

# **DISTRIBUTOR POLICIES AND PROCEDURES**

## **SECTION 1 - INTRODUCTION**

### **1.1 INCORPORATION OF THE POLICIES AND PROCEDURES INTO THE DISTRIBUTOR AGREEMENT**

These Policies and Procedures, in their present form and as amended, varied or modify from time to time at Asia Herbal Biotech Sdn Bhd's ("the Company") discretion, are incorporated and form part of the Distributor Agreement. For the purpose of these Policies and Procedures, the term Distributor refers to any individuals (and business entities), who has submitted a Distributor Application and agreed to enter into a Distributor Agreement with the Company.

### **1.2 PURPOSE**

The purpose of the Distributor Agreement is:

- (a) To define the relationship between the Company and the Distributor; and
- (b) To set standards of acceptable business behaviour and/or practice.

## **SECTION 2 - BECOMING A DISTRIBUTOR**

### **2.1 ELIGIBILITY AND APPLICATION**

- (a) For an individual, at least the age of 18 years old and residing in Malaysia;
- (b) Sole Proprietor, partnership and company registered under the law of Malaysia;
- (c) Applicant must not be an existing distributor, employee or spouse of an employee the Company;
- (d) Submit an application for distributorship to the Company; and
- (e) All application must be sponsored by an existing authorised distributor.

### **2.2 DISTRIBUTOR BENEFITS**

Once an application for distributorship is accepted and approved, the benefits of the Marketing Plan and the Distributor Agreement are available to the new Distributor.

### **2.3 RENEWAL OF DISTRIBUTORSHIP**

Distributorship is subject to annual renewal and annual renewal fee shall be chargeable. Annual renewal fee will be waived for those Distributors having purchase and/or maintain of 150BV.

## **SECTION 3 - OPERATING DISTRIBUTORSHIP**

### **3.1 ACTIONS OF HOUSEHOLD MEMBERS**

If any member of a Distributor's immediate household engages in any activity which, if performed by the Distributor would violate any provision of the Distributor Agreement, such activity will be deemed a violation by the Distributor

### **3.2 ADHERENCE TO MARKETING PLAN**

Distributor must adhere to the terms of the Marketing Plan as set forth in the Company's official literature. Distributor shall not:-

- (a) Offer the Company's Marketing Plan through or in combination with any other unapproved method of marketing.
- (b) Require or encourage other current or prospective Distributors to participate in the Company in any other manner save as set forth in the Company's official literature.
- (c) Require or encourage other current or prospective Distributors to execute any agreement or contract other than the Company's official agreements and contracts.
- (d) Require or encourage other current or prospective Distributors to make any purchase from, or payment to, any person to participate in the Marketing Plan, other than those recommended or required in the Company's official literature.
- (e) Create their own marketing or advertising material offering any of the Company's products at a price less than the current distributor price plus shipping and applicable taxes.

### **3.3 ADVERTISING**

#### **3.3.1 IN GENERAL**

All Distributors shall safeguard and promote the good reputation of the Company and its products. The marketing and promotion of the Company, the Marketing Plan, and its products shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, illegal, unethical, or immoral conduct or practices.

No promotional, sales aids, training tools, marketing or advertising material can be used save and except those approved in writing by the Company.

#### **3.3.2 DOMAIN NAMES AND EMAIL ADDRESSES**

Distributor shall not use or attempt to register any of the Company's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, for any Internet domain name. Nor shall the Distributor incorporate or attempt to incorporate any of

the Company's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, into any electronic mail address.

### **3.3.3 TRADEMARKS AND COPYRIGHTS**

- (a) Distributor shall not directly or indirectly use the Company's trademark or trade name or corporate logo to promote their independent business.
- (b) Distributor should not answer the telephone in any manner that might indicate or suggest that the caller has reached the Company corporate office.
- (c) Distributor shall not directly or indirectly record or reproduce materials from any of the Company corporate function, event, speech, etc.
- (d) Distributor shall not directly or indirectly record, reproduce, or copy any presentation or speech by any of the Company spokesperson, representative, speaker, officer, director, or other Distributor.
- (e) Distributor shall not directly or indirectly reproduce or copy any recording of the Company produced media presentation including audio tapes, videotapes, CDs, DVDs, etc.
- (f) Distributor shall not directly or indirectly publish, or cause to be published, in any written or electronic media, the name, photograph or likeness, copyrighted materials, or property of the Company and/or individuals associated with the Company without express written authorization from the Company and/or the individual associated with the Company.

