

**1 THE COMPANY**

- 1.1. ASCEND 1 SDN BHD is a Multi-Level Marketing company that encourages and supports independent Distributorship engaged in selling our products, by ways of retail and building network of Distributors.
- 1.2. The Company markets and distributes its products through a Multilevel Compensation Plan by using independent Distributors to sell the products and deliver them to the customers. Distributors at all levels are encouraged to make retail sales every month and keep records of such sales.
- 1.3. A Distributor is one who has filled up the application form and being accepted and confirmed by the Company as such. All applications to be a Distributor must fulfill the conditions set out in Rule 4 below.

**2 GENERAL POLICIES**

- 2.1. This Code & Ethics Handbook has been adopted by ASCEND 1 to define the rights, duties and responsibilities of ASCEND 1 Independent Distributor. The following rules are designed to promote harmony and preserve the benefits, rights and privileges of ASCEND 1 Distributor and are not meant to restrict nor limit their business.
- 2.2. ASCEND 1 Distributor is required to familiarize himself/herself with the Rules and Policies of this Code & Ethics Handbook.
- 2.3. The Company reserves the right to change or amend existing rules, or to add new rules without giving prior notice to the Distributors.
- 2.4. The Company will from time to time, issue circulars and memorandum to inform Distributors of any changes, amendment, or addition.
- 2.5. Each Distributor, by registering the Distributor Application from the internet, expressly agrees to abide and be bound by the Rules and Policies of this Code & Ethics Handbook.
- 2.6. Any member who fails to observe the Rules and Policies will not plead ignorance to the Rules and Regulations.

**3 APPLICATION**

- 3.1. Any person or partnership consisting of not more than 2 persons desiring to become a Distributor of ASCEND 1 SDN BHD, must complete and fill in the Distributor Application Form through internet to signify his/her intention to abide by the Rules and Policies.
- 3.2. The application must be submitted in the prescribed Distributor Application Form with all particulars be given in full and frank.
  - 3.2.1. Partnership Business Registration license.
  - 3.2.2. Partnership agreement that clearly states the rights and liabilities of each partner and in the case of resolution of partnership, the person who will register with the Company in place of the partnership.
- 3.3. The application to become an ASCEND 1 Distributor is subjected to the confirmation by the Company. The Company reserves the right to reject application which does not contain the full particulars or details as required in the Application Form. Application which is based on fraudulent or forged information is considered null and void.

**4 CONDITIONS**

- 4.1. Any individuals applying to be ASCEND 1 Distributor must fulfill the following conditions
  - 4.1.1.1. Individuals, partnerships or companies are welcome to apply to become independent Distributors.
  - 4.1.1.2. Age 18 years or above,
  - 4.1.1.3. Anyone, regardless of gender, race or religious beliefs are welcomed to apply to become an independent Distributor of Ascend 1.
  - 4.1.1.4. Must be sponsored by a valid ASCEND 1 Distributor.
- 4.2. Applicant who does not fulfill the above mentioned conditions will not be accepted by the Company.

**5 INDEPENDENT DISTRIBUTORSHIP**

- 5.1. All Distributors are considered as independent contractors. There is no agency or employment relationship between the Company and any Distributor.
- 5.2. A Distributor's relationship with the Company is that of a contractual nature. Only adult individual aged 18 and above may contract with the Company for Distributorship.

- 5.3. A Distributor does not have the authority or the power to bind the Company to any obligation or to contract in the name of the Company and create a liability against the Company in any way for any purpose.
- 5.4. A Distributor shall not use the Company's name, logo, slogans and trademarks without the consent of the Company.
- 5.5. The Distributor shall not represent himself/herself, expressly or implicitly, as an "employee" or "agent" of ASCEND 1 SDN BHD on any of his/her stationery or printed materials.
- 5.6. A Distributor shall not represent or declare, expressly or implicitly, to be the sole or exclusive Distributor for or to any particular area or territory of ASCEND 1 business.

## **6 HUSBAND & WIFE DISTRIBUTORSHIP**

- 6.1. A husband and wife cannot apply as joint Distributors, but they can separately apply to become independent Distributor, and must be in the same network, for example, the husband sponsors the wife or the wife sponsors the husband, otherwise the company will change the spouse's network to join back to the organization the other spouse is in.
- 6.2. When two Distributors that already registered before married or divorced, their sponsorship structure remains unchanged.

