



NEFFUL
INTERNATIONAL

BUSINESS HANDBOOK

事業手冊

SINGAPORE VERSION

新加坡版本

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- ※ The Company reserves the right to change the contents of this Business Handbook at any time.
- ※ Nefful Singapore Holdings Pte. Ltd. shall be referred to as "the Company" in this Business Handbook.
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信条

ネッフル株式会社

「実践は理論に先行す」

言ったことはやったことにならない

言わずにやることである。

どんな小さなことでも、それを

やり遂げて行くことは

困難なことである。

「発心は易く 継続は難し」

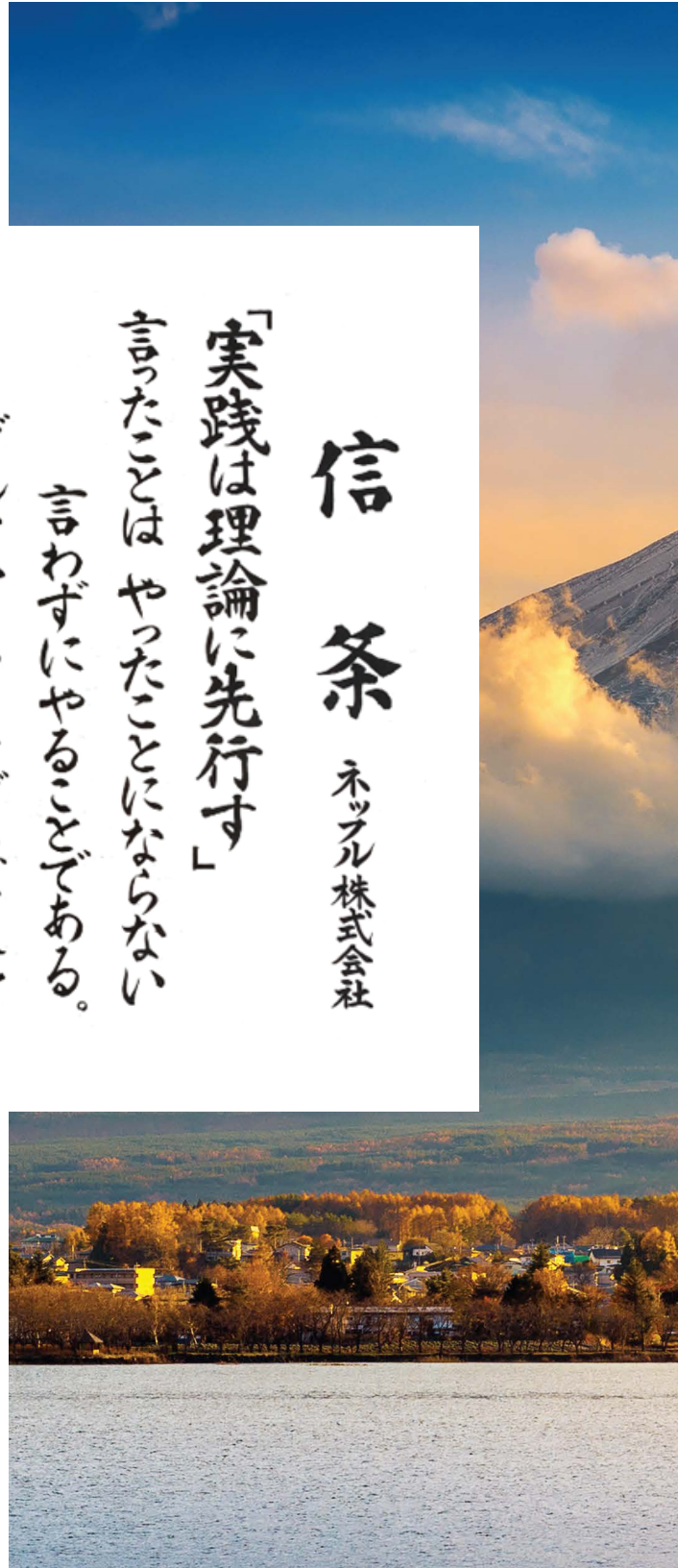
小さなことを積み重ねて行くことが

ほんとうに大きなことである。

「不言実行 有言実行」

そのいずれを問わない

ただやることである。



Company's Belief:

Practice is more important than theory
Actions must be taken to accomplish great things
Actions speaks louder than words

Even if the smallest tasks are challenging,
We should still do it well
Therefore, devotion and tenacity are required

Having aspiration is easy, but to accomplish it requires effort
Small achievements can lead to big accomplishments

Regardless of act on without saying or putting words into actions
The ultimate objective is to put in your best effort in whatever you do





Welcome to
Neppul International

NEFFUL INTERNATIONAL WELCOMES YOU!

Congratulations on your wise decision for joining Nefful International and being part of Nefful International's family, whereby you will be able to experience the best way of life with a brand new and refreshing health experience. Your participation enriches the strength and diversification of the organization; everyone no matter their background, will realize their potential and pursue a healthy, beautiful and prosperous life together. With the heart of care, love and passion, we will work hand in hand to grow this direct selling business to achieve international recognition in the global market.

Company History & Development

Nefful Japan was founded in 1973 by Mr. Kamijo Hisami. The company began its business in Shizuoka Prefecture, Japan, a place known for its famous landscape and breathtaking sceneries. The company introduced and provided quality lifestyle to the consumers by producing high-quality products through a unique fiber technology. Subsequently, a range of products were introduced as the Tevion collection in 1979. After going through continuous innovative growth and development, the company successfully introduced a brand new range of products under the NEORON® collection in 2013.

Today, the business of Nefful is not only based in Japan but has expanded to other parts of the world.

Taiwan (1989) ▶ United States (2002) ▶ Hong Kong (2005) ▶ Malaysia (2006) ▶ Singapore (2010)

Nefful International then shifted its headquarters to Singapore in 2014, which oversees all regional business operations. As of 2020, we are proud to have more than 700,000 Independent Distributors around the world and still counting. The close-knitted collaboration between the company and our Independent Distributors has led to a strong foundation that enables many to pursue beautiful, healthy and prosperous lives. Under the leadership of our current Chairman, Mr. Kamijo Toshiya, we will continue to promulgate our knowledge to optimize wellness and diffuse positive energy to all as we serve and work towards the expansion of Nefful International's business around the world.

Premium Corporate Branding

Our brand image is built upon the combination of high-quality products, excellent services, good reputation, strong corporate culture, and collaborative partnership with our Independent Distributors. These components are the key aspects that have solidified and nurtured our strong brand image today. We are committed to providing our Independent Distributors, their families and friends with better, healthier lifestyles and products. At Nefful International, we believe that quality of life comes from simplicity. Our unique NEORON® fibers have excellent heat insulation capabilities, superior moisture permeability, ultra-strong negative static electricity and negative ions as well as outstanding flame retardancy properties. These unique characteristics can be weaved into apparels, bedding items, support and accessory items to provide overall wellbeing for you and your family. Nefful International is dedicated to providing you and your family everything you need to enjoy the best of everyday life as well as a platform for personal growth and achievements with a strong business philosophy of "Beauty, Health, and Aspiration".

Ongoing Partnership

At Nefful International, we value the strong collaborative partnership and trust with our Independent Distributors whom we care for like a big family. The ongoing partnership is fostered through sustainable business objectives. We are here to support all our Independent Distributors to help ensure everyone makes measurable progress towards their goals and ultimately achieving them.



Lifetime International Chief Honorary Advisor

In 2002, Nefful International bestowed the title [International Chief Honorary Advisor] upon Tsao Lung Han NET. Tsao Lung Han LICHHA and his team were able to maintain their position as the top sales team in the Company for ten (10) consecutive years till 2006. Their success was immeasurable, but they have decided that they would no longer participate in the competition in order to pass the mantle on to the next generation and to motivate them to accomplish even more for the Company.

In 2017, Nefful International further bestowed the title of [Lifetime International Chief Honorary Advisor] to Mr. Tsao Lung Han as a way to celebrate his lifetime achievements at Nefful International. The design for Lifetime International Chief Honorary Advisor's pin utilizes a black base to show the respect and honor the Company has for him and the [LICHHA] title with the name of [NEFFUL INTERNATIONAL] were highlighted in contrasting gold color. The star-shaped design symbolizes that the wonderful partnership between Lifetime International Chief Honorary Advisor and Nefful International creates limitless expansion in the world market, spreading health, wealth, and beauty globally. As such, the title of Lifetime International Chief Honorary Advisor signifies the highest honor that an Independent Distributor can achieve at Nefful International. Akin to the crystal on the pin, LICHHA will always shine brightly and illuminate those around him.



Honorary Advisor

Amongst all the Independent Distributors at Nefful International, only five brilliant individuals have been granted the title of [Honorary Advisor]. These five incredible leaders were rewarded with this honor due to their outstanding achievements and excellent contributions to the Company over the years.

The design of a circular black base symbolizes the inspiration that these five Honorary Advisors provide to the Company and their fellow Independent Distributors. Much like the circle of life, the circular pin embodies the extensive influence and achievements of these five Honorary Advisors, showing that their drive to succeed is indeed limitless. The crystal encased in a golden border is akin to the brightest star in the sky, symbolizing the beacon of hope that is represented by these Honorary Advisors to lead the fellow Independent Distributors around the world to create a borderless business and a successful future.

*The above pin titles are not part of the Compensation System, individuals were rewarded with this honor for their outstanding achievements and excellent contributions to the Company.



Nefful Executive Top Leader

In order to qualify for the position of [Nefful Executive Top Leader], an Area General Manager must achieve an annual group volume of 4,616,656. Upon fulfilling this requirement, the Area General Manager will be awarded with the pin title of NET in January of the following year. In order to maintain this pin title, this monetary qualification must be satisfied by the Nefful Executive Top Leader every year. Therefore, this is not an easy task, but it is certainly rewarding.

The pin's shimmering black base signifies the elegance and prestige that the Nefful Executive Top Leader title brings while the golden words [NET] highlight its honor and style.

The encased crystal on the pin and the striking borders of the five-pointed star symbolize these brilliant leaders' ability to bring forth health and love to Independent Distributors around the world. This design further illustrates the Nefful Executive Top Leader's excellent leadership in guiding fellow Independent Distributors to achieve their goals and dreams.



Consecutive Achievements Award

Receiving the annual achievements award is a goal that all excellent leaders of Nefful International strive for. Meeting the qualifications itself is already challenging, which makes it even more incredible to attain this award year after year.

The Consecutive Achievements Award pin is designed to recognize our Independent Distributors for their continued hard work and passion within the Company over the years. From the fifth consecutive year of receiving the annual achievements award, the Independent Distributor will be qualified for this honorable pin. The golden base reflects the dazzling nature of the crystal set at the tip of the black star, coupled with the circular frame, this design symbolizes the consecutive nature of the awards won by the outstanding leaders for years, and represents the unity and camaraderie within each of our teams here at Nefful International as well as the bright future of our teams.

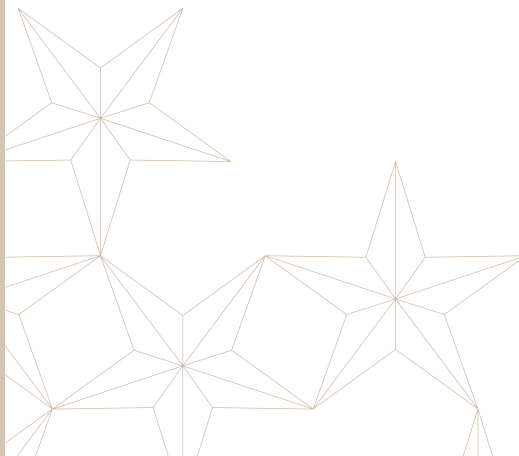
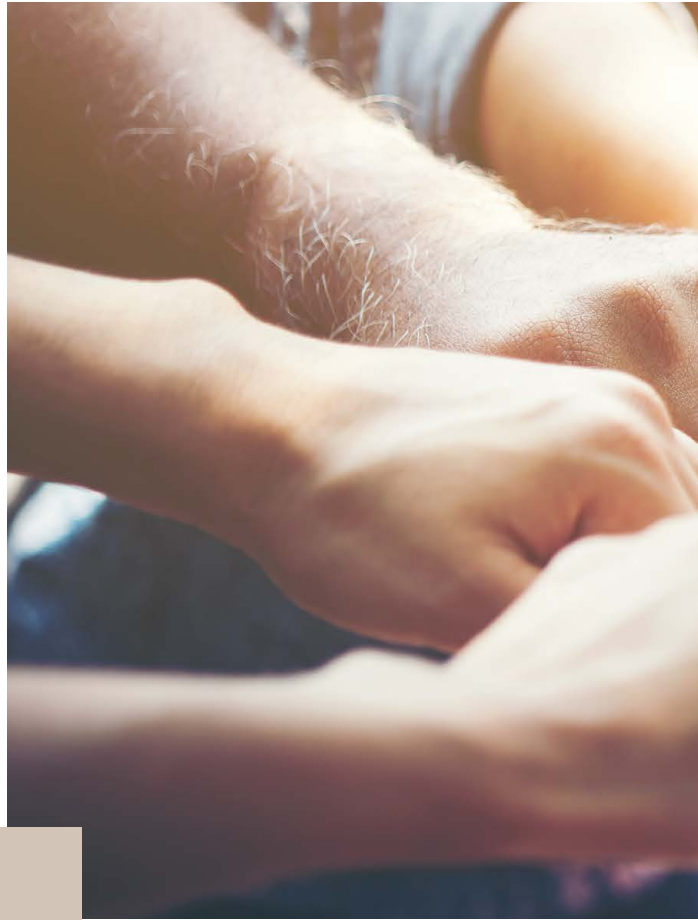


Area General Manager

In order to become an [Area General Manager] at Nefful International, an Independent Distributor must first develop 5 direct downlines Area Managers before satisfying the second requirement of achieving a group volume of 277,000 in the month of advancement. The Area General Manager title signifies an important milestone on the path to success of the business at Nefful International, which is also the first goal pursued by every outstanding Independent Distributor of Nefful International.

The Area General Manager pin design combines the signature golden color of our Nefful International logo and the five-pointed star, representing the five Area Managers led by the Area General Manager as well as the hope that the Area General Manager's team will guide more fellow Independent Distributors towards accomplishing their goals.

