

BEAUTE METHOD GROUP - DISTRIBUTOR MANUAL & AGREEMENT

SECTION 1 - INTRODUCTION

Distributor Manual define and establish:

1. Certain principles to be followed in the development and maintenance of BMG Business.
2. The rights, duties, and responsibilities of each BMD.

The terms and conditions of this relationship are set forth in:

1. The BMD Contract.
2. The terms and conditions of BMG appoint of Distributors.
3. Other official BMG literature, publication, social media, WeChat, website, email, notification or communications.

While the Rules primarily define relationships between BMG and BMDs, they also concern relationships among BMDs. Its objectives are:

- To ensure an equal opportunity for BMDs through ethical and responsible business conduct.
- To protect and build a conducive environment for a long-term and profitable BMG business.
- To promote unity and harmony among BMDs.
- To preserve the benefits of the BMG Sales & Marketing Plan equitably for all BMDs.

From time to time, the contents of these documents may change without prior notice. BMG will notify the BMD leadership of such changes. Upon final notification by BMG with respect to those changes presented to the BMD leadership, such changes will be communicated to all BMDs in a timely manner in B BMG official social media, WeChat and website shall become effective upon publication. In order to preserve the goals and purposes of the BMG Sales & Marketing Plan, BMG reserves to itself the sole right to adopt, amend, modify, supplement, or rescind any or all of these Rules, as necessary.

SECTION 2 - DEFINITIONS

BMD: An appointment of distributor who has had his/her BMG Application Form via online will be accepted by BMG with terms & conditions apply.

BMDship: An BMDship is another way to describe BMG business, which is identified by BMD ID number and its own QR Code.

BMD Contract: Refers to the BMD Application along with the incorporated documents that form the terms of the contractual agreement between BMD and BMG.

BMD in Good Standing: For the purposes of interpreting and enforcing the Distributor Manual only, the term "good standing" shall refer to BMD who is currently authorised by BMG to hold himself/herself out as an BMD and whose conduct complies with the letter and spirit of the terms and condition and BMG Business Policies for each market in which BMD has a presence; is not engaged in conduct that negatively affects the reputation of BMG, BMG's affiliates, and its BMD; is not engaged in conduct that supports or defends the activity of other BMD which jeopardises the ongoing nature of BMG affiliate or otherwise is inconsistent with the other criteria set forth herein; is not engaged in conduct that does not comply with all applicable laws and regulations in each country and whose conduct does not demonstrate cultural sensitivity given market conditions.

BMG: "BMG" shall mean BEAUTE METHOD GROUP ENTERPRISE and it registered under Companied Commission of Malaysia Act through SSM.

BMG Business: A business, as identified by the BMD ID number and BMG Application for Appointment as an Authorised BMD of BMG Online Application Form.

BMG Business Opportunity: The products, marketing, support and compensation system offered by BMG.

BMG Business Policies: Rules and policies set forth in official BMG literature, including the terms and conditions and various other policies and bulletins that may be maintained by BMG from time to time which are incorporated by reference into; (1) the BMD Contract, (2) the terms and conditions, and (3) other official BMG literature, publication, social media, WeChat, website, email, notification or communications.

BMG Produced Business Support Materials (“BMG BSM”): BSM produced by, or on behalf of BMG.

BMG Products: All goods and services, including literature, publication, social media, WeChat, website, email, notification, communications and other support or auxiliary materials, made available by the BMG to ABOs.

BMG Sales & Marketing Plan (“Plan”): The system used to calculate the difference wholesale price and recognition for BMD based on product sales and team member as described in the BMG Distributor Manual and other official BMG literature.

Bonus: The monetary rewards that BMG pays to BMDs top seller or core leader in accordance with the BMG Sales & Marketing Plan.

Business Support Materials (“BSM”): The definition for BSM is intended to be interpreted broadly and includes, by way of example, the following; printed materials, audio-video and multimedia productions, internet-based products and services, non- BMG recognition and award systems, meetings and other events, and other materials or equipment used to provide information or support the sale of BMG products and services, as well as coupons, vouchers, tickets or standing order/ subscriptions programs relating to any of the previously mentioned. When the term BSM is used without the preface “ BMG Produced”, it refers to non- BMG produced BSM only.

Team: BMD and all team member BMDs from that authorized individual.

Line of Distributor or (“LOD”): The structural organisation of BMDs established by the contractual relationship that each BMD has with BMG.

LOD Information: Includes all information that discloses or relates to all or part of the structural arrangement of BMDs within the Line of Distributor, including but not limited to BMD numbers and other BMD business identification data, BMD personal contact information, BMD business performance information, and all information generated or derived there from, in its present or future forms.

Core Leader: A BMD who has achieved a certain level of business activity as specified by the BMG Sales & Marketing Plan.

Prospect: A potential BMD or customer.

Distributor: There can be one of three relationships:

- **Class of Distributor:** Means contain of Distributor, Authorized Distributor, Regional Partner, Core Leader who introduces a Prospect into the BMG Business Opportunity.

- **International Distributor:** BMD who introduces a prospect from another country to the BMG Business Opportunity and he/she becomes the (“International Distributor”) when this prospect signs up and is being foster distributor by another BMD in that market.

- **Foster Distributor:** BMD of BMG in the affiliate who is designated to provide training and support to an Internationally BMD.

SECTION 3 - BECOMING BMD

3.1 BMD Online Application Form and Agreement:

To become a duly authorised BMD capable of merchandising BMG's products and services and introduce other BMD, an applicant must apply for authorisation from BMG by completing the BMD Online Application Form and agree with the terms and conditions. The completed BMD Online Application Form will be generate certificate of authorization immediately, and accepted by BMG as authorised in accordance with the provisions of Section 3.2.

