

RULES OF CONDUCT AND BENEFITS

CODE OF ETHICS

As a Revell Distributor, I agree to abide by the following:

- I will be honest and truthful in all my activities, whether I sell Revell products or sponsor others as Distributors.
- I will present Revell products and the Revell Marketing Plan in an accurate and truthful manner and will make no claim other than those found in current Revell literature.
- I will strive to ensure that my customers are satisfied with Revell products and with my service. And I will respect the privacy of my customers and Distributors.
- I will do my best to build my Revell business. I will not engage in activities that are harmful to Revell or to any other Revell Distributor and will not make negative or denigratory remarks about other people, products or organisations.
- I will abide by all laws and ordinances, especially the Direct Sales & Anti-Pyramid Act of Malaysia 1993 that pertain to the operation of my Revell business.
- I will uphold the Rules of Conduct and the Code of Ethics and observe total business ethics whilst conducting my business, observing not only the letter but also the spirit of these rules.

SATISFACTION GUARANTEE, RETURN OF PRODUCTS

If for any reason a customer is not completely satisfied with a Revell product that he/she has purchased, he/she may return it to the Revell Distributor who sold

it to him/her within a 30-day trial period. The Distributor will offer the customer a choice of replacement without charge or full credit towards the purchase of another Revell product or a refund of the full purchase price. All products returned must be accompanied by the customer receipt together with written reason(s) for the return.

Return of saleable products by Distributors

- a. The Company guarantees a buyback policy (return of goods) for products sold to stockists and members within a period of six (6) months which is equivalent to one hundred and eighty (180) days from the date of purchase and will refund up to 95% of the purchase price subject to a charge of 5% of the purchase price for handling and administration costs.
- b. Refunds will be processed after deducting:-
 1. Distributor Bonuses and/or Incentives (if any) paid by Revell.
 2. Stockist rebate paid to the stockist (Malaysia).

The buyback policy (product return) will not be applicable in the event of damage to the product caused by negligence/carelessness of the stockists, members and customers.

- c. Repayment will be made after the Distributor has completed the Claim Form and returned the product in good condition before the expiry date as provided on the product label with the product and its packaging still in good

condition, and the product is still in the Company's current product range.

A cheque for the balance amount shall be posted directly to the Distributor concerned.

Cancellation of Distributorship

A Distributor shall have the right, within a 10-working days' trial period, to decide that the business may not be suitable for him/her. The Distributor may return the starter kit for a full refund, provided that the starter kit is in a clean and good condition.

However, the Distributor shall not rejoin under his/her name under another sponsor until 6 months have passed.

DIRECT SALES ACT 1993 (MALAYSIA)

Direct selling is expanding fast. However, the image of direct selling is sometimes tarnished by unethical practices of pyramid schemes. With this in mind, the Direct Sales Act 1993 was developed with 3 important objectives:

1. To regulate and promote ethical direct selling business.
2. To protect the consumers.
3. To ban all pyramid direct selling business.

With effect from the 1st of June 1993, all Distributors must comply with the requirements of the Direct Sales Act 1993. The following are important details of the Act that you should note as a Distributor.

Authority Card

1. All registered Revell Distributors will be issued an Authority Card each and upon receipt of the Authority Card, the Distributor must forthwith affix his/her recent photograph (without any head/face covering) measuring

3.8cm x 3.2cm (without white border) onto the said card. Any Authority Card without the Distributor's photograph shall not be valid and is deemed to be used without Revell's authority.

2. At all times when conducting any sales or negotiations, the Distributor must have in his/her possession a valid Authority Card and must identify himself/herself with the valid Authority Card and National Registration Identification Card (NRIC).

Hours of call

1. Distributors are not allowed to call on customers/prospects:
 - (a) on Sunday (in areas where Sunday is observed as a rest day).
 - (b) on Friday (in areas where Friday is observed as a rest day).
 - (c) on any public holiday.
 - (d) from 7pm to 9am daily on other days.
2. The above hours of call do not apply if you have made an appointment and the customer has consented for you to call on him/her.
3. 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. Indicate the purpose of your visit before entering a customer's premise. If the customer requests you to leave his/her premise, 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/she listens to you. This is considered as applying high pressure sales and it is an offence under the Direct Sales Act 1993.