CHAPTER ONE





Qualifications to Become an **Independent Distributor / Direct Selling Organization**

CHAPTER 1

Qualifications to Become an Independent Distributor / Direct Selling Organization

1.1 Becoming an Independent Distributor

1.1.1 Application to Become an Independent Distributor

- Must be a citizen or permanent resident of Singapore or a foreigner who fulfills the necessary requirements.
- Must have the legal capacity; an applicant who is above 18 years of age.
- Must not be an employee of any direct selling companies at the point of the application for distributorship or during their tenure as an Independent Distributor.
- Documents required for application as an Independent Distributor:-
 - 1) Citizen or permanent resident of Singapore: A copy of valid Singapore identification document that is issued by the relevant authority in Singapore that contains identification number (including but not limited to NRIC, Drivers License, Senior Citizen Concession and etc).
 - 2) Foreigners not residing in Singapore: A copy of valid passport.
- An Independent Distributor who is applying to operate the business through a business entity whereby such business entity must be legally registered in Singapore. Representatives of the business entity must also fulfill the requirements set out in categories 1 and/or 2 above.
- Foreigners residing in Singapore with Work Permit, S Pass, Employment Pass, Long Term Pass and other long term pass issued by Immigration and Checkpoint Authority of Singapore (ICA) are not allowed to join as Independent Distributor in Singapore.

1.1.2 Qualifications to Become an Independent Distributor

- An individual applicant is required to complete the following steps for the application:
 - 1) Execute and submit a copy of the "Independent Distributorship Agreement" to the Company.
 - 2) To join the international business of Nefful International, execute and submit the "International Sponsorship Agreement" to the Company.
 - 3) Purchase a Distributor Kit to acquire the basic knowledge and qualification for the products of the participating country for direct sale.
- A business entity applicant must, in addition to complying with the above requirements, submit the business registration information, basic information of the representative of the business entity, and the authorization letter of the representative appointed to manage all matters related to the distributorship rights, for the Company's review in deciding on the acceptance of the representative.
- The applicant may purchase a Distributor Kit directly from the Company or his or her Sponsor. The purchase of the Distributor Kit will not be factored into the sales volume for the purpose of the commission pay-out. Purchasing of other products is not a mandatory criterion for the applicant to become an Independent Distributor.

1.1.3 Qualifications to Become an International Independent Distributor

- An applicant must first select a participating country of Nefful International for application, and after the application or at the time of the application, execute and submit "International Sponsorship Agreement", together with a copy of the applicant's valid passport. The Company reserves the right to accept or reject any such application.

1.1.4 International Sponsorship

- After obtaining the qualification of International Sponsorship, the Independent Distributor is entitled to sell products and provide after-sales service as well as sponsor new members in the authorized market outside of Singapore.
- The Independent Distributor understands and agrees to abide by all relevant laws and regulations of the authorized market outside Singapore where he or she sells the products and provides after-sales service to and/or sponsor new members. In the event of violation of any such relevant laws and regulations of the authorized market, the Independent Distributor shall be deemed to have violated the terms and conditions of this Business Handbook, and the Company may take appropriate action in accordance with the provisions of this Business Handbook.

1.1.5 Completing and Executing the Independent Distributorship Agreement

- Applicants shall take note of the following when executing the Independent Distributorship Agreement:
 - 1) All information must be filled up neatly and clearly. The English and Chinese name must be stated as per the passport. A foreigner without a Chinese name may only fill in his or her English name as per his or her passport.
 - 2) Attach a copy of the valid identity document or a valid passport
 - 3) The commencement date of distributorship is based on the date of acceptance by the Company.
 - 4) The Sponsor as stated in the “Independent Distributor Agreement” cannot be changed upon completion of the registration.
 - 5) The independent distributorship number issued to the “Independent Distributor Agreement” is automatically generated by the system. Self-selection of the distributorship number is not permitted.

1.1.6 Acceptance to Become an Independent Distributor

- The Company reserves the rights and retains the sole discretion to accept or reject the application. The applicant shall only become an Independent Distributor upon the Company's execution of the “Independent Distributor Agreement”.

1.2 Converting to Operate the Distributorship through a Business Entity

1.2.1 Submission of Application

- If you wish to convert your distributorship status from an individual Independent Distributor to a business entity, you are required to submit the “Individual/Business Entity Application Form” together with the supporting documents listed in Paragraph 2 of Section 1.1.2 to the Company. Your distributorship will be converted after the Company has reviewed and accepted the relevant documents and the qualification of the representative.
- When the Independent Distributor submits the “Individual/Business Entity Application Form”, the Independent Distributor must be a citizen or permanent resident and has the rights to carry out the business legally in the authorized market and should provide the relevant supporting documents to the Company for review. If the relevant supporting documents are not provided, the Company is entitled to reject the application.
- The Independent Distributor must understand that being a member of a business entity does not mean that he or she has the legal rights granted to operate the business.
- All commission payout and other benefits in kind shall be provided by the Company to the business entity. In the event the business entity fails to distribute or pay out partial or full payment of the commission received to the members of the business entity, or make incorrect distribution or payment, the Company shall not be responsible for the same.
- In the case where the business entity comprises several members, one member shall be designated as the representative of the business entity and provide the basic information of the representative and the authorization letter of the representative appointed to manage all matters related to the distributorship rights shall be submitted to the Company for qualification review. The representative may represent the business entity for all matters related to the distributorship only after the review and acceptance by the Company is completed.
- In the case where the representative of a business entity deceases, another representative shall be appointed, and the documents shall be submitted in accordance with the preceding paragraphs for review by the Company. Similarly, in the case of a replacement of the representative of a business entity, prior to the replacement, the documents shall be submitted to the Company in accordance with the preceding paragraph for the Company's review. The representative can only be replaced after the review and acceptance by the Company is completed.
- Members of the business entity, other than the accepted representative, shall not conduct the direct selling business in the name of the business entity or his or her own name; otherwise, the business entity will be deemed to have violated the provisions of the Business Handbook, and the Company is entitled to take disciplinary action against the business entity in accordance with the provision of Section 4.7.
- Before the dissolution of the business entity, the representative of the business entity may submit an “Individual/Business Entity Application Form” to the Company. The distributorship status will be changed after the Company has completed the review. The distributorship under the business entity shall no longer be valid upon the dissolution of the business entity.

1.2.2 Documentation Requirements for Conversion to Operate the Distributorship through a Business Entity

- The following documents are required for the application of distributorship status conversion from an individual Independent Distributor to a business entity:
 - 1) The applicant shall be the representative of the business entity.
 - 2) Complete and submit the "Individual/Business Entity Application Form", the representative of the business entity must sign in person and affix the company's stamp.
 - 3) A copy of the certificate of incorporation or the business registration issued by ACRA;
 - 4) A copy of the latest ACRA business profile;
 - 5) A copy of the business entity's bank account passbook or bank statement;
 - 6) A copy of the representative's identity document;
 - 7) The authorization letter of the representative appointed to manage all matters related to the distributorship rights.
 - 8) The business category specified on the certificate of incorporation, which must be in line with the business category of Nefful Singapore set forth as follows:
 - 47719 Retail Sale of Clothing, Footwear and Leather Articles N.E.C.
 - 47214 Retail Sale of Health Supplements
 - 47721 Retail Sale of Cosmetic and Toiletries (Including of Skin Care Products)

1.3 Spouse Joint Distributorship

- A husband and a wife may apply for a Spouse Joint Distributorship to manage a distributorship account together by appointing one person as the main representative and the other as a supplementary representative. The Spouse Joint Distributorship is only applicable for couples who are of the same organization.
- When a husband and a wife apply for a Spouse Joint Distributorship, they are required to submit a "Spouse Joint Distributorship Application Form" to the Company. The Spouse Joint Distributorship will only take effect after the Company has reviewed and accepted the application.
- Husband and wife may join membership while applying for a Spouse Joint Distributorship. One of them must join as an Independent Distributor by submitting an "Independent Distributorship Agreement" to the Company and purchase a Distributor Kit, and at the same time, submit a "Spouse Joint Distributorship Application Form", appointing one of them as the main representative and the other as a supplementary representative. The applications for the Independent Distributorship and the Spouse Joint Distributorship will take effect only after the Company has reviewed and accepted the applications.
- The supplementary representative must be a citizen or permanent resident of the authorized market where the main representative submits the "Independent Distributorship Agreement"; they must have the right to operate the business legally and are able to provide relevant supporting documents to the Company.
- The main representative may represent the Spouse Joint Distributorship to manage all matters related to the distributorship.
- The main representative and the supplementary representative are jointly liable for the acts and omissions of the Spouse Joint Distributorship. The Company is entitled to take disciplinary action against the distributorship in cases where the main representative and/or the supplementary representative are found to have violated the terms in this Business Handbook.
- All commissions shall be paid out directly to the joint bank account of the Spouse Joint Distributorship. Other benefits in kind (including but not limited to incentives or any other rewards obtained through the efforts of the supplementary representative) arising from or attributable to the Spouse Joint Distributorship shall be rewarded directly to the main representative. The supplementary representative shall not hold the Company liable and shall not make any claims against the Company in the event the supplementary representative does/did not receive the above commissions and other benefits in kind from the main representative.
- In the case of a divorce, the distributorship shall be transferred and assigned to the main representative. Upon the demise of either party, his or her distributorship shall be transferred and assigned to the other party.
- The Spouse Joint Distributorship may only be applied once. Once the husband and wife have selected to combine the distributorship, the Spouse Joint Distributorship cannot be reverted to the individual distributorship in the future.

1.4 Inheritance of Distributorship

- The distributorship rights belonging to the Independent Distributor can only be inherited/transferred if the Independent Distributor is an Area General Manager. If the Independent Distributor is not an Area General Manager, his or her distributorship right shall be terminated upon death. If the Independent Distributor is an Area General Manager, his or her legal heir or the executor (hereinafter collectively referred to as “**Successor**”) shall notify the Company in writing within six (6) months from the death of the Independent Distributor and provide the death certificate or Grant of Probate or Grant of Letters of Administration and/or any other relevant documents for the succession application. Upon the Company's review and approval of the relevant information and the Successor's qualification, all legal rights belonging to the deceased Independent Distributor shall be assigned to the Successor.
- In the event there are several successors, one of them shall be appointed within six (6) months after the death of the Independent Distributor, and provide the basic information of the appointed person, written consent of the other successors or legal heirs or other verified appointed parties and the aforesaid documents to the Company for review. Upon the Company's review and approval, all legal rights belonging to the Independent Distributor will be transferred to the appointed person.
- In the event the Successors fail to designate an appointed person or submit the necessary documents within six (6) months from the death of the Independent Distributor, the Company reserves the rights to reject the succession application and all distributorship rights shall then be terminated forthwith.
- The Successor shall not be a distributor of other companies save for Nefful International. If the Successor is, at the material time an Independent Distributor of Nefful International, upon the Company's review and approval of the succession application, the Successor shall be deemed to have surrendered his or her prior distributorship rights. If the Successor is not an Independent Distributor of Nefful International, the Successor shall apply to be an Independent Distributor in accordance with Section 1.1.

1.5 Transfer of Distributorship

- The Independent Distributor must be an Area Manager or above to make an application to the Company for the transfer of distributorship rights. Before the Company's review and approval of the application, the transferee will not be considered to have received the distributorship rights; upon the Company's review or approval of the application, all legal rights and obligations of the transferor shall automatically be terminated.
- In the event the Company is of the view that the transfer is fraudulent or illegal or breaches this Business Handbook and any applicable laws, the Company reserves the right to reject the transfer application.
- If the Independent Distributor is subject to a court enforcement order, executive orders from competent authorities or injunctions, upon the notification to the Company and during the application for transfer of the distributorship rights, the Company will not approve such application if it affects the right of a third party.

1.6 Rescission of Agreement /Termination of Agreement

- 1) An Independent Distributor may, within fourteen (14) days from the date of the agreement, rescind or terminate the agreement by submitting the Termination Notice to the Company.
- 2) The Company may accept the Independent Distributor's application for the products to be returned, and repay the Independent Distributor in accordance with this clause and subject to the deductions stated herein, within sixty (60) days after the agreement is effectively rescinded or terminated. The Company may collect the returned products or the Independent Distributor may personally return the products to the Company, whereby the Company shall refund the full purchase price of the products to the Independent Distributor and all commissions or benefits in kind paid out to the Independent Distributor in relation to the returned products. If the returned products are to be collected by the Company, the Company is also entitled to deduct any travelling or handling expenses incurred.
- 3) The Independent Distributor may rescind or terminate the agreement by submitting the Termination Notice to the Company, notwithstanding that the aforesaid sixty (60) days termination period from the date of agreement has lapsed. Within sixty (60) days of the termination of the agreement, upon the application to the Company to return the products and except for the products that have been in the possession of the Independent Distributor for more than six (6) months from the date of invoice, the Company shall purchase the returned products from the Independent Distributor at 90% of the amount paid for the products, subject to any deductions by the Company for the commissions or benefits in kind paid out to the Independent Distributor and in the event the returned products are to be collected by the Company, the Company is also entitled to deduct all travelling and handling expenses incurred.

- 4) If the termination of the agreement or the return of products by the Independent Distributor affects his or her or the Sponsor's advancement, qualification or other benefits in kind, the Company shall have the right to revoke or deduct or cancel the qualification or rights to commissions or benefits in kind of the Independent Distributor as well as his or her Sponsor. In this regard, the Independent Distributor and his or her Sponsor shall be responsible to return all the excess commissions or benefits in kind to the Company, and if they have been advanced, shall be restored to his or her previous pin title and if the original advancement factors are eliminated and cannot be maintained, the Independent Distributor and his or her Sponsor shall be automatically restored to his or her previous pin title with effect from the first day of the following month prior to the effective date of termination.
- 5) In the event the Independent Distributor breaches this Business Handbook which results in rescission or termination of the agreement, unless with the approval from the Company, the Company will not accept any returned products; when the Independent Distributor returns the products to the Company with the approval of the Company, the returned products shall be subject to the procedures in this Business Handbook and Exchange of Non-Defective Products. However, the products cannot be returned after six (6) months from the date of invoice or after the product is off the shelf. If the Independent Distributor wishes to re-apply after the rescission or termination of the agreement, he or she shall abide by the following rules; the Independent Distributor can only apply after six (6) months of the rescission or termination of the agreement, and shall be ranked as a Consultant and he or she shall resubmit the Independent Distributor Agreement (together with a copy of identity documents, and passbook or bank statement), and purchase a Distributor Kit. Whoever that violates Chapter 2 (Principles of Direct Selling Business) and Chapter 4 (Rules of Conduct) of the Business Handbook which results in termination and those who returned products shall not be entitled to reapply.

