



ENAGIC® (MALAYSIA) SDN BHD

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# **SET OF POLICIES**

***\*\*7<sup>th</sup> Edition\*\****

Congratulations!

We are delighted that you have chosen Enagic® as your partner in order for you to have the assurance for your future. As our Corporate Philosophy states; “**Realizing True Physical Health**” through pure and healthy drinking water, “**Realizing True Financial Health**” through a wealth-developing business opportunity and “**Realizing True Mental Health**” through personal growth and finding contentment in all aspects of life, we believe that you may achieve success beyond imaginations that no other companies may be able to offer.

Regardless, as an Enagic® distributor, you are required to abide by certain policies that have been laid out in accordance to Malaysia Law to ensure that you are aware of your rights, protected and be able to conduct the business and achieve your dream goals smoothly.

In this booklet, we have included the following policies as for your reference:

- A. Policies & Procedures;
- B. Privacy Policy;
- C. Refund Policy;
- D. Commission Policy;
- E. Collection Policy;
- F. Delivery Policy

***\*\*Automatically incorporated into agreement effectively on 6<sup>th</sup> May 2023\*\****



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# **A. Policies and Procedures**

## **ENAGIC® INTERNATIONAL**

*For Malaysia Distributor Use*

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**NOTE:**

Please read this Policies and Procedures carefully before executing the Distributor Agreement to act as distributor of Enagic® (Malaysia) Sdn Bhd.

Kindly be informed that distributors are prohibited from selling bottled Kangen Water™ or any other water in any form produced from Enagic® (Malaysia) Sdn Bhd's water purifying machines as stated in Clause 14 (Prohibition of Sales of Kangen Water) of this Policies and Procedures. All distributors are also not permitted to carry out any acts which are prohibited by this Policies and Procedures. Distributor who fails to adhere to this Policies and Procedures shall face disciplinary actions and shall indemnify and hold Enagic® (Malaysia) Sdn Bhd harmless from and against any claims, causes of action, administrative proceedings, losses and damages due to the said breach of the Policies and Procedures as stated in Clause 40 (Disciplinary Actions) and Clause 55 (Indemnification and Hold Harmless) of this Policies and Procedures. Enagic® (Malaysia) Sdn Bhd reserves the right to terminate the membership of the distributor who fails to adhere to this Policies and Procedures with immediate effect without the need to provide any justification for such termination.

## **1. The Company, Company Policies and Procedures and Distributor's Handbook**

1.1 Enagic® (Malaysia) Sdn Bhd (the "**Company**") is a direct selling company marketing health and other consumer products and services to consumers through independent distributors.

1.2 The Company Policies and Procedures (collectively the "**Company Policies**") herein are applicable to all independent distributors of the Company. Further, the published Enagic Distributor's Handbook (the "**Handbook**"), as amended and published from time to time, is incorporated as a part of the Company Policies and the Distributor Agreement (collectively the "**Agreement**").

## **2. Distributor Qualifications**

2.1 The A person(s) who has/have submitted an application for distributorship and whose application has been accepted by the Company by way of a duly completed Agreement between the Company and the person(s) is a Distributor.

2.2 The Company reserves the right and at its sole and entire discretion to accept or refuse all distributorship applications.

2.3 Only persons who have attained the age of majority in Malaysia of **eighteen (18) years** may be appointed as Distributors. Unless waived in writing by the Company upon application, the Company will consider each married couple as a single distributor. Husbands and wives may sponsor each other directly, but may not be sponsored in different lines. If the Company finds that the second spouse was sponsored in a different line by any reason after the initial spouse was sponsored, the Company reserves the right to change the status of a spouse from a distributor into a user, or transfer the distributorship of a spouse into his or her upline distributor. If a spouse is already a distributor, the non-participating spouse may elect to become a distributor, but must join the same distributorship as his or her spouse, or be directly sponsored by his or her spouse. The Company reserves the right to reject any applications for new distributorships. Should a husband/wife distributor divorce, they should notify the Company as to how the distributorship is to be managed thereafter. Otherwise, the Company will recognize the final judicial or adjudicatory disposition of the distributorship. When an existing distributor is

willing to open the second or third distributorship, this account has to be opened under his existing account. Distributors are independent marketing representatives of the Company and are not to be considered purchasers of a franchise or a distributorship. The agreement between the Company and its distributors does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the distributors. Each distributor shall hold harmless, the Company from any claims, damages or liabilities arising out of distributor's business practices. Company distributors have no authority to bind the Company to any obligation. Each distributor is encouraged to set up his own hours and to determine his own method of sale, so long as he/she complies with the policies and procedures of the Company, as set out in the Company Policies, Handbook and duly agreed to by the distributor in the Agreement.

- 3 Independent distributors are fully responsible for properly paying all applicable taxes and fees as may be required by the laws of Malaysia. The Company does not perform any withholding services nor is the Company responsible for unpaid taxes on behalf of independent distributors. The company's programme is built upon retail sales to the ultimate consumer. The company also recognizes that distributors may wish to purchase product or service in reasonable amounts for their own personal or family use. For this reason, a retail sale for bonus purposes shall include sales to non-participants, as well as sales to distributors for personal or family use which are not made for purposes of qualification or advancement. It is Company policy, however, to strictly prohibit the purchase of product or large quantities of inventory in unreasonable amounts solely for the purpose of qualifying for bonuses or advancement in the marketing programme. Distributors may not inventory load nor encourage others in the programme to load up on inventory. Distributors must fulfill published personal and downline retail sales requirements, including but not limited to, requisite retail sales to non-participants, as well as supervisory responsibilities, to qualify for bonuses, overrides or advancements. Distributors may not make statements or representations regarding the Company other than those approved and provided in writing by the Company; such as its Company Policies, Handbook and/or any other official Company printed literature and publications.

### **3. Transaction Submission Integrity**

- 3.1 It is essential to the success of the Company, its distributors and customers that all relevant transactions relating to and arising out of the Agreement between the Distributor and the Company be submitted to the Company in order to maintain the integrity of communications between the Company and the distributor.
- 3.2 It is to be expected that all transactions submissions to the Company, including, but not limited to, distributor applications, distributor communication, distributor financial transactions and consumer transactions, be submitted by the individual or entity involved in the transaction – third party submissions of any and all transactions is prohibited.
- 3.3 A distributor should not communicate any transactions submissions on behalf of another distributor, distributorship applicant or customer. A distributor may not use his or her credit card or bank account on behalf of another individual or distributor, except as expressly permitted by the Company for as an alternate payer. This rule is applicable to any and all forms of transactions submissions, including, but not limited to, online, telephone, fax, email, et cetera.

#### **4. Business Conduct**

In the conduct of business, the distributor shall safeguard and promote the reputation of the products and services of the Company and shall refrain from all conduct which might be harmful to the reputation of the Company or to the marketing of such products and services or inconsistent with the public interest, and shall avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices. A distributor shall not interfere with, harass or undermine other distributors and, at all times, shall respect the privacy of other distributors. A distributor must not disparage the Company, other Company distributors, Company products and/or services, the marketing and compensation plans, or Company employees. Violation of the above is grounds for termination of the Agreement.

#### **5. Providing Sponsor Support**

5.1 Any distributor, who sponsors other distributors, must fulfill the obligation of performing a bona fide supervisory, distributing and selling function in the sale and/or delivery of product to the ultimate consumer and in the training of those sponsored. Distributors must have ongoing contact, communication and management supervision with their sales organization(s). For the avoidance of doubt, potential distributors shall not be required to provide any form of payment or benefit in order to be sponsored. Examples of such supervision may include, but are not limited to: written correspondence, personal meetings, telephone contact, voice mail, electronic mail, training sessions, accompanying individuals to company training, et cetera.

5.2 Distributors must also be able to provide to the Company annually proof of ongoing fulfillment of their sponsorship responsibilities.

#### **6. Responsibility for Paying Taxes**

All distributors are personally responsible for compliance with all relevant taxation laws and regulations of Malaysia that may arise out of his earnings from commissions or any other earnings generated as a seller of Company products and services.

#### **7. Advertising Correct Information**

7.1 Company distributors shall not advertise Company products and services and/or marketing plans except as specifically approved by the Company.

7.2 Company distributors agree to make no false or fraudulent representations about the Company, the products, the Company compensation plan, or income potentials.

7.3 Distributors do not buy the Company's water treatment systems for resale. A distributor acts as an order taker to retail customers, or, orders a Company water treatment system for personal use in the capacity as a customer who is also a distributor. The Company's water treatment systems purchased by distributors are not for resale. All Company water treatment systems are sold at Company-specified prices. A distributor may not advertise for sale or put up for sale a Company water treatment system that deviates from Company pricing. A distributor may not advertise, offer or provide a customer with a rebate or other consideration to facilitate a lower customer price for a Company water treatment system.