## **7 BENEFICIARY**

- 7.1. Any death happens to any Distributor when his/her Distributorship is active, the Distributorship can be inherited by the beneficiary stipulated by the law.

## **8 VALIDITY OF DISTRIBUTOR STATUS**

- 8.1. The validity period of the Distributorship is 1 year. If any Distributor is unable to repurchase at least 250RBV of products for 12 consecutive months after joining as a Distributor, his/her Distributorship will be automatically terminated. If you want to continue to become a qualified Distributor, you must reapply after the deadline and purchase 250RBV of products at once.
- 8.2. As long as Distributors can at least repurchase minimum of 250RBV products within 12 consecutive months, their Distributor status will be automatically renewed for one year.

## **9 REJOIN**

- 9.1. Assuming that the Distributor is inactive (has not purchased any products and did not directly sponsor anyone) within 6 months after joining, he/she can apply to the company to rejoin another network.
- 9.2. Active Distributors who self-terminate their Distributorship can only be consider for application to rejoin as a new sponsor's downline 6 months or later from the official termination date.

## **10 DOUBLE DISTRIBUTORSHIP**

- 10.1. The company strictly prohibits distributor from having dual distributorships in different network.
- 10.2. If a distributor wants to have more than one distributorship, he/she must directly sponsor himself.

## **11 SURRENDER OF DISTRIBUTORSHIP**

- 11.1. Registered Distributors must notify the company in writing of their intention to surrender their Distributorship.

## **12 TRANSFER OF SPONSORSHIP**

- 12.1. The company has the right to refuse any application for surrender from anyone if the legal documents are not complete.
- 12.2. Distributor (transferor) must notify the Company of the transferor's information by letter.
- 12.3. No distributor shall be permitted to sell or transfer his/her distributorship to enable the purchaser or transferee to reap his benefits.
- 12.4. All existing distributors may transfer his/her distributorship only limited to his/her spouse, parent, children and siblings.

## **13 CONNECTION, CONFIDENTIALITY, DISCLOSURE**

- 13.1. Distributors must adhere to the Code & Ethics Handbook and require to submit any request and feedback in the form of letters.
- 13.2. Regardless of either still within or after validity period of the Distributorship, the Distributor shall not disclose to anyone any confidential information that may damage the reputation of company, including businesses related products, tools, and company business module.
- 13.3. Distributors are obliged to disclose to the company all important details that maybe will affect the company.

## **14 TERMINATION OF DISTRIBUTORSHIP**

The company has the right to terminate the Distributorship without any compensation for any of the following reasons.

- 14.1. Discover that the Distributor has provided false information during the application.
- 14.2. Follow the company's code of conducts, if the conduct of Distributor damages the company's reputation, rights and interests, or the reputation, rights, unity, and harmony of other Distributor.
- 14.3. Violation of any of the provisions of the Distributor's Code of business.
- 14.4. Anyone who is found to participate in the Distributorship of two companies or directly/indirectly sell the products of other companies for the purpose of attracting the company's Distributors to join other direct selling companies. The above actions will affect the interests of other Distributor or companies.
- 14.5. Distributors who automatically terminate their Distributorship status cannot continue to enjoy their bonuses and ranks, while their downline organizations will remain the same.
  - 14.5.1. Distributors can re-apply to become a Distributor after the validity expire, but they must first obtain the company's approval.
  - 14.5.2. Anyone who wants to re-apply to become a Distributor cannot claim any bonuses/rewards, ranks or positions that he/she qualified before the termination/automatic suspension of the Distributorship.

## **15 PROHIBITED ACTIVITIES**

The following are prohibited activities causing grounds for termination:

- 15.1. Misrepresentation as to the use and or benefits of ASCEND 1 products.
- 15.2. Participating in any scheme, device or other means used to discourage another ASCEND 1 Distributor from purchasing products from ASCEND 1 for the purpose of responsoring such Distributor.
- 15.3. Engaging in activities that involve the soliciting of any person whom a Distributor knows, or under the circumstances, should have known, is an ASCEND 1 Distributor, to sell other product of any nature, by or through another Direct Selling methods, or attempting to build or establish a business detrimental to or be at the expense of other qualified Distributors, their groups, or ASCEND 1 SDN BHD.
- 15.4. Using or knowingly teaching other Distributor to use unethical, illegal, unlawful or improper ways to do ASCEND 1 business.
- 15.5. Engaging in any activities with the intention to cheat the Company or to deprive other Distributor of their rightful benefits, including but not limited to undercutting of Distributorship and or sales.
- 15.6. For Distributors with Star ranking and above, if he/she is found to be actively participating in another Direct Selling Company.