1.7 Reapplying for and Reinstating Distributorship

1.7.1 Reapplying for Distributorship

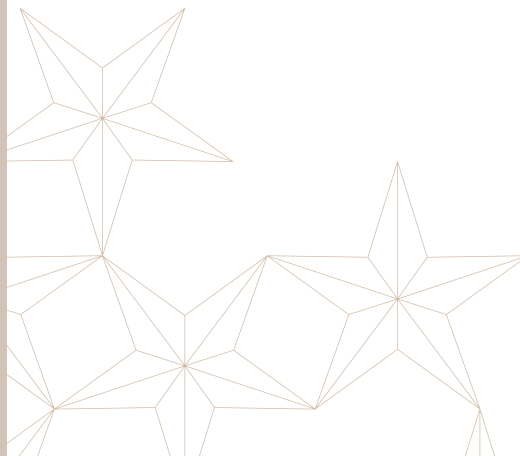
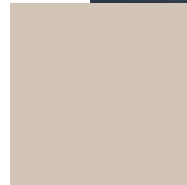
- Upon rescission or termination of the agreement with the Company, the Independent Distributor may reapply for distributorship, based on the following rules:
 - Upon six (6) months after the rescission or termination of agreement (effective date of termination), the Independent Distributor is entitled to reapply for distributorship; except for those who have been disqualified due to a violation of Chapters 2 and 4 of this Business Handbook, return of goods, engaged in illegal transactions, engaged in making false or fraudulent information, shall not be entitled to reapply as an Independent Distributor.
 - In terms of pin title, he or she shall restart as a Consultant.
 - He or she shall resubmit the Independent Distributorship Agreement (together with a copy of identity document and passbook or bank statement) with a purchase of Distributor Kit.

1.7.2 Reinstating Distributorship

- For Independent Distributor who was suspended before 2014, he or she is required to reapply for reinstatement in order to enjoy the rights of an Independent Distributor. He or she must submit the Distributor Reinstatement Application and purchase products under his or her distributorship with a value of S\$100 and above or pay a system operation fees of S\$25.

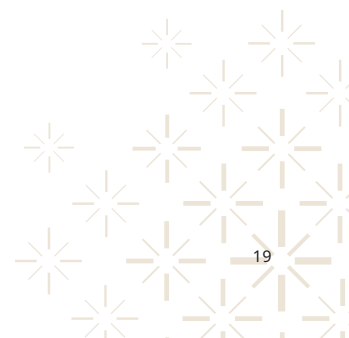


CHAPTER TWO





Principles of Direct Selling Business



CHAPTER 2

Principles of Direct Selling Business

2.1 Business Ethics

2.1.1 Direct Selling Association Code of Ethics

- The Company is a member of the Direct Selling Association of Singapore and abides by the Singapore Direct Selling Association's Code of Ethics. In addition to the provisions in this chapter, the Independent Distributor shall also comply with the provisions of the Code of Ethics of the Direct Selling Association of Singapore. The Code of Ethics by the Direct Selling Association of Singapore can be found at www.dsas.org.sg.

2.1.2 Business Objective

- The main business objective of the Independent Distributor and the Company is to sell high quality products to customers and as part of the business process, the Independent Distributor can establish his or her direct sale organization by sponsoring other Independent Distributors. However, sponsoring other Independent Distributors is not the main objective of the Independent Distributor. Instead, the Independent Distributor's main business objective is to sell products to potential customers through the direct sale organization.

2.1.3 Etiquette Rules of an Independent Distributor

- Independent Distributor shall manage his or her distributorship in an ethical, professional and courteous manner. In other words, the Independent Distributor must comply with the following rules:
 - 1) Independent Distributor shall comply with the terms and conditions of the agreement and all applicable laws.
 - 2) Independent Distributor shall conduct sales through distributorship with honesty.
 - 3) You should inform your potential customers or other Independent Distributors about your identity, the reason for contacting them and the products that you are promoting, and that you are engaged in direct selling and shall not use this avenue to employ others or disguise yourself through any other means.
 - 4) The Independent Distributor shall not give false, exaggerated or unwarranted representation or false warranty to others regarding the potential income generated from the Company's compensation plan, or when promoting the benefits of the Company's products, or when promoting the Company's products and services through successful testimonials or when promoting the Company's products and services or when introducing others to join.
 - 5) The Independent Distributor shall not compel, force or otherwise induce other Independent Distributors or potential customers to operate the business, causing them to be in debt, including but are not limited to compelling or inducing them to purchase more than the reasonable amount in respect of usage, sales, business support products or ancillary services.
 - 6) Independent Distributor should explain clearly to the potential customers and other Independent Distributors the rules/requirements for return, exchange of non-defective products, scope of warranty for products.
 - 7) The Independent Distributor shall not mislead the potential customers that the potential customers can only become an Independent Distributor upon purchasing the Company's products. The Independent Distributor should inform the potential customers that they can become an Independent Distributor by executing the "Independent Distributorship Agreement" and if they wish to purchase any products, they may do so at their own will.
 - 8) When promoting the Company's business or products, the Independent Distributor shall not commit the following acts:
 - (1) Acts that cause or are likely to cause others to feel unpleasant, uneasy or annoyed.
 - (2) Acts that damage or likely to damage the Company's brand, image or business reputation.
 - (3) Acts that cause or likely to cause the public to have an adverse impression of the Company.

2.1.4 Refrain from Defamation

- Independent Distributor shall not make any comparisons, claims, statements or representations which are misleading, unfair, inaccurate or defamatory to the following:
 - 1) The Company or the Company's employees.
 - 2) The Company's products or business activities.
 - 3) Other persons (including within and between organisations).
 - 4) Other companies (including competitors).
 - 5) Other companies' products, services or business activities.

2.1.5 Refrain from Harassment

- Independent Distributor shall not act in a manner that is calculated to harass, intimidate, threaten and insult others. Harassment of any kinds will not be tolerated, including but are not limited to: race, religion, physical and verbal abuse, or inducing, encouraging or causing other Independent Distributors, Company's employees or customers to engage in any inappropriate or unpleasant written, verbal, digital or physical relationships, sexual assault, sexual harassment or other physical, verbal or visual behaviors of a sexual nature with another Independent Distributor, Company's employee or customer.

2.1.6 Refrain from Liaising with Manufacturers

- Independent Distributor shall not directly or indirectly liaise with the Company's manufacturers or suppliers.

2.1.7 Protecting the Company's Reputation

- The Independent Distributor's conduct, including those outside the scope of or unrelated to the distributorship shall not affect or damage the Company's reputation or other Independent Distributors' business or reputation. The Company has the right to determine at its sole discretion whether such conduct is harmful and may take actions against the Independent Distributor in accordance with the provisions of this Business Handbook.

2.1.8 Right to Verify Information

- As a requirement to be an Independent Distributor, the Independent Distributor agrees that the Company shall have the right to verify any records related to the Independent Distributor's business activities in order to ascertain whether the Independent Distributor is in compliance with this Business Handbook, and when required, the Independent Distributor shall immediately provide the complete and true records of any information to the Company.

2.2 Independent Contractors

2.2.1 Independent Contractors

- An Independent Distributor is an independent contractor and shall not in any manner be construed or represent to the public as the Company's agent, contractor, employee, executive, business partner, associate or joint venture and is further subject to the following requirements:
 - 1) The Independent Distributor is solely responsible for his or her own business decision and has the sole discretion to decide the working time and working hours for himself or herself.
 - 2) Commission is based on the sales volume, and it is not based on the number of working hours of the Independent Distributor.
 - 3) As an Independent Distributor, he or she may face business risks and any losses as may be suffered shall be solely borne by the Independent Distributor.
 - 4) Any licence fees or insurance fees related to the business shall be solely borne by the Independent Distributor.
 - 5) The Independent Distributor is solely responsible for all his or her business expenses, including but are not limited to travelling, entertainment, offices, books, legal advice, facilities, accounting or any administrative costs and the Company shall not be responsible for prepayment, reimbursement or guarantee.

2.2.2 No Authority to Represent the Company

- The Independent Distributor shall have no authority to act for the Company, including but are not limited to the following:
 - 1) Register or own the Company's name, trademarks, or products' name.
 - 2) Use of the Company's name, trademarks or products' name to register as domain names.
 - 3) Register or obtain a licence for the Company's products or businesses.
 - 4) Establish any form of contact with or approach the public or the government using the name of the Company.
 - 5) Any act which may cause the public to mistakenly believe that the Independent Distributor has the authority to represent the Company.
- In the event the Independent Distributor commits any of the above which cause the Company to take any relief actions, the Independent Distributor shall compensate the Company for all expenses and legal fees incurred by the Company. The Company's name, trademarks, products' name, products or domain names obtained by the Independent Distributor due to any violation of the provisions of this Chapter shall be transferred to the Company free at the Independent Distributor's costs, and the Company shall not be liable to pay or compensate the Independent Distributor for any fees incurred by the Independent Distributor.

2.2.3 Refrain from Representing the Company as Employer

- The Independent Distributor shall not, in any loan applications, government forms or applications, employment verification requirements, applications for unemployment benefits, any forms or documents or in any circumstances, represent that the Company is the Independent Distributor's Employer.

2.3 Obligations of an Independent Distributor

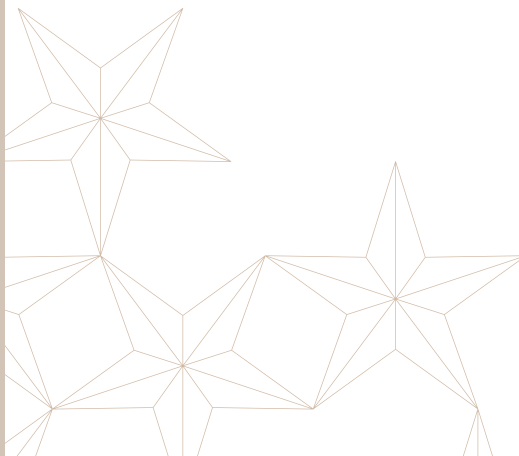
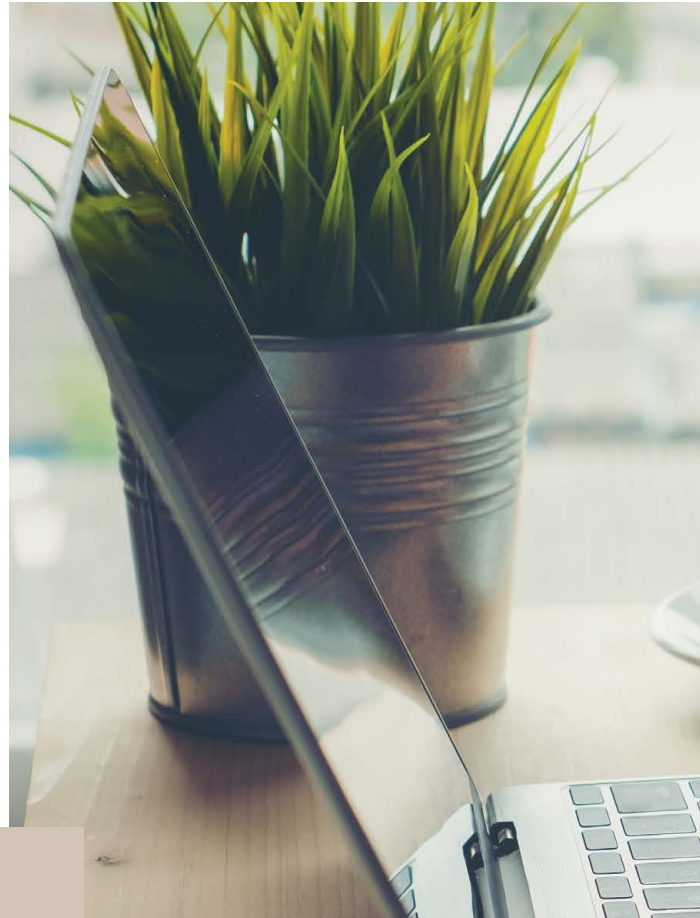
- When promoting the Company's products or services or introducing others to join the Company as an Independent Distributor, the Independent Distributor shall not mislead the potential Independent Distributors or customers to pay for expenses or reimburse unjustified costs for training, lectures, networking session, meetings, advancement or others similar activities. The Independent Distributor shall not request the potential Independent Distributors or customers to pay for any unnecessary deposits, guarantees or fees.
- When promoting the sales of products or services or introducing others to join, the potential Independent Distributors or customers should be clearly informed that the Company does not allow two distributorships or more simultaneously.
- Independent Distributor shall not breach the following rules:
 - 1) Incite, induce, recruit, abet the Company's Independent Distributors to join other direct selling companies or causing to do the same through other means.
 - 2) Invite, assist the Company's Independent Distributors to participate in the activities of other direct selling companies or through other means.
 - 3) Create or cause any detrimental competition or conflict of interest between the Company and other direct selling companies.
 - 4) Except for valid reasons or with the Company's consent, the Independent Distributor shall not encourage, induce or assist other Independent Distributors to change their Sponsor. Such behavior will constitute an improper and unreasonable intervention in the contractual relationship between the Company and the respective Independent Distributors. The foregoing prohibitions include, but are not limited to, providing financial or other tangible rewards to other Independent Distributors causing the termination of his or her existing distributorship rights and reapply as an Independent Distributor under another Sponsor. The Independent Distributor agrees that violation of this rule will cause irreparable damage to the Company, and further agrees that the Company shall have the right to take any measures to avoid such damage.
 - 5) The Company reserves the right to impose severe sanctions on and/or claim damages against the Independent Distributor who instigates or induces other Independent Distributors to change their Sponsor as well as the Independent Distributor who changes his or her Sponsor, including using various names or means to cause others to participate and at the same time receive or obtain any fees that have yet to be determined by the Company or any improper benefits.
 - 6) Independent Distributor shall not in any manner or use any means (including but not limited to encouragement, inducement, coercion or assistance) to cajole or snaffle other downlines and / or potential customers of another Independent Distributor.
 - 7) Use deceiving, misleading, exaggerating, fraudulent, any guaranteed efficacy or false statements or explanations to promote, sell products and services or introduce others to join the direct selling organization.
 - 8) Raising funds from others under the disguise of a direct selling business.