3.2 Requirements:

Without limiting BMG's rights, the following are requirements for becoming an BMD :

3.2.1 : BMD must be at least 18 years of age.

3.2.2 : BMD must top up a minimum credit that designated by BMG.

3.2.3 : Must not be a person serving an imprisonment sentence or otherwise con ned to any correctional institution or have a previous conviction record for an offence relating to production (and/or) trading of counterfeit goods, false advertisement, illegal conduct of business, tax evasion (or) deception of customers, or an offence relating to deceptive appropriation of assets, abuse of trust to appropriate assets (or) unlawful possession of assets.

3.3 Acceptance or Rejection of ABO Application:

BMG reserves the right to accept or reject any BMD Application. Likewise, BMG reserves the right to refuse any request and can revoke the BMDship if an BMD's activities have not been in accordance with the Rules of Conduct or if the BMD is not in Good Standing or has not complied with the requirements of Section 3.2.

3.4 Date of Authorisation:

The date of authorisation as BMD is when the BMD Online Application has been processed by BMG.

3.5 Prohibited Distributor Practices: A distributor shall not impose on a Prospect, nor any BMD, as a condition to receiving from the distributor assistance in the development of such person's BMDship, such as:

3.5.1 : Purchase any specified amount of products or services.

3.5.2 : Maintain a specified minimum inventory.

3.5.3 : Purchase any non- BMG produced "starter," "decision," or other "pack" or "kit".

3.5.4 : Purchase literature, audio-visual aids, or other materials.

3.5.5 : Purchase tickets for and/or attend or participate in rallies, seminars, or other meetings.

3.6 Refund Rule:

Upon voluntary termination of the BMD Contract, BMG will refund 80% of the amount which the BMD balance credit from its own ID accounts, according to the existing policy (please refer to Distributor Manual). In the event that the BMDship is terminated for an BMD's breach, BMG shall have discretion as to the refund under the Refund Rule.

3.7 Termination:

BMD may terminate the BMDship at any time by providing BMG with written notice of termination to BMG's addressor email to BMG's official email address. BMG may terminate the BMDship at any time by providing the BMG with written notice of termination via email if he/she fails to comply with BMG Business Policies, including the BMG Distributor Manual, the BMG Sales & Marketing Plan and other policies maintained by BMG and which have been incorporated into the BMD Contract.

3.8 Conspiracy; Inducement to Breach:

BMD shall not conspire with any other person to breach or induce a breach of any Distributor Manual or the BMD Business Policies or to induce or attempt to induce another BMD to breach any of the Distributor Manual or the BMG Business Policies. Any such activity shall constitute a breach of the Distributor Manual or the BMG Business Policies.

3.9 Exceeding Scope of Authorisation:

BMD shall not exceed the scope of authorisations granted pursuant to the BMD Contract. Any such activity shall constitute a breach of the BMD Contract.

3.10 Representations and Warranties: BMD shall not make any false representation or statement to BMG, nor induce BMG to enter into BMD Contract under false pretenses, nor breach any representation or warranties implied in this contract or by law. Any such activity shall constitute a breach of the Distributor Manual or the BMG Business Policies.

3.11 Multiple Breaches:

It is a breach of the Distributor Manual or the BMG Business Policies for BMD to allow any breaches to remain uncorrected following notification from BMG of the existence of the same, or to have multiple simultaneous, serial or repeating breaches of the Distributor Manual or the BMG Business Policies.

3.12 Zero Tolerance Rule:

It is a breach of the Distributor Manual or the BMG Business Policies for an BMD to conduct BMD activities in markets in which he/she is not authorised to conduct business. It is a breach of the Distributor Manual or the AMWAY Business Policies to conduct BMD activities in markets in which BMG are not doing business. Such unauthorised activity may result in, without prejudice to any rights and remedies otherwise available, the immediate suspension of the BMD's rights.

3.13 Circumvention of the Distributor Manual:

In case of attempt to circumvent or acting against the intent and spirit of the Distributor Manual, BMG may at any time take corrective action at its discretion.

3.13.1 : All BMDs shall be subject to the Enforcement Procedure which is set out in the Business Manual provided that BMG expressly reserves the right to terminate, at anytime and with immediate effect, the authorisation of BMD who shall have provided false information in the Application or who shall have accepted authorisation as an BMD in violation of these Rules or who shall have conducted himself/herself in manner that in BMG's opinion brings the BMG Sales & Marketing Plan into disrepute.

SECTION 4 - RESPONSIBILITIES AND OBLIGATIONS OF ALL BMDS

4.1 Abide by the BMG Business Policies/ Amendments/Duty of Good Faith:

At all times, BMD must adhere strictly to the guidelines, procedures and policies stated in the BMG Business Policies of which these Distributor Manual are a part, in addition to the BMG Sales & Marketing Plan, and, in each case, any amendments made to such from time to time. All BMDs are charged with the duty of good faith and fair dealing under the terms of the BMD Contract.

4.1.1 Cooperation with Investigations: BMDs shall cooperate in any investigation undertaken by BMG into activities that are potentially in contravention of his/her BMDship or the BMDship of another BMD.

4.2 Cross Group Buying or Selling/Supplying:

No BMD shall engage in cross-group buying or selling/ supplying. "Cross group buying and selling/ supplying" occurs when an BMD sells or supplies BMG distributed or supplied products and/or services to another BMD who is not personally distributor and team member of those distributor.

4.2.1 : BMD must only purchase BMG products and services and BMG BSM directly from BMG. BMD not allow purchase/supply BMG products to other BMD.