## **16 TERMINATION PROCEDURE**

- 16.1. A "Notice of Intent to Terminate" will be sent to the offending Distributor stating clearly the following:
  - 16.1.1. The reason for taking such action.
  - 16.1.2. The date (if applicable), place and action, negligence or omission causing grounds for termination, and
  - 16.1.3. The offending Distributor is given 14 days to reply and or appeal with reason(s) against the allegation, and
  - 16.1.4. The Company will suspend the Distributorship at the end of the 14 days if no written reply has been received, or if there is such reply or appeal, the company after due deliberation, find it unsatisfactory.
- 16.2. If the written reply or appeal were, after due deliberation, satisfactory justification for the act, negligence or omission, then the Company will issue a letter to accept the appeal and the matter will be closed.
- 16.3. Any reply or appeal against the termination must be in writing and reach the Company within the specified time frame.
- 16.4. Failure to respond to the Notice within the specified time frame will be construed as an acceptance of the termination.
- 16.5. In the event of termination, the terminated Distributor agrees to immediately cease representing himself/herself as an ASCEND 1 Distributor and the terminated Distributor's downline shall be permanently rolled up.

## **17 VOLUNTARY TERMINATION OF DISTRIBUTORSHIP**

- 17.1. If a Distributor wishes to terminate his/her Distributorship, he/she must do so in writing. The effective date is the date on which the Company accepts and confirms the termination request. The resigned Distributor forfeits his/her current rank and all downlines established at the time.
- 17.2. Once the Distributor terminates, his/her spouse is also considered terminated except where the husband and wife maintain two separate lines of sponsorship after their marriage.

## **18 DISPUTES**

- 18.1. If 2 Distributors should claim to be the sponsor of the same new Distributor, the Company shall regard the first application received by Company Centre as controlling.
- 18.2. As the policy, the Company strictly prohibits the act of cross-sponsoring. Cross-sponsoring in this context means:
  - 18.2.1. Signing up an existing and valid ASCEND 1 Distributor of other groups.
  - 18.2.2. Signing up the wife when the husband is already an ASCEND 1 Distributor, or vice versa;
  - 18.2.3. Signing up under another sponsor to operate his/her Distributorship while his/her Distributorship is still in existence.
- 18.3. The Company reserves the right to take the following actions against the party at fault:
  - 18.3.1. Distributor that violates the rules, once caught will be penalized as follows:
    - 18.3.1.1. First violation – Warning letter
    - 18.3.1.2. Second violation - Distributorship will be freeze for 6 months
    - 18.3.1.3. Third violation - Termination of Distributorship
  - 18.3.2. All Distributors involved shall be transferred back to their original sponsors.
  - 18.3.3. If the spouse, A of a Distributor, B is found to have signed under another group, A's Distributorship under another group will be terminated and A's downline Distributors shall be transferred to B.
- 18.4. In any circumstances whatsoever, no backdating of bonuses shall be considered.

## **19 DISTRIBUTING OF PRODUCTS**

- 19.1. Distributors must only conduct sales according to the product prices set by the company, and must not increase prices or charge additional fees without authorization; it is strictly forbidden to promote products in such a way as price cuts and discounts in disguise.
- 19.2. Distributors are strictly prohibited from selling products on third-party sales platforms or online multi-channel websites.
- 19.3. Distributor that violates the rules, once caught will be penalized as follows:
  - 19.3.1. First violation – Warning letter
  - 19.3.2. Second violation-Distributorship will be freeze for 6 months
  - 19.3.3. Third violation-Termination of Distributorship

## **20 RIGHTS OF DISTRIBUTOR**

- 20.1. All Distributors have the right to sponsor others to join the Distributorship.
- 20.2. Enjoy the bonuses and benefits of the Ascend 1 Marketing Plan.
- 20.3. Participate in the training courses and activities provided by the company, provided they meet the requirements of the courses and activities.
- 20.4. Right to sell Ascend 1 products.
- 20.5. If any Distributor passes away or loses the ability to work, the company will transfer all rights and incentives to its beneficiaries as specified in the contract, Distributor must follow relevant legal procedures to ensure that the transfer procedures comply with the law and the company's needs.