- 9) Engaging in direct selling activities in ways that violate public order or morals.
- 10) Using any unethical door to door methods to trade and affecting consumer rights.
- 11) Violating the Multi-level Marketing and Pyramid Selling (Prohibition) Act (Cap.190), Multi-level Marketing and Pyramid Selling (Excluded Schemes and Arrangements) Order, Consumer Protection (Fair Trading) Act (Cap. 52A), Consumer Protection (Fair Trading) (Cancellation of Contracts) Regulations 2009, criminal laws or other regulations relating to direct sales activities.
- 12) Violating any applicable laws or the Company's regulations.
- 13) Altering the Company's advertising collaterals.
- 14) Changing the contents, appearances, and packaging of the Company's products, and changing or altering any packaging, labels, barcodes, company names, trademarks and names of the Company's products or services.
- 15) Using third parties' product names, packaging and/or trademarks to sell the Company's products.
- 16) Re-purposed products shall not be permitted to use or retain any of the Company's trademarks or graphics, or use any words or graphics similar to the Company's trademarks, that may cause confusion to others that the re-purposed products as and for the Company's products.
- 17) The packaging, manuals, accompanying documents or items and any promotional or advertising content of the re-purposed products shall not use or contain any of the Company's trademarks or graphics, or use any words or graphics similar to the Company's trademarks or graphics which may cause confusion to others that it is the same as and for the Company's packaging, manuals, accompanying documents or items and promotional or advertising contents.
- 18) Independent Distributors are not allowed to display or sell the re-purposed products at the Company's business premises, event venues, including any surrounding buildings where the business premises and venues are located.
- 19) Selling any re-purposed products to induce or persuade other Independent Distributors, to approach and to develop potential downline to join their own organization.
- 20) Selling re-purposed products which damage or affect the Company's reputation, thereby causing others to mistakenly believe that they have the right to sell the re-purposed products on behalf of the Company.

2.4 Independent Distributor's Obligation not to Compete

- An Independent Distributor with the pin title of Area General Manager and above is not allowed to operate other direct selling businesses in his or her or other's names. If he or she violates this rule, the Company has the right to terminate his or her distributorship qualification and the Company has the right to notify others of the same, including forfeiting commissions that have yet to be paid out to the said Independent Distributor. The Company also reserves the rights to pursue legal actions against the Independent Distributor.
- In the event the above rules are violated, the Company may revoke and render the Independent Distributor's rights in Chapters 1, Sections 1.3, 1.4 and 1.5 and the inheritance rights to be invalid.

CHAPTER THREE





Purchasing of Products



CHAPTER 3

Purchasing of Products

3.1 Operating Hours

- Operating hours from Monday to Friday:
Singapore ► 10:00AM~07:00PM
- Operating hours on Saturday ► 01:00PM~05:00PM
- Operating hours for month end sales closing day (the last business day of each month):
Monday to Friday : 10:00AM~05:00PM Saturday : 01:00PM~05:00PM
- Stocktaking day fall on the last working day of every month. No operation on stocktaking day.
- The Company reserves the rights to reschedule the operating hours.

3.2 Payment Options

- Payment for products can be made by cash, cheque, NETS, credit card, bank transfer and PayNow.
 - 1) Cash, Cheque, NETS
When ordering on site, please make payment at the customer service counter.
 - 2) Credit Card Payment
VISA card and MASTERCARD card issued by respective banks are all accepted.
 - Only the payers' personal credit cards will be accepted.
 - 3) Bank Transfer
United Overseas Bank Limited (UOB Bank)
Account Name: Nefful Singapore Holdings Pte. Ltd.
Account number: 301 303 7106 (SGD Account)
 - 4) PayNow
Account Name: Nefful Singapore Holdings Pte. Ltd.
UEN Registration No: 200910386Z
 - 5) Mail Order/Telephone Order (MOTO) Transaction
This method is limited to the Company's Independent Distributors, and subject to the personal credit cards used by the payers.
If the above payment method is transacted by bank transfer, after the bank transfer is completed, the payers shall fax or email the remittance receipt to the Company to facilitate the accounting process. Please indicate on the remittance receipt: the purchaser's name / the payer's name / telephone number.

3.3 Transfer of Ownership

- When the Company delivers the products ordered by the Independent Distributor to the Independent Distributor, the Independent Distributor's employee, agent or user, the Independent Distributor's spouse, or a person who actually lives with the Independent Distributor partly or completely, or any person that the Independent Distributor expressly or impliedly consent to receiving the products on the Independent Distributor's behalf (whereby the absence of immediate objection is deemed as consent), the ownership and the risk of loss of the products will then be transferred to the Independent Distributor.
- If the product order form is completed but no payment has been made, it will not be included in the sales volume, and only after completion of payment and issuance of invoice will it be included in the sales volume.

3.4 Stockpiling

- Independent Distributors should determine the purchase quantity based on reasonably estimated retail sales as well as personal needs and should avoid stockpiling the products.

3.5 Storage Fees for Uncollected Products

- For products ordered and stored in the Company, the relevant storage rules are as follows:
 - 1) If the products are not collected for more than seven (7) days, S\$5/day will be charged (cumulative charges implied; every product order form will be considered as one charge).
 - 2) If the products are not collected for more than six (6) months, the products will be deemed collected, and it shall be deemed agreed that the ownership of the products of that order has been given up and that the products be dealt with by the Company in its sole discretion.
 - 3) The starting date of the period specified in the preceding paragraphs shall be calculated from the date of the invoice issued by the Company (including Saturdays, Sundays and national holidays).
 - 4) If the storage fees are not paid, the Company is entitled to deduct the storage fees from the commission due to the Independent Distributor without any further need to remind, notify or explain the same to the Independent Distributor.
- For Distributor Kit purchased and stored in the Company, the relevant storage rules are as follows:
 - 1) For online application to become an Independent Distributor, if the Distributor Kit has not been collected for more than thirty (30) days, it shall be deemed agreed that the ownership of the Distributor Kit has been given up and that the Distributor Kit be dealt with by the Company in its sole discretion.
 - 2) For application to become an Independent Distributor in person, if the Distributor Kit has not been collected for more than seven (7) days, it shall be deemed agreed that the ownership of the Distributor Kit has been given up and that the Distributor Kit be dealt with by the Company in its sole discretion.

3.6 Variation of Unit Price

- The Company reserves its rights to vary the price of the products at any time and the Company will issue a notice for the intended variation before it takes place

3.7 Delivery of Products

- The scope, fees and related procedural rules of delivery shall be determined in accordance with the applicable delivery standards announced by the Company at the time when the order is made.
- After receiving the products, please verify and check the content of the products. In case of damages on the outer packaging of the products and/or errors in the quantity or the items received etc., please contact the Company within seven (7) days from the date of receipt of said products, failing which, such inaction amounts to a waiver of the Independent Distributors' rights to make any claims in relation to the aforesaid situations.

3.8 NIShop

- For the online shopping terms of NIShop, please refer to the relevant provisions on the official website of Nefful International.

3.9 Scope of Warranty for Defective Products

3.9.1 Scope of Warranty

- Within fourteen (14) days from the date of purchase of the products, the defective products can be exchanged at any time with new products, except for products with different models and sizes, and provided that the original invoice and delivery order are shown and that the defective products fall within the scope of the following warranty conditions. Where the products purchased have been discontinued and therefore the exchange must involve products of different models or sizes, the differences in the pricing shall be paid. This warranty applies to:
 - 1) Defective products that have not been disassembled, altered, repackaged or added into any other products; and
 - 2) The defects caused by reasons attributable to the Company.
- When Independent Distributors apply for exchange for new products in accordance with the aforesaid provisions, the Company reserves its rights to make a final review on the actual conditions of the defective products.

3.9.2 Defects Outside Scope of Warranty

- Products that have been used, washed, or the packaging is incomplete (such as missing packaging tags, labels, accessories etc.) are not allowed to be exchanged.
- The Radiant Story and the Young Life Story product series (except for detergent) cannot be exchanged if the products are damaged due to improper handling or any reasons not attributable to the Company.

3.10 Exchange of Non-Defective Products

Products that have not been used or damaged can be exchanged for products of the same value by presenting the original invoice and original products within fourteen (14) days from the date of purchase.

3.10.1 Requirements for Exchange

- The requirements for exchange are as follows:
 - 1) The original invoice (the exchange will not be processed if these not presented).
 - 2) The intact product intended to be exchange (being unused and resalable).
 - 3) The product packaging box and accessories (for example: tag, cardboard, quality inspection form etc. please be sure to bring them).
 - 4) Complete the Product Exchange Form.

3.10.2 Time Limit for Exchange

- Products may be exchanged within fourteen (14) days from the date of purchase as shown in the invoices (including Saturdays, Sundays and national holidays).
- If the last date for exchange falls on a national holiday, it will be postponed to the next business day. For postal delivery/ exchange, the deadline shall be determined based on the postmark date.
- An additional processing fee of S\$5 shall be applicable and imposed on each product exchange form submitted on the fifteenth (15th) day to the thirtieth (30th) day from the date of purchase as shown in the invoices.
- No Products shall be entitled to exchange if the date of purchase as shown in the invoices is more than thirty (30) days.

3.10.3 Modes of Exchange

- Combination of multiple lower-priced invoices are not allowed to exchange for a higher-price product, in one exchange order. One invoice can only apply for one exchange form.
- By post: The last date for exchange is based on the postmark date, and the round-trip delivery fees shall be borne by the person applying for the exchange (in accordance with the applicable terms set by the Company).
- On-site: Please apply for exchange at business premises during operating hours.

3.10.4 Important Notice for Exchange of Goods

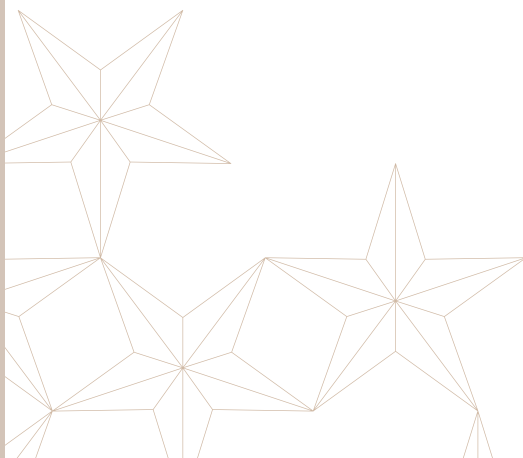
- The important matters to note for exchange are as follows:
 - 1) Products will not be allowed for exchange if the products have been worn, washed, are dirty, with odor, discoloration, are snagged, deformed, damaged, discontinued etc., or which the models have been re-edition without (old) packaging.
 - 2) One invoice can only be exchanged once for each product, and the exchanged product will be marked as “non-exchangeable” after the exchange.
 - 3) No partial exchange is allowed if the exchange product is out of stock. Exchange can only be made when the products for exchange are available in store, and are ready for collection.
 - 4) Products with sales volumes cannot be exchanged with products without sales volumes and vice versa.
 - 5) Promotional activities’ free gifts will not be accepted for exchange.
 - 6) The Company reserves the rights to make a final review on the actual conditions of the products to be exchanged.
 - 7) Should the prices of the exchange products have been varied by the Company in accordance with Section 3.6, the Independent Distributors must pay for the shortfall in prices before the Company approves the transaction.
 - 8) Health supplementary products under the Young Life Story series and skincare products under the Radiant Story series cannot be exchanged after products are sold, unless the products are defective.
 - 9) The total amount and sales volume of exchanged products shall be either equivalent or more than the returned new products.
 - 10) Exchange procedure is strictly prohibited for new products within 30 days from the launch date.

3.11 Return of Products

- Independent Distributors are not allowed to return products unless he or she rescinds or terminates his or her distributorship. While returning the Products (including the Distributor Kit and Business Support Materials), the Products itself and the original invoice indicating the purchase of the Products must be presented. Products that are defaced or damaged by reason of human factors or Products that have been used are not allowed to be returned. Once an Independent Distributor applies to return the Products and has rescinded or terminated his or her distributorship, he or she is banned from ever joining the organization and becoming an Independent Distributor in his or her lifetime. Please refer to Section 1.6 for the method of returning the Products and the rescission or termination of Distributorship.



CHAPTER FOUR





Rules of Conduct

CHAPTER 4

Rules of Conduct

4.1 Notification of Personal Data

A copy of the Company's Privacy Notice can be found at www.nefful.com.sg and it is to be treated as part of the Handbook and applicable to all the Independent Distributors. Regarding the Company's collection, processing, use and cross-border transfer of personal data of Independent Distributors, the Company hereby informs the Independent Distributors of the following in accordance with the provisions of the Personal Data Protection Act (hereinafter referred to as the "PDPA"):

4.1.1 Purposes for Collecting Personal Data

- Independent Distributors consent to the Company's collection, processing, use, disclosure and cross-border transfer of their personal data as provided under Section 4.1.2 for, among others, the following purposes:
 1. Direct selling activities;
 2. Product sales or services of the direct selling business;
 3. Recruitment and management of Independent Distributors (including but are not limited to disciplinary actions for breach of contract);
 4. Provision of commissions (bonuses) or other benefits (including but are not limited to Incentivised Programs);
 5. Education and training;
 6. Marketing and promotional purposes (including recording of video and audio).
 7. Independent Distributors' sales of product or services, Independent Distributors' recruitment of downlines, Independent Distributors' understanding of the organization's operation, Independent Distributors' guidance, management, training of their downlines and any other actions assisting in the development of the Company's business; and
 8. Other collection purposes in accordance with the relevant laws and regulations or necessary for the running of direct selling business.

4.1.2 Categories of Personal Data

- Personal data collected by the Company include but are not limited to name, nationality, date of birth, national identity card number, passport number, marital status, education background, occupation, contact information, bank account number, financial conditions, and other personal data necessary for engaging in the Company's activities.

4.1.3 Duration of Use of Personal Data, Territories, Recipients and Processes

- The duration, territories, recipients, and processes of which the personal data is used are as follows:
 - 1)Duration: The personal data will be kept for the duration over which the personal data is needed for the specific purposes that the said personal data is collected; the retention period of the personal data will be in accordance with the relevant laws and regulations or contractual agreements, or the retention period necessary for the running of business.
 - 2)Territories: Areas within and outside of Singapore (including the areas where the Company and its business premises are located, the areas/countries around the world where the Nefful International companies are located, the areas where the manufacturers, institutions, or consultants etc. with which the Company has contractual relationships due to business needs are located, and the areas in which the recipients are located, provided that all relevant laws and regulations regarding cross-border transfer of personal data are complied with).
 - 3)Recipients: (1) The Company, its various business entities, Nefful International companies around the world, and third parties who have cooperation, appointment and contracts etc. with the Company or the aforesaid companies (including the Company's cooperating home delivery or delivery vendors, market survey vendors, event contractors, business planning companies, after-sales service providers, printing and audio-visual production companies, information services companies, financial institutions and consultants etc.).
(2) The sponsors of the Independent Distributors or the sponsor distributors of the organization.

- (3) An agency with investigative powers vested by the law or an agency that exercises public powers in accordance with the law.
- (4) The Company will require the Nefful International companies and third parties referred to in (1) above, and the sponsors of the Independent Distributors or the sponsor distributors of the organization referred to in (2) above to comply with the provisions of the PDPA, and will take organizational, contractual and legal measures to ensure that personal data is exclusively processed for the purposes mentioned at 4.1.1, and that adequate levels of protection have been implemented to safeguard the personal data.

