

VIVA Life Science Sdn Bhd, hereinafter sometimes referred to as the "Company", is a multi-level marketing company which has direct contractual relationships with its Independent Distributors. The Company sells its products to and through its Distributors and because of the person-to-person nature of the sales method employed by the Company, it is essential that the Company obtains a high degree of loyalty and motivation among its Distributors and that its Distributors comply with all applicable statutes, laws, regulations and ordinances.

The contract between the Company and its Distributors (the "Agreement") includes the Distributors Application and Agreement signed by each Distributor prior to acceptance by the Company, the Policies and Procedures, the Company's compensation plans which include the VIVA Wellness Business Plan, the (optional) Genealogy Non-Disclosure Agreement and other publications and documents published by the Company, from time to time containing rules and regulations binding upon its Distributors.

In order to maintain a viable network marketing program, the Company expressly reserves the right from time to time to make such amendments or modifications to its Agreement with its Distributors, which the Company deems necessary or advisable in its sole discretion. Such amendments or modifications shall become binding upon the Company and its Distributors upon publications by the Company or such date thereafter as the Company shall specify.

The Distributor's continued participation in reselling the Company's products, promoting the Company's business or accepting compensation from the Company after the publication of such modifications shall constitute the Distributor's acceptance of and agreement to those modifications and shall constitute a legally binding amendment of the Distributor's Agreement with the Company.

The following Policies and Procedures become effective November 2016. They supersede and replace any previously published Company materials, including previously published Policies and Procedures.

## DISTRIBUTOR STATUS

### 1. Distributor

A Distributor is someone who has read, completed and agreed to be bound by each term and condition of the VIVA Life Science Distributor Application and Agreement, and who has been accepted by the Company as a Distributor. A Distributor must be of a legal age to enter into binding contracts. The Company reserves the right to decline any Distributor Application.

The term "Distributor" is used to refer to all persons at all positions in the VIVA Wellness Business Plan. The Policies and Procedures are applicable to all Distributors of the Company.

The success of the Company's business and that of its Distributors is based upon retail sales to the end consumer. Distributors shall not purchase or encourage other Distributors to purchase quantities of product in excess of that needed for their own personal or family use, retail sales activity and to service the needs of their downlines and consumers. Encouraging others to purchase inventory in excess of that amount is "Inventory Loading" and its strictly prohibited.

Distributors are not required to maintain an inventory of the Company's products. No purchases or investments are required for the right to sponsor other Distributors or to distribute the Company's products.

The Company's Distributors are not assured or promised any specified amount of earnings. A Distributor's earnings will depend upon his/her resale of Company products and the recruitment of others who are successful at reselling the Company's products.

No individual may participate in more than one (1) Distributorship in any form at any time, whether directly or indirectly and whether legally or beneficially. A husband and wife are prohibited from having separate Distributorships.

### 2. Independent Contractor

All Distributors are independent contractors of the Company, solely responsible for their own business activities and for the payment of all taxes or fees.

Distributors are not employees of the Company for tax purposes or for any other purposes (including but not limited to, income tax, or any other laws, regulations or taxes covering employees). For other tax matters see section 6, "Taxation".

Distributors are not franchisees, joint venturers, partners or agents of the Company and they are expressly prohibited from stating or implying anything to the contrary. Distributors shall have no right or power to incur any debts, contracts, obligations or liabilities on behalf of or binding upon the Company.

### 3. Corporations and Partnerships

A partnership or corporation may become a Distributor. A Distributor may change status under the same sponsor, from the individual to partnership or from partnership to corporation, with proper and complete documentation.

To form a new Distributor position as a partnership or corporation or to change status to one of these forms of businesses, all partners, stockholders, officers, directors in all partnership or corporation and all shareholders, partners or other holders of an equity or income interest must sign the Application forms and agree to be bound by the Distributorship's Agreement with the Company. A list of the names of each shareholder of the corporate application or the names of each partner of the partnership application must accompany the Distributor Application form. The partner or officer who submits this letter must be authorised to enter into binding contracts on behalf of the partnership or corporation. All legal documentation should be submitted with the Distributor Application, included but not limited to articles of incorporation, charters, licenses, shareholder agreement, partnership agreements and other pertinent legal information. The Distributor

Application will be rejected without such documentation.