## 8. Trademarks, Trade Names, Advertising

- 8.1 The name of the Company and other names as may be adopted by the Company are proprietary trade names and trademarks of the Company. As such, these marks are of great value to the Company and are supplied to distributors for distributor use only in an expressly authorized manner. Distributors agree not to advertise Company products or services in any way other than the advertising or promotional materials made available to distributors by the Company. Distributors agree not to use any written, printed, recorded or any other material in advertising, promoting or describing the products or services or the Company marketing program, or in any other manner, any material which has not been copyrighted and supplied by the Company, unless such material has been submitted to the Company and approved in writing by the Company before being disseminated, published or displayed.
- 8.2 The distributor, as an independent contractor, is fully responsible for all of his/her verbal and written statements made regarding the products, services and/or marketing programmes which are not expressly contained in writing in the current distributor agreement, advertising or promotional materials supplied directly by the Company. The distributor agrees to indemnify the Company and hold it harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, and court costs, lost business or claims incurred by the Company as a result of distributor's unauthorized representations.
- 8.3 The Company does not permit the use of its copyrights, designs, logos, trade names, trademarks, etc. without its prior written permission. Independent distributors may not use the Company logo in marketing or sales materials. Independent Distributors may only use the Distributor Logo specifically developed to demonstrate their status as an official "Enagic® Independent Distributor". The Distributor Logo can be downloaded in the Distributor section of the Company website and may only be used by the Independent Distributor in their Distributorship. Trademarked terms such as Kangen Water® and Change Your Water, Change Your Life™ should be appropriately annotated. In addition to general prohibitions on use of the Company trademarks or logos, the Company specifically prohibits the use of Company trademarks or logos in conjunction with the sale of any other non-Company products.
- 8.4 All Company materials, whether printed, on film, produced by sound recording, or on the internet, are copyrighted and may not be reproduced in whole or in part by distributors or any other person except as authorized by the Company. Permission to reproduce any materials will be considered only in extreme circumstances. Therefore, a distributor should not anticipate that approval will be granted.
- 8.5 A Company distributor may not produce, use or distribute any information relative to the contents, characteristics or properties of Company product or service which has not been provided directly by the Company. This prohibition includes but is not limited to, print, audio or video media.
- 8.6 A Company distributor may not produce, sell or distribute literature, films or sound recordings which are deceptively similar in nature to those produced, published and provided by the Company for its distributors. Nor may a distributor purchase, sell or distribute non-company materials which imply or suggest that said materials originate from the Company.
- 8.7 Any display ads or institutional or trademark advertising copy, other than covered in the foregoing rules, must be submitted to the Company and be approved in writing by the Company prior to publication.

- 8.8 All advertising, direct mailing, and display must be approved in writing before being disseminated, published, or displayed. This restriction is also applied to commercial mass communications media which includes any paid advertisements, business entity platforms, non-profit organization platforms, news channels, written articles, radio and television channels, social media platforms, internet, and other public channels as such except through the permitted website under Clause 9.2.
- 8.9 No claims as to the therapeutic or curative properties about the products may be made. In particular, no distributor may make any claim that the Company products are intended to diagnose, treat, cure or prevent any disease. Such statements can be perceived as medical claims and unsubstantiated claims such as these are strictly against general Company policies and may also violate relevant laws in Malaysia. Pursuant to the Company's general policies of prohibition of medical, curative or treatment claims, the Company enumerates the following specific policies which include but are not limited to:
- A. Distributors are prohibited from making medical, curative or treatment claims, whether expressed or implied;
  - B. Distributors are prohibited from using in any and all of their marketing materials and promotion any descriptions that are regarded as health or medical claims stating that; Kangen Water™ may alleviate, cure, diagnose, prevent, relieve, or treat any medical condition, disease, ailment or malady.
  - C. Any violation of these guidelines will constitute grounds for discipline, commission suspension and/or termination of Agreement.
- 8.10 Sales of Marketing Materials and Trademark License Agreement – all distributors who plan to sell any additional products, including health and beauty related products, other than electrolysis water generator devices must receive prior approval from the Compliance Department of the Company. Each approved item must be specified on the contract called Sales of Marketing Materials and Trademark License Agreement. Productions and sales of any marketing materials including but not limited to, DVDs recorded at any seminars without prior authorization from the Company are strictly prohibited in any circumstances. Violation of this clause is grounds for suspension of the distributor's rights under the Agreement and/or the termination of the Agreement.

## 9. Internet and Website Policy

- 9.1 Distributors are prohibited from creating any independently-designed website relating to the Company business, or using any non-EWS current websites. All distributors must receive prior authorization from the Company by submitting all promotional products such as DVDs, CDs, Brochures, flyers et cetera, prior to their use. Violation of this clause will subject the distributor to commission suspension and/or termination of the Agreement.
- 9.2 Distributors are allowed to advertise on the internet through an approved Company Web System([www.enagicwebsystem.com](http://www.enagicwebsystem.com)) site (the "**System**"). All distributors who are newly subscribed to the System will be offered a free 21-day trial. The System allows distributors to choose from among Company's homepage designs that can be personalized with the distributor's message and the distributor's contact information. These websites link directly to the Company website giving the distributor a professional and Company-approved presence on the internet. Only these approved websites may be used by distributors. No distributor may independently design a website that uses the names, logos, product or service descriptions of the Company, nor may a distributor use "blind" ad on the internet making product or income claims which are ultimately associated with Company products, services or the Company's compensation plan. Any person using Company names, logos, trademarks, et cetera, on the

internet or any other advertising medium, except as permitted and approved by the Company, shall be subject to immediate disciplinary which may include termination of the Agreement.

## **10. Prohibition of Sales on Unauthorized Internet Sites**

A distributor is prohibited from selling or promoting Company products on internet shopping sites, internet auction sites, and internet classified listings including, but not limited to, eBay, amazon.com, and craigslist.com. Any violation of this article will constitute grounds for commission suspension and/or termination of the Agreement. All warranties on Company products are limited and non-transferable. The Company disclaims all statutory and implied warranties to the extent as permitted by law. The product warranty is limited to the express terms of the Consumer Limited Warranty and the Extended Consumer Limited Warranty.

## **11. No Spam Policy**

It is specific Company policy to prohibit unsolicited email (spamming) or information by facsimile relating to the Company's opportunity and products and services. The Company has a zero-tolerance policy of spamming practices. Distributors who violate the Company's "no spam policy" are subject to disciplinary action which may include termination of the Agreement.

## **12. Retail Establishments**

- 12.1 Company products or services may only be displayed and sold in retail establishments where the nature of the business is to make appointments with customers (such as salons, doctor's offices, and health clubs where appointments are made for personal training or classes are scheduled).
- 12.2 The sale of such products or services within such retail facilities must be conducted by a distributor and must be preceded by a discussion where the distributor introduces the Company's products or services and opportunities just as they would if they had met outside of the retail facility. Company produced literature, banners, or signage only may be displayed on a shelf, counter, or wall and must be displayed by itself.
- 12.3 Company products or services may not be sold from a shelf or taken from a display for purchase by a customer.
- 12.4 Company products or services may not be sold in any retail establishment, even by appointment, if competitive products or services are sold in the establishment.
- 12.5 From time to time, the Company may announce policies and rules that expand or contract restrictions on sales in retail establishments.

## **13. Prohibition on Affiliation with Other Water Treatment Marketing Companies**

It would undermine the basic distributor relationship if distributors marketed competing water treatment, water filtration or alkaline water conversion products. Therefore, so long as a distributor desires to maintain his distributorship status, he may not sell or market any water treatment, water filtration or alkaline water conversion products that are similar to the products sold by the Company.

#### **14. Prohibition of Sales of Kangen Water®.**

- 14.1 Sales of bottled Kangen Water® or any other water in any form produced from a Company machine is strictly prohibited, to include all sales of Kangen Water® in which a person receives water, bottled or otherwise from a Company machine. No “donations” or other sums may be collected for the distribution of Kangen Water®.
- 14.2 Charging customers due to the use of electricity or the general usage of the machine is prohibited. These are considered to be business expenses, and therefore should be paid by the distributor, and not by the customer.
- 14.3 Any violation of this clause will constitute grounds for termination of Agreement.
- 14.4 Providing bottled Kangen Water® to a prospective buyer is authorized; However, any labeling on the bottle or attached to the bottle is strictly prohibited, as it may create a confusion that the sample water is “bottled” or “for sale”, rather than a mere sample provided to person or prospective buyer at no charge.