## **21 INTERNATIONAL DISTRIBUTORS / SPONSORS**

- 21.1. Each country has different forms and agreements. A Distributor agreement must be filled in the country of residence. Agreements used for a wrong country will be invalid. The agreement becomes binding if approved by the Company.
- 21.2. Distributor must inform the Company's office in the country of origin of intention to practice in a different country.
- 21.3. Distributor must enter into an International Distributor and Sponsor Agreement with the Company before sponsoring Distributors in a country other than the first mentioned Distributor's country of Distributorship.
- 21.4. Distributor may order products and sales aids for his given country which can only be sold in the said given country.
- 21.5. Distributor may neither import any of the Company's products nor facilitate its importation for Distribution or for any other reason.
- 21.6. Distributor shall not take any steps in another country which is not yet officially opened, with the intention of commencing the Company's business. He may not solicit for clients, advertise, apply for trademarks or trade names including reserving the Company's name (including website names and address). Neither may the Distributor secure the approval for any of the Company's products or business practices. Any costs incurred by the Company to remedy the above will have to be indemnified by the Distributor.
- 21.7. Any Distributor who does not comply with the above will be terminated or be barred from participating in the new international market for two (2) years from the date of the official opening of the new international market other than the Recruitment Set to become a Distributor.

## **22 RESPONSIBILITY OF SPONSOR**

- 22.1. In ASCEND 1, the sponsor is responsible to accompany the new Distributor and assist them in learning and encouraging them in the early stages.
- 22.2. The company does not allow Distributor to violate the business regulation or use any improper means to obtain referrals.
- 22.3. If the Distributor discovered that his/her downline, who is penalized by the company and is under the cooling period, has joined other team using the name of someone else to engage in ASCEND 1 business, the Distributor can

- request to transfer the relevant network directly under him/her if evidence is sufficient.
- 22.4. Any Distributor who wants to switch sponsors in any way will violate company policy, and the company will reject any application for switching sponsors.

### **23 RIGHTS OF THE COMPANY**

- 23.1. The company has the right to accept or reject anyone's application to become a Distributor.
- 23.2. If a Distributor is terminated by the company, he/she will not be entitled for any benefits of Ascend 1's marketing plan, nor will he receive any income, but his/her organizational structure will remain unchanged.
- 23.3. When a Distributor violates the Distributor's ethics and regulations, regardless of whether it is terminated or Distributor surrendered his/her Distributorship, his/her spouse will also be expelled, but both of their organizational structure remains unchanged.
- 23.4. The company has the right to make necessary changes to the compensation and benefits of Distributor and the company, and all Distributor will need to follow the amendments and additional provisions.
- 23.5. All decisions, judgements, opinions or approvals of matters declared under the company's business conducts are the absolute autonomy of the company and cannot be challenged.
- 23.6. When there is a dispute over the qualifications or rights of the Distributors, an arbitration committee will be appointed by the company to resolve the dispute, and the decision of the committee will be final.
- 23.7. If a Distributor fails to comply or violates any company's regulations, the company has the right to revoke or terminate its Distributorship.
- 23.8. Any Distributor can notify the company in writing and choose to voluntarily surrender his/her Distributor status, and all its downlines will remain unchanged.
- 23.9. When the company assesses (this is the final decision) that the conduct of a Distributor and/or his spouse (whether his spouse is a registered partner or not) violates the company code, the company has the right to terminate the relevant Distributorship.
- 23.10. Distributors must abide by the company's business conducts and any amendments that the company adds or modifies.
- 23.11. All Distributor must follow the implementation procedures stipulated in the "Code of Business". The company reserves the right to terminate the Distributorship at any time when it discovers that any Distributor has applied for becoming a Distributor with false information, or has violated regulations after becoming a Distributor, or the company believes that its application will damage the company's sales and marketing plans.
- 23.12. Distributors must operate their direct selling business in accordance with relevant laws, rules and practices, and they must not do anything that would damage the reputation of themselves or the company.
- 23.13. When Distributors want to split up or separate Distributorship due to divorce, they must not affect the interests of Distributors on the same sponsor network.
- 23.14. When the divorce proceedings are still pending, the business of Distributorship can be managed by the managers appointed by both parties, or if the two parties cannot reach an agreement on the appointment of managers, the company will appoint the relevant managers under appropriate conditions.
- 23.15. While the divorce proceedings are under pending, neither party may operate or participate in any other direct selling organization.
- 23.16. Even if no formal report or complaint is received, the company can terminate or revoke a Distributorship. However, the company will not terminate or revoke Distributorship without in-depth investigation of the incident and will give the offending Distributors the opportunity to explain and/or justify his/her actions. However, once the degree of violation is up to a degree that it is doubtful whether the Distributor should have the right to continue business, the company can terminate his/her rights without giving the Distributor the opportunity to correct the bad behavior he/she has committed.
- 23.17. For Distributorship of a married couple, as long as one party violates the company's business conducts, it is sufficient for the company to terminate both Distributorships. However, the company has the right to decide to allow the other party who has not violated the Code to continue to retain its Distributorship under conditions deemed appropriate by the company.
- 23.18. Distributors are not allowed to promote their own sponsor lines, affiliate lines or groups in any way, which may cause grudges or disadvantages to others.
- 23.19. Distributors who repeatedly violate the regulations and show that they cannot follow the rules or completely ignore this policy may face one or more of the following actions:
- 23.19.1. Cancel all recognition/rewards.
  - 23.19.2. Not eligible to participate in the company trip.
  - 23.19.3. Freeze from participating in any activities (including temporary storage of bonuses)
  - 23.19.4. Reject applications for renewal
  - 23.19.5. Termination of Distributorship
- 23.20. The company's right is not limited to the above only.

