

OMX NUTRITION SDN BHD DISTRIBUTORSHIP

RULES & REGULATIONS

Revision accordance to the Direct Sales and Anti-Pyramid Scheme Act 1993

Content	Page
Definition	2
Code Of Ethics	2
Section A: Becoming A Distributor	3
Section B: Responsibilities Of A Distributor	3
Section C: Marketing Plan	4
Section D: Breach Of Contract/Termination	4
Section E: Sponsoring	5
Section F: Products Ordering	5
Section G: Product Guarantee And Product Exchange Policy	6
Section H: Refund Policy/Buy Back Policy	6
Section I: Cooling Off Period	7
Section J: Advertising And The Use Of The Company Name	7
Section K: Contract Changes	8

Note: The changes and additions are in compliance to the Direct Sales and Anti-Pyramid Scheme Act 1993 and additions to the current existing terms and conditions in the Independent Distributors Agreement.

The following OMX Nutrition Rules & Regulations are implemented with the purpose of safeguarding the rights and regulating the obligations of its Distributors rather than restraining their independent business activities. In order to mould yourself to be a responsible and ethical OMX Nutrition Distributor, you must understand and abide by the Rules & Regulations, which have the objective of building a healthy business networking environment for your long term and profitable business at OMX Nutrition, promoting unity and positive harmony among fellow Distributors, and between Distributors and the Company.

DEFINITION

Company : OMX Nutrition Sdn Bhd

Contract : the agreement between a Distributor and the Company composed of these Rules & Regulations; the Marketing Plan and Independent Distributor Agreement. The Contract is the complete and only agreement between the Company and a Distributor.

Distributor : “Independent representative” and refers to any person or persons or company who wish to sign up with OMX NUTRITION SDN BHD to market the Company products and services.

ON : OMX NUTRITION

CODE OF ETHICS

As an ON Distributor, you are to adhere strictly and totally to the following principles in carrying out the day to day business. Failure to comply with any of the provision herein may result in termination of your membership.

1. To uphold and follow the business Rules and Regulations and the Code of Ethics of OMX NUTRITION and observe total business etiquette whilst conducting business and observing the spirit of these rules.
2. To present truthfully and honestly the OMX NUTRITION Marketing plan and products as sanctioned in the official OMX NUTRITION literature.
3. Not to make negative or disparaging remarks about the Company, its employees, officers, directors or denigrate other company’s products, marketing plan or any other features of another company.
4. To conduct business in the highest standards of integrity, sincerity and responsibility.
5. To respect and carry out the roles and responsibilities of a Distributor as set forth herein.
6. Not to make use of any form of OMX NUTRITION trade mark, trade name, logo, copyrighted materials, literature, or any form of OMX NUTRITION resources for the generating of other business interests.

SECTION A: BECOMING A DISTRIBUTOR

1. An applicant must be 18 years of age in Malaysia.
2. All distributorship is single distributorship. A Distributor may own or have an ownership interest in only one distributorship.
3. It is against the Company's policy for a Distributor to be sponsored under two or more distributorships. Such conduct will result in his/her distributorship being terminated.
4. An individual has a beneficial interest in the Distributorship of a spouse. If a spouse of a Distributor wishes to become a Distributor, he must be added to the Distributorship previously formed by the spouse or co-habitant.
5. A person may become an ON Distributor by making payment of a membership fee of RM10.00 and completing, signing, and returning Membership Application Form to the Company. No other purchases are required; product and service purchases are optional. The Company reserves the right, in its sole discretion, to refuse or accept any application for Distributorship.
6. A Distributor Identification number will be issued upon acceptance of the Membership Application Form.
7. An applicant or Distributor is prohibited from submitting any false or inaccurate information to the Company. A Distributor must inform the Company of any changes affecting the accuracy of the Membership Application Form. The Company reserves the right to immediately terminate a Distributorship, or declare the Membership Application Form void from its inception, if the Company determines that false or inaccurate information was provided.
8. Changes of any information of Membership Application Form must inform Company via a written document (email or letter). The document must be signed and agreed by all parties to the changed information as said, before submit to the Company.

