distributorship, with immediate effect:

- (a) Subject to Section 5.2, if distributor dies.
- (b) If the Company is of the opinion that the distributor is or has become of unsound mind and /or the distributor's ability to participate in the business and/or comply with the Rules & Regulations (or part thereof) is or has become impaired.
- (c) If the distributor violates or breaches any of the provisions of the Rules & Regulations.
- (d) If the Company is of the opinion that the distributor and/or his/her spouse (whether or not the spouse is a registered distributor) is found to be in violation or breach of the Rules & Regulations (or part thereof); or
- (g) If a distributor is found to be directly or indirectly influencing other distributor(s) to join other multi-level marketing companies or directly or indirectly recruiting other distributor(s) for other multi-level -marketing companies.

Notwithstanding anything to the contrary, distributor acknowledges and agrees that the Company's decision and any matters set out in Section 8.1.1 (a), (b), (c), (d) and (e) shall be final, conclusive and binding.

For the avoidance of doubt, in certain circumstances where the Company considers at its absolute discretion that the violation of the Rules & Regulations is very serious (including without limitation, where distributor has made misrepresentations regarding the Company, its products of business), the Company may terminate the distributorship immediately even in the absence of a formal report from a distributor or the filing of a formal complaint.

8.1.2 (a) A distributor may terminate his/her distributorship within ten (10) Business Days from the effective date of registration by giving notice in writing to the Company. In the event of such termination, the following shall apply: (i) the Company will refund distributor the registration fees previously paid by distributor to the Company, if any; (ii) the provisions of Section 10 herein shall apply; (iii) the distributor shall immediately return to the Company the sales kit; and (vi) all or any bonuses accruing to the distributor and the said distributor's upline shall be automatically revoked/cancelled and become null and void and all bonuses already paid/credited to the said distributor's upline will be deducted from the immediate upline's & uplines' e-wallet and in no event will the distributor or the said distributor's upline be entitled in any way to claim such bonuses.

- (b) Termination under Section 8.1.2 (a) is only applicable if the distributor has not commenced business and has not sponsored any downlines. A distributor who has commenced business and sponsored any downlines will not be eligible to terminate his/her distributorship under the said section.

- (c) A distributor may terminate his/her distributorship by giving at least seven (7) Business Days' notice in writing to the Company if distributor remains dormant for a period of six (6) consecutive months. For avoidance of doubt, the term "dormant" in this Section 8.1.2 (c) means that there is zero income and zero maintenance in the marketing plan.

For the avoidance of doubt, distributor shall not be entitled to terminate his/her distributorship, save in the manner set forth in this Section 8.1.2.

8.1.3 Upon termination of distributorship, the following provisions shall apply:

- (a) distributor shall immediately remit to the Company all monies due to the Company that are collected and received from customers, new applicants or new distributors (including without limitation, registration fees and costs for products package) and for any uncollected monies due to the Company, distributor shall immediately collect such monies and remit the same to the Company.
- (b) distributor shall immediately cease to describe himself/herself as a distributor and take all necessary steps to disassociate himself/herself from the Company.
- (c) distributor shall cease any use of the Company's proprietary materials, including without limitation, Company literature and sales kit.
- (d) If distributorship is terminated in accordance with Section 8.1.1 (c), (d) or (e), the said distributor and/or his/her spouse shall not be allowed to re-apply as a distributor permanently.
- (e) If distributorship is terminated in accordance with Section 8.1.1 (c), (d) or (e), any and all funds, income and/or bonuses in the distributor's e-wallet prior to or at the time of termination may be forfeited or refunded or otherwise dealt with in any manner at the sole and absolute discretion of the Company and the Company's decision shall be final, conclusive and binding;
- (f) If distributorship is terminated in accordance with Section 8.1.1 (b) or Section 8.1.2 (a) or (c), any and all funds, income and/or bonuses in the distributor's e-wallet prior to or at the time of termination shall be paid/refunded to the distributor and in the case of termination in accordance with Section 8.1.1 (b) or Section 8.1.2 (c), after deducting any and all outstanding fees and/or charges owing to the Company; and
- (g) If distributorship is terminated in accordance with Section 8.1.1 (a) any and all funds, income and/or bonuses in the deceased distributor's e-wallet prior to or at the time of termination shall, subject to Section 1.7, be paid/refunded to the distributor next of kin(s) or named beneficiary (as the case may be) after deducting any and all outstanding fees and/or charges owing to the Company.