### **3.3.4 MEDIA ENQUIRIES**

Distributor must refer all media inquiries regarding the Company to the Company. This will ensure that accurate and consistent information reaches the general public.

### **3.4 PROHIBITION OF BONUS BUY UP**

Bonus buy up is strictly and absolutely prohibited.

"Bonus buy up" includes:-

- (a) The enrolment of individuals or entities without the knowledge or consent of such individuals or entities;
- (b) The fraudulent enrolment of an individual or entity as a Distributor;
- (c) The enrolment or attempted enrolment of non-existent individuals or entities as Distributors ("phantoms"); or
- (d) Purchasing the Company's products on behalf of another Distributor, or under another Distributor's identification, to qualify for commissions or bonuses.

## **3.5 DISTRIBUTOR CLAIMS AND REPRESENTATIONS**

### **3.5.1 PRODUCT CLAIMS**

Distributor shall not make claims that the Company's products have therapeutic or curative properties except those contained in the Company's official literature. In particular, no Distributor may make any claim that the Company's products are useful in the cure, treatment, diagnosis, mitigation, or prevention of any diseases. Such statements can be perceived as medical or drug claims. Not only are such claims violate the Distributor Agreement, but they also violate the laws and regulations of Malaysia and/or other jurisdictions.

### **3.5.2 INDEMNIFICATION**

Distributor is fully responsible for all of his or her verbal and/or written statements made regarding the Company's products, services, and the Marketing Plan which are not expressly contained in the Company's official literature and the Distributor agrees to indemnify the Company against any claims, damages, or other expenses, including solicitors' fees, arising from any representations or actions made by the Distributor that are outside the scope of the Distributor Agreement. The provisions of this section survive the termination of the Distributor Agreement.

## **3.6 UNAUTHORISED RECRUITING, ACTS AND OTHERS**

Distributor may participate in other direct selling or network marketing or multilevel marketing ventures (collectively, "multilevel marketing"), and Distributor may engage in selling activities related to non-Company's products and services, if they desire to do so. However, Distributors are prohibited from unauthorized activities, which include the following:

- (i) Attempting to recruit or enrol or recruiting or enrolling the Company's customers or Distributors for other multilevel marketing business ventures, either directly or through a third party. This includes, but is not limited to, presenting or assisting in the presentation of other multilevel marketing business ventures to any Distributor, or implicitly or explicitly encouraging any Distributor to join other multilevel business ventures. It is a violation of this policy to recruit or enrol a Distributor for another multilevel marketing business, even if the Distributor does not know that the prospect is also a Distributor;
- (ii) Producing any literature, tapes, or promotional material of any nature for another multilevel marketing business which is used by the Distributor or any third person to recruit Distributors for that business venture;
- (iii) Selling, offering to sell, or promoting any competing products or services to the Distributors. Any product or services in the same generic category as a Company's product or service is deemed to be competing, (e.g., any dietary supplement is in the same generic category as the Company's dietary supplements and is, therefore, a competing product, regardless of differences in cost, quality, ingredients, or nutrient content);
- (iv) Offering the Company's products or promoting the Marketing Plan in conjunction with any non-Company business plan, product, or incentive;
- (v) Offering any non-Company's products or opportunities in conjunction with the offering of the Company's products or business plan or at any Company meeting, seminar, launch, convention, or other Company function; or