Direct Sales Contract

1. For sales to the "end consumer" valued at RM300 and above per transaction (either a single product with a value above RM300 or multiple products with a cumulative value above RM300), a Direct Sales Contract is required. You must explain and fill in the particulars of the Direct Sales Contract which must be signed by both the customer and you, with a copy given to the customer. Fill in the details of the product(s) sold and its (their) price(s) in the Direct Sales Contract.
2. The Direct Sales Contract clearly states that it is "Subject To A Cooling Off Period Of 10 Working Days". Explain to the customer that he/she has the right to cancel the Direct Sales Contract before the expiry of the cooling-off period.
3. No product is to be delivered and no payment is to be received during the 10-working-day cooling-off period.
4. During the 10-working-days cooling-off period, a customer may change his/her mind and terminate the Direct Sales Contract by signing the Notice of Cancellation (printed on the reverse side of the Direct Sales Contract) and delivering the Notice of Cancellation directly to you by hand or by registered mail.
5. On the other hand, a customer may want you to deliver the product(s) before the expiry of the 10-working-days cooling-off period. He/she can do so by serving the Distributor a Notice of Waiver, 72 hours after the time the Direct Sales Contract was signed.

THE RULES OF CONDUCT FOR REVELL DISTRIBUTORS

These Rules of Conduct define the rights, duties and responsibilities of a Distributor. While the Rules primarily define relationships between Revell and Distributors, they also concern relationships among Distributors. The Rules are designed to promote harmony among Distributors and to preserve the benefits available to all Distributors under the Revell Marketing Plan.

In these Rules of Conduct, the following words have the following meanings, unless the context requires otherwise:-

"Code of Ethics" means the Revell Code of Ethics as set out in the Rules of Conduct for Revell Distributors;

"Company/Revell" means Revell Sdn Bhd (Company No.120411-D), a company incorporated in Malaysia with its registered address at 39-3 & 41-3 Block C, Jaya One, No. 72A Jalan Universiti, 46200 Petaling Jaya, Selangor, Malaysia;

"Distributor" means a Distributor authorised by the Company to distribute Revell products;

"Revell Marketing Plan" means the reward system Revell uses to calculate and pay bonuses and/or incentives to its Distributors;

"Revell products" means products marketed by Revell and distributed by its Distributors, and any such other products added thereto or deleted therefrom from time to time by Revell;

"Revell Satisfaction Guarantee" means the Revell Satisfaction Guarantee to customers as set out in the Rules of Conduct for Revell Distributors;

"Rules" means the Rules of Conduct for Revell Distributors;

Application for distributorship

1. To become a Distributor of Revell products, a prospective Distributor must request authorisation from the Company by completing a Distributor Application Form to signify his/her agreement to abide by the Rules of Conduct and Code of Ethics.
2. Any registered company or any person of 18 years and above (other than an undischarged bankrupt) can apply to be a Revell Distributor. Any rights or obligations hereunder are personal to a Distributor and may not be assigned, transferred, pledged or sold by a Distributor. Revell may assign, transfer, pledge or sell the rights or obligations hereunder to any other person.
3. No prospective or existing Distributor shall be required to:
 - (a) Purchase any specified amount of products.
 - (b) Maintain a specified minimum inventory.
4. In the event a Distributor's spouse wishes to become a Distributor, the spouse must be included in the Distributor's original application. However, only the Distributor's name will be used for bonuses/incentives and all correspondence. It is imperative that only this name (the Distributor's and not his/her spouse's) and ID number be used for all Revell forms and business transactions for accurate organizational records. On the other hand, the spouse of a Distributor may apply for a fresh distributorship. However, it must come under the wife's or husband's group. Spouses are strictly not allowed to register under a different group. Failure to do so grants Revell the right to transfer the spouse's distributorship and

all downlines to the wife or husband.

- (a) In the event two Distributors decide to marry, each distributorship shall continue to be operated separately in its original line of sponsorship, should the two distributorships be under different sponsors. However, should the spouse be directly sponsored by the Distributor, the two distributorships can be combined, upon request to Revell for approval.
 - (b) In the event a married couple who shares a joint distributorship obtains a divorce, their distributorship will continue to be treated following the original Distributor agreement. A copy of any legal judgement or injunction instructing how future bonus/incentive payments should be paid out must be made available to Revell immediately.
 - (c) Revell shall have the right to terminate a distributorship if any act of the Distributor or his/her spouse (whether or not the spouse is a registered Distributor) is found to be in contravention of any of Revell's Rules of Conduct.
5. Distributorships may be granted to sole proprietorships, partnerships and corporations. For such applications, a copy of the business registration or certificate of incorporation and a resolution duly signed by the partners or shareholders must be attached to the Distributor Application Form.
 6. Particulars submitted in the Distributor Application Form must be true and complete. Revell reserves the right to terminate a distributorship if false information has been given.