#### **15. Trade Shows**

- 15.1 Company products or services and opportunity may be displayed at trade shows by distributors only with written authorization from the Company.
- 15.2 Request(s) for participation in trade shows must be received in writing by the Company at least one (1) month prior to the show. Written authorization from the Company must be received before the distributor participating in the trade show.
- 15.3 Unless written authorization is secured from the Company, Company products or services and opportunity are the only products or services and/or opportunit(ies) that may be offered in the trade show booth.
- 15.4 Only Company produced marketing materials may be displayed or distributed. No distributor may sell or promote the Company products or services or business opportunity at flea markets, swap meets, or garage sales.

#### **16. Assigned Territory**

Distributors are not assigned exclusive territories for marketing purposes, nor shall any distributors imply or state that he does have an exclusive territory. There are no geographic limitations on sponsoring distributors or selling product within the Malaysia and any approved countries in which the Company is registered to do business.

#### **17. International Sales**

- 17.1 No independent distributor may export or sell directly or indirectly to others who export the Company’s products, literature, sales aids or promotional material relating to the Company, its products or services or the Company’s programme from Malaysia to any other country.

Independent distributors who choose to sponsor internationally may do so only in countries in which the Company or its parent company has registered to operate its business and must comply fully with the Rules of Operation of a Company distributorship in that country.

- 17.2 Any violation of this clause constitutes a material breach of this Agreement and is grounds for immediate termination.

## **18. Change of Business Name**

The Company reserves the right to approve or disapprove a distributor's change of business names, formation of partnership, corporations, and trusts for tax, estate planning, and limited liability purposes. If the Company approves such a change by distributor, the organization's name and the names of the principals of the organization must appear on the distributor application agreement. It is prohibited to make change to attempt to circumvent or violate Company rules on raiding, solicitation, targeting, cross- sponsoring or interference.

## **19. Cancellation of Distributorship**

- 19.1 The independent distributor agreement may be cancelled at any time and for any reason by a distributor notifying the Company in writing of his election to cancel.
- 19.2 All cancellations are accepted and effective as stated. As of the effective cancellation date, the independent distributor loses all privileges of leadership and down line organization, and is no longer eligible for any commissions, bonuses or prizes. He cannot advertise, sell or promote the Company products or purchase product from the Company. The cancelling distributor's down line organization automatically transfers to his immediate up line. The resigning distributor must wait six (6) months before he is eligible again to be sponsored again as a Company distributor, either as an individual or a corporation.
- 19.3 The Company will consider an application to reinstate a "resigned distributor" one year after the resignation date. As part of the application, the former distributor must pledge to adhere to the existing requirements of the Company Policies, Handbook and Agreement. Acceptance of the application is at the discretion of the Company and the Company shall also have the discretion to reinstate the former distributor in the sales organization at his or her former position or to require a lesser placement as a condition to reinstatement. The Company reserves the right to, at its sole and entire discretion, accept or reject such application.

## **20. Change to Product of Service Prices**

The Company shall be entitled to change product or service prices at any time and without notice, and to make changes in the statement of policy and procedures.

## **21. Taxes and Regulations**

Each distributor shall comply with all local taxes and regulations governing the sale of Company products or services.

## **22. Cooling Off**

Notwithstanding the Company's longer retail customer guarantee policy, all retail sales must comply with the Ten (10) days Cooling-off Rule which requires statutory language and notice of cancellation on the retail sales receipt. The 10-days right of cancellation must be orally explained to the customer and customer must receive a copy of the notice of cancellation form.

## **23. Company's Signature Products**

The signature product of the Company is one which involves water treatment relating to purification and adjustment of alkaline content. This signature product is fundamental to the branding and image of the Company. Therefore, although distributors are free to sell, within the guidelines of the Company's policies, products of third-party vendors, a Company distributor shall not, during the term of the distributorship, sell products which involve the Company's signature products, namely, products that involve water treatment relating to purification and adjustment of alkaline content. Violation of this provision may result in termination of the Agreement.

## **24. Prohibition on Raiding and Cross-Solicitation of Products or Other MLM and/or Business Opportunities.**

- 24.1 The Company takes seriously its responsibility to protect the livelihood of its sales forces and the hard work invested to build a sales organization. Raiding and solicitation actions in which distributors seek to raid and solicit other distributors in the sales organization to non-company products and services and to other MLM/business opportunities, severely undermines the marketing programme of the Company, interferes with the relationship between the Company and its sales force and destroys the livelihood of other distributors who have worked hard to build their own business, the business of their sales and benefits they have earned by helping to build a sales organization. Therefore, distributors shall not directly or indirectly sell to, nor solicit from, other Company distributors, non-company products or services, or in any way promote to other Company distributors business opportunities in marketing programmes of other MLM or business opportunity companies at any time.
- 24.2 A Company distributor shall not engage in any recruiting or promotion activity that targets Company distributors for opportunities or products of other direct selling companies or business opportunities, either directly or indirectly, by themselves or in conjunction with others, nor shall a distributor participate, directly or indirectly, in interference, raiding or solicitation activity of Company distributor for other direct selling companies or business opportunities. Unless approved in writing by the Company, this general prohibition includes sales or solicitation of non-company products or services at meetings organized for Company sales, promotion, training recruitment, demonstration, et cetera. This prohibition on targeting, interference, soliciting and raiding shall be in effect during the term of the distributor agreement and for a period of three (3) years after the termination of the distributor agreement. For the term of this agreement and for three (3) years after termination hereof, a distributor shall not, directly or indirectly, recruit any of Company's distributors to join other direct sales or network marketing companies nor solicit, directly or indirectly, Company's distributors to purchase services or products, or in any other way interfere with the contractual relationships between Company and its distributors. Because

of the unique nature and signature characteristic and association with the field of water treatment with Enagic®, and because of the inherent confusion and conflict that may occur, Enagic® distributors may not engage in the representation or sale of water treatment systems offered by any company other than Enagic®.

## **25. Purchases for Inventory of Mandatory Sales Aids**

If the distributor has purchased products for inventory purposes or mandatory sales aids while the distributor agreement was in effect, all products in a resalable condition then in possession of the distributor, which have been purchased within 90 days of cancellation, shall be repurchased. The repurchase shall be at a price of not less than ninety per cent (90%) of the original net cost to the participant returning such goods, taking into account any sales made by or through such participant prior to notification to the Company of the election to cancel.

## **26. Vendor Confidentiality**

The Company's business relationship with its vendors, manufacturers and suppliers is confidential. A distributor shall not contact directly or indirectly, or speak to or communicate with any representative of any supplier or manufacturers of the Company except at a company sponsored event at which the representative is present at the request of the Company. Violation of this clause may result in termination of the Agreement and possible claims for damages if the vendor/manufacturer's association is compromised by the distributor contact.

## **27. Commission Recuperation**

The Company shall be entitled to repayment of any commission previously paid on a sale of product/service if the product/service purchase is cancelled or reversed or a refund paid for a terminated purchase. The Company shall recover the commission by adjustment on the distributor's next cheque payment. In the event that no commissions available for adjustment, the distributor who has received the commission shall repay the commission paid on the "reversed sale" within 30 days of the Company's notice to repay.

## **28. Downline Information Confidentiality**

On a periodic basis, the Company will supply data processing information and reports to the distributor, which will provide information concerning the distributor's downline sales organization, product purchases and product mix. The distributor agrees that such information is proprietary and confidential to the Company and is transmitted to the distributor in confidence. The distributor agrees that he will not disclose such information to any third party directly or indirectly, nor use the information to compete with the Company directly or indirectly during or after the term of the Agreement. The distributor and the Company agree that, except as provided for by the confidentiality and nondisclosure provisions of the Agreement, the Company would not provide the above confidential information to the distributor. A distributor seeking to sell his distributorship must acknowledge and agree to this provision prior to the finalization of the sale of their distributorship.

## 29. Change in Status

- 29.1 Marriage – two Company distributors who marry after having established their own individual distributorships may continue to operate their existing distributorships.
- 29.2 Divorce – should a married couple become divorced; they agree to notify the Company as to who will assume responsibility for the distributorship in one of the following manners:
- A. Written agreement signed by both parties in the presence of witnesses (which may be an advocate and solicitor or commissioner or oaths or a notary public) indicating who will retain the distributorship;
  - B. Court order delineating who receives custody over the distributorship; or
  - C. Both parties may choose to retain their joint distributorship and operate it as a partnership.

The divorced distributor may apply for a new distributorship without having to wait 6 months.

- 29.3 Death – upon the death of a distributor, the rights and responsibilities of the distributorship may be passed onto the rightful, legally-documented heir as long as that person has filled out a new distributor application, together with a copy of death certificate.
- 29.4 Disability – should a distributor become disabled to the extent that he can no longer fulfill the required duties of the Company distributor, such disabled consultant's legal representative or conservator shall:
- A. Contact the Company within thirty (30) days of the disability and advise the Company of the distributor's status and the plans for future management or cancellation of the distributorship;
  - B. Provide a notarized or court-confirmed copy of appointment as legal representative or conservator; and
  - C. Provide a notarized or court-confirmed copy of document establishing right to administer the Company business.