In addition, the Distributor Application must contain a certification that no person with an interest in the business has had an interest in a Distributorship within six (6) months of the submission of the letter (unless it is the continuation of an existing Distributorship that is changing its form of doing business).

### 4. Fictitious Business Names

A person or entity may apply under a fictitious business name, provided formalities under local law (as to publication or registration or both) are satisfied and the Distributor Application includes the signatures of all persons acting under or holding an interest in the Distributorship.

### 5. Indemnity Agreement

Distributors hereby agree to indemnify and hold harmless the Company, its officers, directors, shareholders, agents and employees against any claim, demand, liability, loss, cost, or expenses, including but not limited to attorney's fees, arising or alleged to arise in connection with the Distributor's act or omissions.

### 6. Taxation

Distributors are responsible for paying the taxes due as a result of their activities, including taxes on their sales and earnings as a reseller of the Company's products and their earnings under the Company's Wellness Business Plan. Distributors shall comply with all local law, regulations and ordinances relating to the operation of their businesses. Distributors are responsible for their own managerial decision and expenditures including all estimated income and self-employment taxes.

### 7. No Exclusive Territories

There are no exclusive territories for marketing or recruiting purposes, nor shall any Distributor imply or state that he or she does have an exclusive territory. There are no geographical limitations (within Malaysia) on Distributor sponsorship.

### 8. Inactive Distributors

Distributors who fail to achieve any Personal Bonus Volume for twelve (12) consecutive months thereby voluntarily and automatically terminate their Distributor relationship with the Company and will consequently forfeit all sponsorship rights, position earned and corresponding compensation.

### 9. Contractual Interference

Distributors are not restricted from selling other products or becoming Distributors for any other network marketing company. However, the Company's Distributors hereby agree that so long as they remain Distributors of the Company (and thereby deriving economic benefits from such activity) they shall not, directly or indirectly (including by encouraging others to do what they may not themselves do) solicit or otherwise attempt to persuade any Company Distributor to sell, resell or promote the products or services or business opportunities of any other direct sales, multi-level marketing or network marketing company, or attempt to persuade any Distributor to substantially decrease his/her activities as a Distributor of the Company. Such acts directly interfere with the contractual relationships and favourable economic relations between the Company and its Distributors. Violators of this policy will immediately be subject to termination and the Company may pursue all available remedies by law and in equity, including those relating to breach of contract and tortious interference and including those affording injunctive relief.

## SPONSORING, TRAINING AND DISCIPLINARY ACTION

### 10. Sponsoring

- Distributors may sponsor other persons to become Independent Distributors for the Company within Malaysia. However, sponsors will be compensated only for the generation of bonus volume, not for sponsoring new distributors into the program.
- International sponsoring will be approved by the Company in its discretion, where and when all necessary approvals have been obtained and other entrance requirements satisfied. International sponsoring in advance of Company approval shall be grounds for immediate termination.

### 11. Distributor Responsibility

Each Distributor shall use his/her active and best efforts at all times to promote and sell the Company's products and to promote the Company's business opportunity. Any Distributor who chooses to sponsor other Distributors must thereafter use his/her best and continuing efforts to provide bona fide guidance, encouragement and support to sponsored Distributors and their downlines. Distributors are responsible for supervising and supporting Distributors they sponsor and those who are in their commissionable downline. Sponsoring Distributors shall maintain monthly communication and support to Distributors in their downline, including personal contact, telephone communication, written communication and attendance at Distributor meetings. Distributor who sponsor new Distributors are required to ensure that they are properly trained with respect to the Company's product line, Policies and Procedures, VIVA Wellness Business Plan and sound business practices. Specifically, a sponsor's training responsibilities include:

- Spending as much time with a new Distributor as is required to introduce him/her to the Company's product line, VIVA Wellness Business Plan and Agreement with its Distributors, including the Policies and Procedures.
- Training the new Distributor to correctly complete a sale, including how to fill out Distributor Application Forms.
- Initiating periodic contact for the purpose of training and motivating new Distributors. New Distributors outside the sponsor's geographical area should be supported by sufficient mail, fax and telephone contact.