4.4 Truthful and Accurate:

No BMD shall make any offer to sell any BMG products or services which are not accurate and truthful as to price, grade, quality, performance and availability. BMD shall not:

4.4.1 : Make exaggerated product claims not authorised by BMG with regards to BMG's products or products distributed by BMG;

4.4.2 : In any way whatsoever, represent BMG incorrectly with regard to prices, quality, standards, grades, contents, style or model, place of origin or availability of BMG's products or products distributed by BMG;

4.4.3 : State that BMG's products or products distributed by BMG are backed, approved, or present any features as regards to yield, accessories, uses or benefits that they do not have; or

4.4.4 : Act or present in any way whatsoever BMG, its products or the products BMG distributes, in a fraudulent manner or promote products that do not belong to BMG as if they did.

4.5 Repackaging:

BMD may not repackage products, change the content of products or otherwise change or alter any of the packaging labels of BMG products or services.

4.6 Written Sales Receipt:

An BMD who takes and/or delivers an order in person shall deliver to the customer at the time of sale, a written and dated order or receipt which shall: (a) describe the product(s) sold, (b) state the price charged, and (c) give the name, address, and telephone number of the selling BMD.

4.7 Satisfaction Guarantee:

Whenever a customer requests Satisfaction Guarantee service within the stated guarantee period, BMD shall immediately offer the individual his/her choice of a: (a) full refund; (b) exchange for a like product

4.7.1 : BMDs shall advise BMG of any complaint regarding the Satisfaction Guarantee from customer and provide copies of all correspondence and details of all conversations regarding the complaint as requested.

4.7.2 : BMDs are not authorised to make any type of offer or compromise or render BMG liable for any complaint or product return.

4.7.3 : BMDs will be held strictly liable for claims they make which exceed the terms of the Satisfaction Guarantee and shall indemnify and hold BMG harmless for claims made to that effect.

4.8 Compliance with Applicable Laws, Regulations and Codes:

BMDs shall comply with all laws, regulations and codes that apply to the operation of their BMDship wherever their business may be conducted. BMDs must not conduct any activity that could jeopardize the reputation of the BMD and/or BMG. Upon request, BMDs shall forthrightly provide any information requested about an BMD's activities or any other activities known by the BMD (even with respect to other BMDs). In all such communications with BMG, the BMD shall act with absolute candour and good faith.

4.9 Deceptive or Unlawful Trade Practices:

No BMD shall engage in any deceptive or unlawful trade practice.

4.10 Unlawful Business Enterprises or Activities:

An BMD shall not operate any illegal or unlawful business enterprise, engage or participate in any illegal or unlawful business activity.

4.11 Professionalism:

BMD shall at all times conduct himself/herself in a courteous and considerate manner and shall not engage in any high-pressure tactics, but shall make a fair presentation of BMG products or services, or the BMG Sales & Marketing Plan, when and where appropriate.

4.12 BMD Relationship:

No BMD shall represent that he/ she has any employment relationship with BMG or any of its affiliated companies and/or other BMG.

4.12.1 : BMDs shall not give a false representation as to the nature of the relationship between BMG and its BMDs, or make any representation, except in accordance with the explanation given in the BMG Distributor Manual and BMG Business Policies or other official literature of BMG. BMD is required to indemnify BMG for the cost, damage or prejudice stemming from such false representation, including any legal fees BMG may have incurred.

4.12.2 : BMDs shall not imply that they are employees of BMG, nor shall they refer to themselves as “agents,” “managers,” or “company representatives”, nor shall they use such terminology or descriptive phrases on their stationery or other printed materials.

4.13 Franchises and Territories:

No BMD shall represent to anyone that there are exclusive franchises or territories available under the BMG Sales & Marketing Plan.

4.14 Other Selling Activities:

BMD may not take advantage of their knowledge of or association with other BMD, including their knowledge resulting from or relating to the Line of Distributor, in order to promote and expand other business ventures. Such conduct constitutes an unwarranted and unreasonable interference with the business contract of other BMDs and BMG.

4.14.1 : BMDs shall not solicit, directly or indirectly, other BMD in order to sell, offer to sell, or promote other products, services, or business opportunities not offered or marketed by BMG. This Rule also applies to investments, securities, and loans, regardless of their source.

4.14.2 : BMDs shall not sell, offer to sell, or promote any other business opportunities, products, or services in connection with the BMG Sales & Marketing Plan.

4.15 Interference in another BMD's BMDship; Inducement:

It is a breach of the Distributor Manual or the BMG Business Policies for BMD to:

4.15.1 : Interfere or attempt to interfere with another BMD's BMDship; or

4.15.2 : Induce or attempt to induce another BMD to change his/her Line of Distributor, to transfer or abandon his/her BMDship

4.15.3 : To induce or attempt to induce another BMD to deny training, education, motivation or other support to a team member of BMD; or

4.15.4 : To induce or attempt to induce another BMD to breach any Distributor Manual or the BMG Business Policies.

4.16 Retail Effort Rule:

BMD to be entitled to bonuses and/or qualification under the BMG Sales & Marketing Plan, that BMG's purchases must be consumed or sold to end consumers within a reasonable period as determined by BMG. BMG reserves the right to deny all qualifications, awards and rewards if in BMG's judgment, the BMD's purchases are not in compliance to this rule.

4.16.1 : BMG does not require stock keeping or purchase of inventory. BMDs may not purchase or counsel other BMDs to purchase product for any purpose other than the provision of such product to end consumers.

4.17 Unsolicited E-mail Messages:

No BMD shall send, transmit, or otherwise communicate any unsolicited electronic mail messages in whatever format to persons with whom the BMD does not have a pre-existing personal or business relationship. (This includes, but is not limited to, sending e-mails, social media, postings in news groups, mass SMS messages (Short Messaging System) purchased mailing lists, "safe lists", or other lists of individuals or entities with which the BMD does not have a relationship.)

4.18 Fundraising:

No BMD shall use BMG products in conjunction with any type of fundraising activity. Fundraising includes but is not limited to the solicitation for the purchase of BMG products or services based on the representation that all, or some, of the gains, proceeds, bonuses, or profits generated by such sale will benefit a particular group, organisation or cause.