4) Processes: By automated machines or other non-automated processes.

4.1.4 Independent Distributors' Rights and Authorization of Use of Personal Data

- Independent Distributors may make requests to the Company to exercise their following rights with respect to their personal data held by the Company:
 - 1) Make an inquiry of or request to review or request for copies of their personal data, and the Company may charge a fee to defray the necessary costs incurred according to the PDPA.
 - 2) Demand the cessation of the collection, processing or use of their personal data or request to delete their personal data.
 - 3) When the Independent Distributors make a request pursuant to the foregoing paragraphs, the Company shall handle the request in accordance with the PDPA.
 - 4) Independent Distributors may direct their requests to the Company's Data Protection Officer at customer@nefful.com.sg or by mail to 456, Alexandra Road, #07-01/02 Fragrance Empire Building, Singapore 119962.

4.1.5 Consequences Arising from Refusal to Provide, Provision of Inaccurate, or Request to Delete Personal Data by Independent Distributors

- The Company's collection, processing, use or cross-border transfer of personal data of Independent Distributors for the aforesaid purposes is necessary for them to participate in the Company's business. However, if the Independent Distributors refuse to provide or provide incomplete personal data, or request to delete personal data previously provided, depending on the nature and scope of your request, the Company may not be in a position to continue providing its goods and services as a direct selling business.

4.2 Procedures on Violation

4.2.1 Commencement of Investigation on Violation

- When the Company discovers that an Independent Distributor has violated or has reasons to believe that the Independent Distributor may have violated the terms of this Business Handbook, the Company's business strategy, any contracts with the Company, the Company's business policies, the Company's announcements, the Company's publicities or communications, the applicable local direct sales laws or any other relevant laws and regulations (hereinafter collectively referred to as the **"Violations"**), or when other Independent Distributor (hereinafter referred to as the **"Whistleblower"**) lodge a written complaint to the Company which is accepted by the Company, the Company may investigate the Independent Distributor that has committed the Violations or has been alleged to committing the Violations (hereinafter collectively referred to as the **"Violating Party"**), his or her Sponsors and downlines (the Violating Party, his or her Sponsors and downlines collectively referred to as the **"Relevant Independent Distributors"**) and may also take necessary emergency measures.

4.2.2 Reporting Violations

- The Whistleblower shall specify the following in writing when lodging a report with regard to the Violations:
 1. The name, background information, and contact information of the Whistleblower; in the event the Whistleblower is a business entity, the name of the business entity, the relevant information of the business entity and its representatives.
 2. The purpose of the report and facts relating to the Violations.
 3. Information of the relevant evidence.
 4. Relevant documents.
- Where the Whistleblower fails to comply with the aforesaid reporting method, and where corrections are not possible or the Whistleblower fails to make corrections within the time limit, the Company may reject the report.

4.2.3 Procedures for Investigation of Violations

- 1) The Company may notify the relevant Violating Party of the contents of the report lodged and inform him or her to respond in writing within fourteen (14) working days from the date of notification. If the Violating Party fails to respond within the period stipulated above, the Company may take appropriate actions in accordance with the provisions of this Business Handbook.
- 2) If the report and response do not contain sufficient facts upon which to make a decision, the Company may request for additional information needed from any party.
- 3) The Company shall make a written decision within ninety (90) working days (calculated from the date of notifying the Violating Party) after accepting the filing of the report, and notify the Whistleblower and the Violating Party or Relevant Independent Distributors.
- 4) Where it is apparent that the investigation procedure cannot be completed within the aforesaid period, the Company may notify the Whistleblower and the Violating Party or Relevant Independent Distributors in writing to extend the period.

4.2.4 Notification of Decision

- The Company shall deliver the written decision to the Violating Party or Relevant Independent Distributors in accordance with the last known correspondence addresses and e-mail addresses of the Violating Party and Relevant Independent Distributors kept by the Company at the time when the decision is made.
- Where the Company delivers the written decision in accordance with the aforesaid provision, and in the event that the written decision is returned due to reasons such as rejection, failure to locate the recipient, or overdue unclaimed mails, the effective delivery date shall be the date of the first delivery.
- Once the decision is made, the Violating Party or Relevant Independent Distributors are not allowed to apply to postpone or suspend the execution of the decision on the basis that they have not received the notification of decision.

4.3 Procedures on Appeal Against the Decision or Review

- 1) In the event the Violating Party disagrees with the Company's decision (as mentioned above), the Violating Party is entitled to request for an appeal of their case. The appeal must be submitted in writing and must be accompanied by any documents supporting this request. Only the sanctioned Violating Party can appeal and he or she must do so within fifteen (15) working days from the day after the Company's written decision is received.
- 2) The Company shall make a decision for the appeal within ninety (90) days of receiving the appeal application and notify the Violating Party or Relevant Independent Distributors of the appeal decision in writing.
- 3) The Company's original decision shall remain valid until the decision of the appeal is made.

4.3.1 Confidentiality of the Violations

- The Company shall keep the files and relevant material in relation to the Violations cases in the electronic or paper form confidential, and for at least three (3) years after the cases are completed.

4.4 Advertising and Promotion

4.4.1 Use of the Company's Copyrights and Trademarks

- The advertisements and printed materials, websites, audiobooks and all copyright works to introduce the Company or to promote the products or services of Nefful International or the Company shall be uniformly produced and distributed by the Company, and their copyrights belong to Nefful International or the Company. The Independent Distributors shall comply with the terms of this Business Handbook when using the Company's catalogues, leaflets, posters and photos of the products in the Company's current catalogues. The Independent Distributors are not allowed to take any action which will infringe the Company's copyright without obtaining the Company's prior written consent.
- In order to protect the business integrity and to regulate the use of trademarks of Nefful International and the Company, the Independent Distributors can use the following words or images in the descriptions, publicity and advertisements of the Company's products:
 1. Company's name (Chinese and English name).
 2. Company's logo.
 3. Registered trademarks of Nefful International, NEORON® and Teviron.

- When the Independent Distributors use the aforesaid words or images, they shall not do the following:
 1. Using the words or images as the "domain name", "account name", "profile picture", "cover photo" or at the "about" sections or other similar sections on various networks, e-commerce, and social platforms to mislead the consumers that they are representing the Company or Nefful International;
 2. Setting up a website with the trademarks of Nefful International or the Company, or using the same as the name of an account, a society, or a group, for the purposes of recruiting others or doing any acts unrelated to the selling of the Company's products;
 3. Making exaggerated, false or misleading claims or explanations;
 4. Any form of editing or alteration amounting to infringement of the trademark rights;
 5. Any medical claims are prohibited. The Independent Distributors are not allowed to, by themselves or through any third parties, make any medical claims, or whether expressly or impliedly claiming that any products of the Company are formulated, designed or approved by the Company or by any health department of the government to treat any diseases or have any medical effects. The Independent Distributors are also not allowed to, by themselves or through any third parties, compare the Company's products to medicines, or make medicinal-related or medical claims. Any such explanations, declarations or comparisons made by the Independent Distributors by themselves or through any third parties will cause the Independent Distributors to be personally liable for any legal action;
 6. Any acts that defame the goodwill and reputation of Nefful International Group, the Company and other Independent Distributors;
 7. Use of obsolete product photos;
 8. Any acts prohibited by this Business Handbook or the Company's announcements or any other means.
- If the Independent Distributor is notified by the Company that he or she has violated the provisions of this Section, the Independent Distributor shall immediately stop his or her behavior and comply with the Company's instructions which include but are not limited to removing the products being sold and the advertisements.
- Any Independent Distributors who disagree with the foregoing notification may submit a written appeal to the Company in accordance with Section 4.3 Procedures on Appeal against the Decision or Review. During the processing period of the appeal, except with the Company's consent, the Independent Distributor shall stop his or her behavior and comply with the Company's instructions which include but are not limited to removing the products being sold and the advertisements.
- In the event of any violation of this section, the Company will not hesitate to pursue against the Independent Distributor for criminal and civil actions. The Company shall not be held liable for any damages caused to third parties. If there exists any ambiguity in this section, the Company reserves its ultimate rights to offer an explanation.

4.4.2 Important Matters Concerning the Sale of the Company's Products

- When selling the Company's products, the Independent Distributors are not allowed to make false, exaggerated or misleading claims about the Company's products information, and misrepresent the Company's products information; the Company's products are not medicines or medical equipment, when selling the Company's products, there shall not be labelled with any words and sentences indicating any medical effects for named diseases, or any printed publicity, advertisements, and business cards that claim that the products have medical effects.

4.4.3 Guiding Principles Concerning Income Claims

- Independent Distributors shall note the following when making income claims:

1. Misleading Income Claims are Prohibited

Even though it is important to have reasonable and realistic expectations on the possible income of an Independent Distributor, the Independent Distributors shall not expressly or impliedly make any false or misleading claims about the income potentials, including any form of guaranteed income. The Independent Distributors are also not allowed to show the original or photocopy of the cheques for payment of commissions or any other records of the payment of commissions.

2. Requirements of Claims Concerning Lifestyle and Income

If the conditions listed below are complied with, the Independent Distributors can only make claims concerning lifestyle (for example: the business I run allows me to achieve time freedom, financial freedom, quit my job, buy a new house, etc.), or make income claims relating to the commissions, pin title, or direct selling business:

- (1) The information must be accurate and not misleading;
- (2) The information must be based on the Independent Distributors' experience and the actual commissions and pin title, or the experience, commissions and pin title of the Independent Distributors' direct Sponsors or downlines;

- (3) The Independent Distributors must also disclose the overview of the latest compensation plan for Independent Distributors which is directly related to the commissions claims.
- (4) If the Independent Distributors make claims relating to "revenue" or "profit" instead of "commission" or "compensation", the Independent Distributors must deduct the amount that the Independent Distributors spent to obtain these incomes;
- (5) If the Independent Distributors make any claims relating to the commissions and pin title, the Independent Distributors must specify that the above amount is the total amount before deducting any business-related expenses.

4.4.4 Guiding Principles for Advertisements and Promotions

4.4.4.1 Prohibition on Utilizing Mass Media for Advertisements

- Except otherwise provided in this Business Handbook or approved by the Company, the Independent Distributors are not allowed to use any form of media (including but are not limited to television, radio or any print, electronic, or online media) to promote, publicize, sell the Company's products or promote business opportunities. Unless otherwise stipulated in this Business Handbook or approved by the Company, the Independent Distributors are only allowed to promote using personal contact or using publications produced and distributed by the Company or publications produced and distributed by the Independent Distributors in accordance with the Rules of Conduct of Independent Distributors.
- In jurisdictions where the said promotion is allowed, the Independent Distributors can promote general business opportunities, but they must still do so in a manner that complies with the Company's Rules of Conduct of Independent Distributors.

4.4.4.2 Media Interviews

- Without the Company's prior written consent, the Independent Distributors are not allowed to promote or sell the Company's products or promote business opportunities through interviews with any media, news reports, or any other sources of public, business, or industry information.
- Independent Distributors are not allowed to accept media interviews on behalf of the Company, and cannot claim that they have been authorized by the Company to accept interviews on behalf of the Company.

4.4.4.3 Distribution of Advertisement Materials

- All promotional materials, including but are not limited to advertising leaflets, business cards, and the Company's business support materials, can only be delivered by way of personal contact.
- Promotional materials are not allowed to be posted in public places, placed on parked vehicles, put into mailboxes, or mailed or faxed in large quantities, or distributed by any other means of non-personal contact.

4.4.4.4 Rules and Etiquette for Using Social Media

- The Company agrees that Independent Distributors may utilise social media for making product statements, explanation of the products' effectiveness and personal testimonials for the products.
- Independent Distributors shall comply with the following rules when using social media for aforesaid purposes:
 1. Only the Company's product statements can be used, and no personal statement can be added.
 2. Only general description of the effectiveness of the Company's products are allowed and must comply with the relevant laws and regulations.
 3. Share successful personal testimonials for the products, and shall not make any illegal, inappropriate, or false personal testimonials for the products.
 4. For health-related issues, consumers shall be advised to consult medical and healthcare institutions.
 5. Company's names, trademarks, words of the logo are not allowed to be used as the name of social media accounts, nicknames, group names, fan page names; names which are similar to the Company names, trademarks, and logos are also not allowed to be used as the names of social media accounts, nicknames, group names and fan page names.
 6. The Company's logo or any of the Company's copyrighted works (including but are not limited to pictures and photographs) are not allowed to be used as personal profile picture, group profile picture, and picture of a fan page on social media.
 7. Apart from the above matters, there must not be any conduct that may cause the general public to misunderstand that the social media is established by the Company, or any conduct that may cause the general public to mistakenly believe that the statements on the social media are made on behalf of the Company.
 8. It is not allowed to describe or imply that the Company's products can treat, cure or prevent any diseases, or make any claims concerning medical effects.
 9. The effects of the products shall not be exaggerated, misrepresented, or fabricated.
 10. Words or actions that damage or affect the Company's reputation or goodwill are not allowed.

4.4.4.5 Trade Show Booths

- Independent Distributors shall not sell any Products of the Company or promote the Company's business opportunity at wet market, flea markets, swap meets, bazaars, supermarkets, fitness centres, athletic leagues and games, malls or any other similar occasions where the Company's business opportunity or Products may be displayed. However, upon the prior written approval of the Company, an Area Manager Plus or Area General Manager in title Independent Distributor may rent a booth or set up an exhibit at an approved trade show or convention ("Convention") by the Company. If the Area Manager Plus or Area General Manager who wants to set up a booth or exhibit at a Convention, the Independent Distributor must comply with the following requirements:
 - (1) The Convention theme must be directly related to the Company's business;
 - (2) At least four weeks prior to the Convention, the Independent Distributor must submit to the Company a proposal regarding the Convention and obtain prior written approval from the Company;
 - (3) Independent Distributors shall not use the Advertising Materials to imply that the Company is participating in the Convention. The Independent Distributor must make specific reference to you as an Independent Distributor of the Company, including any maps or listings prepared by the sponsor of the Convention;
 - (4) The Independent Distributor may not promote any products, services, or business opportunities through the Convention other than the Company's business opportunity and Products;
 - (5) Throughout the Convention, the Independent Distributor shall personally comply with the Business Handbook and be responsible for (i) the actions of every individual who works at the Convention booth, (ii) all materials distributed at the Convention, and (iii) all other aspects of participation at the Convention; and
 - (6) Company reserves the right for the approval of the application.