### **24 CORRECTIVE PROCEDURES FOR VIOLATIONS OF BUSINESS CONDUCTS**

- 24.1. Once a Distributor discovers that someone has violated the Code, he/she must immediately notify the company and its direct Strategy Advisory Committee, and report all details according to the facts. The complainant may need to file a formal complaint with the company.
- 24.2. After receive notification, the company will promptly notify the relevant Distributors and restrict their activities and

- demand them for proper explanation
- 24.3. If the complaint and response do not have sufficient facts for reference, the company can request further information from any party.
- 24.4. After receive all the facts and details of the complaint, the company will discuss the issue with the relevant Distributor to ensure that there will be no repeat violation.
- 24.5. Assuming that the company cannot solve the problem on its own, and the proper way to correct the mistake is not within the scope of terminating or disqualifying the Distributor, the company will send a letter to its direct Strategy Advisory Committee regarding the decision. It will also lists down the relevant complaints in details, outlines improvements needed and specifies the time limit for compliance.
- 24.6. If the violating Distributor fails to correct the behavior within the time limit specified in the final letter, the company will send a letter to the violating Distributor in response to this action, and at the same time attach its copy to the Distributor that file the complaint. Letters must be sent by registered mail address.
- 24.7. During the company's investigation, all benefits and rights will be temporarily suspended.

## **25 LAW COMPLIANCE AND COMPANY INSTRUCTIONS**

- 25.1. Distributors have the responsibility to understand and abide by the laws and regulations of our country, including direct selling laws.
- 25.2. Distributors must comply and fulfill the requirements and instructions of senior executives, managers, and representatives authorized by the company when performing company tasks.

## **26 TAXATION**

- 26.1. Distributors must record the total annual income, and report individual tax and pay income tax to the tax bureau.

## **27 STOCK PURCHASE**

- 27.1. You may order Products directly from the Company online system. If your purchase amount exceeds 2500BV or RM3,000.00 you are entitled for free shipping within West Malaysia.

## **28 PAYMENT**

- 28.1. Payment for the stock purchase is strictly in cash terms, either in form of online transfer, or credit cards (where applicable).
- 28.2. They may purchase their stock from Company and payment for the purchases could be made with cheques or direct bank in to the Company's Account with CIMB (Account Name: ASCEND 1 SDN BHD / No 8010010773).
- 28.3. All payment for purchase must be cleared and settled by the applicable day to be counted towards sales generated for that day/month.

## **29 STOCK EXCHANGE & RETURN**

- 29.1. As a policy of the company, stock purchased could not be returned in order to refund cash.
- 29.2. Stock may only be returned to exchange for another stock of similar or higher value. If the stock replaced is of higher value, the Distributor must pay the difference.
- 29.3. The Distributor must fill up Stock Exchange Form and attach the relevant invoices. The Company reserves the right to reject the exchange if it is not satisfied with the documents submitted.
- 29.4. Stocks are only exchangeable within the specified period of time from the date of invoice after the purchase as follows:  
29.4.1. 14 days (Including weekends and public holidays)
- 29.5. No stocks can be exchanged after the period as provided for in Rules 29.4.1.