- (vi) Where a prospective Distributor accompanies a Distributor to a Company meeting or function, no other Distributor may recruit the prospect to enrol in the Company or any other multilevel marketing business for a period of fourteen (14) days or unless and until the Distributor who brought the prospect to the function advises the other Distributor that the prospect has elected not to enrol in the Company and that the Distributor is no longer recruiting the prospect to enrol in the Company, whichever occurs first. Violations of this policy are especially detrimental to the growth and sales of other Distributors' businesses in the Company and to the Company's business.
- (vii) Where a Distributor participates, directly or indirectly, in any way including but not limited to the operation or management of, or having an ownership interest, legal or equitable, as a role proprietorship, partner, shareholder, trustee, or beneficiary in, any other multilevel marketing venture they shall not participate in the Company's Bonus Programs. A Distributor who is qualified to receive the Performance Bonus, Development Bonus, Royalty Bonus or Mega Bonus must immediately cease to participate or terminate his membership in another multilevel marketing venture, failing which, the Distributor is in material breach of the Distributor Agreement regardless of the Distributor's intent or purpose of such participation.
- (viii) A Distributor who participates in any way in another multilevel marketing venture is not eligible to have access to confidential customer information, including but not limited to the customer lists.
- (ix) Allowing other people or relatives to use their distributorship to do business.

### **3.7 POST CANCELLATION SOLICITATION PROHIBITED**

A Distributor shall not directly or through a third party solicit any Distributor to enrol in any direct sales, network marketing, or multilevel marketing programme or opportunity for a period of one (1) year after the cancellation/termination of an individual or entity's Distributor Agreement. This provision shall survive the termination of the Distributor Agreement.

### **3.8 REPACKAGING AND RELABELLING PROHIBITED**

- (a) The Distributors shall not alter, re-label, repackage, re-bundle, unbundle, sell in loose form or sell any product under any name or label other than authorised by the Company.
- (b) All products of the Company shall be marketed and sold in its original form and packaging.
- (c) Distributors shall not display or sell the Company's products in any public or private places without written consent from the Company.

### **3.9 PRICING**

- (a) No distributor is allowed to under price or over price the Company's products just to gain a profit or promotion sales. This action may warrant termination and/or legal action by the Company for loss and damage;
- (b) The integrity of the Company Marketing Plan and the confidence of their distributors should be upheld at all times.

(c) Under pricing or over pricing means:-

- (i) All Company's products shall be sold at its retail price as approved by the Company. No Distributor is allowed to raise or lower the price of any product directly or indirectly by giving free gifts, tokens, vouchers, discount or such other means;
- (ii) No Distributor is allowed to carry out their own promotions, unless with the prior consent from the Company;
- (iii) Products obtained during promotions or with purchase offer shall be sold at its retail price;
- (iv) A Distributor is not allowed to instigate, encourage, indulge and teach downlines to obtain bonus rebate/refund of commission in order to be more competitive in pricing;
- (v) A Distributor is not allowed to resell the Company's products to their downlines, sidelines, and other groups without the submission of sales report to the Company; and
- (vi) A Distributor is not allowed to purchase/sell to the staff of the Company and vice versa.

### **3.10 CROSS SPONSORING**

3.10.1 No Cross-Sponsoring of distributorship shall be allowed. Cross-sponsoring in this context means:-

- (i) Signing up an existing distributor from another group; and
- (ii) Signing up the wife when the husband is already a distributor or vice-versa.

3.10.2 In the event the Company is of the opinion of the happening of Cross-Sponsoring the following actions shall be taken:-

- (i) The Company may at its absolute discretion terminate the distributorship of the offending Distributor ;
- (ii) All affected Distributors shall be placed in such manner as the Company deem fit; and/or
- (iii) To withhold and/or withdraw any bonus payment due or otherwise from the offending Distributor

### **3.11 SALE, TRANSFER, OR ASSIGNMENT OF DISTRIBUTORSHIP**

A Distributor may not sell, transfer or assign their Distributorship rights to any person or entity without the Company's express written approval. To submit an application for approval, the Distributor involved need to comply with the following:

- (a) Must be in good standing as may be determined by the Company in its sole discretion;
- (b) There shall be no existing breach or non compliance of the terms and conditions of the Distributor Agreement;
- (c) No outstanding payments or debts payable to the Company; and
- (d) To comply such terms and conditions as from time to time to be determined by the Company.

The combining of distributorship is not permitted. The Company will not approve the sale, transfer or assignment of a distributorship to any individual or entity that is a Distributor or who has an ownership interest in any distributorship. Similarly, the Company will not approve the transfer of a distributorship to any individual or entity that has previously owned an interest in, or operated, a distributorship under the Company. The approval may subject to such terms and conditions as may be imposed by the Company, at its discretion.