4.5 Important Matters Concerning Online Sales

- The Company's products are sold directly by the Company's Independent Distributors to the consumers who are the users of the products. The Company's products are not allowed to be provided, transferred, sold, or distributed to others via sales channels not approved by the Company.
- Independent Distributors shall identify the flow of the sale of products and provide good after-sales services. For others or purchasers with abnormal purchase behavior or purchase quantity, they shall immediately notify the Company, and shall remind other downlines of the organization to comply with this rule of conduct.
- The Independent Distributors selling the Company's products shall improve the efficiency or quality of pre-sales services and must not sell the Company's products at lower prices by reducing the efficiency or quality of pre-sale services.
- The Independent Distributors are not allowed to sell the Company's products via sales channels that are not approved by the Company, nor are they allowed to import any products of Nefful International claiming or with the label "Nefful" and any other products with the trademarks of "Nefful", NEORON® and Teviron etc. from the markets other than where the business premises of the Company and Nefful International are located and sell the same in the market where the business premises of the Company and Nefful International are located, nor are they allowed to conduct themselves as purchasing agents.

4.6 Important Matters Concerning Physical Stores

- Any Independent Distributors who sell the Company's products in physical stores shall not confuse others to mistake their stores for the Company's stores or that they have the rights to represent the Company.
- Any Independent Distributors selling the Company's products in physical stores shall comply with the provisions in Section 4.4 Advertising and Promotion and other provisions in this Business Handbook.

4.7 Disciplinary Actions

- When Independent Distributors violate this Business Handbook, the Company's business strategy, any contracts with the Company, the Company's business policy, the Company's announcements, publicity or communication, Multi-level Marketing and Pyramid Selling (Prohibition) Act (Cap.190), Multi-level Marketing and Pyramid Selling (Excluded Schemes and Arrangements) Order, Consumer Protection (Fair Trading) Act (Cap. 52A), Consumer Protection (Fair Trading) (Cancellation of Contracts) Regulations 2009 or other relevant laws and regulations, depending on the severity of the violation in the individual case, the Company may take one or more of the following actions against the violating Independent Distributors:
 1. Terminate the distributorship of the Independent Distributors;
 2. The Independent Distributors are not allowed to join the Company perpetually;
 3. Partial or full suspension of rights of the Independent Distributors;
 4. Suspension of distribution, forfeiture, recovery of commissions and other benefits;
 5. Cancel the pin title;
 6. Other sanctions deemed appropriate by the Company.
- Even if there contain other rules for sanctions in this Business Handbook, the Company must still make appropriate sanctions in accordance with this section.

4.8 Tax Regulations

4.8.1 Tax Return Filing

- According to the provisions of the Income Tax Act (Cap 134), before statutory tax declaration, the Independent Distributors must declare and pay their individual consolidated income tax (individual Independent Distributors) or business entity income tax (business entity Independent Distributors) on the commissions earned and benefit in kind in the previous year.
- When commissions are generated for foreigners residing locally in various countries, taxes must be withheld in accordance with the applicable laws.
- According to Section 65B (3) of the Income Tax Act (Cap 134), Company is required to electronically submit the information on the commission earned including but not limited to commission, incentivized programs, gifts, product vouchers and other similar rewards received by the Independent Distributor to the Inland Revenue Authority of Singapore (IRAS).

4.8.2 Tax Submission for Independent Distributors Conducting Business through a Business Entity

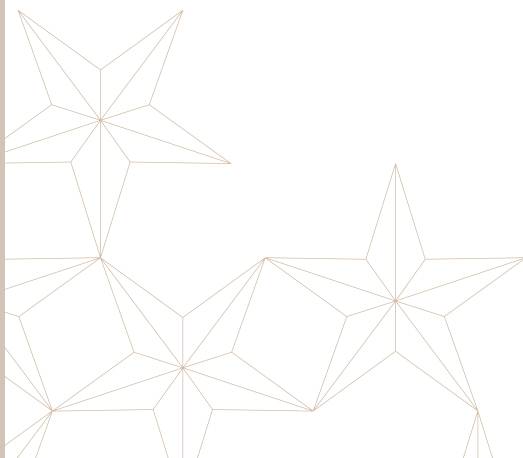
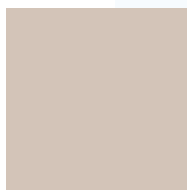
- Where Independent Distributors operate their business through a business entity, invoices must be issued and pay the business entity's income tax in accordance with the law.
- The business entity is encouraged to seek professional advice and assistance for information regarding its personal tax obligations. The Company shall not in any event be responsible for any of the business entity's tax obligations.

4.9 Right to Amend

- In response to changes in market structure, laws and regulations, or other needs, the Company may amend this Business Handbook, any documents provided by the Company to the Independent Distributors, the Company's policies and systems, and related procedures. Except for text additions and deletions without changing the original meaning or where the changes are made only to the sequence of the clauses, the revisions may be notified to the Independent Distributors by the Company via words, writing, telephone calls, text messages, emails, faxes, e-newsletter, announcements on the Company's official website or any other means that are sufficient to make the same known to the Independent Distributors. Independent Distributors agree to and comply with the foregoing amendment by signing the Independent Distributorship Agreement.
- For all litigation procedures arising from this contract, the Supreme Court and/or State Court shall be the court of first instance, but parties shall first attempt to amicably resolve all disputes by way of mediation.
- This Business Handbook is available in both Chinese and English. If there are any differences between the Chinese and English versions, the English version will prevail.
- The Company reserves the right to amend the contents stipulated in this Business Handbook.



CHAPTER FIVE





Compensation Plan for Independent Distributor

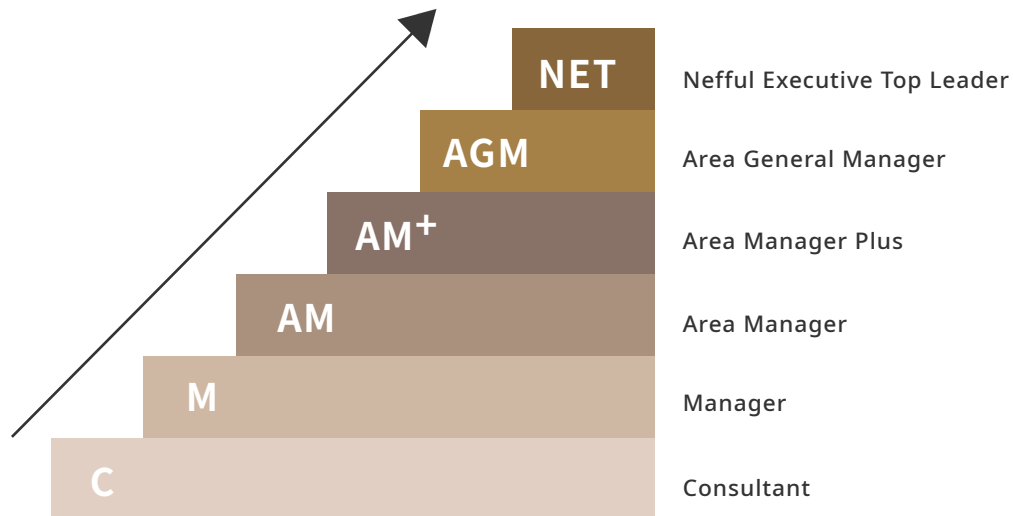


CHAPTER 5

Compensation Plan for Independent Distributor

5.1 Structure of the Direct Sales Organization

- Nefful International's Independent Distributor Organization is comprised of six titles: Consultant, Manager, Area Manager, Area Manager Plus, Area General Manager and Nefful Executive Top Leader. Independent Distributors will be advanced based solely on their organization and sales volume, and duration of their participation is inconsequential.
- For those who want to join Nefful International's businesses outside their registered country, they must complete the International Sponsorship Agreement.
- For the purposes of title advancement, the Independent Distributor's sales volume is calculated based on its value in New Taiwan Dollar (NT\$). The sales volume exchange rate for sales in Singapore Dollars is 21.6607.
- All sales volume stated in this handbook have been converted to Singapore Dollars.
- The Company reserves the right to amend the sales volume exchange rate.



5.2 Types of Commission

- Organization Bonus, Leadership Bonus, AGM Incentive Bonus, Nefful Executive Top Leader Bonus.

5.3 Commission Payment Schedule

- The commission of an Independent Distributor shall be directly transferred to the Independent Distributor's bank account on the 10th of the following month.
- If the Independent Distributor does not provide information on direct deposit, the commission will be retained by the Company for a maximum of two (2) years, and those who fail to collect the commission after two (2) years will be deemed to have waived their right of receipt.

5.4 Calculation of Commission

- The commission of an Independent Distributor is calculated monthly based on his or her pin title and sales volume of the Independent Distributor's organization.
- The calculation period of monthly sales volume is from the first day of the month to the sales closing day of the same month.
- Immediately after a title advancement, the commission percentage will remain the same until the effective date of said title advancement, all sales volume prior to said effective date will still be calculated based on the Independent Distributor's previous pin title.

5.5 Important Matters Concerning Collection of Commission

- Nefful International's business entities all over the world adopt a single organization system irrespective of nationality, that is regardless of country (Taiwan, the United States, Hong Kong, Malaysia, Singapore), all organizations of Independent Distributors adopt a single upline and downline organizational relationship. An Independent Distributor must, upon the completion of the International Sponsorship Agreement in a specific country, obtain the identity as the Independent Distributor of that specific country and be entitled for commission. An Independent Distributor who has failed to enter into an International Sponsorship Agreement in that specific country will not be recognized as an Independent Distributor in that country and shall not be entitled to calculation of commission, as such there are no issues of an Independent Distributor receiving commission on behalf of others and the retention of commission. Independent Distributors before promoting in any region must comply with the region's registration procedures in accordance with the Company's regulations. If registration was only done later, the Independent Distributor cannot request the Company to reissue commission that did not exist prior to the registration.
- The "Anti-Pyramid Promotional Scheme Act" regulated by the Direct Selling Association of the United States and the recommendations of the legal advisory team of Nefful USA Inc.:
 - Those who have a United States Social Security Card number and want to receive commission in the United States must obtain a personal sales volume of more than USD20 in Nefful USA Inc for that particular month.
 - Independent Distributors from other regions who do not have a United States Social Security Card number must obtain a personal sales volume of more than USD20 at any company of Nefful International outside the United States to be entitled for commission in the United States.
- If there is any change of the Independent Distributor's name, mailing address, permanent address, contact number, bank account, and email address, the Independent Distributor is required to update such personal information at the member portal on the Company's official website or contact the Company to do so in order to protect their own rights.

5.6 Requirements for Advancement of Title

Pin Title Upon Advancement	Development of Direct Downline	Sales Volume
Consultant(C) → Manager(M)	-	6,925 / 3 month
Manager(M) → Area Manager(AM)	2 Managers (M)	27,700 / 3 month
Area Manager(AM) → Area Manager+(AM+)	2 Area Managers (AM)	-
Area Manager Plus(AM+) → Area General Manager(AGM)	5 Area Managers (AM)	277,000 / 1 month
Nefful Executive Top Leader(NET)	-	4,616,656 / 1 year

* 6,925 / 3 months: Achieve "C Organization Volume" of 6,925 within three (3) months

* 27,700 / 3 months: Achieve "M Organization Volume" of 27,700 within three (3) months

* 277,000 / month: Achieve "AM Organization Volume" of 277,000 within one (1) month

※ Important Notes:

1) Sales Volume accumulated internationally will be taken into account for title advancement.

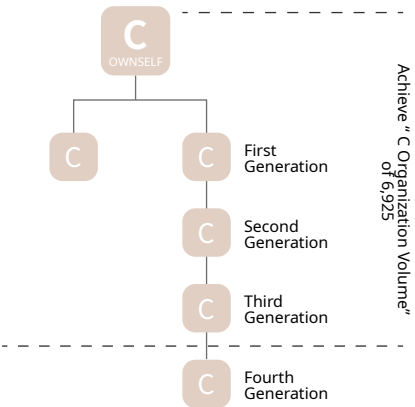
2) The pin title after advancement is applicable in every business site where International Sponsorship Agreement has been processed.

3) The entitlement for commission will only commence after the date of advancement.

5.6.1 Advancement to Manager

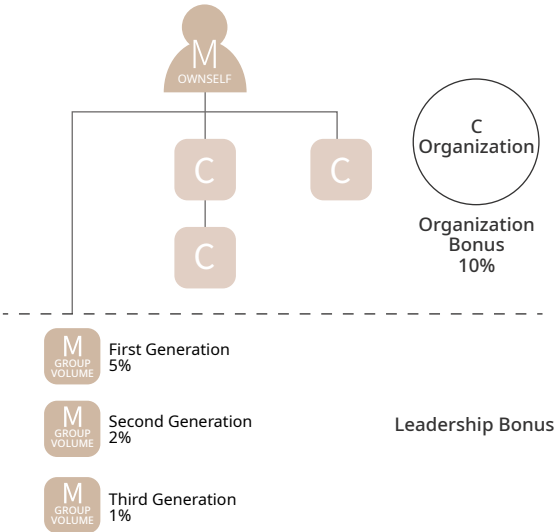


- Any Consultant who fulfills the following requirement will be advanced to "Manager" on the following day:
 - Achieve "C Organization Volume" of 6,925 within three (3) months



5.6.2 Commission for Manager

- Manager's Organization Bonus:
 - 10% of M Group Volume for the particular month
- Manager's Leadership Bonus:
 - 5% of First Generation M Group Volume for the particular month
 - 2% of Second Generation M Group Volume for the particular month
 - 1% of Third Generation M Group Volume for the particular month



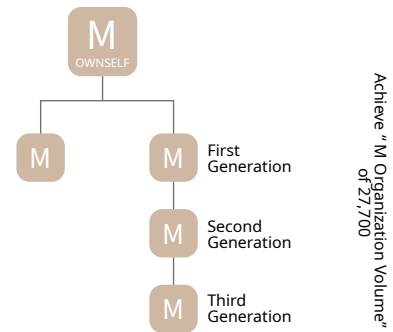
5.6.3 Advancement to Area Manager



- Any Manager who fulfills the following requirements will be advanced to "Area Manager" on the following day:
 - 1) Develop 2 or more "direct downline Managers"
 - 2) Achieve "M Organization Volume" of 27,700 within three (3) months

※Important Note:

Manager who fulfills the requirements of 1) and 2) above will advance to Area Manager on the following day.



5.6.4 Commission for Area Manager

- Organization Bonus of Area Manager:
 - 25% on all the organization volume achieved by himself or herself or his or her Organization Consultants in the particular month.
 - 15% of his or her downline M Group Volume in the particular month.