8.2 Probation

- 8.2.1** If the distributor has violated or breached any of the provisions of the Rules & Regulations or any of the events in Section 8.1.1 occur, then as an alternative to termination in accordance with Section 8.1.1, the Company may at its absolute discretion place a distributor on probation. Probation is instituted in order to curb further violations or breaches by the distributor and/or his group. At the same time mandatory reorientation program may be imposed upon the distributor and/or entire group.

8.2.2 For avoidance of doubt and notwithstanding anything to the contrary, the Company may impose probation on a distributor without having to comply with the procedure in Section 8.1.

8.2.3 Probation may result in any or all of the following consequences:

- (a) All payment of bonuses and other incentives may be suspended until further notice and are held in escrow by the Company throughout the period of probation ("Probation Period");
- (b) The Company will determine at its absolute discretion after expiry of Probation Period whether the monthly trade volume of the distributor on probation is to be counted towards qualification for Leadership Bonus and other bonuses, award pins, invitation to seminar or other Company sponsored functions;
- (c) The distributor on Probation will not be invited to attend seminars/forum and/or any other sponsored events held during the Probation Period even though he/she may have qualified for the same prior to the Probation Period.

8.2.4 Lifting Probation

Once the Company is satisfied that the distributor has made a serious commitment to change his/her ways for the better, the Company may lift the probation and restore the full rights and privileges to the distributor concerned. If the Company is not satisfied that the distributor is ready to be restored to his/her full right and privileges, the Company may at its sole and absolute discretion either.



Extend the Probation Period and take further corrective action; or



Conclude that the probation is a failure and terminate the distributorship in accordance with Section 8.1.1.

8.3 Suspension

The Company may at its sole and absolute discretion suspend a distributor (including without limitation, suspending his/her involvement and participant in the business, his/her accounts with the Company, his/her rights and privileges and/or the payment of payment of bonuses and/or other incentives to him/her) immediately without liability and compensation whether pending inquiry and/or investigation or otherwise.

- (a) If the Company receives a report or complaint from another distributor or third party regarding the said distributor; or
- (b) If the Company suspects or has reason to suspect or has determined that the distributor has violated or breached any of the provisions of the Rules & Regulations; or
- (c) If the Company suspects or has reason to suspect or has determined that any of the events in Section 8.1.1 has occurred.

For avoidance of doubt and notwithstanding anything to the contrary, the duration of the suspension shall be determined by the Company at its sole and absolute discretion and the Company's determination shall be final, conclusive and binding.

SECTION 9 – RULES GOVERNING THE USE OF TRADE MARK, TRADE NAME AND COPYRIGHTED MATERIALS

- 9.1 Unless otherwise indicated, all intellectual property rights (including without limitation trademarks and copyright) subsisting in and/or arising from the Company's name, domain name, trade mark, trade name, logo, symbol, slogans, taglines, documents, sales kits, brochures, literature, marketing plan, business plan, business models, forecasts, methodology, information, data, customer detail, processes, procedures, know-how, tools and all other materials provided by the Company or made available to the distributor; shall belong to and remain the property of the Company (or its designee).
- 9.2 Unless otherwise expressly permitted hereunder or with the prior written consent of the Company, distributor shall not use (whether directly or indirectly) any of the Company's rights referred to in Section 9.1.
- 9.3 Trademarks and the trade names identify a company's business and its products and distinguish it and its products from all other companies and their products. Therefore, such trademarks and trade names must be protected to keep imitators from using the same trademarks and names and thus confusing the general public.
- 9.4 Without prejudice to the generality of Section 4.3, 4.5, 9.1 and 9.2, distributor shall not use the Company's name, trade mark, logo, symbol or trade name on any of his/her cheques or other documents/stationery.
- 9.5 Without prejudice to the generality of Section 4.3, 4.5, 9.1 and 9.2, at no time during or after the term of the Agreement, distributor is strictly prohibited to use the Company's and products name, trade name, trade mark, logo or symbol on websites, blogs, URL's name (Domain), or any attempt to use any trademarks, marks or trade names confusingly similar to those of Company in the Social Media or at the Market Place.
- 9.6 Unless with the prior written consent of the Company, distributor shall not produce or procure from any source (other than the Company) any premium gives away items, stationery or promotional literature of any kind upon which the Company's name, trade mark, logo, symbol or trade name is imprinted or which describes the characteristics of the Company and/or its products.
- 9.7 All self-printed documents and material provided or made available by the Company are copyrighted and may not be reproduced in whole or in part by a distributor or other persons except with the prior written consent of the Company.