## 12. Transferring Sponsorship

The decision whether to allow a transfer of sponsorship will be made in the Company's sole discretion and will be permitted only in extraordinary circumstances. The Company does not permit, except under very special circumstances, the transfer of a Distributor from one sponsor to another. A request for transfer of sponsorship pertains only to the Distributorship making the request and does not include his/her downline organisation. In order to change sponsors, the Distributor must:

- a) Have a valid reason for the change.
- b) Submit a letter to the Company requesting the change and explaining the reason for the change. This letter must have the signatures of all his/her Upline Distributors up to the sixth generation of Distributors.
- c) Pay a processing fee upon request of change, as specified by the Company.

## 13. Voluntary Termination

A Distributor may voluntarily terminate his/her Distributorship at any time by sending a written and notarized notice to the Company (no faxes accepted). Voluntary termination is effective upon receipt of such notice by the Company at its corporate office. Notification of the termination may be forwarded to affected parties.

A Distributor who voluntarily terminates his/her Distributorship and wishes to become a Distributor again may return under the same sponsor at any time and there is no waiting period. However, he/she must re-submit the Distributor Application and Agreement form, begin as an Associate and then build his/her new sponsored downline.

A Distributor may resign and after six (6) months of inactivity and be sponsored as a new Distributor by any sponsor. He/she must resubmit the Distributor Application and Agreement form, begin as an Associate and then build his/her new sponsored downline.

## 14. Involuntary Termination

The Company reserves the right to terminate the Distributorship of any Distributor who, in the judgement of the Company has violated the terms of the Distributor's Agreement with the Company (including but not limited to the Distributor Application and Agreement and the Policies and Procedures as amended from time to time) or for any other acts or omissions which the Company deems to be inimical to the best interests of other Distributors and of the Company. Involuntary termination shall be effective when mailed by registered mail (return receipt requested) or sent by air freight service to the Distributor's current address as shown on the Company's corporate records or when the Distributor receives actual notice, whichever comes first.

## 15. Effect of Termination

Voluntary or involuntary termination results in the termination of the status, rights and benefits of the Distributor under the Agreement between the Distributor and the Company, including any income with respect to his/her sponsored downline. Upon termination, Distributors agree to immediately cease selling the Company's products, sponsoring Distributors, using the Company's promotional materials, trademarks, trade names, service marks, logos and colour schemes and representing him/herself as a Distributor or acting in any way which may be adverse to the business of the Company or its Distributors. The existing downline of the Distributor moves up. However, the Company reserves the right, following a Distributor termination, to hold the Distributorship position open in order to provide funds for litigation, or for any other reason deemed appropriate by the Company.

## 16. Suspension

The Company reserves the right to suspend any Distributor who violates the terms of the Distributor's Agreement with the Company (including but not limited to the Distributor Application and Agreement and the Policies and Procedures as amended from time to time) or for any other acts or omissions which the Company deems to be inimical to the best interests of other Distributors or to the Company. Suspension shall be effective when mailed by registered mail (return receipt requested) or sent by air freight service to the Distributor's current address as shown on the Company's corporate records, or when the Distributor receives actual notice, whichever comes first.

## 17. Effect of Suspension

Suspension of a Distributorship may constitute, throughout the term of the suspension, a suspension of some or all of the benefits normally accorded a Distributorship in good standing. The Company reserves the right in its sole discretion to determine the period of suspension. The right of a suspended Distributor to receive compensation from the Company ceases immediately from the date of suspension through the end of the suspension period. A suspended Distributor must cease selling the Company's products, sponsoring Distributors, using the Company's promotional materials, trademarks, trade names, services marks, logos, colour schemes, representing him/herself as a Distributor and acting in any way which may be adverse to the business of the Company or its Distributors.

## 18. Other Disciplinary Action

The Company reserves the right to fashion and apply other disciplinary actions such as suspension of some or all of the commissions where the Company deems it appropriate in its discretion.

## 19. Appeal

A suspended or terminated Distributor may appeal the suspension or termination by submitting a letter of appeal which states the grounds of the appeal. This letter must be received by the Company within fifteen (15) days of the date of the mailing of the Company's suspension or termination notice.

In the case of a suspension, if the Company has not received a letter of appeal by that deadline, the Company reserves the right to terminate the Distributor immediately. If the appeal of a suspension is denied, the company reserves the right in its sole discretion to determine the period of suspension or whether to terminate the Distributor.

In case of a termination, if the Company has not received a letter of appeal by that deadline, the

termination shall automatically become final. If the appeal of the termination is denied, the termination shall remain in effect as of the date of the Company's original termination notice.