### **3.12 SUCCESSION**

If a Distributor dies or becomes incapacitated (as certified by a qualify medical practitioner), his/her rights to commissions, bonuses, and Downline Organization, together with all Distributor responsibilities, will pass to his/her successor(s). Upon death or incapacitation, the successor(s) must present to the Company with proof of death or incapacitation, along with proof of succession, such as a Grant of Probate or an Enduring Power of Attorney, and a properly completed Distributor Application and Agreement. You may inherit and retain another Distributorship even though you currently own or operate a Distributorship. In the case of intestacy, the Company will deem the Distributorship non-transferable if it is not contacted by an authorized representative of the estate or the heirs, devisees, successor trustees, personal representative, or executor of the decedent within six (6) months of the Distributorship's death.

Notwithstanding to the above, if the Distributor has named a beneficiary as provided under the Distributor Agreement and/or the Policies and Procedures, his/her rights to commissions, bonuses, and Downline Organization, together with all Distributor responsibilities, will pass to his/her named beneficiary upon the death or incapacity (as certified by a qualify medical practitioner) of the Distributor as if the named beneficiary is the Distributor.

### **3.13 TRANSFERFING OF SPONSORSHIP**

#### **3.13.1 PLACEMENT CHANGES**

Placement changes shall only be allowed at the sole discretion of the Company and subject to such terms and conditions as may be imposed. The Company may permit (but not obliged) placement changes in the following circumstances:

- (a) Where a Distributor has been fraudulently or unethically induced into joining the Company.
- (b) Where an incorrect placement was made due to a Distributor's error, a change in the line of sponsorship may be made to correct the error where a request for a change is made within 24 hours of enrolment. All requests must be submitted together with a written consent of the Distributor's sponsor and the required placement change fee. If at the time of the request, the Distributor has any downline organization in place, no change will be permitted in the line of sponsorship. In the event that such a change is approved, commissions and bonuses earned will be adjusted accordingly.

### **3.13.2 CROSS-LINE RAIDING**

Cross-line raiding is strictly prohibited. "Cross-line raiding" is defined as the enrolment or attempted enrolment of an individual or entity that already has a current Distributor Agreement on file with the Company. The use of trade names, corporations, partnerships, trusts, spouse names, or fictitious ID numbers to circumvent this policy is prohibited. Distributor shall not demean, discredit, or invalidate other Distributors in an attempt to entice another Distributor to become part of its, his/her Downline Organization.

## **SECTION 4 - BONUSES AND COMMISSIONS**

### **4.1 BONUS AND COMMISSION CYCLES**

Entitlement to the commissions will be processed daily. A Distributor must review his/her commissions and report any errors or discrepancies to the Company within fourteen (14) days from the date of the commission payment, failing which the entry in the statement issued by the Company shall be deemed to be final and conclusive and the Distributor shall have no claims against the Company.

### **4.2 ADJUSTMENT OF BONUSES AND COMMISSIONS**

Distributors' entitlement to the commissions and bonuses is based on product sales to end consumers. Commissions and bonuses will be adjusted accordingly if the Distributor or the end consumer returns the sold product for a refund. All adjustments will be made in accordance with the Company's standard practice and procedure.

### **4.3 LOSS OF RIGHTS TO COMMISSIONS**

The Distributor must be an active Distributor and in compliance with the terms of the Distributor Agreement to qualify for the entitlement to the commissions and bonuses.



#### **4.4 UNCLAIMED COMMISSIONS AND BONUSES**

Distributors who provide the Company with incomplete or invalid bank account information will have their commission and bonus retained as a credit for a period of one (1) year. After the expiry of one (1) year period, the Distributor shall have deemed to have waived or disclaimed the right to entitle to the commission and bonus and the unclaimed credit shall be forfeited by the Company.