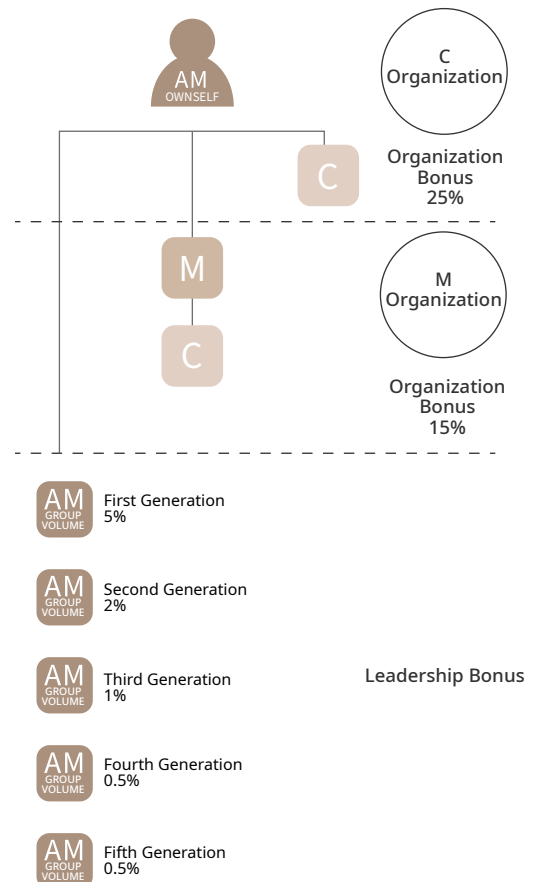
※ Important Notes:

If a Manager in the Area Manager's organization developed another Manager and is entitled to Leadership Bonus, such Leadership Bonus shall be deducted from the Area Manager's Organization Bonus.

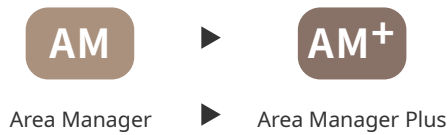
- Leadership Bonus of Area Manager:
 - 5% of First Generation AM Group Volume in the particular month
 - 2% of Second Generation AM Group Volume in the particular month
 - 1% of Third Generation AM Group Volume in the particular month
 - 0.5% of Fourth Generation AM Group Volume in the particular month
 - 0.5% of Fifth Generation AM Group Volume in the particular month

- Entitlement for Payout of Leadership Bonus:

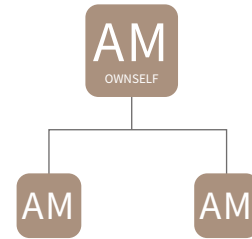
- 1) An Area Manager will be entitled for the Leadership Bonus during the month of his or her title advancement and the subsequent five (5) months. From the 7th month onwards, he or she has to achieve a Group Volume of 6,925 for a period of six (6) months (excluding International Total Volume) to be entitled for the Leadership Bonus. If the Area Manager fails to fulfill the abovementioned requirement, his or her Sponsor (Area Manager or Area Manager Plus or Area General Manager) who has met such requirement will be entitled to the Leadership Bonus.
- 2) An Area Manager who has achieved the AM Group Volume of 6,925 in any of the Nefful International business premises in Taiwan, the United States, Hong Kong, Malaysia or Singapore who concurrently has sales volume in any one of the other four countries will be entitled to Leadership Bonus in that country.



5.6.5 Advancement to Area Manager Plus



- Any Area Manager who develops two direct downline Area Managers will be advanced to "Area Manager Plus" on the following month.



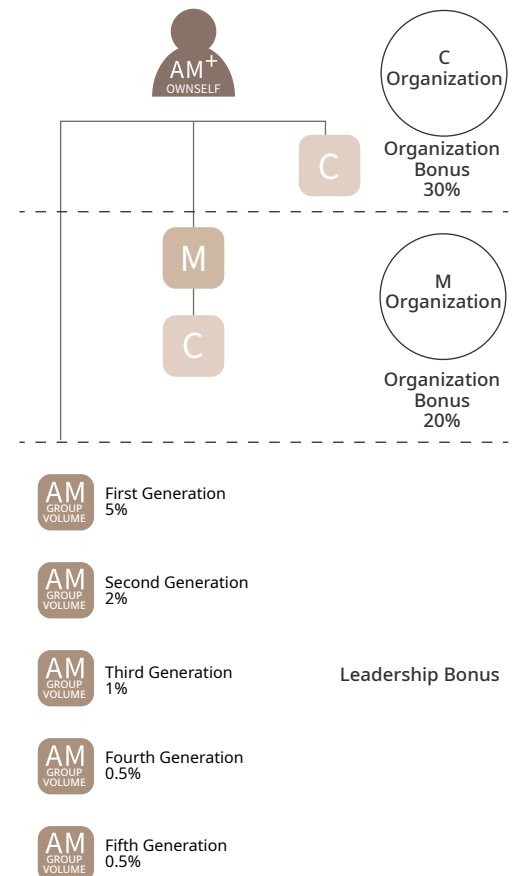
5.6.6 Commission for Area Manager Plus

- Organization Bonus of Area Manager Plus:
 - 30% on all the organization volume achieved by himself or herself or his or her Organization Consultants in the particular month.
 - 20% of downline "M Group Volume" in the particular month.

※ Important Notes:

If a Manager in the Area Manager Plus's organization develops another Manager and is entitled for Leadership Bonus, such Leadership Bonus shall be deducted from the Area Manager Plus's Organization Bonus.

- Leadership Bonus of Area Manager Plus:
 - 5% of First Generation AM Group Volume in the particular month
 - 2% of Second Generation AM Group Volume in the particular month
 - 1% of Third Generation AM Group Volume in the particular month
 - 0.5% of Fourth Generation AM Group Volume in the particular month
 - 0.5% of Fifth Generation AM Group Volume in the particular month
- Entitlement of Leadership Bonus Payout:
 - An Area Manager Plus will be entitled to Leadership Bonus of his or her downline organization by achieving a Group Volume of 6,925 for a period of six (6) months. (excluding International Total Volume). If the Area Manager Plus fails to fulfill the abovementioned requirement, his or her Sponsor (Area Manager or Area Manager Plus or Area General Manager) who has met such requirement will be entitled to the Leadership Bonus.
 - An Area Manager Plus who has achieved the AM Group Volume of 6,925 in any of the Nefful International business premises in Taiwan, the United States, Hong Kong, Malaysia or Singapore who concurrently has sales volume in any one of the other four countries will be entitled to Leadership Bonus in that country.



5.6.7 Advancement to Area General Manager

AM⁺

Area Manager Plus



AGM

Area General Manager

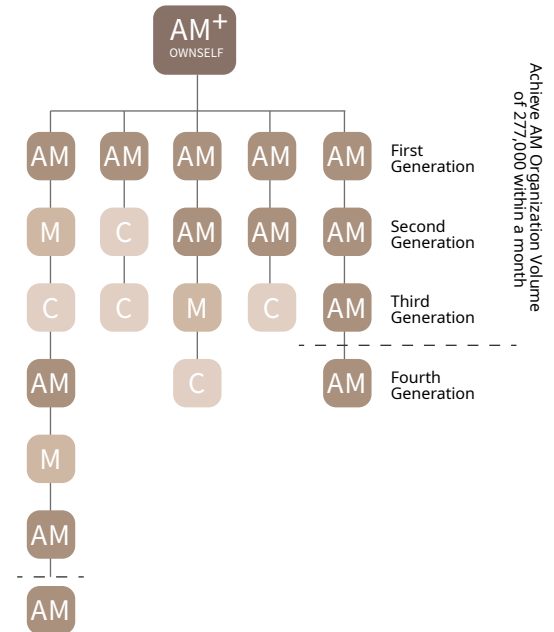
- Area Manager Plus who fulfills the following requirements will be advanced to "Area General Manager" on the following month:
 - 1) Develop 5 or more "direct downline Area Managers".
 - 2) The Area Manager Plus must submit the AGM Title Advancement Form to the Company one (1) month before he or she challenges the title advancement of Area General Manager.
 - 3) After the development of 5 direct downline Area Managers, the Area Manager Plus must achieve an Organization Volume of 277,000 in the following month.

※Important Notes:

The Area Manager Plus shall fulfill the 1st and 2nd requirements before proceeding to fulfil the 3rd requirement on the following month.

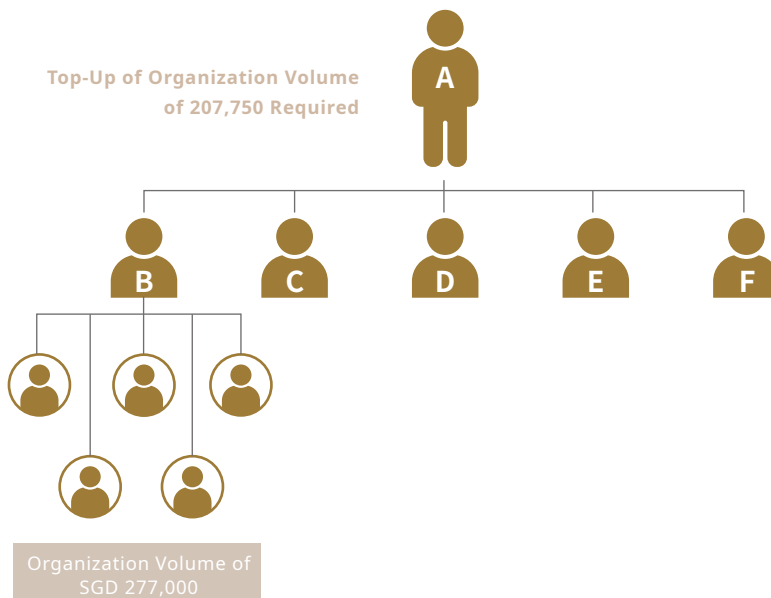
Example: An Area Manager Plus intends to be advanced to Area General Manager in June, 5 or more direct downline Area Managers must have been developed before May.

He or she must also submit the AGM Title Advancement Form before 10 May and achieve an Organization Volume of 277,000 in June, only then he or she will be advanced to Area General Manager on 1 July.



5.6.8 Requirements for Concurrent Advancement

- Save for fulfilling the 1st to 3rd requirements of clause 5.6.7, if an Area Manager Plus intends to be advanced to Area General Manager concurrently with his or her direct downline Area Manager Plus, he or she needs to achieve an Organization Volume of 207,750. Such volume shall not include the organization volume of his or her direct downline Area Manager Plus whom he or she intends to advance concurrently.



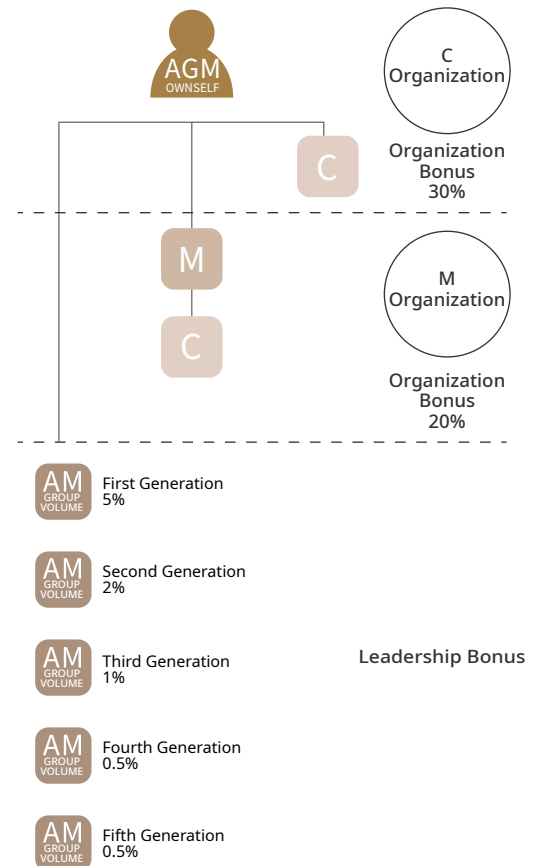
5.6.9 Commission for Area General Manager

- Organization Bonus of Area General Manager:
 - 30% on all the organization volume achieved by himself or herself or his or her Organization Consultants in the particular month.
 - 20% of downline "M Group Volume" in the particular month.

※Important Notes:

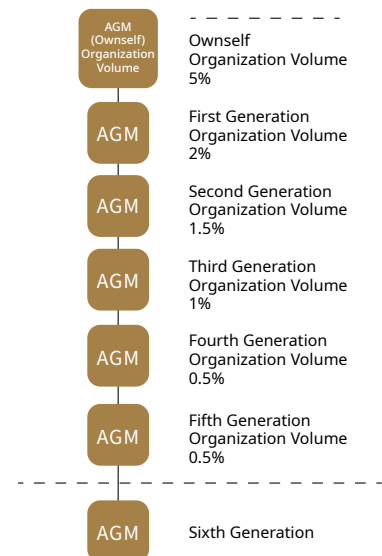
If a Manager in the Area General Manager's organization developed another Manager and is entitled for Leadership Bonus, such Leadership Bonus shall be deducted from the Area General Manager's Organization Bonus.

- Leadership Bonus of Area General Manager:
 - 5% of First Generation AM Group Volume in the particular month
 - 2% of Second Generation AM Group Volume in the particular month
 - 1% of Third Generation AM Group Volume in the particular month
 - 0.5% of Fourth Generation AM Group Volume in the particular month
 - 0.5% of Fifth Generation AM Group Volume in the particular month
- Entitlement for Payout of Leadership Bonus:
 - 1) An Area General Manager will be entitled to Leadership Bonus during the month of his or her title advancement and the subsequent five (5) months. From the 7th month onwards, he or she has to achieve a Group Volume of 6,925 for a period of six (6) months (excluding International Total Volume) to be entitled to the Leadership Bonus. If the Area General Manager fails to fulfill the abovementioned requirement, his or her Sponsor (Area Manager or Area Manager Plus or Area General Manager) who has met such requirement will be entitled to the Leadership Bonus.
 - 2) An Area General Manager who has achieved the Group Volume of 6,925 in any of the Nefful International business premises in Taiwan, the United States, Hong Kong, Malaysia or Singapore who concurrently has sales volume in any one of the other four countries will be entitled to Leadership Bonus in that country.