## 20. Limits of Transferability

No Distributor may sell, assign or otherwise transfer his or her Distributor entity (or rights) except as follows:

- a) The sale of the Distributorship must first be offered in writing with terms and conditions including prices to the Company. The Company shall have a right of first refusal. The Company shall have ten (10) business days to accept or reject the offer. If the Company agrees to the specific terms of the sale, it shall be entitled to purchase the Distributorship. If the Company purchases the Distributorship, it reserves the right to hold open and retain ownership or sell or transfer ownership of the Distributorship, in its sole discretion.
- b) If the Company declines, the Distributorship must next be offered in writing to the Distributor's first immediate upline with the same terms and conditions, including price, as offered to the Company. The Distributor's first immediate upline shall have the right of second refusal. The first immediate upline shall have ten (10) business days to accept or reject the offer. If the first immediate upline agrees to the specific terms, the Company has the right to match the offer within ten (10) business days and shall be entitled to purchase the Distributorship. If the Company chooses not to purchase the Distributorship, the first immediate upline shall be entitled to purchase the Distributor entity. If the first immediate upline chooses to purchase the Distributorship, the seller's position will be consolidated with the purchaser's position, and all existing downline will move up one level to the immediate upline of the selling Distributor.

If the first immediate upline declines, the Distributor must submit to the Company a notarized notification of denial from his/her first immediate upline. The Distributorship may then be offered to any person outside the VIVA Life Science organisation. It must be offered to such person(s) on the same terms and conditions, including price as offered to the Company and the first immediate upline. If the person(s) outside the VIVA Life Science organisation agrees to the specific terms, the Company has the right to match the offer within ten (10) business days and shall be entitled to purchase the Distributorship. If the Company chooses not to purchase the Distributorship, the person(s) outside the VIVA Life Science organisation shall be entitled to purchase the Distributorship. However, this sale to person(s) outside the VIVA Life Science organisation is subject to the Company's right of approval or disapproval, in its sole discretion. The Company must first receive the proposed Purchase and Sale Agreement, including terms of payment and a Distributor Application from the purchaser of the Distributorship, as well as such further information and documentation to evaluate the purchaser, terms of sale and such other matters that the Company shall deem relevant or necessary for the exercise of its rights of approval or disapproval.

- c) A Distributorship or any rights, direct or indirect, relating to a Distributorship may not be sold or otherwise transferred by the Distributor without prior written approval of the Company, in its sole discretion. No sale will be approved unless it includes a covenant by the seller not to solicit his/her downline Distributors for at least six (6) months after the effective date of the sale. A Distributorship or any right thereto which is under suspension, or subject to any disciplinary action or any investigation by or on behalf of the Company, may not be sold or otherwise transferred while such condition continues.
- d) The purchaser of a Distributorship shall be responsible for all acts or omissions of the seller in contravention of the Agreements for a period of six (6) months after the date of the sale or transfer.

## 21. Changes in Distributorship Status

- a) Death - Upon the death of a Distributor, the rights and responsibilities of the Distributorship are passed on to the rightful heir(s). The heir(s) shall be bound by the terms and conditions of the original Distributor Agreement and by the Company's Policies and Procedures, including all qualification requirements of the compensation plans.
- b) Divorce - Upon divorce, the Company must be notified which former spouse will assume ownership of the Distributorship as determined by a court of competent jurisdiction. A change in ownership of the Distributorship will not take place until the Company receives a copy of the divorce documentation. Should the party who does not assume ownership of the Distributorship desire to remain a Distributor, he/she may do so by submitting a new Distributor Application at the time the divorce documentation is submitted to the Company. He/she shall then be entered as a new Distributor under the sponsor.
- c) Marriage - If two existing Distributors marry and one is directly sponsored by the other, they must either consolidate the two Distributorships into one Distributorship, or they must sell one Distributorship. If there is not a direct sponsorship between the two Distributors who marry, they must sell one Distributorship, according to the policies set forth in section 20, "Limits of Transferability".
- d) Dissolution of Corporate or Partnership Distributorship - Upon the dissolution of a corporation or termination of a partnership which owns the Distributorship, the ownership of the Distributorship will be transferred pursuant to the agreement among the shareholders or partners or upon the court of competent jurisdiction upon written notification to the Company. If one or more of the partners or shareholders in a Distributorship terminates his/her ongoing relationship with the Company by leaving the partnership or disposing of his/her shareholdings, such parties including the departing parts, shall continue to be bound by the terms of section 9, "Contractual Interference", and section 22, "Confidentiality Agreement". If a dispute arises over the disposition of the partnership interest, assets, shareholdings, corporate assets or the income from the Distributorship, the Company may suspend the Distributorship and hold all commissions and bonuses until the dispute over the disposition is resolved by the agreement between the parties or by an order of a court of competent jurisdiction.