Should the legal representative or conservator plan to continue the business of the distributorship, then he/ shall fill out a new distributor application, return policy and receive the required training consistent with the disabled distributor's level at the time of disability. These requirements shall be satisfied within a deadline of six months.

## 30. Upgrades of Machines

- 30.1 All upgrades on machines need to be authorized by the regional sales manager in charge of the respective sales area. The Company reserves the right to refuse machine upgrades at its discretion.
- 30.2 Upgrades of unused, new machines are allowed within six (6) months from the date of purchase. All requests must be accompanied by a **Malaysian Ringgit** (RM200) upgrade fee.

## 31. Sale or Transfer



- 31.1 Third parties who buy any Enagic® products do not automatically qualify to be Enagic® distributors.
- 31.2 Distributors agree to inform all third parties to whom they sell Enagic® products of the facts above and further agree not to promise any possibility of transferring distributor rights. A distributor may not sell, assign or otherwise transfer his distributorship, marketing position or other distributor rights without written application to and approval from the Company. This clause is also applicable to the transfer of any interest in an entity that owns a distributorship, including but not limited to a corporation, partnership, trust or other non-individual entity.
- 31.3 The potential buyer must be of similar standing as the selling distributor. The distributorship must be offered in writing first to the distributor's sponsor. If the sponsor declines the offer, the distributor may offer the distributorship for sale to upline distributors of the sponsor within the same group. A distributor who sells his or her distributorship shall not be eligible to re-qualify as a distributor for a period of at least six (6) months after the sale.
- 31.4 The Company reserves the right to review the sale agreement and to verify waiver from the upline sponsor in the event the upline sponsor declines to purchase the distributorship. A distributor may not add a co-applicant to their distributorship and thereafter, remove their name from the distributorship, as an effort to circumvent the Company's sale, assignment, delegation or merger procedures. The primary distributor must wait twelve (12) months after adding a co-applicant to the distributorship before they are allowed to remove their name from the distributorship.
- 31.5 It is prohibited to use a sale or transfer to attempt to circumvent Company policy on raiding, soliciting, cross-sponsoring or interference. A distributor seeking to sell or transfer his distributorship must acknowledge and agree to Clause 60 prior to the finalization of the sale or transfer of his distributorship.

## **32. Rights of the Company**

- 32.1 The Company expressly reserves the right to alter or amend prices, Rules and Regulations, Policies and Procedures, product availability and the compensation plan. Upon notification in writing, such amendments are automatically incorporated as part of the Agreement between the Company and distributor. Company communication of changes may include, but shall not be limited to mail, email, fax, posting on the Company website, publication in company newsletters or magazines, et cetera.
- 32.2 The Company reserves the right to make all final decisions as to the interpretation of the articles stated in this document. The final Company decision based on the interpretation of the articles stated herein is effective immediately. All distributors are obliged to follow the Company's decision as to the interpretation of the articles herein.

## **33. Non-Individual Ownership**

- 33.1 A partnership or corporation may be a distributor. However, no individual may participate in more than three (3) distributorships in any form without express written permission from the Company. It should be noted that any request for more Company approval for a distributor to participate in more than three (3) distributorships will only be considered on a case-by-case basis and on the individual merits of each case.

- 33.2 A distributorship may change status under the same sponsor from individual to partnership or corporation or from partnership to corporation with proper and complete documentation.
- 33.3 To form a new distributorship as a partnership or corporation or to change status to one of these forms of business, a distributor must request a change request form from the Company's Corporate Headquarters Office. This form must be submitted detailing all partners, stockholders, officers or directors in the partnership or corporation. The partner or officer who submits the form must be authorized to enter into binding contracts on behalf of the partnership or corporation. In addition, by submitting the partnership/corporation form, the said individual certifies that no person with an interest in the business has had an interest in a distributorship within three (3) months of the submission of the form (unless it is the continuation of an existing distributorship that is changing its form of doing business).

### **34. Individual Distributorship**

An individual can have up to three (3) distributorships in the Company. He may not own any other distributorship, either individually or jointly, nor may he participate as a partner, owner, stockholder, trustee, director, or association member, outside his sponsorship.

### **35. Entity Distributorship**

An entity (corporate) owner can have up to five (5) distributorships in the Company, as long as they are within the same distributorship:

- A. Proprietorship – a copy of fictitious name filing must be submitted.
- B. Corporation: Copies of articles of incorporation with CCM list.

### **36. Entity Guarantee for Owners**

Although the Company allows distributors the opportunity to conduct their distributorship as a corporation, the Company is also aware that a corporation is under the control of its owners and principals and that the actions of individual owners or beneficiaries may affect Company's business. It is therefore agreed that in the event where the distributor is a corporation, the actions of the corporation's shareholders, officers, directors, trustees, beneficiaries, agents, employees or other related or interested parties and the actions of such parties, insofar where they violate the Company Policies, Handbook and/or Agreement, shall be attributable to the corporate. In the event that any of the corporation's shareholders, officers, directors, trustees, beneficiaries, agents, employees or other related parties terminate(s) his/their ownership interests in the distributorship, any breach(es) of the Company Policies, Handbook and Agreement by such part(ies), insofar where he/they continue to have a beneficial financial interest, either directly or indirectly, in the distributorship, shall be attributable to the corporation's distributorship.

### **37. Members of Same Household**

- 37.1 Responsibility – members of a distributor's household may operate together as under a single distributorship and may not become separate Company distributors. A Household is defined as husband, wife, and dependents. It is important to note that children who have attained the age of majority of eighteen (18) years will not be considered to be a part of their parents' household for the purposes of the distributorship.

37.2 The Company recognizes that members of the same household may belong to competing direct selling opportunities. Although the actions of the parties are assumed to be taken in good faith, in some circumstances, there might be an abuse of relationships in which the non-company household member is engaged in recruitment, solicitation or raiding of the Company sales organization. Since the household member that has an ownership interest in the Company distributorship is in the best position to prevent the raiding or cross-sponsoring activities by their members of their household (as defined in clause 37.1), any cross-recruiting activity of the non-Company household member shall be attributed to the household distributor and will accordingly subject the distributor to possible disciplinary action or the termination of the Agreement.

### **38. Foreign Distributors**

A foreign distributor will be solely responsible for all applicable taxes, duties, and other fees associated with his distributorship. The foreign distributorship is subject to all applicable laws and regulations of his country of residence. The Company is not responsible for any failure by the foreign distributor to abide by the laws of his country of residence or other controlling jurisdiction. While the Company does attempt to provide notice whenever possible, it may not always be possible to do so. Change in Company policy or other actions such as termination may occur without notice to the foreign distributor. 10% withholding tax which is Malaysia government requirement will be deducted from all commission and bonuses.

### **39. Default in Payment**

A distributorship will be terminated if a distributor defaults in payment of product purchases from the Company. For the avoidance of doubt, potential distributors shall not be required to provide any form of payment or benefit in order to be, other than where payment or benefit is made in relation to demonstration equipment and materials, accepted as a distributor by the Company. In the event where a distributorship purchases product, either in the capacity of a consumer or distributor of the Company, and subsequently defaults on payment, the distributorship is subject to immediate termination of the Agreement. The preceding rule is applicable to a distributor who is either an individual or to a corporation or partnership distributor where one of the principal owners' defaults in payment.

### **40. Disciplinary Actions**

A distributor's violation of any policies and procedures, the agreement, terms and conditions or any illegal, fraudulent, deceptive, or unethical business conduct may result, at the Company sole and entire discretion, in one or more of the following disciplinary actions:

- A. Issuance of a written warning or admonition; and/or
- B. Imposition of a fine, which may be imposed immediately or withheld from future commission checks;  
and/or
- C. Reassignment of all or part of a distributor's organization; and/or
- D. Freezing of commissions for an indefinite period; and/or
- E. Suspension, which may result in termination or reinstatement with conditions or restrictions;  
and/or
- F. Termination of the distributorship.

## **41. Right to Terminate**

The Company reserves the right, at its sole and entire discretion, to terminate any distributorship at any time if the Company determines that the distributor has violated the provisions of the Agreement, including the provisions of the clauses contained in this document herein, including as and when these clauses may be amended by the provisions of applicable laws and standards of fair dealings. In the event of termination, the Company shall notify the distributor by mail at the most current address of the distributor lodged with the Company. In the event of termination, the terminated distributor agrees to immediately cease representing himself as a distributor.