4.19 BMG Sales & Marketing Plan Manipulation:

No BMD shall manipulate the BMG Sales & Marketing Plan or award volume in any way which results in the payment of Bonuses or other awards and recognition that have not been earned in accordance with the terms of the BMG Sales & Marketing Plan and/or the BMG Business Manual. In this regard, the strategic and artificial structuring of an BMG Line of Distributor for the purpose of depth building, whether or not there are relationships between those who are distributor and those who distributor, is considered to be manipulation and an unacceptable business practice. BMG at its sole discretion will determine what constitutes manipulation of the BMG Sales & Marketing Plan.

4.20 Personal/Business Information Update:

All BMDs are responsible for communicating any updates or changes to their personal information (e.g., name, address, and telephone numbers, etc.) or business information (e.g., change of business status, etc.) to BMG.

4.21 Proprietary Information:

In addition to the provisions contained in Section 9 of the Distributor Manual, pertaining to the use of the BMG trade name, trademarks and copyrighted materials, BMG's confidential and proprietary business information including, by way of example and not limitation, Line of Distributor information (i.e., information compiled by BMG that discloses or relates to all or part of the specific arrangement of distributor within the BMG business, including, without limitation, BMD lists, fission trees, and all BMDs or BMG business information generated there from, in its present and future forms), business information, manufacturing and product development, business plans, and BMD sales, earnings and other financial information, etc., constitute commercially advantageous, unique, and proprietary trade secret and business secrets of BMG which it keeps proprietary and confidential and treats as a trade secret and business secret and constitute "Proprietary Information" subject to the BMD Contract.

4.21.1 : BMG is the exclusive owner of all Proprietary Information, which is derived, compiled, configured, and maintained by BMG. The BMD acknowledges all proprietary information is owned by BMG through the considerable expenditure of time effort and resources.

4.21.2 : BMDs are granted a personal, non-exclusive, non-transferable and revocable right by BMG to use Proprietary Information only as necessary to facilitate their BMG Business as contemplated under the Distributor Manual including, for example, the Confidentiality Policy and other terms and conditions of the BMD Contract. BMG reserves the right to deny or revoke this right, upon reasonable notice to the BMD stating the reason(s) for such denial or revocation, whenever, in the reasonable opinion of BMG, such is necessary to protect the confidentiality or value of Proprietary Information.

4.21.3 : All BMDs shall maintain Proprietary Information in strictest confidence, and shall take all reasonable steps and appropriate measures to safeguard Proprietary Information and maintain the confidentiality.

4.21.4 : An BMD shall not compile, organise, access, create lists of, or otherwise use or disclose Proprietary Information except as authorised by BMG. An BMD shall not disclose Proprietary Information to any third party, or use Proprietary Information in connection with any other businesses.

4.21.5 : Use or disclosure of Proprietary Information, other than as authorised by BMG, shall cause significant and irreparable harm to BMG, and BMG may claim appropriate, compensation for damages as well as demand BMD refrain from the harmful conduct as well as seek any other remedies under applicable laws.

4.21.6 : In case of disclosure of the Proprietary Information, voluntary or not, by BMD to any third person, the BMD should immediately notify BMG about that fact and take the necessary measures in order to (a) prevent further disclosure by such third party and (b) oblige such third party to sign a confidentiality and nondisclosure agreement for the benefit of BMG and under no less stringent terms that those provided within this Section 4.21.

4.21.7 : BMD shall promptly return any and all Proprietary Information or any copy of same to BMG upon resignation, expiration, failure to renew, denial of extension or termination of his/her BMDship and shall refrain from any further use.

4.21.8 : The confidentiality obligations set out in this Section 4.21 shall survive during the term of the BMD Contract as well as after the date of its expiration or termination by any cause.

4.22 Presentation Rules:

The content of the presentations which include or support the promotion of the retailing of BMG products and services, or the BMG Sales & Marketing Plan, must otherwise be in accordance with the following:

4.22.1 : BMDs shall not :

- a) exaggerate income representations by relating it to or incorporating it with other income and suggesting that it is the result of building the AMWAY business;
- b) substitute group or non- BMG organisational identity for the BMG business. The BMG business must always be clearly identified without any ambiguity to the participants during the course of the presentation;
- c) advocate, imply or give the impression that success can be achieved through promoting personal consumption with no requirement to sell or promote inappropriate product usage and/or claims;
- d) promote one's Line of Distributor, affiliation or group in any manner that will give rise to or likely to give rise to resentment by or cause any detriment to others;
- e) misrepresent whether directly or indirectly and by whatever means the relationship of the BMD to BMG, for example, suggesting or implying that BMG is "just a supplier", or that the BMD represents a business opportunity of which " BMG is a part", or that the BMD "outsources" administrative support to BMG, etc.;
- f) promote any other business opportunity other than the BMG Business or solicit any participants to attend meetings for the purpose of presenting another business opportunity at any time; or,
- g) use the meeting as a platform to promote or advocate religious, political and/or personal social beliefs.

4.22.2 : Personal reflections on the following are not appropriate:

- a) social and cultural issues;
- b) preferences regarding specific political views, parties, candidates or elected officials.

4.22.3 : Discussions must only relate to ethics and positive attitudes that will assist and encourage the BMD's and BMG's products, services and business.

4.22.4 : Income representations, whether direct or implied, must reflect a realistic income potential from participation in the BMG Sales & Marketing Plan.

4.23 Activity Outside Malaysia or Activity Outside The Market Where The BMD Is Registered:

BMDs who engage, directly or indirectly, in any activity related to the BMG business in a jurisdiction outside of Malaysia must do so in a manner that complies with the letter and spirit of the applicable laws, regulations, and rules, policies and procedures of the BMG affiliate in that jurisdiction, regardless of whether they are registered BMDs in that jurisdiction. Failure to do so shall be a breach of the BMD Contract.