## 22. Personal Information

By signing up the Distributor Application and Agreement, the personal information will be

processed by the Company and hereby expressly give consent to all information submitted will be held by the Company. VIVA Life Science is the exclusive owner of all the information, which is derived, compiled, configured and maintained by VIVA. The Distributor acknowledges all the information is owned by VIVA through the considerable expenditure of time effort and resources.

The data will be treated as confidential and utilizes in connection with VIVA's business. All Distributors are responsible for any updates or changes to their personal information to VIVA.

### **23. Confidentiality Agreement**

Information contained in any downline report, bonus recap, Genealogy or any other confidential report or document provided to a Distributor by the Company is a "trade secret" of the Company and is transmitted to the Distributor in confidence. The Distributor agrees that for the term of the Distributor Agreement and in perpetuity thereof he/she will not disclose any such information to any third party, directly or indirectly or use the information to compete with the Company or for any purpose other than supporting his/her own downline's VIVA Life Science business. By completing the Distributor Agreement, the Distributor and the Company agree that without this agreement of confidentiality and non-disclosure, the Company would not provide the information to the Distributor. Distributors requesting a Genealogy or mailing labels will be required to sign a Genealogy Non-Disclosure Agreement. Otherwise the Company will not provide this information to the Distributor. The Company reserves the right in its sole discretion, to approve or disapprove any Distributor's request for a Genealogy.

Distributor shall promptly return any and all the information or any copy of same to VIVA upon resignation or termination of his or her Distributorship and shall refrain from any further use.

### **24. Adding or Deleting a Co-ApPLICANT**

A Distributor must request and submit a letter to the Company's Operations Department requesting the addition or deletion of a co-apPLICANT. This letter must be signed and notarized.

## **TRADEMARKS, LITERATURE AND ADVERTISING**

### **25. Limited License**

The Company has certain trademarks, service marks, trade names, slogans, symbols and colour schemes which are proprietary. Except for marketing materials, sample products and advertising provided or sold to the Distributors by the Company, the Distributors shall not use or display such trademarks, service marks, trade names, slogans, symbols and colour schemes without written permission from the Company.

### **26. General Advertising and Claims**

- a) Distributors shall not advertise the Company's products or business opportunity, including the VIVA Wellness Business Plan, in print or through any electronic medium except as specifically contained in the Company's official literature. Distributors agree to make no false and unsubstantiated claims or fraudulent representation about the Company, the products, the VIVA Wellness Business Plan or income potential. No claims as to the Company's products, including but not limited to any therapeutic or curative properties about the products may be made, except those contained in the Company's official literature. Distributors who violate the advertising policies are subject to immediate termination.
- b) Distributors shall not advertise the Company's products or business in any way other than by use of advertising or promotional materials made available to the Distributor by the Company. These materials may not be modified or enhanced other than by the insertion of the Independent Distributor's name, address and/or telephone number.
- c) Distributors are prohibited from using the Company's trademarks, service marks, trade names, slogans, symbols and colour schemes for advertising in a manner that would suggest or imply that they are employed by or are agents of the Company.
- d) All advertisements must provide the names of only active Independent Distributors.

### **27. Literature and Sales Aids**

- a) All the Company's materials, whether printed, on computer disk, on film or produced by audio or video recording are copyrighted and may not be reproduced in whole or in part by Distributors or any other person unless authorized by the Company. Television and radio broadcasts are prohibited.
- b) Distributors may not produce, use or distribute any information relative to the contents, characteristics or properties of the Company's products which has not been provided directly by the Company. This includes but is not limited to print, audio, video or electronic media.
- c) Distributors may not produce, sell or distribute literature, films, audio recordings, video recordings or computer disks which are deceptively similar in nature to those produced, published, and provided by the Company for its Distributors. A Distributor may not purchase, sell or distribute non-VIVA Life Science materials which imply or suggest that said materials originate from the Company.