7. Your efforts to help others grow can become a part of your estate. With Distributorship Inheritance, your distributorship is willable to your heir. Should the beneficiary be under the age of 18, Revell shall act as trustee until he/she reaches the age of 18. Nomination of beneficiary is confined to members of the Distributor's immediate family only.

Transfer/re-application of distributorship

8. Revell discourages transferring from one sponsor to another. Hence no transfer of distributorship from one sponsor to another is allowed. However, Revell may allow a transfer if in its opinion the Distributor's sponsor or any of his/her upline (the Distributor's sponsor's sponsor or above) has caused or contributed to the request for transfer by failing to meet all or any of the Responsibilities of a Distributor or Sponsor or if an injustice has been imposed upon the Distributor.

9. A Distributor who has been inactive (no monthly maintain sales) for 3 or more consecutive months, may, subject to the prior written approval of Revell, terminate his/her distributorship and re-apply to become a new Distributor under a new sponsor. However, Revell may waive this 6-month inactivity requirement if in its opinion the Distributor's sponsor or any of his/her upline (the Distributor's sponsor's sponsor or above) has caused or contributed to the resignation by failing to meet all or any of the responsibilities of a Distributor or Sponsor, if an injustice has been imposed upon the Distributor or if the Distributor's sponsor has breached any of the terms and conditions of these Rules or the Code of Ethics.

10. Renewed (annual administration fee) is RM12 a year.

Independent business relationship

11. Each Distributor is an independent business person whose success and failure depends on his/her own efforts. As such:

(a) A Distributor shall not represent that he/she has any employment, agency, joint venture or partnership relationship with Revell and shall make this clear in all dealings with customers. A Distributor shall not make any warranty or representation or statement or do any other acts in the name of or on behalf of Revell and shall not in any way pledge the credit of Revell.

(b) A Distributor does not have the authority or the power to bind Revell to any obligations or to contract in the name of Revell and shall not execute any agreement or contract in the name of or on behalf of Revell or create a liability against Revell in any way or for any purpose.

(c) A Distributor shall not use Revell's name, logos, slogans, trademarks, tradenames or any other intellectual property rights ("Trade Mark(s)") without Revell's consent. No Distributor may produce or procure from any source other than Revell any item upon which the Trade Mark(s) is imprinted on any Revell products.

(d) No right, title or interest in the Trade Marks or the goodwill associated therewith shall accrue to a Distributor pursuant to the distribution of Revell products.

(e) A Distributor shall promptly notify Revell of any actual, threatened or potential infringement of any of Revell's Trade Marks which come to the Distributor's attention and shall do all such things and execute all such deeds and documents as are reasonably necessary to assist Revell in any action which Revell may in its absolute discretion take to prevent or stop such infringement.

(f) A Distributor shall keep all records of total income earned during a year and shall be responsible to personally submit such records and income tax payments as required by law.

Responsibilities of a Distributor

12. Distributors are not guaranteed any income or assured of success and a Distributor will not gain any compensation from the simple recruitment of other Distributors. Success will only come from hard work and individual efforts accomplished by the sale of Revell products and through the retail success of Revell Distributors sponsored. Under no circumstances shall Revell be liable for any losses or claims of a Distributor and/or his/her downlines which are in any way connected with Revell products and/or the distribution thereof.

13. Retail and Distributor prices of Revell products are fixed by Revell and no Distributor shall engage in price undercutting or overcharging. Therefore, Revell products must be sold at the respective prices fixed by Revell.

14. A Distributor shall explain the directions for use and cautions specified on product labels during the presentation of those products. A Distributor shall not modify any of the Revell products or their packaging or alter, remove or

tamper with any of the Trade Marks or numbers or other identification used on or in relation to the Revell products.

15. A Distributor must not in any way misrepresent the quality or performance of Revell products, and must not make any claims other than those set out on product labels and catalogues issued by Revell and shall indemnify Revell in respect of any costs or damages arising from such misrepresentation.