### **SECTION 5 - PRODUCT GUARANTEES AND RETURNS**

#### **5.1 PRODUCT EXCHANGE**

- (a) The Company warrants the quality of its products and shall exchange any defective product. However, this warranty does not extend to damages or contamination due to expiry, negligence or any deliberate act to defraud the Company.
- (b) Product exchanges are subject to discretion of the Company. Any product exchanges made for the purpose of favourable gain though maximizing commissions or manipulating the compensation plan (as evidenced though patterns observed outside of the average Distributor pattern of exchange) will not be entertained and are considered a material breach of the Distributor Agreement.

#### **5.2 10 DAYS COOLING OFF PERIOD**

Applicant Agreement is subject to a cooling-off period of 10 days commencing on the date of the Agreement, within which Applicant shall have the right to rescind the Agreement by serving written notice to Company. Should the Agreement be rescinded within the cooling-off period, Company shall refund all payments made under the Agreement to Applicant, if any. Save where the Applicant has requested to delivery in respect of a product order before the expiry of the cooling-off period, the Applicant would be deemed to have waived his/her right to rescind the Agreement. Notwithstanding the right of the applicant to terminate the Agreement during the cooling-off period. A Distributor may cancel his/her Distributorship at any time and for any reason upon notice to the Company. If a Distributor elects to cancel his/her Distributorship, Company will refund the price of his/her product order(s) and/or Starter Kit in accordance with its policies.

#### **5.3 ONE HUNDRED EIGHTY (180) DAYS BUY BACK POLICY**

##### **5.3.1 DISTRIBUTORS**

If a Distributor elects to cancel his/her distributorship during the 180 day period immediately following his/her enrolment, the Company will buy back 100% of all products purchased as part of the Distributor's initial order (excluding shipping). The cancelling Distributor must return the products, shipping prepaid, along with a letter explaining that he/she wishes to terminate his/her distributorship. Please note that this buy back does not apply once a Distributor places his/her second product order.

### **5.3.2 TERMINATION/CANCELLATION AND BUY BACK POLICY**

Company guarantees to buy back the products sold to distributors and/or members within six (6) months is equivalent to 180 days after the date of purchase and will refund at 90% of the purchase price plus operating and management charges of 10%.

Buy back will not be accepted for products damaged contents and packaging, has expired etc due to negligence by distributors, members or customers.

On the termination/cancellation of Direct Seller's relationship with a company, Companies shall buy back any unsold but saleable product inventory, including promotional material, sales aids and kits, and credit the Direct Seller up to 10% of the net purchase price and less any benefit received by the all Direct Sellers based on the original purchase of the returned goods.

Buy back can be done by completing the Claim Form together with the product to be returned.

## **SECTION 6 - ORDERING OF PRODUCTS AND PAYMENT**

All ordering and payment for the Company's product are to be made in the manner as may be stipulated from time to time by the Company.

## **SECTION 7 - DISPUTE RESOLUTION AND VIOLATION OF AGREEMENT**

### **7.1 DISPUTES BETWEEN DISTRIBUTORS**

#### **7.1.1 GRIEVANCES AND COMPLAINTS**

When a Distributor has a grievance or complaint with another Distributor regarding any practice or conduct in relationship to their respective distributorship under the Company, the complaining Distributor should first seek to resolve the problem amicably with the other Distributor. If this does not resolve the problem, the complaining Distributor should report the problem to his/her up-line to resolve the issue at a local level. If the matter cannot be resolved, it must be reported in writing to the Company. The Company will review the complaint and make a final decision which shall be binding on all parties concerned. All Distributors agree that there shall be no appeal or review against the decision of the Company and waive all their rights to do so in the court of law. The complaint should identify specific instances of alleged improper conduct and, to the extent possible, identify the relevant dates on which the event(s) complained of took place, the location(s) where they occurred, and all persons who have first-hand knowledge of the improper conduct.

#### **7.1.2 REVIEW OF COMPLAINT BY THE COMPANY**

Upon receipt of a written complaint, the Company will investigate the matter, review the applicable policies, and render a final decision. At its sole election, the Company may place the

distributorship on hold during the investigation. Should the Company place a distributorship on hold during an investigation, and after the investigation is closed, the results of the investigation show that the Distributor was not in violation of the Distributor Agreement, the Company will pay the Distributor commissions and bonuses generated during the time the distributorship was on hold free of interest.