## **42. Termination**

- 42.1 When a decision is made to terminate a distributorship, the Company will inform the distributor in writing that the distributorship is terminated immediately, effective as of the date of the written notification. The termination notice will be sent by registered mail to distributor's most current address on file with the Company.
- 42.2 The distributor will have fifteen (15) days from the date of mailing of the registered letter in which to appeal the termination in writing, and provide written response as to the findings of violations by the Company of the Company Policies, Handbook and/or Agreement. The distributor's appeal and/or response correspondence must be received by the Company within twenty (20) days of the Company's termination letter. If the appeal is not received within the 20-day period, the termination will automatically be deemed to be final.
- 42.3 If a distributor files an appeal in accordance with the stipulated procedures and time period, the Company will review and consider the distributor's appeal. In addition, the Company will also consider any other appropriate action, and notify the distributor of its decision in due course.
- 42.4 The decision of the Company will be final and subject to no further review. In the event the termination is deemed to be final, the termination will be effective as of the date of the Company's original termination notice. The terminated distributor may not be sponsored as a Company distributor again.
- 42.5 Upon termination of a distributorship, all rights under the Agreement cease. The terminated ex-distributor will no longer be eligible for any commission, bonuses or prizes. The terminated ex-distributor can also no longer advertise, sell or promote the Company products or purchase products from the Company and any violation of this clause will be sufficient grounds for the Company, at its sole and entire discretion, commence whatever action including but not limited to, legal action, against the terminated ex-distributor.

## **43. Sponsorship**

- 43.1 All distributors have the right to sponsor others. In addition, every person has the ultimate right to choose his own sponsor. If two distributors should claim to be the sponsors of the same new distributor, the Company shall regard the first application received by the corporate home office as controlling.

- 43.2 As a general rule, it is good practice to regard the first distributor who has meaningfully worked with prospective distributor as having the first claim to sponsorship though this is not necessarily the sole factor of consideration. Other factors of consideration such as common sense and equitable principles should also be utilized.
- 43.3 The Company may provide the distributors with various methods of registration or information of newly sponsored distributors, including but not limited to, facsimile registration and online registration for the convenience of the distributors. The Company. Until such time as the Company receives a duly completed application, containing all appropriate and required information as well as the signature of the proposed new distributor, the Company will only consider any application as one which is merely a non-binding expression of interest. Although the Company is attempting to create convenience for its sponsoring distributors, it is the responsibility of each sponsoring distributor to cause delivery to the Company of a completed and signed distributor agreement if the sponsor is expected to be recognized as the official sponsoring distributor. For the avoidance of doubt, potential distributors shall not be required to provide any form of payment or benefit in order to be sponsored.
- 43.4 There is no “magic” involved in the Company or in any business. Those who sponsor widely but who do not help new distributors develop their business meet will be met with limited success. Therefore, it is the distributor’s responsibility to follow through and make sure the new distributor is properly informed and trained in the areas of product knowledge, the compensation plan, the professional guidelines of the network marketing industry, the Company Policies, Handbook and Agreement.
- 43.5 When soliciting a prospective distributor to join the Company’s network programme, the distributor must clearly explain the following:
- A. Products: type, performance and quality of each product;
  - B. Compensation plan;
  - C. Policies and Procedures;
  - D. Distributor’s rights and duties; and
  - E. Other important items that will affect the judgment of the prospective distributor.
- 43.6 Distributors should never provide false and/or misleading information in order to encourage the conclusion of a sales agreement or to prevent the buyer from cancelling the agreement.
- 43.7 Retail sales are a requirement of the Company’s network programme.
- 43.8 Each distributor must identify himself by name and Company ID number to the prospective buyer.
- 43.9 The Company offers no sales discounts or other concessions and the distributor may not offer either. Any discounts offered by distributors may be grounds for termination.

#### **44. Transfer of Sponsorship**

- 44.1 Transfer is rarely permitted and is actively discouraged. Maintaining the integrity of sponsorship is absolutely crucial for the success of the overall organization.
- 44.2 Transfers will generally be approved in the following two (2) circumstances:
- A. In the case of unethical sponsoring by the original sponsor – in such cases, the Company will be the final authority; or

B. Resigning from the Company entirely – waiting six (6) months to reapply under the new sponsor.

44.3 In cases of unethical sponsoring, the individual may be transferred with any downlines intact; in all other events, the individual alone is transferred without any downline distributors being removed from the original line of sponsorship.

#### **45. Income Claims**

No income claims, income projections, income representation, or showing of commission checks (“check waving”) may be made to prospective distributors. Any false, deceptive or misleading claims regarding the opportunity or product/service are prohibited. In their enthusiasm, distributors are occasionally tempted to represent hypothetical income figures based upon the inherent power of network marketing as actual income projections. This is counter-productive, since new distributors may be quickly disappointed if their results are not as extensive or as rapid as a hypothetical model would suggest. The Company believes firmly that the income potential is great enough to be highly attractive in reality without resorting to artificial and unrealistic projections.

#### **46. Representation of Status**

In all cases, any reference the distributor makes to him must clearly set forth the distributor’s independent status.

For example, if the distributor has a business telephone, the telephone may not be listed under the Company’s name or in any other manner which does not disclose the independent contractor status of the distributor.

#### **47. Judgment and Tax Lien**

The Company will comply fully with any court order or instruction/demand by any Malaysian Government taxation authority, in relation to a distributor’s earnings as a result of his distributorship relationship with the Company.

#### **48. Subpoenas Duces Tecum (Demands for Records)**

Assuming proper jurisdiction, the Company will comply with all subpoenas duces tecum demanding financial compensation records of a distributor in his capacity as an independent contractor with the Company.

#### **49. Request for Records**

The Company will comply fully with all requests for records accompanied by a properly prepared and signed authorization by the person whose records are being sought. The Company will comply fully with all requests for records by Malaysian Government agencies with the authority to request such records and accompanied by the requisite legal documentation.

#### **50. Newspaper Advertisement**

Some Independent Representatives use classified advertising in the newspapers to find prospects. The following rules apply – no advertisement may imply that a “job” or “position” is available. No specific income can be promised and advertisements must contain no misleading facts or distortions of the Company opportunity or product line.

### **51. Business Cards and Stationery**

Any printed materials, including business Cards and stationery, must be approved by the Company in advance.

The criteria for approving these materials will include an assessment of the quality of the materials submitted as well as properly the adequacy of establishing the independent status of the distributor.

### **52. Telephone Solicitation**

The use of the Company’s name or copyrighted materials may not be made with automatic calling devices or “boiler room” operations either to solicit distributors or retail customers. The use of these methods in ways that are legal and the equivalent of the “blind ads” alluded to above cannot be regulated by the Company.

### **53. Press Inquiries.**

Any inquiries by the media are to be referred immediately to the Company. This policy is to assure accuracy and consistent public image.

### **54. Endorsement**

Distributors may not represent that the Company’s programme has been approved or endorsed by any Malaysian Government agency.

### **55. Indemnification and Hold Harmless**

The independent distributor hereby indemnifies and releases the Company, its officers, directors, agents and assigns and holds harmless from and against the full amount of any and all claims, causes of action, judicial and administrative proceedings suits, charges, liabilities, losses, damages, costs and expenses, including without limitation court costs and reasonable fees and expenses of attorneys and consultants, which are or may be made, filed or assessed against Company at any time arising out of distributor’s business operations and representations made by the distributor in the operation of his business, arising from the following:

- A. Violation and/or lack of compliance with terms of the distributor agreement, policies and procedures, rules and regulations, marketing programme manual or guidelines or any other directive from the Company as to the method and manner of operation of the independent distributor business; and/or
- B. Engaging in any conduct not authorized by the Company in the Company marketing programme; and/or
- C. Any fraud, negligence or willful misconduct in the operation of the independent distributor business; and/or

- D. Misrepresentation or unauthorized representation regarding the Company's product or service, marketing opportunity or potential or the Company's marketing program; and/or
- E. Failure to adhere to the relevant laws of Malaysia; and/or
- F. Engaging in any action which exceeds the scope of authority granted to the distributor by the Company; and/or
- G. Engaging in any activity over which Company has no effective control as to the actions of the distributor.

## **56. Waiver**

The Company never gives up its right to insist on compliance with these rules or with the applicable laws governing the conduct of a business. This is true in all cases, both specifically expressed and implied, unless an officer of the Company who is authorized to bind the Company in contracts or agreements specifies in writing that the Company waives any of these provisions. In addition, any time the Company gives permission for a breach of the rules, that permission does not extend to future breaches. This clause deals with the concept of "waiver," and the parties agree that the Company does not waive any of its rights under any circumstances short of the written confirmation alluded to above.

## **57. Governing Law**

These rules are reasonably related to the laws of the Malaysia and shall be governed in all respects thereby. The parties agree that jurisdiction and venue shall lie with the place of acceptance of the distributor application, Malaysia.