### **28. Telephone Answering / Messages VIVA Life Science**

All Distributors are independent contractors and are prohibited from answering the telephone and/or using any telephonic message device that would in any way represent or imply that they are employed by or are the agents of the Company.

### **29. Telephone Listing**

Distributors may be listed in telephone directories white or yellow pages as follows:

"Smith, Jane and John, VIVA Life Science Sdn Bhd Independent Distributor, Address and/or Telephone Number" OR

"VIVA Life Science Sdn Bhd Independent Distributor, Name, Address, and/or Telephone Number"

### **30. Telephone Solicitation**

The Company prohibits the use of its trademarks, service marks, trade names, slogans, symbols or any of its product trade names or any copyrighted materials through telephonic devices, including

computer networks, facsimile machines or other automatic calling devices for the purpose of soliciting potential Distributors or retail customers.

### **31. Media**

Media opportunities are not individual sales opportunities. All media opportunities must be referred to the Company's Sales and Marketing Department. Distributors must not have any contact with the media unless written authorization is received from the Company.

### **32. Donations**

- a) Distributors are permitted to make personal donations of product or funds to an organisation or program provided they do not represent the donation as being from the Company.
- b) Donations may not be made for the purpose of soliciting media coverage. If coverage of an event is solicited by the media, the Company's Sales and Marketing Department must be notified immediately to review the media opportunity.

### **33. Business Cards**

A Distributor may order business cards using an independent printer. If a Distributor's relationship with the Company has terminated, he/she must immediately cease using and destroy all business cards having the Company's trademarks, trade names, service marks, logos or colour schemes.

### **34. Labeling and Packaging**

Distributors may not re-label, re-package or modify the Company's products in any way.

### **35. Fairs and Trade Shows**

Distributors are permitted to promote, display and retail the Company's products at fairs and trade shows. However, each Distributor is responsible for contacting the local authorities regarding any required permit or like document with regard to participating in a trade show and/or convention. If a permit or like document is required, a copy of the specific permit or like document must be submitted to the Company for our permanent records.

### **36. Application and Agreement**

Rebates, bonuses and commissions are not earned and will not be paid for activities until the Company has received and approved signed Distributor Application and Agreement forms from the Distributor and his/her sponsor.

### **37. Calendar Month**

Rebates, bonuses and achievement levels are calculated on a calendar month basis. The last business day of the month is month-end.

### **38. Payment Date**

Rebate and bonus cheques for VIVA Wellness Business Plan are paid on or about the 15th of the month following the month in which the rebates and bonuses were earned. For example, rebates and bonuses earned during the month of August are paid on or about September 15. Commissions earned on international volume are paid on or about the 25th of the following month in which they were earned.

### **39. Bonus Recap Report**

The Bonus Recap Report should be reviewed immediately by the Distributor and any discrepancies must be reported within thirty (30) days. In the event the Distributor fails to do so, it will be presumed that he/she agrees with the correctness, accuracy and fairness of the statement rendered to him/her.

### **40. Keeping Track of Bonus Volume**

Distributors are responsible for keeping track of their actual Personal and Group Volume during any given month and should not rely on the Company for interim reports. Information on Bonus Volume that is provided by the Company anytime during the month is subject to change due to returns, non-payment, breakaways, etc. Purchase of sales aids and literature do not count towards Personal or Group Bonuses. Shipping, handling, sales tax, special handling charges and individual unit charges do not apply towards Personal or Group Volume.

### **41. Accounts Receivable Balances**

The Company reserves the absolute right to deduct from the Distributor's bonus and/or rebate cheques from any account receivable balance that the Distributor owes the Company, together with a sum of one percent (1%) per month calculated on the overdue balance as administrative fees.

## **PURCHASE AND SALE OF PRODUCTS**

### **42. Stockpiling and Inventory Loading Prohibited**

The Company encourages each Independent Distributor to keep accurate sales records. The program is based upon retail sales to the ultimate consumers; therefore, all forms of stockpiling or inventory loading are prohibited. The Company recognizes that Distributors may wish to purchase products in reasonable amounts for personal consumption. However, the Company strictly prohibits the purchase of products in unreasonable amounts, or otherwise, for the purpose of qualification or advancement in the VIVA Wellness Business Plan.