## **SECTION 8 - BREACH AND TERMINATION POLICIES**

### **8.1 ACTIONS FOR BREACH**

Violation of any of the terms and conditions of the Distributor Agreement, or any illegal, fraudulent, deceptive, or unethical business conduct by a Distributor, may result, at the Company's discretion, in one or more of the following sanctions:

- (a) Terminating the distributorship;
- (b) A verbal or written warning and advising that a continued breach will result in further sanctions;
- (c) Probation, which may include requiring a Distributor to take remedial action and will include follow-up monitoring by the Company to ensure compliance with the Distributor Agreement;
- (d) Withdrawal or denial of an award or recognition, or restricting participation in the Company-sponsored events for a specified period of time or until the Distributor satisfies certain specified conditions;
- (e) Suspension of certain privileges of distributorship, including but not limited to placing a product order, participating in the Company's programmes, progressing in the Company Marketing Plan, for a specified period of time or until the Distributor satisfies certain specified conditions;
- (f) Withholding or forfeiting commissions or bonuses for a specified period of time or until the Distributor satisfies certain specified conditions; and/or
- (g) Taking such action including imposing fines or other penalties as the Company deem fit.

The Company shall not be required to provide or state the reason or ground for any of the sanction imposed or action taken. The Company shall not be liable for any loss or damage arising of or in connection with the sanction imposed or action taken. Save and except for the sanction of terminating the distributorship as referred to in Section 8.1 (a) above, the decision of the Company shall be final and conclusive and the Distributors agree that there shall be no appeal or review against the sanction imposed by the Company and waive all their rights to do so in the court of law.

## **8.2 INACTIVITY**

If the Distributor have been "inactive" (i.e., no purchases and/or no sales of the Company's products or participation in any other form as a Distributor) for a period of 6 successive months, the Company may terminate the distributorship.

## **8.3 WRITTEN CANCELLATION BY DISTRIBUTOR**

A Distributor may cancel or terminate his/her Distributor Agreement with the Company at any time and for any reason by providing written notice to the Company indicating his/her intent to discontinue his/her distributorship. The written notice must include the Distributor's signature, printed name, address, and appropriate identification number. Upon submission of the cancellation or termination, the Distributor forfeits all rights, bonuses, and commission under the distributorship.

## **8.4 EFFECT OF TERMINATION/CANCELLATION/INACTIVATION**

Following a termination/cancellation/inactivation, such former Distributor shall have no right, title, claim, or interest to the Downline Organisation which he/she operated or any bonus and/or commission from the sales generated by the organisation. The former Distributor shall not hold himself or herself out as a the Company Distributor, shall not have the right to sell the Company's products or services, must remove any Company sign from public view, and must discontinue using any other materials bearing any Company logo, trademarks, or service mark. The Distributor shall have deemed to have waived or disclaimed the right to entitle to the commission and bonus and the unclaimed credit shall be forfeited by the Company.

## **8.5 APPEAL**

In the case of termination for breach under Section 8.1(a), the Distributor may appeal to the Company. The Distributor's appeal must be in writing and must be received by the Company within fifteen (15) calendar days of the date of the Company's termination letter. The Distributor must submit all supporting documentation with his/her appeal correspondence. If the Company does not receive the appeal within the fifteen-day period, the termination shall be final. The written appeal will be reviewed by the Company and notify the Distributor in writing of its decision. If the Distributor is not satisfy with the decision of the appeal, the Distributor shall within fourteen (14) days from the date of notification of the Company's decision refer the disputes or differences to arbitration in accordance with the Rules for Arbitration of the Kuala Lumpur Regional Centre for Arbitration, failing which the decision of the Company on the appeal shall be final and conclusive. The number of arbitrators shall be one and the place of arbitration shall be Kuala Lumpur, Malaysia.

## **8.6 REASONABLE COMPENSATION**

For all intent and purpose, if the Company is liable for any wrongful termination and/or any breach of the Distributor Agreement including but not limited to the Policies and Procedures, it is agreed that reasonable compensation for any such wrongful termination and/or breach shall be a sum not more than the last commission and/or bonus paid to the Distributor.