AGM Incentive Bonus

- Area General Manager Incentive Bonus:
 - 5% of AGM (Ownself) Organization Volume* in the particular month
 - 2% of First Generation AGM Organization Volume in the particular month
 - 1.5% of Second Generation AGM Organization Volume in the particular month
 - 1% of Third Generation AGM Organization Volume in the particular month
 - 0.5% of Fourth Generation AGM Organization Volume in the particular month
 - 0.5% of Fifth Generation AGM Organization Volume in the particular month



• Entitlement of Area General Manager Incentive Bonus Payout:

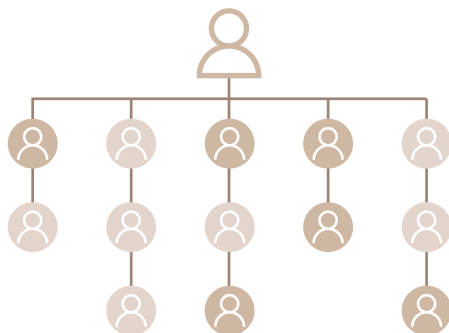
Area General Manager (Ownself) Organization Volume		No. of Active AGM (Direct Downline)					
Eligible for Leadership Bonus	SGD	0	1	2	3	4	≥ 5
	27,700 & above	100%					
	13,850 & above	75%	100%				
	6,925 & above	50%	75%	100%			
	2,309 & above	25%	50%	75%	100%		
	1,155 & above	0%	25%	50%	50%	100%	
	Some Organization Volume Accumulated	0%	0%	0%	25%	50%	100%
	Zero Organization Volume	0%	0%	0%	0%	0%	0%
Not eligible for Leadership Bonus		0%	0%	0%	0%	0%	0%

Note: Percentage (%) → The percentage of Area General Manager Incentive Bonus entitlement.

※Important Notes:

- 1) The Area General Manager must also be eligible for the Leadership Bonus for the particular month in order to qualify for Area General Manager Incentive Bonus.
- 2) The Area General Manager must achieve the sales volume requirement of the particular country for the Area General Manager Incentive Bonus entitlement.
- 3) In order to be entitled to commission from respective country, the Independent Distributor must meet the sales volume requirement of that country.
- 4) Active Direct Downline Area General Manager refers to first generation Area General Manager who is eligible for the Leadership Bonus in the particular month (The Area General Managers are able to achieve a Group Volume of 6,925 for a period of six (6) months [excluding International Total Volume]). In the event that the first generation Area General Manager of a particular line is ineligible for the Leadership Bonus, the "Active Direct Downline Area General Manager" requirement can still be fulfilled so long as any subsequent Area General Manager of the same downline becomes eligible for the Leadership Bonus for the particular month.

Example of First Generation Active Direct Downline Area General Manager (Qualification Requirements)



	Represent you
	Qualified Leadership Bonus
	Unqualified Leadership Bonus

There are only four (4) First Generation AGMs considered as being active



(Overview of eligible First Generation Active AGM)

5.6.10 Advancement to Nefful Executive Top Leader



- An Area General Manager who has achieved a total annual sales volume of 4,616,656 will be advanced to “Nefful Executive Top Leader” in January of the following year:
- The period for accumulation of annual sales volume is from January to December of the current year
- The advancement of Area General Manager to Nefful Executive Top Leader is based on annual sales volume. A Nefful Executive Top Leader will not be able to maintain his or her title if he or she fails to achieve the requisite annual sales volume.
- The annual sales volume accumulation is calculated as follows:
 - AGM (Ownself) Organization Volume × 100%
 - First Generation AGM Organization Volume × 60%
 - Second Generation AGM Organization Volume × 40%
 - Third Generation AGM Organization Volume × 20%

5.6.11 Commission for Nefful Executive Top Leader

- Nefful Executive Top Leader Bonus:
 - 1) 0.5% of the total monthly sales of the particular country shall be allocated to each Nefful Executive Top Leader proportionately.
 - 2) Calculation and distribution of Nefful Top Executive Leader Bonus:
 - Total Organization Volume achieved by each Nefful Executive Top Leader in the respective country in prior year ÷ “Total”
 - Total Organization Volume achieved by Nefful Executive Top Leader in the respective country in prior year = Ratio of Nefful Executive Top Leader Bonus
 - 3) The Nefful Executive Top Leader Bonus of each country is calculated and distributed separately.

【Example】

There are 3 Nefful Executive Top Leaders with respective total annual sales volume listed below for the year. How much will be the Nefful Executive Top Leader Bonus received by each Nefful Executive Top Leader if the local country sales of this month are S\$25 million?

Nefful Executive Top Leader A: achieved Organization Volume of 50 million in the local country in the prior year

Nefful Executive Top Leader B: achieved Organization Volume of 30 million in the local country in the prior year

Nefful Executive Top Leader C: achieved Organization Volume of 20 million in the local country in the prior year

【Answer】

Local country sales of this month are S\$25 million

$S\$25 \text{ million} \times 0.5\% = S\$125,000$

S\$125,000 will be the total payout to “all” Nefful Executive Top Leader Bonus for the current month.

$\text{Nefful Executive Top Leader A (50 million)} + \text{Nefful Executive Top Leader B (30 million)} + \text{Nefful Executive Top Leader C (20 million)} = 100 \text{ million}$

Ratio of distribution of Nefful Executive Top Leader bonus for the current year:

$\text{Nefful Executive Top Leader A} \rightarrow 50 \text{ million} \div 100 \text{ million} = 0.5$

$\text{Nefful Executive Top Leader B} \rightarrow 30 \text{ million} \div 100 \text{ million} = 0.3$

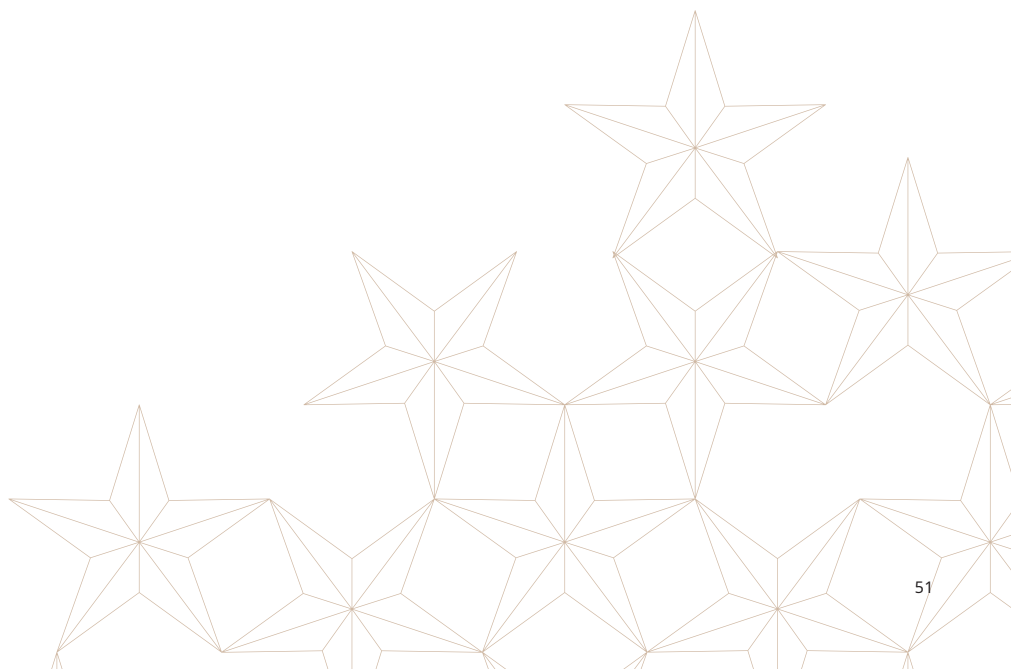
$\text{Nefful Executive Top Leader C} \rightarrow 20 \text{ million} \div 100 \text{ million} = 0.2$

Bonus to be received by each Nefful Executive Top Leader for the current month:

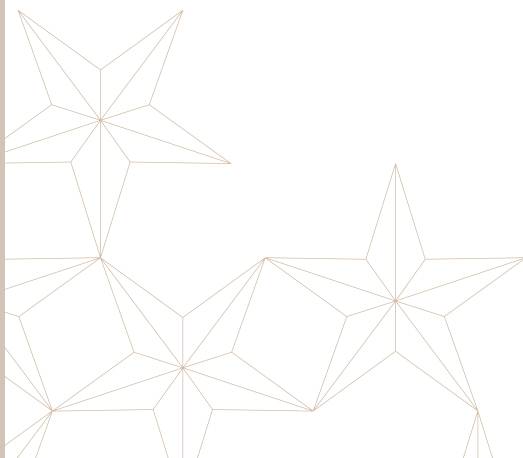
$\text{Nefful Executive Top Leader A} \rightarrow S\$125,000 \times 0.5 = S\$62,500$

$\text{Nefful Executive Top Leader B} \rightarrow S\$125,000 \times 0.3 = S\$37,500$

$\text{Nefful Executive Top Leader C} \rightarrow S\$125,000 \times 0.2 = S\$25,000$

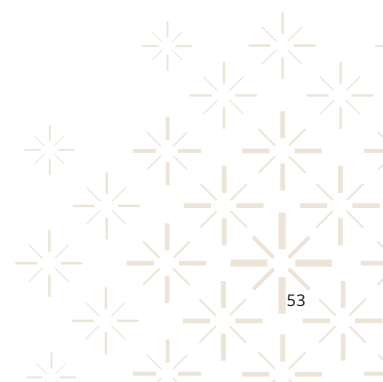


CHAPTER SIX





Glossary of Defined Terms



CHAPTER 6

Glossary of Defined Terms

Company	Refers to Nefful International, including its domestic and overseas business premises, which adopts a direct sales business model.
Independent Distributor(s)	Any persons who may earn commissions, bonuses and other benefits by engaging in the plans of a multi-level marketing enterprise and promoting or selling goods or services, and who may earn commissions, bonuses and other benefits by introducing other persons to participate, to promote, sell goods or services or to introduce more persons.
Sponsor(s)	An Independent Distributor who successfully recruited another person to become an Independent Distributor under his or her distributorship.
International Sponsorship	Refers to the Independent Distributors who have applied for overseas distributorships and have received the right to sell the products in the said market and introduce others to participate.
Distributor Kit	The only product to be purchased by the Independent Distributors to assist them in developing and conducting their direct selling business.
Business Entities Registration	Refers to any business entity, such as a company, partnership, limited liability company, trust institution, or other business organization legally established according to the location of that organization.
Spouse Joint Distributorship	Refers to the combined distributorship of a husband and a wife with one as the main representative and the other one as the supplementary representative to jointly operate the distributorship, but the husband and wife must be of the same organization.
Inheritance of Distributorship	Refers to the distributorship right belonging to the Independent Distributor which can only be inherited if the Independent Distributor is an Area General Manager.
Transfer of Distributorship	Refers to the transfer of all distributorship rights to others.
Stockpiling	It means that Independent Distributors should determine the purchase quantity based on reasonably estimated retail sales as well as personal needs.
Product Statement	Refers to a statement about the nature or efficacy of the product.
Re-purposed products	Refers to a new product which is modified, tailored, with added patterns or designs etc., with the Company's product as the material, which is different from the original product. "Different" is not limited to the change in the purpose but also include the change in the appearance of the product.

Rescission of Agreement	Refers to a situation when a legal or contractual right to terminate the contract arises after the formation of a legal relationship, the party with the right to rescind the contract may do so and render the contract void and invalid.
Termination of Agreement	Refers to a situation when a legal or contractual right to terminate the contract arises after the formation of a legal relationship, the party with the right to terminate the contract may do so and render the contract invalid after termination (the validity of the contract before termination is not affected).
Incentivized Programs	Refers to the incentive programs or activities organized by the company such as domestic and overseas incentive tours, lectures, and banquets which are not within the Compensation Plan.
Commission	Refers to the remuneration paid to Independent Distributors by the Company based on the total number of products sold by the Independent Distributors and their organizations in compliance with all provisions of the Compensation Plan. The Commission is paid on a monthly basis.
Compensation Plan	Refers to the Company's policies and requirements for the payment of commission to Independent Distributors.
Direct Selling	Refers to the multi-level business model of upline and downline system, developed by the Independent Distributors based on the Company's Business Handbook. The upline and downline organizations including all their rights belong to the Company.
Title Advancement	Refers to promotion from one level to a higher level.
Concurrent Advancement	Refers to promotion at the same time for the upline and downline within the same organization.

Pin Title	Pin Title in Chinese	Pin Title in English	Simplified Pin Title in Chinese	Pin Title Abbreviation in English
專員		Consultant	專員	C
經理		Manager	經理	M
區域經理		Area Manager	區經	AM
高級區域經理		Area Manager Plus	高區	AM ⁺
區域總經理		Area General Manager	區總	AGM
超級領袖		Nefful Executive Top Leader	領袖	NET

C Organization Volume	Refers to the total sales volume of the Independent Distributor himself or herself and his or her downline Consultants up to three generations.
M Group Volume	Refers to the total sales volume of the Independent Distributor himself or herself and his or her downline Consultants excluding downline Managers.
M Organization Volume	Refers to the total sales volume of the Independent Distributor himself or herself and his or her downline Managers' organization up to three generations.
AM Group Volume	Refers to the total sales volume of the Area Manager or Area Manager Plus or Area General Manager and their Consultants and Managers excluding their downline Area Manager or Area Manager Plus or Area General Manager.
AM Organization Volume	Refers to the total sales volume of the Area Manager or Area Manager Plus himself or herself and his or her downline organization of Area Manager or Area Manager Plus within three generations.
AGM Organization Volume	Refers to the total sales volume of the particular month of the Area General Manager and its downline Consultants, Managers, Area Managers and Area Managers Plus in the same country excluding the downline Area General Manager (and its downlines).
Group Volume for Six (6) Months	Refers to the AM Group Volume of the particular month plus the AM Group Volume of the previous five (5) months in the same country and region, the total sales volume of the six-month period.
Direct Downline	First Generation Downline.
International Total Volume	Total sales volume accumulated from every country.
Active Direct Downline AGM	The Direct First Generation Area General Manager who has fulfilled the requirements to obtain Leadership Bonus for the particular month (he or she has to achieve a Group Volume of 6,925 for a period of six (6) months [excluding International Total Volume]).
Level	Refers to the relative position of the Independent Distributors in a direct upline and downline relationship within the same organization, regardless of pin title. Each time a new Independent Distributor is recruited, it is considered a new level.
Generation	Refers to the development of a downline within the organization by the Independent Distributor; any downlines who are holding a pin title below the Independent Distributor himself or herself are considered as zero generation; if the Independent Distributor's downlines are holding the same pin title as or higher pin title than him or her, then it is considered as one generation, similarly there shall be considered as one generation for each addition of Independent Distributors holding the same pin title or even higher pin title.



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