SECTION 5 - RESPONSIBILITIES AND OBLIGATIONS OF ALL DISTRIBUTORS

5.1 Duties and Responsibilities of Distributors:

BMD who engages in distributing activity or who introduce an BMD shall:

5.1.1 : Be in compliance with the BMD Contract and meet all requirements as set forth in the BMD Contract including BMG Business Policies.

5.1.2 : Train and motivate the BMD in accordance with BMG Business Policies, or cooperate with the core leader to ensure that this training and motivation occurs.

5.1.3 : Ensure that the BMD whom they have personally distributor and team member, fully comply with the BMG Distributor Manual and the terms of the BMD Contract including the BMG Business Policies, and all applicable laws and regulations

5.1.4 : Encourage BMDs whom they have personally distributor and team member to attend official BMG meetings and functions.

5.1.5 : Explain the responsibilities and obligations of an BMD under the BMD Contract, including the BMG Business Policies and instruct the BMD on how to operate an BMDship in accordance with the BMG Business Policies, in addition to the BMG Distributor Manual and other official BMG literature.

5.1.6 : Support and comply with the Distributor Manual and educate and assure that other BMDs whom they have personally distributor and team member do the same.

5.1.8 : Protect the distributor rights of each BMD whom they have personally distributor and team member.

SECTION 6 - PRESERVATION OF THE LINE OF DISTRIBUTOR

6.1 Six Months Inactivity:

BMD who wishes to terminate (by resignation or failure to extend) his/her BMDship under his/her present Distributor and who thereafter becomes inactive for a period of six or more consecutive months shall cease to be an authorised BMD and may, following the lapse of said inactive period, apply as a new BMD under a new Distributor. The date on which BMG receives the letter of resignation begins the inactivity period. A person who has not renewed his/her ABOship will be considered expired and must remain inactive six months from the beginning of the following month.

6.1.1 : To distribute BMD under this rule, the applicant must complete a new BMD Contract which may be obtained from BMG via online application. When BMG receives BMD Contract, BMD may grants him/her 14 days to file an objection to the inactivity claim. If evidence of activity during the six-month period is substantiated, BMG will refuse to honor the distributor.

6.1.2 : Definition of Inactivity: Inactivity for purposes of this rule shall mean that during the period of inactivity, the BMD shall be completely inactive, which means such BMD:

6.1.2.1 : Shall not have purchased products or services of BMG as BMD for personal use (although he or she may do so as a customer) ;

6.1.2.2 : Shall not have sold or supply any products or services of BMG except pursuant to the "buy-back" policy, shall not have engaged in any phase of a product sale/purchase (e.g., taking an order, making a delivery, or accepting payment);

6.1.2.3 : Shall not have presented the BMG Sales & Marketing Plan to any Prospect;

6.1.2.4 : Shall not have filed an Intent to Continue for the extension of his/her BMDship; and

6.1.2.5 : Shall not have attended any recruiting, training, or motivational meeting conducted by any BMD or any BMG meetings;

6.1.2.6 : For purposes of this Rule, the following shall NOT constitute activity and do not, therefore, interrupt the running of the six-month inactivity period so long as the former BMD is otherwise inactive:

6.1.3 Corrective Action : If any provisions to this rule are violated, BMG may take corrective action, which may include, but is not limited to, the termination of the violating BMD's BMDship, and transfer of his/her former personally distributor and team member of those distribute and/or the Business Volume generated during the period of violation to the appropriate Line of Distributor.

6.2 Sale of BMDship:

BMDship cannot be transferable.

6.3 One AMWAY Business Rule:

A BMD can only have one BMDship. If BMG finds that BMD has multiple BMDship, BMG will give BMD a 14-day notice to adjust and close the extra BMD. After 14 days, BMD has not taken action and BMG will not give notice and will immediately close the extra BMD.

6.4 Mergers and Combinations of BMDships:

No merger or combination of two or more existing BMDships by reason of intentional affirmative act on the part of the owners shall be permitted which results in the merging BMDships obtaining any level of achievement.

6.4.1 : Under no circumstances will AMWAY approve a merger which results in an ABO attaining a higher award level.

6.5 Non-Compete/Non-Solicitation:

a) **Non-Compete:** A BMD that is already qualified shall not engage in, or directly engage in, any business that may be considered to compete with the BMG business or approximate the BMG business during the period in which he/she and BMG's BMD status contract exist. A business or service, whether for the benefit of him/herself or the interests of any other person, adopts or utilizes any confidential information belonging to BMG, its customers or BMD. Confidential information includes patent information set forth in Section 4.22, except for BMG's sponsorship information, BMG's sales marketing plan, marketing strategy, technology, expertise, customer list and contacts, BMD list and contacts, customer mix, production and marketing costs, product costs, selling prices, quotations, customer and supplier specific needs and requirements, current status of all negotiations with customers, price lists, and any depending on their nature may be considered Other information about confidentiality.

A BMD is not allowed to squash, induce, intend to draw, intend to induce during his or her existence with BMG's BMD contract, whether for his or her own interests or for the benefit of any other person. Any BMD leaves BMG. In addition, a BMD may not use or utilize BMG's confidential and patent information, including but not limited to BMG's sponsorship information, BMG's sales and marketing plans, marketing strategies, technology, expertise, customer lists and contacts, BMD list and contact, customer mix, production and marketing costs, product cost, selling price, quotation, customer and supplier specific needs and requirements, current status of all negotiations with customers, price list, and any Nature may be considered as confidential other information.

b) **Non-Solicitation:** BMD shall not pull, induce, attempt to solicit, attempt to induce, during the existence of his/her contract of BMDship with BMG, whether for his/her own interests or the interests of any other person. Furthermore, BMD shall not use or exploit BMG's confidential and proprietary information which includes but is not limited to BMG's Line of Distributor information, BMG's Sales & Marketing plan, marketing strategies, technology, know-how, customer lists and contacts, BMD lists and contacts, customer portfolios, costs of production and marketing, product costs, prices, quoted prices, specific needs and requirements of customers and suppliers, status of all on-going negotiations with customers, price lists, and any other information which by its nature could be considered to be confidential.