### **43. Seventy Percent Retail Rule**

The success of the Company's business is based upon retail sales of the Distributor to the end consumer and on the Distributor's own reasonable personal consumption. A Distributor must sell at wholesale and/or retail at least 70% of the total amount he/she purchased during any given month in order to receive Director's and Leadership Bonuses. The Distributors are required to hold the retail receipts of their retail sales activity and produce proof of these receipts to the Company upon random checks. The Company's purpose is to ensure that these products are purchased for the purpose of retailing and reasonable personal consumption and not for the purpose of qualifying for the Director's and Leadership Bonuses. The Company reserves the right to withhold the payment of all Director's and Leadership Bonuses to Distributors who do not adhere to the 70% Retail Rule.

#### 44. Retail Sales

The Company's program is built upon retail sales to the ultimate consumer. The Company will recognize retail sale purchases by non-Distributors and/or purchases by Distributors for personal or family use in reasonable amounts.

#### 45. Payment Options

All payments for the products of the Company may be made by the Distributor in cash, credit cards and/or through bank-to-bank wire transfer.

#### 46. Receipts and Retail Pricing

Distributors are required to provide all retail purchases of products with written receipts. Distributors must sell the products of the Company at the current recommended retail price as set by the Company which has the absolute discretion to vary it from time to time.

#### 47. Price Changes

All VIVA Life Science product and marketing material prices are subject to change without prior notice.

### RETAIL GUARANTEE AND REFUND POLICY

#### 48. Customer Returns

a) Distributors are required to offer a thirty (30) days, 100% unconditional money-back guarantee to all retail customers, excluding shipping charges. Every Distributor is responsible for honouring this guarantee. If a retail customer is dissatisfied with any VIVA Life Science product for any reason, he/she may return that product to the Distributor from whom it was purchased within thirty (30) days for either a replacement or a full refund of the purchase price, excluding shipping charges. When a Distributor receives the product, he/she may exchange the product with the Company for a new packaged unit within thirty (30) days. Exchanges for products other than what was ordered will be subject to a 10% restocking charge.

b) Distributors are required to offer a sixty (60) days, 100% unconditional money-back guarantee to all retail customers on the purchase of VIVA skin care products & TLV series skin care products.

#### 49. Distributor Exchanges

Distributors may exchange products in reusable and resaleable condition at any time within thirty (30) days of purchase. Shipping costs for returned items shall be borne by the Distributor. Exchange of products will be subject to a 10% restocking charge.

#### 50. Inventory Repurchase Policy

A Distributor who terminates his/her participation in the VIVA Wellness Business Plan may return unopened inventory (products) in resaleable condition (freight at Distributor's expenses). The Company will refund to the terminating Distributor the net cost less a 10% restocking fee and all bonuses already paid to the Distributor for merchandise returned by that Distributor and less appropriate claims and set-offs which the Company has against that Distributor including bonuses paid to the Distributor upon the volume of his/her downlines upon or following the return of their merchandise. The Company will deduct from upline Distributors bonuses previously paid to them for merchandise returned by their downline Distributors. The Company is not required to repurchase products after their commercially reasonable usable or shelf-life period has passed, nor seasonal, discontinued or special promotion products which Company disclosed prior to the Distributor's purchase of them that they are not subject to the Company's repurchase obligation.

The Company's repurchase obligation is not intended to apply as a means of facilitating the movement of established individuals from one company's selling program to another, nor will it apply in cases involving the proselytising of sales people from one company to another. Rather, the repurchase provision is solely intended to cover the individual who wishes to leave the business and believes that he/she was ill advised to purchase more inventory than he/she can sell.

The Company is not required to repurchase inventory from a person who in order to qualify for a bonus or other benefit, has falsely certified that previously ordered inventory has been resold.

#### 51. Distributor's Returns

Distributors may return products in saleable and useable condition at any time within one hundred and eighty (180) days of purchase and receive 90% refund on products. All refunds are offset by the amount of commissions and rebates paid on returned items. Freight costs for returned items shall be borne by the Distributor. The Company is not liable to buy back any expired products. Payment will be made within sixty (60) days of actual receipt of returned item(s).

Prior to the return of any products, the Distributor must request authorisation by calling the Operations Department.

#### 52. Ordering

The Company's support team knows how important it is to fill the Distributor's order quickly and accurately. It is necessary for the Distributors to help the Company achieve this by following the ordering and delivery rules and regulations outlined herein.