SECTION 10 – COMPLIANCE

- 10.1 These Policies and Procedures read together with the Code of Ethics, the Marketing Plan and the standard terms and conditions of distributorship set out in the distributorship form govern inter alia the business activities of the distributor hereunder and the relationship between distributor and the Company. Any distributor who violates any provision of the Rules & Regulations (or part thereof) may have his/her distributorship terminated.

- 10.2 Every distributor is required to familiarize himself/herself with the Rules & Regulations.
- 10.3 The Rules & Regulations shall be read in the following order of precedence (i) these Policies and Procedures; (ii) the Code of Ethics; (iii) the Marketing Plan; and (iv) the standard terms and conditions of distributorship set out in the distributorship form. Where any conflict occurs between the provision contained in two or more of the aforesaid documents, the document lower in the order of precedence shall where possible be read down to resolve such conflict. If the conflict remains incapable of resolution by reading down, the conflicting provisions shall be severed from the document lower in the order of precedence without otherwise diminishing the enforceability of the remaining provisions of that document.

SECTION 11 – BUY BACK OF PRODUCTS

- 11.1 At any time prior to or upon termination of the distributorship, the Company will at the distributor's request:

(a) In respect of products purchased within the 10 days cooling-off period, buy back such products at ninety percent (90%) of the actual price paid by the distributor less maintenance, handling, delivery and administrative charges. Refund on the products buy back in relation to this section 11.1 (a) is subject to the following terms and conditions: -

(i) Products returned must be unopened, in good, marketable and saleable condition with the price tag intact;

(ii) The refund is only applicable up to the extent of the physical products actually received by the Company. There will be no refund on products if the distributor decided to retain them upon termination. In such case, the distributor will only be entitled to a refund of his/her distributor registration fee in accordance with section 8.1.2 (a);

(iii) In the event that the products are in transit and yet to reach the distributor at the point of termination, the Company shall proceed to process the refund on the products but payment of such refund will only be made upon sighting the products returned.

(b) In respect of products purchased and sold to the distributor under the Company's Marketing Plan within six (6) months preceding such request.

(i) Exchange such products for other products offered by the Company which are equivalent in value, provided always, that such products returned to the Company are unopened. In unexpired (with at least six (6) months of shelf life remaining at the time of return to the Company), good, marketable and saleable condition with the price tag intact; or

(ii) Buy back such products which have already been opened and used where the same was found to be unsuitable at a price equivalent to the amount of product remaining/unused, provided always, that the Company is furnished with documents showing/proving that the product is unsuitable (e.g. medical report or photographs) and that the Company is fully satisfied with such documents at its sole and absolute discretion. For avoidance of doubt, the Company's determination of the aforesaid price and documents showing/proving that the product is unsuitable shall be final, conclusive and binding and the distributor agrees not to dispute the same in any way; or

(iii) Buy back such products at ninety percent (90%) of price less handling, delivery and administrative charges, provided always, that such products are unopened, in unexpired (with

at least six (6) months of shelf life remaining at the time of return to the Company), good, marketable and saleable condition with the price tag intact.

(c) Section 11.1 shall not be applicable to virtual tools and products which are subject to depreciation e.g. computers, electronic gadgets etc.

11.2 All transitional transportation and administration charges incurred for return of products will be borne by the distributor concerned.

11.3 The said products must be returned directly to the Company's Head Office at G-10,1-10,2-10, The Park 2, Persiaran Jalil 5, Bukit Jalil City, 57000 Kuala Lumpur, Malaysia. (or such other address as may be notified by the Company from time to time).