SECTION B: RESPONSIBILITIES OF A DISTRIBUTOR

1. A Distributor is an independent distributor. A Distributor is not an agent, employee, partner, or joint venturer with the Company. A Distributor is prohibited from representing himself as such.
2. A Distributor must represent the products, services, and opportunity of becoming a Distributor ethically and professionally.
 - a) No representation or sales offers may be made relating to products and services, which are not accurate and truthful as to price, grade, quality, performance, and availability.
 - b) No unreasonable, misleading, or unrepresentative earnings claims may be made. No income guarantees of any kind may be made.
3. A Distributor may not solicit or entice any other Distributor whom he did not personally sponsor to sell or purchase products or services other than those offered by the Company. To do so constitutes an unwarranted and unreasonable interference with the contractual relationship between the Company and its Distributors. The Distributor agrees that a violation of this rule inflicts irreparable harm on the Company and agrees that injunctive relief and/or termination of membership is an appropriate remedy to prevent that harm.
4. A Distributor who at any time has achieved rank of Diamond Manager and above, shall not:
 - a) directly or indirectly join or participate in any other direct selling or network marketing business or sell or promote any products or services competitive with OMX Nutrition; or

- b) directly or indirectly and whether on their own behalf or with or for any other person solicit, promote or recruit any member of their Downline Organisation to join or participate in any other direct selling or network marketing business or sell or promote any products or services competitive with OMX Nutrition.
5. A Distributor is responsible for his own business decisions and expenditures.
6. A Distributor must comply fully with the Contract.
7. A Distributor is personally responsible for compliance with all applicable national, state, municipal and local laws and regulations.
8. There are no exclusive territories or franchises; a Distributor has the right to operate anywhere in the Distributor's country of residence.
9. The Company may take action against a Distributorship as outlined in Section D of these Rules & Regulations and elsewhere in the Contract if the Company determines, in its sole discretion, that the Distributor's conduct or the conduct of any participant to the Distributorship is detrimental, disruptive, or damaging to the reputation of the Distributor network or the Company.

SECTION C: MARKETING PLAN

1. A Distributor receives no compensation for sponsoring other Distributors.
2. A Distributor is neither guaranteed a specific income nor assured any level of profit or success. A Distributor's profit and success can come only through the successful sale of products or services and the sales of other Distributors within the Distributor's Downline Organization. All success is based primarily on the efforts of the Distributor.
3. Without affecting a Distributor's right to retail profits based on his sale of products or services, a Distributor can receive a Bonus only if, on a monthly basis, he fulfills all requirements of the Marketing plan.
4. A Bonus is paid by electronic transfer issued in the name of "Name as per in NRIC" stated in the Membership Application Form.

SECTION D: BREACH OF CONTRACT/TERMINATION

1. The Company may at its sole discretion without giving any reasons terminate Distributor by giving seven(7)days written notice. If the Company is of the opinion(which opinion shall be final and binding) that any act of the said Distributor is found to contravene or breach any of the provisions of these Contracts. The termination is effective on the date indicated in the written notification from the Company to the Distributor. The Distributor will have no further claim against the Company as a result of the termination.
2. The terminated Distributor is not permitted, either directly or indirectly, to conduct or participate in any business activities related to the Company and is not entitled to receive further payment and reward for bonuses, commissions or any other awards whether accruing before or after the termination date.
3. The Company may at its sole discretion, suspend the account of a Distributor, pending investigation of any alleged breaches to the Contract. During this suspension, no commission or bonuses will be paid. Sales and/or new recruits will not count towards any sales force promotion that may be in place.
4. The Company reserves the right to claim damages from the terminated Distributor if he/she is in breach of the Contract and have been involved in activities that may have caused financial losses or otherwise, to the Company.
5. The terminated Distributor shall not influence existing Distributors and employees of the Company in any manner that may disrupt the operations and image of the Company.

6. A Distributor may terminate his Contract at any time, and for any reason, by sending a written notice of intent to terminate to the Company. Termination becomes effective as of the date the Company receives written notice of termination or such later date as may be specified in the termination notice.