## **58. Partial Validity**

If any article or articles of this document shall be held to be invalid, illegal, unenforceable or in conflict with the law of any jurisdiction, the validity, legality and enforceability of the remaining articles shall not in any way be affected or impaired thereby.

## **59. Non-Competition**

For a term of one (1) year after sale, transfer or termination of the distributorship, a distributor agrees that he shall not, directly or indirectly, disrupt, damage, impair or interfere with the business of the Company within Malaysia, whether by way of interfering with, or raiding its employees or distributors, disrupting its relationship with customers, agents, representatives, distributors, suppliers, vendors or manufacturers or otherwise. "Disrupting" or "interfering" include, but are not limited to, direct or indirect solicitation or recruitment for other direct selling business opportunities or products or services of other direct selling companies.

## **60. Product Handling and Distributor's Responsibility**

- 60.1 The prospective distributor shall fulfill stated personal sales volume requirements to be recognized and registered as an active Company distributor.
- 60.2 Special favorable payment plans are available to distributors who wish to purchase Company products.



- 60.3 The distributor may sell products through the Company-contracted credit companies.
- 60.4 The distributor shall take full responsibility for any of the following issues arising in connection with his own customer(s).
- 60.5 The distributor shall take the following actions without delay in case of cancellation of a sales agreement during the Cooling-off Period:
- A. Refund the commission and other applicable fees/charges to the Company;
  - B. Substitute the cancelled account with another account;
  - C. Any actions other than A and B above will be taken after discussions involving the distributor, the Company and the referrer.
  - D. Provide such information as the Company may request from time to time in connection with the Company's collection of money payable for the products.
  - E. Provide such information as the Company may request from time to time in connection with the Company's handling of sales-related claims other than the above;
  - F. The commission shall be paid by cheque issued by the Company in favor of the distributor promptly after the expiration of the cooling-off period or otherwise based on the distributor's instruction.

## **61. Contact Us**

Should you have any concerns, queries, requests and complain in regards to the Policies and Procedures, please reach us directly during office hour as below:

Person: Muhammad Nur Hafiz bin Abdul Shukor (Jerry)

Contact No.: 603 2282 2332

Email: [compliance@enagic-my.com](mailto:compliance@enagic-my.com)

## **B. Privacy Policy**

### **English Version**

Please be informed that Enagic® (Malaysia) Sdn Bhd, (hereinafter referred to as “Enagic® (M)”, “Us”, “Our” and “We”) is bound by the Personal Data Protection Act 2010 and any relevant law in Malaysia which set out a number of principles concerning consumer protection in Malaysia. Enagic® (Malaysia) Sdn Bhd (Company No. 971103-W), with our registered office and principal place of business at Unit 25-6 & Unit 27-6, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia is committed to protect all Personal Data kept by us and to provide our distributors and users with the highest levels of customer service.

Enagic® (M) is committed to respecting your privacy. Our Website has been structured in a way whereby you are not required to identify yourself nor reveal any personal information should you wish to visit Enagic® (M) Website. Any information, communication or material provided to us, whether received online, electronically, and/or hardcopy to include any data, documentations, questions, comments, suggestions or the like is, will be treated as confidential and proprietary except as set forth in the Personal Data Protection Act 2010 and any relevant law in Malaysia.

While you are neither bound nor obligated to provide us with any of your personal data, your choice not to do so, may result in Enagic® (M) not being able to:

- (i) supply you our products and services;
- (ii) process your job application; or
- (iii) appoint you as our user and distributor.

The purpose of this Privacy Policy is to make the distributors and users aware of our privacy policies and practices and of the choices you can make about the way your information is collected and used. The Privacy Policy is designed in order to explain further of some of our policies and principles pertaining to your privacy of data. Your utmost satisfaction and trust are our priority by maintaining, protecting and securing the privacy of your data.

Enagic® (M) reserves the right to change any portion of this Policy.

### **1. INFORMATION COLLECTION STATEMENT**

1.1 “Personal Data” means any personal information in respect of commercial transactions relating to Enagic®’s customers and/or distributors which have been provided to Enagic® (M) or our parent company, subsidiaries, related and associated companies or made available to Enagic® (M) that relates directly or indirectly to Enagic®’s customers and/or distributors who is identified or identifiable from that information or from that and other information in the possession of a Enagic® (M) and could include information such as name, Identity Card/Passport No., address and contact details, contact number account number, credit card details and particulars of spouse and children who are at least 18 years old which were provided to us with their consent.

1.2 Your Personal Data may have been collected directly from you, and/or third parties and/or from any other sources publicly available and over time through our relationship with you.

1.3 Your Personal Data may be received and/or retained in any form; this is to include in writing, electronically or verbally.

Enagic® (M) has the right to record and maintain a record of consent from customer through any Enagic® (M) forms that has been filled up and submitted to us. The Personal Data collected will be stored and transferred to the Enagic® Headquarters database and data storage located at Japan.

## **2. USE OF INFORMATION**

2.1 Enagic® (M) will process your Personal Data and use your information to understand your needs better in order to provide better service. Such data will be used by us to update you on services and benefits, to communicate back and to assist in completing any transaction.

### **2.2 Fulfilling your Transaction Request**

If you request something from Enagic® (M), for example, a product or service or a request for a business transfer, we will use the information you provided to us to fulfill your request. To help us do this, we may share information with others, for instance, Enagic® (M)'s business partners, Enagic® (M)'s related and/or affiliated company within or outside Malaysia and financial institutions involved in fulfillment of such transaction request. In connection with a transaction, we may also contact you as part of our customer satisfaction surveys or for market research purposes.

### **2.3 Personalizing your Experience on our Web Sites**

We may use information we collect about you to provide you with a personalized experience on our Web sites, such as providing you with content in which you may be interested and making navigation on our sites easier.

### **2.4 Marketing**

The information you provide to Enagic® (M), as well as the information we have collected about you indirectly, may be used by Enagic® (M) for marketing purposes. Before we do so, however, we will offer you the opportunity to choose whether or not to have your information used in this way. You may at any time choose not to receive marketing materials from us by contacting us directly (please refer to "Contact Us" below).

### **2.5 Recruitment**

In connection with a job application or inquiry, whether advertised on Enagic® (M)'s Web site or otherwise, you may provide us with information about yourself, such as a resume. We may use this information throughout Enagic® (M) in order to address your inquiry or consider you for employment purposes. Unless you tell us not to do so, we may keep the information for future consideration.

### **2.6 Required by Law**

We reserve the right to disclose your personal information as required by law and when we believe that disclosure is necessary to protect our rights, or the rights of others, or to comply with a judicial proceeding, court order, or legal process served on our Web sites.

## 2.7 Compliance and Risk Management

We shall also use your personal data and other data for the purposes of Enagic® (M)'s auditing, internal investigations, compliance, risk management, conflict of interest reporting and security processes.

2.8 Enagic® (M) may process your Personal Data without your consent if it is permitted under the Personal Data Protection Act 2010 (PDPA 2010) or any other relevant law in Malaysia.

## 3. COLLECTION AND USE OF NON-PERSONAL INFORMATION

We also collect non-personal information/data in a form that does not permit direct association with any specific individual. We may collect, use, transfer and disclose non-personal information for any purpose. The following are some examples of non-personal information that we collect and how we may use it:

- a) We may collect information such as sales revenue, transaction details, payment history and others so that we can calculate commissions payable to distributors, better understand customer behavior, and to improve our products, services and advertising.
- b) We also may collect information regarding customer activities on our website and from our other products and services. This information is aggregated and used to help us provide more useful information to our customers and to understand which parts of our website, products and services are of most interest. Aggregated data is considered non-personal information for the purposes of this Privacy Statement. If we do combine non-personal information with personal information the combined information will be treated as personal information for as long as it remains combined.

## 4. DISCLOSURE PRINCIPLE

4.1 Enagic® (M) shall not disclose any of your Personal Data to the third party without your consent except;

- a) to our parent company, subsidiaries, related and associated companies for our business internal purposes including but not limited to Enagic® Headquarters, Enagic® Singapore and Enagic® Hong Kong and others
- b) to our business partners, affiliates, clients and third-party service providers within or outside of Malaysia
- c) to our appointed and certified Enagic® Service Agent within Malaysia
- d) required or requested by you in written or electronic form
- e) it is for the purpose for which the personal data was to be disclosed at the time of collection of the personal data

4.2 Enagic® (M) has the right to disclose your personal data to such persons in order to comply with any legal, regulatory, or any government agency notification requirements.

4.3 Enagic® (M) has the right to disclose any personal data to any financial institution in connection with your loan and/or financing application required or requested by you.