SECTION 7 - NON-BMG PRODUCED BUSINESS SUPPORT MATERIALS (BSM)

While BMG does not require anybody to purchase BSM, BMDs may decide that they can play a useful role in building a profitable business or achieving goals. BSM are entirely optional and any BMD who chooses to promote, use, sell or distributes BSM must emphasise that the purchase is strictly voluntary. All BSM utilised in building an BMDship or selling an BMG product must comply with the Distributor Manual, the Business Support Materials Policy, and the BMG Business Policies. BSM may not be sold to non- BMD nor can the purchase of any BSM be framed as a requirement for becoming BMD. BMG does not endorse any BSM. At its sole discretion, BMG may review any BSM and determine whether or not it is suitable for use in the market. BMG's review would be solely for the determination of compliance with its Distributor Manual, Review Standards, Business Practices and BMG Policies, including quality control procedures ("Quality Control"). BMDs are responsible for compliance with all laws regarding the content, production, distribution, and sale or use of BSM. For further clarification of this rule, refer to the Affiliates BSM Policy.

7.1 BMDs Only: BMDs may produce BSM dealing with general subjects of a "how-to" nature; however, they must bear the legend "For Existing BMD Only – Not for use with Prospects."

7.1.1 : BMD who chooses to use, sell or distribute BSM, including tickets to seminars and events, may not suggest, or imply that the use of any such materials will guarantee success. All BSM shall contain the following or substantially equivalent language in a format and placement indicated by BMG: "No one can guarantee that these techniques and approaches will work for you. We hope, however, that the ideas presented here will assist you in developing a strong and profitable business. These materials have been published independently of BMG." The above language or its equivalent must appear on all seminar and event tickets.

7.2 Review: BMG reserves the right to require submission of all BSM for review and authorisation at its sole discretion. As a result of such review, BMG may require that such BSM be modified and/ or take other appropriate action(s).

SECTION 8 - PRESENTATION OF THE BMG SALES & MARKETING PLAN

8.1 Must not Give False Impression:

When inviting a prospect to hear a presentation of the BMG Sales & Marketing Plan, BMD shall neither directly or indirectly:

8.1.1 : Give the impression that the BMG Sales & Marketing Plan relates to an employment opportunity (in accordance with Section 4.11);

8.1.2 : Imply that the invitation is to a social event;

8.1.3 : Disguise the invitation as a "market survey";

8.1.4 : Promote the event as a "tax seminar" as stated in Section 8.3.3;

8.1.5 : Promote the BMG Business Opportunity as a business relationship with a person, company, or organisation other than BMG as stated in Section 4.23.1 sub point (e) above;

8.1.6 : Directly or indirectly indicate that such products are merely one line of products distributed through or as a part of a brokerage, consignment, or intermediary business operated by a person, company or organisation other than BMG;

8.1.7 : Directly or indirectly indicate that the BMG Business Opportunity, BMD or products and services merchandised through BMG are part of any business other than the BMG Business Opportunity as defined in the Distributor Manual and other official BMG literature;

8.1.8 : Fail to affirmatively indicate in connection with such invitation the true nature of such presentation and that the presentation is about the BMG Sales & Marketing Plan and the BMG Business Opportunity; or

8.1.9 : Engage in any other direct or indirect misrepresentation of the AMWAY Business Opportunity and the BMD's relationship to BMG and the nature of the BMG Business, or omit any information that a person receiving such an

invitation or attending or otherwise participating in such a presentation or event could reasonably be expected to need in order to properly evaluate the BMG Y Business Opportunity, BMG products and services;

8.1.10 : Or in any other way violate Section 4.23 above.

8.2 First Contact with Prospects:

It is a breach of the Distributor Manual or the BMG Business Policies for an BMD to mislead or fail to inform a Prospect BMD the nature of the BMD activities and, therefore, at the first contact with Prospects, BMD must:

8.2.1 : Introduce himself/herself by name;

8.2.2 : Truthfully and honestly represent the BMG Sales & Marketing Plan, its products and/or services;

8.2.3 : Truthfully and honestly respond with full transparency and candour to any questions that the Prospect has concerning the BMG Business Opportunity, BMG products and services, the BMD or BMG.

8.3 Distributor Ethics:

In seeking participation of a prospect in the BMG Sales & Marketing Plan, the BMD must comply with Section 4.23 above as well as the following:

8.3.1 : Must not say that a successful BMDship can be built in the form of a “wholesale buying club”, where the only products bought and sold are those transferred to other BMDs for their personal use;

8.3.2 : Must not say that there is no requirement for the retail sale or marketing of products by BMDs;

8.3.3 : Must not promote the enjoyment of tax benefits as the best or principal reason for becoming BMD;

8.3.4 : Must not say that the business is a “get-rich-quick” opportunity in which it is easy to achieve success with little or no expenditure of effort 8.5 or time. In the event that another BMDship is used as an example for success, that BMDship success must be verifiable and substantiated;

8.3.5 : Must not use any broadcast communication methods including mass mailings, telemarketing, national or international advertising, radio, television, facsimile services, computer communication networks including the internet, or any other means by which personal contact is not present to secure Clients or to solicit the sale of products;

8.3.6 : BMD must not misrepresent the relationship between BMG and any other company affiliated with BMG.