11.4 Payment for the buy-back or exchange of products referred to in Section 11.1 should be made by the Company and paid to the distributor concerned within three (3) months from the date the product is returned to and received by the Company's Head Office.

SECTION 12 – CODE OF ETHICS

12.1 The distributor hereby agrees to conduct his/her business in an ethical and professional manner at all times and that:

(a) he/she shall abide fully by and support the Company's code of Ethics and the Direct Sales and any other orders, directives, notices, rules, regulations, policies and/or procedures that may be imposed by the Company or the Government;

(b) he/she shall offer the very best service to his/her customers;

(c) he/she shall conduct himself/herself in a manner that will not bring discredit to his/her group or the Company and shall uphold the reputation of the Company at all times; and

(d) he/she shall not make any claims in representing any of the Company's products other than or beyond those set out on the product labels or in official Company literature or as approved by the Company in writing.

SECTION 13 – THE DIRECT SALES AND ANTI-PYRAMID SCHEME ACT 1993

All distributors must adhere strictly to the provisions of the Direct Sales and Anti-Pyramid Scheme Act 1993 with special emphasis on their conduct with transacting business.

13.1 SALES CONTRACT

A sales contract is required regardless of the sales value. The sales contract must be in writing and signed by both the customer and distributor. A duplicate copy of the sales contract shall be given to the customer immediately after the contract is signed. The sales contract shall contain the following particulars:

(a) A detailed description of the nature of goods and service to be supplied;

- (b) The contractual terms of the contract including the total consideration to be paid by the customer the time, place and method for payment to be made;
- (c) The time and place for delivery of goods;
- (d) A statement immediately above the place provided for the signature of the customer which reads "THIS CONTRACT IS SUBJECT TO A COOLING OFF PERIOD OF TEN WORKING DAYS" printed in upper case in type not smaller than 18 point Times; and
- (e) Notice in Part 1 of Form AJL-3 of Schedule C of the Direct Sales Regulations 1993 informing the customer of his/her right to rescind the contract before the expiry of the Cooling-Off Period. Such notice shall be printed in type not smaller than 10 points Times.

13.2 TEN (10) WORKING DAYS COOLING -OFF PERIOD

Upon the signing of the sales contract the customer is entitled to a ten (10) working days cooling-off period ("Cooling-Off Period") wherein the customer can change his/her mind as to whether he/she wishes to buy or return the product. The products shall not be delivered and payment shall not be collected until the expiry of the Cooling-Off Period unless customer serves a notice of waiver in accordance with Section 13.3 below.

13.3 NOTICE OF WAIVER

Should a customer require the product or service earlier than the Cooling-Off Period, the customer can serve a Notice of Waiver. Upon receipt of the Notice of Waiver, the distributor can deliver the products and collect the payment accordingly.

SECTION 14 - PRICE AND ONLINE PAYMENT

14.1 Price

The Company reserves the right to change the product price.

14.2 Payment

Credit card payments may be made via the designated online payment gateway made available on the Website. The Company does not keep credit card payment details and accordingly, the Company will not be responsible or liable for any loss or damage of any kind whatsoever suffered by distributor or any third party as a result of any unauthorized access or use of credit card and payment details (including without limitation any unauthorized access or use during the transmission thereof via any network, the Website and designated online payment gateway). distributor will remain at all times fully responsible for the security, confidentiality and protection of his/her credit card payment details.

14.3 Renewal Policy

distributor is required to renew his/her account every year (365 days). Any accounts which are not renewed will be deemed inactive and will not accumulate BV/PV.