4.4 Enagic® (M) has the right to disclose your personal data if it is required under the law or in relation to any order or judgment of a court.

4.5 Enagic® (M) has the right to disclose your personal data if it is permitted by the law for the prevention of crime; to include any illegal/unlawful activities or fraud or for the purpose of persecution of offenders or any form of investigation relating to any of these.

4.6 We reserve the right to disclose any personal data to any third party in order to protect our rights, defend us and our property in our best interest.

## **5. SECURITY PRINCIPLE**

5.1 Enagic® (M) is responsible to take any prudent steps to ensure that we have sufficient security measures in place to protect and safeguard the confidentiality and security of all personal data. Such steps to include any appropriate procedural and technical steps being introduced by us to protect personal data from any unwanted situation/scenario; accidental or unlawful destruction or accidental loss, alteration or disclosure.

## **6. RIGHT TO ACCESS**

6.1 We may decline to process requests for access to your personal data if no information is supplied to prove your identity, no information is supplied to locate the personal data, require disproportionate technical effort, jeopardize the privacy or confidential information of others, or for which access is in violation of the law. Access, correction or deletion requests can be made through the regional Privacy Contact Form. Please be informed that if you request for any deletion of key personal information provided to us, we may not be able to continue to provide you our products and services nor can you continue to be our distributor.

## **7. DATA INTEGRITY PRINCIPLE**

7.1 Enagic® (M) strives to provide accurate, complete, non-misleading information to the customers. You are required to immediately inform us of any amendment to your personal data such as change of contact number, billing address for our further action. Such inaccuracy of information channeled by us will be corrected as quickly as possible after such notification.

7.2 While you are neither bound nor obligated to provide us with any of your personal data, your choice not to do so, may result in termination of agreement and/or customer's application being rejected.

7.3 It is important that your personal data that you provide to us is accurate and complete for you to continue using our services and suppliers. You are responsible to inform us of any changes to your personal data, or in the event you believe that the personal data we have about you is inaccurate, incomplete or out of date.

## **8. RETENTION OF PERSONAL DATA**

8.1 We will only retain your personal data for as long we are either required to by law or as is relevant for the purposes for which is was collected.

8.2 We will cease to retain your personal data, or remove the means by which the date can be associated with you, as soon as it is reasonable to assume that such retention no longer serves the purposes for which the personal data was collected, and is no longer necessary for any legal or business purposes.

## **9. INTERNATIONAL TRANSFER OF PERSONAL DATA**

9.1 Your personal data may be transferred from country to another country. You understand and consent to the transfer of your personal data from your country to other country.

## **10. CONTACT US**

Should you have any concerns, queries, requests and complain in regards to the Privacy Policy, please reach us directly during office hour as below:

Person: Muhammad Nur Hafiz bin Abdul Shukor (Jerry)

Contact No.: 603 2282 2332

Email: [compliance@enagic-my.com](mailto:compliance@enagic-my.com)

## **C. Refund Policy**

Please be informed that merchandise, (hereinafter referred to as “machines” and “emGuarde”), Ukon™, (hereinafter referred to as “Ukon™ DD” and “Ukon™ Sigma”) and merchandise and Ukon™, (hereinafter referred to as “goods”).

There shall be no refund for other merchandise except as stated above, will be entertained.

### **1. COOLING-OFF PERIOD.**

#### **Merchandise & Ukon™.**

Buyer has the rights to cancel certain sales without any penalty prior to midnight of the ten (10) working days following the transaction (*date of purchased*). This provision covers one hundred percent (100%) conditional money back guarantee on merchandise and Ukon™ to all customers. In addition, the distributor must orally inform the purchaser of the ten (10) working days cooling-off period right to cancel at the time purchaser signs the contract of sales or purchases the goods. Prior to the completion of any sale, the purchaser is required to acknowledge his/her ten (10) working days right of cancellation during the ten (10) working days cooling-off period.

Enagic® shall proceed with the cancellation and refund regardless of any reason providing the following steps and conditions are met:

- Purchaser has acknowledged and decided to maintain his/her rights by delaying the collection or delivery of the goods till the eleventh (11<sup>th</sup>) working day;
- No goods may be released or delivered within ten (10) working days period; and
- Purchaser is required to notify Enagic® (Malaysia) Sdn Bhd via email to [malaysia-sales@enagic.com](mailto:malaysia-sales@enagic.com) within ten (10) working days from the date of purchased.

The refund will fall into **Category B** under below circumstances:

- Cooling-off period indicates that the ten (10) working days right of cancellation shall expire by default on the eleventh (11<sup>th</sup>) day; or
- Purchaser has agreed to rescind and waive his/her rights by instructing Enagic® to release or deliver the goods within the ten (10) working days period.

### **2. SALES RETURNS & RESIGNATIONS.**

#### **Merchandise.**

Enagic® offers hundred eighty (180) days, ninety-five percent (95%) conditional money back guarantee on machines to all customers from the date of purchased. Each Enagic® distributor is bound by his/her Distributor Agreement and the Policies and Procedures to honor this guarantee. Prior to the completion of any retail sale, a distributor must make a verbal disclosure of the rights to cancel. It is purchaser’s responsibility to bear any additional fee and/or cost for the return of the machine. Purchaser is responsible to return the product safely and securely to Enagic®.

Enagic® shall proceed with the cancellation and refund regardless of any reason providing the following steps and conditions are met:

- Purchaser is required to notify Enagic® (Malaysia) Sdn Bhd via email to [malaysia-sales@enagic.com](mailto:malaysia-sales@enagic.com) within hundred eighty (180) days from the date of purchased; and
- Machine needs to be received by Enagic® within hundred eighty (180) days from the date of purchased after instructed by Enagic® (Malaysia) Sdn Bhd.

Enagic® will not refund to any distributor if the conditions of the rule above are not met and should there is any indication that shows the following:

- Protective Seal (*for the machines*) has been torn, and nullified by opening the box;
- Plastic Wrap (*for the emGuarde*) has been torn and opened;
- Machine has been used;
- There are scratches, marks or blemishes on the items;
- There are lost or stolen parts;
- Damages due to personal use, misuse or negligence; and
- Machine received not in its original packing without its accessories, warranty card and its manual.

Enagic® distributor shall lose all the privileges, no longer entitled and eligible for any commission, bonus or prize once the cancellation request that have been accepted and processed. He/She is prohibited to advertise, sell or promote the Enagic® products or purchase product from Enagic® and shall have to wait for six (6) months before he/she may enroll again as Enagic® distributor, either as an individual or a corporation.

Enagic® reserves the right to impose additional fees; MYR 150.00 as for *Cancellation Fee* and 12% of the payment made as for *Administration Fee (DCR only)* prior to process the cancellation and refund request. This fee is only applicable for any transaction made via credit and debit card.

### **Ukon™.**

Enagic® offers no refund once the products have been collected and/or released from Enagic® unless the products have been found as defective. Each Enagic® distributor is bound by his/her Distributor Agreement and the Policies and Procedures to honor this policy.

## **3. RETURN PRODUCT AUTHORIZATION.**

### **Merchandise & Ukon™.**

Enagic® distributor is required to obtain authorization before returning any merchandise to Enagic®. Purchaser is required to notify Enagic® (Malaysia) Sdn Bhd via email to [malaysia-sales@enagic.com](mailto:malaysia-sales@enagic.com) . Any package received by Enagic® without authorization and clear identification will be refused.

## **4. QUALITY CONTROL.**

### **Ukon™.**

Enagic® distributor will replace, within seven (7) days of purchase, any product found to be defective. However, no product should be returned to Enagic® prior to the approval to do so from Enagic® Customer Service whether through mail or email request. In order to assure that that replacement product will be issued, strict compliance to the following procedure is required:



- a. A written replacement request must be submitted, stating the reason for the request, and accompanied by verification of payment and a copy of the product order form and packing slip.
- b. Upon notification Enagic® will instruct the distributor where to ship the product. Upon receipt and verification, Enagic® will ship out the replacement product(s).

Enagic® reserves the rights to take any procedural measures by informing purchasers in respect of **product recall** in the event that products are found to be defective. Purchasers are required to give full cooperation pertaining to this issue and Enagic® will proceed to ship out the replacement product(s).

In the event that purchasers have failed to give full cooperation in respect of **product recall**, Enagic® shall provide a period of seven (7) days from the final notification for the purchasers to provide confirmation of any arrangement. Enagic® shall not be held liable should no cooperation have been provided by the purchasers even though Enagic® has executed procedural measures.