16. Whenever a customer requests that the Revell Satisfaction Guarantee be honoured, the Distributor shall offer the customer the choice of a full refund of the purchase price or full credit for exchange with the same or another Revell product. A Distributor shall be responsible for forwarding all customer complaints received by it to Revell and shall ensure that accurate records are maintained of such complaints.

17. A Distributor shall deliver to each customer at the time of sale a properly completed customer receipt. All contracts provided to a customer must comply with all relevant laws, regulations and codes of practice.

18. No Revell product or business aid can be sold at fairs, exhibitions or any other similar events unless with prior written approval from Revell.

19. A Distributor shall promptly notify Revell of any circumstances which may arise whereby the integrity or reputation of Revell products or Revell is threatened. In any such circumstances, the Distributor shall co-operate fully with Revell and undertake all reasonable instructions given by Revell to limit any damage to Revell and/or to Revell products.

20. Distributors are not allowed to be engaged in activities that are harmful to Revell or to any other Revell Distributor and shall not make any negative or denigratory remarks about other Revell Distributors or Revell.

21. Distributors shall comply with all laws, regulations and codes of practice applying to the operation of their distributorships and shall not engage in any activity that effects the interests, image or reputation of Revell.

(a) Distributors are not permitted to be engaged in a competitive business/ products particularly, but not limited to, those businesses that employ the multi-level system network of sales and distribution. What is deemed to be a 'competitive product/business' is within the sole discretion of Revell.

(b) Distributors may not take advantage of their knowledge of or their association with other Distributors in Revell, in order to promote or expand other business ventures. Such conduct constitutes an unwarranted and unreasonable interference with the business contract of other Distributors and Revell.

(c) Every Distributor shall not solicit directly or indirectly, other Distributors in order to sell, offer to sell, or promote products or equipment, services, or business opportunities not offered or marketed by Revell. This Rule also applies to investments, securities and loans, regardless of the source.

Responsibilities of a sponsor

22. There is no 'magic' involved in the Revell business or in any other business. Those who sponsor widely

but who do not help those new Distributors develop their business achieve limited success. Therefore, a responsibility of sponsorship is to work with Distributors sponsored, helping them learn the business and encouraging them always.

23. No Distributor shall represent that there is an obligation to purchase products or that benefits may be derived solely from the purchase of products. Bonuses/ incentives will only be realised through a Distributor's own retail sales and the retail sales of those whom the Distributor has sponsored.

24. No Distributor shall practice 'forced', 'high pressure' or 'fraud' selling tactics, including offering lucky draws, the promise of free gifts or discounts as an inducement to recruit other Distributors into their network.

25. No Distributor shall produce, sell or distribute copies of literature or programmes other than those provided by Revell.

26. A Distributor must maintain a professional relationship with his/her downlines (those whom he/she has personally sponsored and those who have been sponsored by his/her Distributors), training and guiding them to build the business. A Distributor is required to encourage harmony in his/her network and thus, be responsible to settle any grievances, disputes or qualms among his/her downlines and shall exercise due care and skill in all dealings with his/her downlines. A Distributor shall use his/her best endeavours to promote and develop the business of Revell.

27. Distributors who are Blue Diamonds and above or Group Incentive Award

Achievers are not allowed to be involved or interested, whether directly or indirectly (through their spouse, immediate family, company or otherwise), in the activities of another direct sales company or any other direct sale within the meaning of the Direct Sales Act, 1993 as amended from time to time. Blue Diamonds and above or Group Incentive Award Achievers are strictly not allowed to entice other Revell Distributors to join another direct sales company.

28. Distributors who are Blue Diamonds and above or Group Incentive Award Achievers who are suspected to be involved or interested, whether directly or indirectly (through their spouse, immediate family, company or otherwise), in the activities of another direct sales company or any other direct sale within the meaning of the Direct Sales Act, 1993 as amended from time to time, will not be recognized for their achievement in any Revell convention, rally, function and/or other activities and any Travel Incentive (should they qualify for it) will not be given to them.

Supply of Products

29. Revell may, at any time and at its sole discretion, stop the supply of Revell product/s or refuse to sell Revell product/s to any Revell Distributor or stockist without assigning any reasons thereto.

