

THE PENALTIES FOR VIOLATIONS OF BUSINESS ETHICS AND CODE OF CONDUCT

1. Since the last case of business ethics violation case, there have been another case of an online seller acting as a purchasing agent selling Nefful products sourced from Japan on online marketplace recently. The Company has taken legal actions towards this online seller due to violations of law. The Company hereby reiterate that all partners of Nefful International are not to purchase products of the Company from Japan on their own or through other sources and provide, transfer, sell, or distribute to others via sales channels that are not approved by the Company.
2. Kindly note that selling products of the Company at a lower price, be it through offline selling or on any online marketplaces are strictly prohibited. Violators shall have his or her distributorship terminated and not allowed to become an independent distributor of the Company in future. With accordance to Chapter 4, Section 4.5, Clause 3 of the Business Handbook, "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." Violators of the clause who cause damages to other Independent Distributors or operations of the business shall have his or her distributorship terminated and his or her commissions and bonuses shall not be distributed.

The Violators and Actions Taken Against the Violation

1. Distributor No. : 73771* Pin Title: AM+
Name of Distributor: Teoh *** Wei
2. Distributor No. : 76142* Pin Title: AM
Name of Distributor: Ng ****Cheng
3. Distributor No. : 65638* Pin Title: M
Name of Distributor: Wong **** Chong

Actions Taken : Distributorship terminated in February 2021

In the event the above rules are violated, the Company may take appropriate action in accordance with the provisions of this Business Handbook. The Company also reserves the rights to pursue legal actions against the Independent Distributor. Independent Distributors are to comply to the terms and conditions in the Business Handbook.

26.02.2021