## 5. MISC.

### Merchandise & Ukon™.

1. Refund will take approximately thirty (30) days to be completed from the date of receipt of the authorized merchandise.
2. Refund will be issued in the same manner that the payment was received. Reimbursement will be issued to the same credit card account as it was used initially to make the purchase and for any fund transfer and payment via cash deposit machine (CDM), Enagic® Accounts Department shall request bank information to do the transfer.
3. Repayment of commission and bonuses need to be made accordingly by the sponsor and upline(s) once the cancellation request has been received. Enagic® shall proceed with the refund towards the purchaser once the sponsor and upline(s) has done the repayment of commission and bonuses.

## 6. EXCHANGES.

### Merchandise & Ukon™.

Enagic® at any time shall not accept product exchanges from distributors.

## 7. CONTACT US

Should you have any concerns, queries, requests and complain in regards to the Commission Policy, please reach us directly during office hour as below:

Person: Muhammad Nur Hafiz bin Abdul Shukor (Jerry)

Contact No.: 603 2282 2332

Email: [compliance@enagic-my.com](mailto:compliance@enagic-my.com)

## **D. Commission Policy**

Please be informed that merchandise, (hereinafter referred to as “machines” and “emGuarde”), and Ukon™, (hereinafter referred to as “Ukon™ DD” and “Ukon™ Sigma”).

### **1. COMMISSION PAYMENTS (PERIOD).**

#### **Merchandise.**

All commissions but not limited to direct and indirect sales shall be released after ten (10) working days from the date of purchased.

#### **Ukon™.**

#### **Malaysia Sales Only**

All commissions but not limited to direct and indirect sales shall be released after ten (10) working days from the date of purchased.

#### **Overseas Sales**

All commissions but not limited to direct and indirect sales shall be released at the end of the next following month.

### **2. TERMS & CONDITIONS OF COMMISSION PAYMENTS.**

#### **Merchandise.**

Enagic® will release the commission according to the Commission Charts; *Single Payment, Installment Plan, EPP (except for emGuarde) & DCR and E-Payment* towards the direct sponsor and upline(s) after ten (10) working days following the transaction (*date of purchased*) providing those below conditions are met:

- Enagic® has received complete documentations in regards to the application;
- Once the application has been registered; and
- Once the merchandise has been collected and/or released.

Enagic® will not release the commissions, to any distributor if the conditions below are not met:

- Incorrect sponsor's information provided;
- Documentations provided is not clear;
- If a consignment unit is not registered; or
- Machine has not been collected and/or released from either Enagic® Kuala Lumpur Office.

## **Ukon™.**

Enagic® will release the commission according to the Ukon™ Commission Charts towards the direct sponsor and upline(s) in accordance to the **Article 1 – Commission Payment (Period)** following the transaction (*date of purchased*) providing that below conditions are met:

- Enagic® has received complete documentations in regards to the application;
- Once the application has been registered; and
- Once the Ukon™ has been collected and/or released.

Enagic® will not release the commissions, to any distributor if the conditions below are not met:

- Incorrect sponsor's information provided;
- Documentations provided are not clear; or
- Ukon™ has not been collected and/or released from Enagic® Kuala Lumpur Office.

### **Ukon™ DD**

Should the Ukon™ DD account has been terminated due to failure to renew the account within the stipulated time, the accumulated commission will be forfeited.

## **3. MISC.**

An Enagic® distributor shall lose all the privileges and will not be entitled and eligible for any commission or bonuses once the cancellation request has been accepted and processed. He/She is also not entitled to receive any commission should there is no direct sales for more than two (2) years from the previous direct sales made.

## **4. CONTACT US**

Should you have any concerns, queries, requests and complain in regards to the Commission Policy, please reach us directly during office hour as below:

Person: Commission Department  
Contact No.: 603 2282 2332  
Email: [comm@enagic-my.com](mailto:comm@enagic-my.com)

## **E. Collection Policy**

Please be informed that merchandise, (hereinafter referred to as “machines” and “emGuarde”), Ukon™, (hereinafter referred to as “Ukon™ DD” and “Ukon™ Sigma”) and merchandise and Ukon™, (hereinafter referred to as “goods”).

### **1. ADMINISTRARION AND STORAGE FEE.**

#### **Merchandise & Ukon™.**

Enagic® reserves the rights to impose an administration and storage fee, total of MYR 150.00 to purchasers upon collection or delivery under below circumstances:

1. Uncollected registered goods which have exceeded fourteen (14) days from the date of purchased; and
2. Undelivered registered goods which have exceeded fourteen (14) days from the date of purchased.

### **2. ALLOCATION OF GOODS.**

#### **Merchandise.**

Enagic® reserves the rights to allocate the uncollected and undelivered registered merchandise towards another customers after purchaser have failed to collect or provide completed instruction for delivery within the stipulated given time.

#### **Ukon™.**

Enagic® reserves the rights to allocate the uncollected and undelivered registered Ukon™ towards another customers after purchaser have failed to collect or provide completed instruction for delivery should the purchaser has failed to do so after two (2) months from the date of purchased. Thus, the product(s) will be automatically forfeited by default without any notice. Each Enagic® distributor is bound by his/her Distributor Agreement and the Policies and Procedures to honor this policy.

### **3. CONTACT US.**

Should you have any concerns, queries, requests and complain in regards to the Collection Policy, please reach us directly during office hour as below:

Person: Muhammad Nur Hafiz bin Abdul Shukor (Jerry)  
Contact No.: 603 2282 2332  
Email: [compliance@enagic-my.com](mailto:compliance@enagic-my.com)

## **F. Delivery Policy**

Please be informed that Enagic® (Malaysia) Sdn Bhd, (hereinafter referred to as “Enagic® (M)”, “Us”, “Our” and “We”) has the rights to amend this provision of policies at any time and any amendment shall be in cooperated into the agreement. Enagic® (Malaysia) Sdn Bhd (Company No. 201101042983), with our registered office and principal place of business at Unit 25-6 & Unit 27-6, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia is committed to protect your rights as our distributors and users with the highest levels of service.

Please be informed that merchandise, (hereinafter referred to as “machines” and “emGuarde”), Ukon™, (hereinafter referred to as “Ukon™ DD” and “Ukon™ Sigma”) and merchandise and Ukon™, (hereinafter referred to as “goods”).

### **1. SHIPPING RATES AND FEES.**

Shipping rates and fees may vary depending on the delivery address and total weight of your order.

We will charge for the shipping rates and fees for goods; machines, Ukon™ and accessories separately. Combination of all goods is not allowable.

#### **Email to Respective Area**

You may obtain the shipping rates and fees for the machine from the Product Application Form and Ukon™ Application Form and as for accessories purchased, our Customer Service Executives shall advise you accordingly once you have fill up the Accessories Form with complete delivery details.

#### **Enagic® Store (website)**

The total figure of shipping rates and fees shall be calculated by the system at the end of the page when you are placing the order.

### **2. DELIVERY INFORMATION.**

To ensure smooth and speedy delivery, kindly provide full information such as name of the recipient, contact number and complete address with the postcode of the destination in the Product Application Form, Ukon™ Application Form, Supply Order Form and Enagic® Store.

Our courier as appointed is GD Express for Malaysia region only.

We shall not accept shipments in which the delivery address is a P.O. Box address, except for destinations in Sabah with the contact number of the recipient.

We allow our distributors to deliver the parcel to any of GDex branch. However, complete information needs to be provided and we shall still charge the shipping rates and fees accordingly.

### 3. SHIPPING PERIOD.

Shipment will take roughly three (3) to five (5) working days to be completed from the next date of purchased. However, it may take longer should the information provided was incorrect, incomplete or non-availability of recipient at the destination.

### 4. UNDELIVERED PACKAGES AND/OR UNACCEPTABLE SHIPMENTS.

In the event of non-availability of the recipient at the location, GDex personnel shall leave a ticket to notify you that they have attempted to the delivery on that day. You are required to contact the number provided and liase with the GDex personnel for the next delivery attempt.

Packages shall be returned to us should you have failed to contact the GDex after a week. You are required to make another shipping rates and fees in order for us to redeliver to you.

### 5. SHIPPING INSURANCE.

Enagic® (M) does not provide any insurance for our shipment.

We shall not be liable for any damages taken by the packages from the moment the packages leave Enagic® (M) office and during the shipment.

However, you may always opt for insurance policy to cover your shipment while in transit in order.

### 6. CONTACT US.

Should you have any concerns, queries, requests and complain in regards to the Delivery Policy, please reach us directly during office hour as below:

Person: Muhammad Nur Hafiz bin Abdul Shukor (Jerry)  
Contact No.: 603 2282 2332  
Email: [compliance@enagic-my.com](mailto:compliance@enagic-my.com)



Exclusively made for  
**ENAGIC® (MALAYSIA) SDN BHD**

971103-W (Direct Sales License No: AJL 931978)

For more information, please contact (+603)-2282 2332  
[www.enagic-my.com](http://www.enagic-my.com)