SECTION 15 - GENERAL

- 15.1 These Policies and Procedures read together with the duly completed distributor application form, Code of ethics and the marketing Plan constitute the entire agreement between the parties regarding their business relationship and distributorship and supersede any prior agreements, representations and understandings (verbal, implied or otherwise) between a distributor and the Company in relation to the same.
- 15.2 The Company reserves the right to change and/or amend(a) type, quality and/or prices of the products or availability thereof; and/or (b) business model and/or the Rules & regulations (or part thereof); whether with or without giving prior notice to a distributor. The Company will reasonably endeavor to notify active distributors of any changes and/or amendments via electronic means (and/or other forms of communication) but it is the responsibility of a distributor to check the Website from time to time for any changes and/or amendments. Notwithstanding anything to the contrary, distributors continued participation in this business and/or continued access and use of the Website and/or the services provided therein constitute his/her agreement and acceptance of such changes and/or amendments.
- 15.3 Failure by the Company to enforce, at any time, any provision of the Rules & Regulations shall not be construed as a waiver of its right to enforce the breach of such provision or any other provision or as a waiver of any continuing, succeeding or subsequent breach of any provision or other provision. Any waiver shall be in writing and must be signed by a duly authorized officer of the Company.
- 15.4 The Rules & Regulations and other instruments referred to herein or issued by the Company shall be governed by the laws of Malaysia. All disputes arising out of the Rules & Regulations shall be subject to the exclusive jurisdiction of the Courts in Malaysia but the Company is at liberty to proceed against a distributor in the Courts of any other country where jurisdiction may be established (including the jurisdiction where a distributor resides or distributors place of business is located).
- 15.5 Notwithstanding anything to the contrary and to the maximum extent permitted by law, the Company shall not be under any liability to distributor or to any third party in respect of any (a) exemplary, incidental, punitive, indirect or consequential damages or losses, and/or (b) loss of profits, income or goodwill, loss of business; loss, destruction or corruption of data or communications, loss of anticipated revenue or savings or economic loss; howsoever caused whether in contract, tort, negligence or otherwise, which may be suffered or incurred or which may arise directly or indirectly in respect of the Company's products and/or services, the business activities of a distributor, the multi-level marketing business hereunder, the Marketing Plan, sales folder and any other materials, information and/or resources provided to a distributor pursuant to a distributorship (or the performance, use and/or operation of any of the foregoing) or the default, failure or omission on the part of Company to comply with its obligations hereunder and/or any acts or omissions of the Company (whether negligent or otherwise); even if the Company has been advised of the possibility of such damages or losses in advance, and all such damages or losses are expressly disclaimed.
- 15.6 Notwithstanding anything to the contrary and the maximum extent permitted by law, if the Company is found liable by a court of competent jurisdiction or tribunal under or pursuant to

the Rules & Regulations or howsoever arising as a result of the Company's products and/or services, the business activities of a distributor, the multi-level marketing business hereunder, sales folder and any other materials, information and/or resources provided to a distributor pursuant to a distributor's distributorship or the performance, use and/or operation of any of the foregoing), the Company's liability to a distributor or to any third party for any losses and damages which are attributable to the default, failure or omission on the part of Company to comply with its obligations hereunder and/or any acts or omissions of the Company (whether negligent or otherwise), shall not exceed, for all claims, actions and causes of action of every kind and nature (including without limitation, breach of contract, tort or negligence), an aggregate amount of bonus actually due and owing by the Company to a distributor as at date such liability accrued.

- 15.7 If any provision of these Policies and Procedures (or part thereof) is held to be illegal or invalid under present or future laws or regulations effective and applicable during the continuance of these Policies and procedures, such provision (or part thereof) shall be fully severable and these policies and Procedures shall be construed as if such illegal or invalid provision (or part thereof) had never comprised a part of these Policies and Procedures and the remaining provisions of these Policies and Procedures shall remain in full force and effect and shall not be affected by the illegal or invalid provision (or part thereof) or by its severance from these and Policies and Procedures.
- 15.8 In the event of any inconsistency or conflict between these Policies and Procedures in the English language and the translated version(s) of these Policies and Procedures in other languages, these Policies and Procedures in the English language shall prevail with respect to such inconsistency or conflict.

SECTION 16 – PARTIAL VALIDITY

Should any portion of these Policies and Procedures or of any other instruments referred to herein or issued by the Company be declared invalid by a court of competent jurisdiction, the remainder of these Policies and Procedures or such rules, applications, or instruments shall remain in full force and effect.

Notice of Waiver

With reference to Section 13.3 of these Policies and Procedures regarding the Notice of Waiver:

- ☐ Having read and fully understood Section 13.3, I hereby agree and wish to exercise my right in serving the Notice of waiver as I would like to collect or the Company to deliver to me my goods/products before the expiry of the Cooling –Off Period.
- ☐ I acknowledge that I have read and fully understood these Policies and Procedures and agreed to be bound by the same.