## **30 STOCK PILING OR PYRAMIDING OR DUMPING OF STOCK**

- 30.1. The ASCEND 1 Marketing Plan is used upon product sales to consumers and personal use of Distributors, therefore stock piling order or the purchasing of large quantities of inventory or in unreasonable amounts solely for the purpose of qualifying for bonuses or advancement in the Marketing Plan or Pyramiding are strictly prohibited by the Company.
- 30.2. Dumping of product below suggested retail price is also strictly prohibited.

## **31 BUY BACK POLICY**

- 31.1. A Distributor who terminates his Distributorship either voluntarily or involuntarily, shall be entitled to return their stocks to the Company.
- 31.2. All stocks returned must remain in good condition.
- 31.3. The stocks returned must have been purchased within the preceding 3 months from the date of the termination takes effect. The value of the returned stock shall be determined after deduction of all bonuses paid to the Distributor concerned according to the entitlement in the Marketing Plan. The Company will only refund the value hereby calculated.
- 31.4. 10% administrative fees based on the Member Price Of the stocks shall be charged.

### **32 BONUS**

- 32.1. Commissions, rewards, incentives, and benefits (hereinafter referred to as Bonuses) are all expressions used by ASCEND 1 to describe the privileges which a qualified Member will receive.
- 32.2. Bonus Points shall be calculated in Chinese Renminbi whereby Bonus shall be converted in the participating countries' local currencies for withdrawal. ASCEND 1 shall decide on the appropriate exchange rate for bonus withdrawal.
- 32.3. The total Bonus Points accumulated by Members in the various countries shall be consolidated and calculated in Chinese Renminbi.
- 32.4. All Bonuses which you have accumulated from both local and foreign markets will be distributed by ASCEND 1 in local currency.
- 32.5. ASCEND 1 reserves the right to recall the excess bonuses given out to you.
- 32.6. In countries where the law stipulates a valid citizenship or work permit in order to receive Bonus, ASCEND 1 will require you to submit copies of original citizenship or work permit for bonus entitlement.
- 32.7. ASCEND 1 shall not be liable for any bonus payout if the requirements are not being met, ASCEND 1 shall also not be responsible for any citizenship or work permit application or payment to relevant authorities.

### **33 COMMUNICATION**

- 33.1. In order to best serve the interests of Managers and Distributors, and in order to keep everyone updated on Company activities and policies, the Company has set up a Marketing Department. Distributor with question should address such concerns to the Marketing Department.

### **34 LANGUAGE**

- 34.1. For official interpretation purposes, and in case of any discrepancy, the English language version will be used.
- 34.2. In case of any inconsistency in any literature produced by the Company, the English version will prevail.

### **35 ADVERTISING**

- 35.1. A Distributor of the Company may only promote the product of the Company and the business opportunity of the Company and not the product or business opportunity of any other company, whether a direct selling company or non-Direct Selling company but selling product similar to the Company's products.
- 35.2. A Distributor may only promote the Company, its products and business opportunity through personal contact and by the Company's approved promotion channels as requested and approved by the Company. A Distributor may not promote the Company, its product, or its business opportunity through the media. Consultations by media representatives should be referred to the President or Vice-President of the Company. The following actions by the Distributor are prohibited and the Company reserves the right to be indemnified of any costs incurred in preventing such actions or defending any actions, legal or otherwise, which may be faced by the Company;
  - 35.2.1. Claims that are unreasonable or misleading in relation to potential earnings.
  - 35.2.2. That profits or revenue can be made due to a connection with a Distributor or with the Company.
  - 35.2.3. Mass distribution of brochures, name cards, flyers etc. by way of electronic mail, mail, placing in mail boxes, public places, vehicles or similar means.
- 35.3. A Distributor is prohibited from using trademarks, service marks, copyrights, trade names, product names, or logos belong to the Company or any company associated with ASCEND 1 and their products, in any form of advertising unless with prior written permission from the Company. Non-compliance with this clause is considered a serious violation of this Agreement and may result in disciplinary action which may include immediate termination of the Distributor.
- 35.4. The Company's logos or names shall not be used or displayed on any area visible to the public.
- 35.5. No celebrity endorsement may be used unless with period written approval of the celebrity.
- 35.6. A Distributor may only use business cards and personalized sales aids that are produced by the Company.
- 35.7. Business cards used by all Distributors must be of the same type in terms of colour, size, text, font and contents as per the sample contained in the Distributor's manual. The exact content as stated above is allowed in different languages. Before use, a Distributor must submit for approval to the Company a sample of the business card. Non-compliance will render the Distributor subject to a disciplinary action. Thereupon, a new sample for approval by the Company will have to be submitted.
- 35.8. A Distributor may not use Intellectual Property and Proprietary information belonging to the Company without prior authorization from the Company. Any unauthorized breach constitutes a material breach of this Agreement. All unauthorized use of such material becomes the property of the Company and must be immediately assigned to the Company. A Distributor may not use or reserve domain names belonging to the Company and agrees to renounce his rights to such names if found to be similar with the Company's even though the Distributor may have had a prior right to the Company.
- 35.9. A Distributor may only use websites and website addresses as approved by the Company and on templates specified by the Company.