#### 53. Telephone Orders

The Company may accept telephone orders only from Distributors whose applications have been received accepted and entered into the Company's computer database. Before calling in to place an order, the Distributor must be prepared to give the following information.

- Name and VIVA Life Science Sdn Bhd I.D. Number of the Distributor.
- Name of the person making the order.
- Delivery address (if different from the address on the Distributor Application and Agreement form) The Company does not accept P.O. box general delivery destinations or caller service.
- The order in its entirety with product codes and quantities of each item.
- The form of payment either in cash, credit cards and/or through bank-to-bank wire transfer.

When all the above information is ready, call [03-7859 8248]. The first available agent will take the

order. If the distributor chooses to fax his/her order, send it to [Fax No: 03-7859 8249]. Do not forget to call to verify that the order has been received.

#### 54. Back Orders

Back orders will be shipped as soon as the product becomes available. Bonuses on back orders are credited to the Distributor in the calendar month in which payment for the original order was received by the Company, or the following month if specified; not when the products were shipped or received.

#### 55. Shipment Errors

If you received an order in which an error has been made, you must notify the Company of the error(s), by telephone or in writing, within five (5) working days of the receipt of the order. The product must be returned unopened.

#### 56. Damaged Products

In the event that damaged merchandise is received, the following steps are to be followed:

- Unless the exterior of box is damaged, the Distributor must accept the delivery.
- Record the delivery receipt number and the description of damaged boxes. Obtain the signature of the delivery personnel as well.

#### 57. Short Shipments

If there is a discrepancy between the number of boxes received and the number listed on the invoice, allows three (3) working days from the date of shipment in case the shipment was split a few days apart. After the suggested waiting period, the Distributor should notify the Company's Operations Department. If individual products are missing from an order, contact the Company's Operations Department immediately.

#### 58. Change of Address

Distributors must report all changes of address and personal information by sending a written notice with original signatures to the Company's office, Attention: Operations Department. There is no fee for change of address within Malaysia. Distributors who change their residence between countries will be required to pay a minimal processing fee.

#### 59. Amendments

The Company reserves the right to amend and/or vary from time to time these Policies and Procedures set forth herein, its wholesale or suggested retail prices, product availability and VIVA Wellness Business Plan at the absolute discretion of the Company and as it deems appropriate. Amendments may be communicated directly to all Distributors through the appropriate Company's publications. Amendments are effective and binding on all Distributors as of the date of amendments.

### CODE OF CONDUCT

#### 60. Code of Ethics

VIVA Life Science adheres to the Direct Selling Association's Code of Ethics. Each and every Distributor shall abide by all terms and policies of the Code of Ethics. Any Distributor who violates any provisions of the Code of Ethics shall be subject to immediate termination as a Distributor of the Company.

### GENERAL PROVISIONS

#### 61. Non-Waiver Provision

No failure of the Company to exercise any power under its Agreement, including these Policies and Procedures, or to insist upon strict compliance by a distributor with any obligation or provision herein, and no custom or practice of the parties at variance with these Policies and Procedures, shall constitute a waiver of the Company's right to demand exact compliance with these Policies and Procedures. Waiver by the Company can be effected only in writing by an authorized officer of the Company.

The Company's waiver of any particular default by a Distributor shall not affect or impair the Company's rights with respect to any subsequent default, nor shall it affect in any way the rights or obligations of any other Distributor. Nor shall any delay or omission by the Company to exercise any right arising from default affect or impair the Company's rights as to that or any subsequent default.

#### 62. Legal Compliance

The Company honours and complies with all applicable statutes, laws, regulations and ordinances governing direct sales and network marketing and its products and requires every Distributor to do the same.

#### 63. Breach of Contract

As a Distributor, you are required to understand and comply with these Policies and Procedures. Violation of any policy is ground for termination. For a breach of any policy described herein, the Company shall be entitled to have the benefit of any remedy provided to it by law or in equity.

#### 64. Entire Agreement

These Policies and Procedures, together with the VIVA Wellness Business Plan and the Distributor Application and Agreement Form constitute the complete agreement between a Distributor and VIVA Life Science Sdn Bhd.

#### 65. Jurisdiction and Venue

These Policies and Procedures shall be governed and construed in accordance with Malaysian laws. The jurisdiction and venue over any legal action involving these Policies and Procedures shall be proper only in the Malaysian courts and no other courts, shall have jurisdiction.

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