**SECTION 9 - USERNAME AND PASSWORD FOR E-ACCOUNT, ONLINE AND/OR INTERNET ACTIVITIES OR TRANSACTIONS**

- 9.1 Access to restrictive area of the Company website may be subject to the requirement of username and password. The Distributor shall keep his username and password confidential at all times. The initial username and password given by the Company to the Distributor upon approval of distributorship must be changed immediately on the first sign-in or login process.
- 9.2 The Distributor acknowledges and agrees that the use of the username and/or password are adequate and sufficient identification of the Distributor and the Distributor shall be liable for all activities or transactions carried out using the username and/or password regardless of whether the using of the username and/or password is by the Distributor or by some other person, whether authorised or not.
- 9.3 The Distributor must notify the Company immediately of any loss or theft or disclosure (or suspected disclosure) of any username and/or password. The Distributor shall remain liable for all activities or transactions entered into before such notification to the Company.
- 9.4 The Distributor shall not hold the Company responsible for any loss or damage which the Distributor may suffer directly or indirectly relating to any service , due to any reason whatsoever including but not limited to blackout, breakdown or malfunction of the computer, its terminal connection lines, data processing system or transmission line or any other equipment whether or not belonging to the Company, attempted or actual acts of terrorism, outbreak of epidemics, acts of God or any circumstances beyond the Company's control.
- 9.5 Other than those incurred as an obligation to a customer by agreement or in law, in no event will the Company be liable for any damages, including without limitation to direct or indirect, special, incidental or consequential damages, losses or expenses arising in connection with this website or use thereof; or inability to use by any party or in connection with any failure of performance, error, omission, interruption, defect, delay in operation or transmission, computer virus or line or system failure; or arising from or in connection with any fraud or dishonest conduct of any third party including without limitation hacking and phishing, even if the Company, or representatives thereof, have been advised of the possibility of such damages, losses or expenses.

## **SECTION 10 - MISCELLANEOUS**

- 10.1 It is the responsibility of the Distributor to read, understand, adhere to, and ensure that he/she is aware of and operating under the most current version of these Policies and Procedures.
- 10.2 The Company may from time to time amend, vary or modify the terms and conditions of the Distributor Agreement, Policies and Procedures, Marketing Plan and Price List. Amendments, variations or modifications shall be effective upon notification thereof in the Company's official publications.
- 10.3 The Company shall not be responsible for delays and failures in performing its obligations due to circumstances beyond its reasonable control, such as strikes, labor difficulties, riots, war, fire, curtailment or interruption of a source of supply, and government decrees or orders which render the performance of the Distributor Agreement impossible or illegal.
- 10.4 If any provisions of the Distributor Agreement as it currently exists or as may be amended, varied or modified is found to be invalid, illegal, or unenforceable for any reason, only the invalid provision will be severed from the Distributor Agreement, the remaining terms and provisions shall remain in full force and effect and shall be construed as if such invalid, illegal or unenforceable provision never comprised a part of the Distributor Agreement. If the statutory law of Malaysia governing the multilevel business provides terms or conditions better of then herein condition, the terms and conditions herein shall be amended accordingly to give full force and effect to the applicable statutory law.
- 10.5 The titles and headings to these Policies and Procedures are for convenience only and do not constitute, and shall not be construed as, substantive terms of the Distributor Agreement.
- 10.6 The Company never forfeits its right to require the Distributor to comply with the Distributor Agreement or with applicable laws and regulations governing business conduct. Only in rare circumstances will a policy and procedure be waived, and such waiver will be conveyed by the Operation Department or an authorised officer of the Company. The waiver will apply only to that specific case.
- 10.7 The Distributor is to seek independent legal advice or other professional advice and not to rely on any advice given by the Company (if any).
- 10.8 A Distributor's continuation of a Distributorship or acceptance of earnings pursuant to the Marketing Plan or acceptance of any other benefits under the Application and Distributor Agreement constitutes acceptance of the Application and Distributor Agreement and these Policies and Procedures and any and all variations, modifications and/or amendments thereto.
- 10.9 Each renewal of the distributorship shall be treated as a fresh application and approval for distributorship. The renewal of distributorship shall be processed within a period of one week.