SECTION E: SPONSORING

1. A sponsoring Distributor has the responsibility to assist, train, develop and monitor a Distributor whom they introduce, in various aspects of the program.
2. In addition, every person has the initial right to choose his or her own sponsor. If two Distributors claim to be the sponsor of the same new Distributor, the Company shall regard the first completed application received by the Company as the controlling sponsor.
3. The Company prohibits the changing of sponsors, due to the destabilizing effect it can have on the distributor force.
4. If a distributor is an inactive Distributor for at least one year consecutively without any sales transaction record, he/she can write to the Company to terminate his/her existing distributorship and re-applying for distributorship under a new sponsor on the next day after the termination.
5. A Distributor shall not directly or indirectly encourage, persuade, involve or assist another Distributor to transfer to a different sponsor. This includes the act of offering financial or other tangible or intangible incentives or benefits to induce the distributor to terminate his/her existing distributorship and then reregister under a different sponsor. Any Distributor found liable to be involved in such practice may result in his/her distributorship to be suspended or terminated immediately.

SECTION F: PRODUCTS ORDERING

1. There is no minimum amount for the product order.
2. A Distributor has no specific inventory requirements. A Distributor must use his own judgment in determining inventory needs based upon reasonably projected sales and personal use. A Distributor is prohibited from ordering more than a reasonable inventory.
3. Orders may be placed via email, by telephone; or mailed or sent via facsimile. Orders are not shipped until they are paid in full. Orders will be shipped to your permanent address indicated in your Member Application Form or alternate shipping address provided to the Company in writing.
 - a) For order received BEFORE 12pm, Distributors will receive the parcel by next 2-3 working days (East Malaysia: 3-4 working days).
 - b) For order received AFTER 12pm, Distributors will receive the parcel by next 3-4 working days (East Malaysia: 4-5 working days).
 - c) There is NO courier service pick-up at ON Head Office on Saturday, Sunday and public holiday.
 - d) Company provide FREE delivery if the purchase is Ringgit Malaysia Three Hundred (300) and above per order.
 - e) For any purchase below Ringgit Malaysia Three Hundred (300), shipping costs may be vary depending on the amount of products ordered.
 - f) 3(d) and 3(e) under Section F are not applicable to ordering under Stockist or Center of ON.
4. Upon Company's acceptance of Distributor's order (including Stockist or Center's order), Distributors are agree that:

- a) Distributor obtain title and assume risk of loss relating to all merchandise upon shipment to you from the distribution facility or ON Head Office;
 - b) Company shall not be liable for any claim growing out of or connected in any way with actions of you or statements, representations, or warranties which are not expressly set forth in writing by Company;
 - c) Items are intended to be purchased from the Company for resale to ultimate consumers.
5. The Company has established suggested retail prices for products based on competitive pricing in each market. Maintaining retail pricing for non-distributors helps to preserve the value of the Company's products and business opportunity. The Company may take disciplinary measures, including possible termination of a distributorship, in the event the Company determines that a distributorship resells products at price levels that impair the viability of bona fide retail pricing for other distributorships. The selling of Company's products in the market below the Company's distributor price in that market is strictly prohibited.
 6. A Distributor is prohibited from submitting orders in the name of another Distributor without the other Distributor's specific, prior, written approval for that order.
 7. Distributor must pay all required taxes on any income you earn as an Distributor, unless he/she qualify with the taxing authority for income tax exempt status.

SECTION G: PRODUCT GUARANTEE AND PRODUCT EXCHANGE POLICY

1. OMX Nutrition products are the finest quality under rigid quality control and thorough research. We ensure that our products are exhaustively tested to ensure top quality and performance. If any products are damaged, we guarantee you a replacement/exchange.
2. In the event of any dissatisfaction with the product, manufacturing or packaging defect, Distributors can return/exchange the product within ninety (90) days from the date of purchase. They have to provide a good reason and return the said goods together with Customer Feedback Form and Invoice. Thereafter, Distributors can return the products to the Company and exchanges for the same products within 90 days from the purchase date.
3. This guarantee does not apply to products that have been intentionally damaged, misused through negligence or less than 180 days shelf-life before its expiry date.

SECTION H: REFUND POLICY/BUY BACK POLICY

1. The Company provides a Buy Back Policy to Distributors who voluntarily resign or are involuntarily terminated by the Company within reason.
2. To obtain a refund for returned products, a Distributor must comply with these procedures:
 - a) All Buy Back products must be in its original unopened packaging, in good saleable condition and is currently marketed by OMX Nutrition Sdn Bhd. Should any Buy Back products show deterioration, damage or tampering, the Company reserves the right to reject the said products.
 - b) Buy Back products must carry an expiry date at least 180 days before expiry.
 - c) Buy Back products must be attached with the Company's original "Cash Sales Invoice" under the resigned/ terminated Distributor's name only.
 - d) The amount of the Buy Back will be calculated based on 90% of Distributors Price and an additional 10% will be charged for administration charges.
 - e) The Buy Back Policy must be carried out with prior approval from the Company and is to be handled solely by the Head Office.