35.10. A Distributor is prohibited from placing advertisements in newspapers, magazines, or other publications, promoting himself/herself or the Company's products without the prior written consent of the Company.

35.11. If the distributor publishes the company's products or business opportunities on personal social media platform, it must be adhered to the price set by the company.

### **36 PRODUCT CLAIMS**

36.1. A Distributor may only make product claims and representation as approved by the Company. Product claims must be limited to claims that the products are safe to use and for the general well-being and appearance of the person.

36.2. No claims can be made as to medicinal values of the product.

### **37 CONTRACT AND PRICE VARIATIONS**

37.1. The Company reserves the right to change prices, amend, alter, vary, add or update the terms and conditions of the Distributor's Application and Agreement, business Manual, Business Plan, International Distributor and Sponsor Agreement, Preliminary Application and Agreement for Distributorship and other rules and regulations (hereinafter referred to as said Rules) at any time, and whenever it is deemed necessary and without consent of the Distributor. The variations will be published in the Company's official magazine or website and the Distributor agrees that this will be deemed to serve as notice of change to the Distributor.

37.2. The Distributor shall be bound by any such future changes, amendments, variations or additions. By continuing to act as a Distributor after the said modifications, the Distributor's acts shall be deemed to constitute acceptance of any such amendment to the agreement.

37.3. The Company may vary the price and products either by making such changes in design, production or packaging of the Products as the Company thinks fit or by the withdrawal of Products which the Company proposes to withdraw from its Product range or by the addition to the Products.

37.4. This contract is to be treated as the final agreement between the Distributor and the Company and supersedes all prior or inconsistent agreements, whether written or oral, between the parties. However, the Company reserves the right to impose additional terms and conditions specific to a Distributor or generally to all Distributors.

## **TERM AND CONDITIONS OF THE LICENSE GRANTED BY THE RELEVANT AUTHORITY PURSUANT TO THE DIRECT SALES ACT 1993**

Direct selling is a fast-expanding business. However, the image of direct selling is often marred by the unethical practices of the pyramid schemes. Because of the many complaints received from the consumers, the Government through the Ministry of Domestic Trade and Consumer Affairs has seen the need to come out with a law to regulate the direct selling industry.

**As a result, the Direct Sales Act 1993 was developed with 3 important objectives:**

- a) Regulate and promote ethical direct selling business.
- b) Protect the consumers.
- c) Ban all pyramid direct selling business.

**With effect from 1 June 1993, all Distributors must comply with the requirements of the Direct Sales Act. Below are important details about the Act and some points that you should note as a Distributor.**

1. Companies incorporated under the Companies Act 1965 wishing to operate a direct sales business must now apply for a Direct Sales License.
2. Authority Card Distributors involved with Direct Sales must have with them at all times the following:
  - 2.1 National Registration Identification Card (I.C.)
  - 2.2 An Authority Card with the following details:
    - a. Name and address of the Distributor.
    - b. Name, address and telephone number of the Company issuing the Authority Card.
    - c. Company authorised signature on the Authority Card issued by the Company.
    - d. Direct Sales License number issued to the Company by the Ministry.
    - e. Photograph of the Distributor with the following specifications:
      - i) Size of photo is approximately 3.8 cm x 3.2 cm and must be without the white edges.
      - ii) Full face of the Distributor. The measurement from the chin to the top of the head must not be less than 2.54 cm (1 inch) in upright position.
      - iii) The photo must be taken without any head face coverings. Exemptions are given if the head covering is following religious or customary beliefs and provided that the headgear does not hide the main features of the face.