Bonuses and Incentives

30. The determination of bonuses and incentives is at the sole discretion of Revell. Incentive payments on monthly calendar basis shall be paid directly to qualified Distributors. An administration cost will be levied for every bank transfer.

Your bonuses and/or incentives will be transferred to your i-wallet. Revell will only transfer the money from your i-wallet to your bank account when the amount in your i-wallet is more than RM 50. For amounts less than RM 50, you can use the amount in your i-wallet to make product purchases.

31. Revell reserves the right to deduct all or part of the Distributor's incentive for settlement of any outstanding amount the Distributor owes Revell (as a Distributor or as a stockist).

Termination

32. Revell may suspend (bonuses and incentives of the violating Distributor shall be withheld during the period of suspension, when investigation of the violation is being carried out) or terminate without notice and with immediate effect, the distributorship of any Revell Distributor for any non-compliance, breach and/or violation of any of the Rules of Conduct and/or Code of Ethics or for any reason whatsoever. If a Distributor is found to be in non-compliance, breach and/or violation of any of the Rules and/or Code of Ethics or for any reason whatsoever, the Distributor shall not be entitled to any bonuses or incentives as Revell may in its sole discretion decide.

33. In addition to Revell's rights under Rules of Conduct No.32, Revell further reserves the right to take any other course of action against any Distributor who has breached or violated any of the Rules of Conduct and/or Code of Ethics. Revell shall not be liable for any amount whatsoever as a result of suspension or termination of the distributorship of a Distributor in accordance with these Rules.

34. A Distributor shall (and where applicable shall procure its officers, employees and

agents to) keep confidential any confidential information that it may acquire in relation to Revell and/or the distribution of Revell products and/or in relation to the clients, business or affairs of Revell and shall not use or disclose such information except with the consent of Revell. This obligation of confidentiality shall survive any termination of this Agreement.

Indemnity

35.A Distributor shall be liable for and shall fully indemnify and keep Revell fully indemnified against any costs, liabilities, damages, losses, claims, actions, proceedings or expenses arising out of or by reason of any breach by the Distributor, its officers, servants and/or employees (if relevant) of the Rules of Conduct or the Code of Ethics or any default or negligence by the Distributor, its officers, servants and/or employees (if relevant).

Notices

36.All communications, notices, orders and facsimile or email transmissions sent pursuant to this Agreement shall be addressed to the address as set out in the Distributor Application Form and shall be deemed properly given to the party on the 3rd day after the envelope containing the same was sent by ordinary post or registered or recorded delivery post or courier to that address or on the date of transmission by facsimile or email, as the case may be, provided in the case of the latter that a confirming copy is sent by ordinary or registered or recorded delivery post or courier to that address within twenty-four (24) hours after transmission.

Waiver

37.The failure of Revell to exercise any right hereunder shall not be deemed to be a waiver of such right. Any waiver made in writing in respect of any breach of a provision hereof shall be valid but shall not be construed to be a waiver of any succeeding breach of such a provision or any other provision or a waiver of the provision itself.

Severance

38.The invalidity or unenforceability of any provision of these Rules shall not affect the validity or enforceability of any other provision which shall remain in full force and effect.

Effective date

39.These Rules take effect on and from the 1st of January 2018 and shall supersede any previous Rules issued by Revell. As from the 1st of January 2018, all Distributors are deemed to have notice of and are bound by these Rules.

Amendments

40.Revell shall be entitled at any time at its sole discretion to amend, alter, add or delete any of the Rules of Conduct and Code of Ethics without giving any prior notice to the Distributors and all Distributors shall be bound by such amendments to the Rules of Conduct and Code of Ethics.

41.Revell shall keep at its head office a definitive and official copy of the Rules of Conduct as revised and modified or amended from time to time, and in the event of dispute as to the contents or import thereof, the official copy shall be the authentic text.

42.A Distributor shall be deemed to have knowledge of all the Rules of Conduct

for the time being in force and as amended from time to time and as stated in the official copy of the Rules of Conduct aforesaid and it shall be incumbent upon the Distributor to check the latest Rules of Conduct as set out in the official and definitive copy of the Rules of Conduct.

Language

43.For official interpretation purposes, the English language version of the Rules of Conduct will be used.

Governing Law and Jurisdiction

44.These Rules shall be governed by and construed and interpreted in accordance with the laws of Malaysia.