- f) Transportation costs for the Buy Back products to Head Office are to be borne by the Distributors.
- g) the Company reserves the right to require a Distributor to repay Bonuses paid to him on products returned by the Distributor's Downline Organization. This may be achieved either through contact with the affected Distributors for direct repayment or by withholding monies from present or future Bonus payments.

SECTION I: COOLING OFF PERIOD

1. Direct Sales and Anti-Pyramid Scheme Act, 1993, a cooling off period of ten (10) days will be given to the customer in deciding to purchase the products/service. No down payment or any payment must be collected and no delivery of the products during this period.
2. Where the sale of the Company's products is of a value of RM300 or more, the distributor must ensure that the contract of sale is in writing and shall contain immediately above the place provided for signature of the purchaser the statement " THIS CONTRACT IS SUBJECT TO A COOLING-OFF PERIOD OF TEN WORKING DAYS " printed in upper case in type not smaller than 18 points and shall ensure that the contract is signed by both the distributor and the purchaser and immediately thereafter the distributor must give a duplicate copy of the contract to the purchaser together with a notice informing the purchaser of his right to rescind the contract before the expiry of the cooling-off period aforesaid and a notice in the format prescribed by the Direct Sales and Anti-Pyramid Scheme Act, 1993. In addition, the products may not be delivered and no payment may be collected from the purchaser during the Cooling-Off Period.
3. Notice of Waiver :- Should a customer require the product or service earlier than the cooling off period of 10 working days, he/she can serve a Notice of Waiver after 72 hours has lapsed from the time the Sales Contract was signed. Upon receipt of the Notice of Waiver, the seller can deliver the products and collect the payment accordingly

SECTION J: ADVERTISING AND THE USE OF THE COMPANY NAME

1. A Distributor is expressly prohibited from using any form of media advertising to promote products or services. Products or services may be promoted only by personal contact or by literature produced and distributed by the Company.
2. Company logos or names may not be used or displayed on any apartment, house, office, storefront, or other physical premise, where they may be viewed by persons passing by.
3. No Distributor may use any of the Company's trade names, trademarks, service marks, product names, logos, or other intangible commercial assets, registered or otherwise, in any form of advertising or promotion without first entering into a separate, written licensing agreement with the Company for each proposed use of any of the above stated names or devices. Each Distributor agrees that any use in violation of these provisions constitutes a breach of the Contract and causes irreparable harm to the Company. Upon notice of that any violation, the Distributor agrees to stipulate the appropriate injunctive relief enjoining that use. The Company, in its sole discretion, reserves the right to prohibit any advertising or promotion.
4. All materials included on the OMX Nutrition Websites are protected by copyright, trademark and other laws and are the property of the Company, unless otherwise noted. Unauthorized use of such materials may violate copyright, trademark and other laws. Distributor may download and print portions of the materials for non-commercial and informational use. Copies that Distributor make of the material must bear any copyright, trademark or other

proprietary notices located on the Company Websites, which pertain to the material being copied.

5. Except for separate, written licensing agreements noted above, none of the Company's copyright-protected materials may be reproduced, in whole or part, by any means.
6. A Distributor may not use business cards or other personalized sales aids containing the Company's logo and name unless produced by the Company.
7. Distributors who use, distribute, or sell sales aids in violation of this Section are subject to appropriate remedial action by the Company, up to and including termination of the violating Distributorship.

SECTION K: CONTRACT CHANGES

The Company expressly reserves the right to make any modifications to the Contract upon fourteen days (14) prior written notice in Company publications, by separate mailing, or through publication on the Company websites: www.omx.com.my. Each Distributor agrees that fourteen days (14) after publication of that notice, any modification becomes effective and is automatically incorporated into the Contract between the Company and its corresponding Distributors as an effective and binding provision. By continuing to act as a Distributor, or engaging in any Distributorship activity of this document after the modifications have become effective, a Distributor acknowledges acceptance of the new Contract terms.