8.4 No Exclusive Territories:

No BMD shall represent that there are exclusive territories available. It is a breach of the terms of BMDship to make such a representation.

8.5 No Obligation to Purchase:

BMD shall not require a Prospect to purchase products and/or services and/ or that a deposit is required in order to participate, nor that there is a fee under the form of a training course, seminar, social event or similar activity in order to have the right to participate. It is a breach of the terms of BMDship to make such a representation.

SECTION 9 - USE OF THE AMWAY TRADE NAME, TRADEMARKS AND COPYRIGHTED MATERIALS

This rule has been developed to maintain the integrity of BMG’s intellectual property and to ensure that the BMG brand will be available exclusively for the BMG Business. In addition, BMG has implemented a corporate identity program that requires the correct and consistent use of the BMG corporate logo, no matter where it appears. Therefore, no alterations to the approved logotype are allowed. Upon request, BMG will provide an example of the approved logotype and colour specifications.

9.1 Misuse and Misappropriation:

BMDs shall not miss issues or misappropriate BMG's trademarks or other intellectual property or proprietary information. It is a breach of the BMD Contract for BMD to use any trademarks or other intellectual property or proprietary information belonging to or licensed to BMG except in accordance with the applicable terms, conditions and procedures set forth in the BMD Contract, including the BMG Rules and Policies.

9.1.1 : Each BMD acknowledges and agrees that BMG is the licensee of certain trademarks including, e.g., logos, service marks and other intellectual property and industrial property, including the BMG name, and various trademarks, trade names and service marks used in connection with BMG products and services, and the various designs or labels.

9.1.2 : BMDs shall not use, in connection with his/her BMG Business or any other business (including but not limited to, any business vehicle, office, phone listings, premises, or stationery) and/or on or in connection with any products, the BMG name, or trademarks, service marks or other intellectual property belonging or licensed to BMG without the prior written consent of BMG and subject always to any conditions attached to such use except as otherwise provided herein. BMG reserves the right to withdraw its consent at its absolute discretion.

9.2 Imprinted Banners/Signs for Meetings/Events:

If BMD is at the Core Leader level or above, and desires to conduct a meeting or event in which the BMG name will be displayed in public, the BMD must first obtain prior written approval from BMG for such use of the BMG name (a public meeting is one where prospects may attend). The BMD shall provide a written request to BMG for each meeting; such a request shall include a description of the proposed banners/signs, their size, materials to be used for banner/signs and location.

9.2.1 : BMDs must not produce or obtain any printed products from any source other than BMG which bears the BMG name, trademark, logo or trade name without written permission. Such permissions must be renewed for each Event/Meeting.

9.2.2 : BMG reserves the right at all times to withdraw permission to display the BMG name if standards stated are not met, of which BMG shall be the sole judge.

9.3 Imprinted Business Cards:

Provided that BMD is otherwise in full compliance with the Distributor Manual and all other provisions of the BMD Contract, BMD may use the BMG name (but not the BMG trademark, logo or any other trademarks, trade names, or service marks belonging to or licensed to BMG), on his/her imprinted business cards provided that name is used in one of the following ways with no deviation:

(common name)

BEAUTE METHOD GROUP DISTRIBUTOR (BMDship)

9.3.1 :

Authorisation for use of the BEAUTE METHOD GROUP name on BMDs's business cards must be requested in writing to BEAUTE METHOD GROUP's Sales departments. This request will be reviewed by BEAUTE METHOD GROUP prior to approval.

9.3.2 :

Any written approval for the use of the BMG name on business cards must be renewed annually. No BMDs may refer to himself/herself other than as an BMDs on business cards.

9.3.3 :

An BMDship may not promote any other activities unrelated to the BMG business on their imprinted business cards, including but not limited to, the placement of information, trademarks, trade names, logos or service marks relative to any training or education company, system or program the BMDs owns, controls or participates in.

9.4 Promotional Literature, Stationery, Premiums, etc.:

BMDs shall not produce or procure from a source other than BMG any item bearing the BMG name or logo or any trademarks, trade names or service marks belonging to or licensed to BMG.

9.5 Use of Internet/Website/Wechat/Facebook/Instagram/Whatsapp:

9.5.1 : BMDs may create a personal home page/social media to provide and share information on their business and themselves with friends and team members.

9.5.2 : BMDs at their own cost may purchase hardware or software for computers, subscribe to the Internet service provider and maintain the website/Wechat/Facebook/Instagram/Whatsapp at their own cost.

9.5.3 : BMDs' website/Wechat/Facebook/Instagram/Whatsapp must be pass code protected. Such pass codes must not be easily determined by uninvited individual seeking entrance.

9.5.4 : Use of the website or any broadcast communication methods, including mass mailing, telemarketing, national or international advertising through radio, television, facsimile services, computer communications network or any other means by which person to person contact is not present, as a channel for the dissemination of mass communication or information whether in graphic, printed or audible form with the purpose of offering business opportunities, securing customers, selling or to promote the sales of products, or the sales or offer for sale of business support materials by BMDs is prohibited.

9.5.5 : BMDs are prohibited from using the website for sending, transmitting or otherwise communicating of any unsolicited e-mail messages to persons with whom the BMD does not have a pre-existing personal or business relationship.

9.5.6 : Website's/Wechat/Facebook/Instagram/Whatsapp content must comply with BMG's and must contain a privacy statement that is consistent with local laws.

9.5.7 : Websites/Wechat/Facebook/Instagram/Whatsapp are not to be used for the offer or sales of products and are to be operated and maintained in compliance with all Malaysia laws, regulations and codes and there shall be no unauthorised use of intellectual property rights of others.

9.5.8 : BMDs shall provide and register with BMG their website's access pass code. BMG shall have right of access to BMDs websites and any contents deemed inappropriate by BMG must be changed whether by way of editing, deletion or addition if BMG so directs.