### **IMPORTANT:**

- i) Please ensure that you show your I.C. and Authority Card every time you are conducting your business as well as during prospecting. It is an offence under the Direct Sales Act 1993 if you do not do so and an action can be taken against you as well as the Company by the Ministry of Domestic Trade & Consumer Affairs.

- ii) If the customer requests you to leave his premises, please do so. Do not persist in trying to convince or push a sale. The customer has a right to make a complaint if you continue to insist that he listens to you. This is considered as applying high pressure sales and it is an offence under the Direct Sales Act.
- iii) A new Authority Card as specified by the Government will be issued to all Distributors by the Company.
- iv) You have to paste your photograph onto the Authority Card as soon as you have received it. Your photograph must be of the correct size and specifications as stipulated above.
- v) Printed copies of the "Direct Sales Contract" together with "Notice of Rescission" forms are available from ASCEND 1.

### **3. HOURS OF CALL**

You are not allowed to call on customers/prospects:

- 3.1. On Sunday (in areas where Sunday is observed as a rest day).
- 3.2. On Friday (in areas where Friday is observed as a rest day).
- 3.3. On any public holidays.
- 3.4. From 7.00 pm to 9.00 am daily on other days.

#### **IMPORTANT:**

- i) The above hours of call do not apply if you have made an appointment and the customer has consented for you to call on them.
- ii) Distributors are strongly urged to always make appointments. Unless you have done so, do not attempt to conduct business at the prohibited hours of call.

### **4. DIRECT SALES CONTRACT**

**For sales to end consumers valuing RM300.00 and above per transaction, a Direct Sales Contract is required.**

- 4.1. The Contract must be in writing.
- 4.2. The Contract must be signed by both parties: the seller and the buyer. The buyer must be given a copy of the signed contract.
- 4.3. The Contract must have a statement printed: "This contract is subject to a cooling-off period of 10 working days."
- 4.4. The details of product sold or services to be rendered must be specified.

#### **IMPORTANT:**

- i) Anything below RM300.00 per transaction does not require a Direct Sales Contract and is not subjected to the 10 working days cooling-off period.

### **5. COOLING-OFF PERIOD**

- 5.1. Applies to products/services worth RM300.00 and above per transaction only. A cooling-off period of 10 working days after the date of the Direct Sales Contract is required to allow customers to change their minds about buying your products/services.

#### **IMPORTANT:**

- i) No delivery of products or services can be carried out during the cooling-off period.
- ii) You are not allowed to receive any payment/down payment from the customer before the cooling-off period is over.

### **6. DIRECT SALES CONTRACT TERMINATION**

- 6.1. During the 10 working days cooling-off period, a customer who has changed his mind can terminate the contract in writing by registered mail or by hand to the Distributor.

#### **IMPORTANT:**

- i) Rescission/Cancellation of the Direct Sales Contract is made via "Notice of Rescission."
- ii) A copy of the "Notice of Rescission" that states the customers' rights to cancel must be given to the customer together upon signing any Direct Sales Contract (for transactions of RM300.00 and above).

### **7. SHORTENING THE COOLING-OFF PERIOD OR NOTICE OF WAIVER**

A customer who requires the products or services earlier than the stipulated 10 working days can serve a Notice of Waiver to the Distributor who made the Direct Sales Contract with the customer after 72 hours has lapsed from the time the Direct Sales Contract was signed.

**IMPORTANT:**

- i) Printed copies of the “Notice of Waiver” forms are available from ASCEND 1.
- ii) It must be noted that the “Notice of Waiver” is only to be used at the request of the customer who wishes to obtain the products/services earlier than the cooling-off period of 10 working days but after 72 hours from the time the Direct Sales Contract was signed.

The penalties imposed for the offences under the Direct Sales Act are heavy and the negative publicity resulting from such offences will tarnish the good image of ASCEND 1 Distributors and the Company. The Company supports the Act which will weed out the pyramids and ensure fair play in the direct selling industry. The Act will in the long run provide a favorable environment for healthy growth in the direct selling industry. We strongly urge all Distributors to abide by the above Regulations.