9.5.9 : Meta tags of any kind are not permitted.

9.5.10 : E-mail addresses are permitted but such e-mail addresses must not appear in the home page.

9.5.11 : A prospective BMDs shall not be required as a condition to becoming a new BMD or any currently authorised BMD shall not be required as a condition to receiving assistance in the development of his/her business from his/her Sponsor, to purchase hardware or software for computers, subscribe to an Internet service provider or establish a website.

9.5.12 : BMDs shall not without the written consent of BMG use BMG's intellectual property including trade or service marks or any variations likely to cause confusion with BMG's trade or service marks in their website addresses or e-mail addresses including a meta tag or other site locator.

9.5.13 : BMDs shall not make any representations in their websites that expressly or imply in any manner to guarantee success in any aspect of the BMG Business Opportunity.

SECTION 10 - BREACH OF CONTRACT; PROCEDURES

10.1 Procedures

10.1.1 Investigation:

When BMG believes that a breach of the Distributor Manual or the BMG Business Policies has occurred, will occur, or is threatened to occur, BMG may investigate the activity of the BMD at issue. BMG may undertake this investigation on its own initiative or when requested by another BMD who has submitted a written complaint to BMG as provided in Section 10.1.2.

10.1.2 Complaints by BMD:

A BMD who believes that another BMD has breached the BMG Business Policies and/or the Distributor Manual, or who has personal knowledge of the activities leading to such alleged breach, shall notify BMG in writing of the alleged breach and all facts connected with it. A copy of this notification shall be provided either by the BMD or BMG to the BMD's leader.

10.1.2.1 : On receiving this notice BMG will notify the appropriate BMD of the complaint and request an immediate response.

10.1.2.2 : If the complaint and response do not contain sufficient facts upon which to make a decision, additional information may be requested from any party by BMG.

10.1.2.3 : When BMG believes that it has sufficient information regarding the facts and circumstances relevant to the complaint, BMG will decide whether there has been a violation of the BMG Business Policies or other breach of the Distributor Manual and will take appropriate action in accordance with Section 10.

10.1.3 Notification of Action

10.1.3.1 : BMG will forward a decision letter to the violating BMD, as well as the Distributor and the Core Leader BMD of the sanctioned BMD. The decision letter will list the specific complaint(s), outline the corrective action to be taken and, if appropriate, set a time limit for the BMD to comply.

10.1.3.2 : Any notice shall:

10.1.3.2.1 : Be mailed, e-mailed or sent by registered mail or other confirmable method allowable by law to the address. Claim of failure of a BMD to receive a notice shall not delay the action by BMG; and

10.1.3.2.2 : If applicable, state the Section(s) of the Distributor Manual or other provisions of the BMD Contract violated or breached by the BMD; and

10.1.3.2.3 : State the date of which any such action shall become effective; and

10.1.3.2.4 : If applicable, advise the BMD of his/her opportunity to seek Review of BMG's decision by the Review Panel.

SECTION 11 - BREACH OF CONTRACT; SANCTIONS

11.1 Sanctions:

In the event BMG at its sole discretion determines that there has been a breach of the Distributor Manual or the BMG Business Policies by BMD, BMG may take one or more of the following actions:

11.1.1 : Terminate the BMDship by providing the BMD with a written notice of termination at his/her specified address or by some other suitable or electronic means or as allowed by law; or

11.1.2 : Require the BMD to attend training; or

11.1.3 : Suspend specific authorisations under the BMDship, such as by way of example and without limitation, the BMD opportunity to distributor, to purchase or sell BMG products and services, or to conduct similar activities associated with the BMG Business;

11.1.4 : Remove the BMD as a Distributor of any team member also called “de-distributing” and/or restrict the BMD’s authority to Distribute others;

11.1.5 : Remove any qualification and require return of any objects evidencing such qualification (by way of example and not limitation, such as pins, certificates, etc.); or

11.1.6 : Require written acknowledgement of the breach(es) and an undertaking not to breach the BMD Contract in the future; or

11.1.7 : Take any action short of termination of the BMDship as may be permissible under applicable law and appropriate in BMG’s sole discretion to address the specific breach(es);

11.2 No Waiver:

The failure of BMG to take any action upon learning of a breach or potential breach shall not constitute a waiver of BMG’s rights to assert such a breach in the future. The failure of a BMD to take any action upon learning of a breach shall not constitute a waiver of any other rights or remedies that may be available under applicable law.

11.3 Suspension:

BMG reserves the right to determine the specific terms of each Suspension on a case by case basis. In the event of any breach of contract by a BMD, BMG may take action to suspend some or all of the BMD’s privileges under the BMDship, including but not limited to:

11.3.1 : Withholding Bonus for payment of higher award monies pending final resolution of the matter; and/or

11.3.2 : Suspending authorisation to conduct distributing activity (distributing, recruiting meetings, training sessions, home presentations, etc.); and/or

11.3.3 : Suspend invitations to company-sponsored seminars, trips and events; and/or

11.3.4 : Conduct reorientation and retraining meetings; and/or

11.3.5 : Require that BMD provide BMG with recordings of their BMG Sales & Marketing Plan presentations.

11.4 Actions on Termination:

Upon termination for any cause whatsoever, the BMD shall:

11.4.1 : Cease to identify himself/herself as a BMD.

SECTION 12 - DISPOSITION OF TERMINATED OR NON-RENEWED BMDSHIP

12.1 Abandonment:

When an BMDship is terminated or not renewed, the BMDship is considered abandoned, and the signatory to the BMD Contract shall have no further rights in the BMDship.

12.2 No Limitation on BMG

BMG, however, is in no way limited to any of the above methods of disposition of BMG business and may exercise complete discretion as to methods and/or timing of disposition.