

## **CITIDIRECT INTERNATIONAL CODE OF ETHICS**

CITIDIRECT INTERNATIONAL is in the networking business of providing quality products and services to everybody. Non-compliance with the Code of Ethics, the Distributor Agreement or any other written policy is sufficient grounds for termination of Distributorship.

- λ I will adopt the highest standards of honesty and integrity in all I do.
- λ I will not make claims or representations about any CITIDIRECT INTERNATIONAL products other than those approved by the company.
- λ I will always present the CITIDIRECT INTERNATIONAL Global Synchronized Compensation Plan accurately and honestly and make every effort to portray the level of effort required achieving success.
- λ I will put forth my best effort to promote the success of my or any other independent CITIDIRECT INTERNATIONAL business.
- λ I will not engage in any activities that may cause losses or damages to CITIDIRECT INTERNATIONAL or any other CITIDIRECT INTERNATIONAL distributors.
- λ I will do everything possible to ensure that my customers are satisfied with CITIDIRECT INTERNATIONAL products and with my services.
- λ I will not use CITIDIRECT INTERNATIONAL trademark, trade name, product name, information, literature or any other CITIDIRECT INTERNATIONAL resources to promote the business interests of other companies.
- λ I will carry out all necessary duties in relation to sponsoring and leadership in a responsible manner as I build my CITIDIRECT INTERNATIONAL business.

## **STARTING OFF**

CITIDIRECT INTERNATIONAL offers a very wide range of quality products. We aim to make these products available to everyone. You, a CITIDIRECT INTERNATIONAL Distributor can help us to achieve that aim AND participate in our unique business opportunity.

### **Here's how**

You must first submit a signed application or through online application at CITIDIRECT INTERNATIONAL website [www.citidirectbiz.com](http://www.citidirectbiz.com) or [www.citidirect.com.my](http://www.citidirect.com.my) and purchase a Sales-kit for USD 15. Please note that you are NOT REQUIRED to stock up on inventory to be accepted as a CITIDIRECT INTERNATIONAL Distributor. You may immediately proceed to purchase products from CITIDIRECT INTERNATIONAL at Distributor Price and sell to your retail customers.

Remember – you have all the ingredients of success – easy to sell products, and a unique compensation plan that puts those extra dollars into your pocket from the very first day!

### **Some tips on getting started**

Using and sharing the Products. There is no better way to fully understand and appreciate CITIDIRECT INTERNATIONAL products. You will find it much easier to explain and convince your customers when you yourself use them. Remember that it is difficult to share a product you have not personally experienced and that personal use will give you that additional confidence and enthusiasm you need. You will naturally want to share your products with others. You will find that your natural confidence and enthusiasm coupled with your knowledge of CITIDIRECT INTERNATIONAL products will help your friends and prospects reach a decision to buy.

### **Follow-up**

This is the vital part of building up your CITIDIRECT INTERNATIONAL business. When you follow-up, you show your genuine concern and willingness to explain in detail about the products and any problem they may have encountered. Follow-up also enables you

to introduce other products to your prospects. More important, follow up gives you an opportunity to introduce the CITIDIRECT INTERNATIONAL Global Synchronized Compensation Plan to them and share your newfound financial freedom with others.

### **Sponsoring Tips**

You, a CITIDIRECT INTERNATIONAL Distributor must bear in mind that success does not come without effort. The greater the effort put in, the more successful your CITIDIRECT INTERNATIONAL business will be. In Multi Level Marketing there is only so much you can sell PERSONALLY, so multiply your sales!

To expand your business and increase your income substantially, you must recruit and build-up your down-line's organization. This means you must be prepared to spend time and effort to MONITOR AND MOTIVATE your down-line.

#### **λ Real Time Group Sales Listing.**

To monitor your down-line sales and activities, you can check their sales performance at your back office closely at real time through CITIDIRECT INTERNATIONAL web site.

#### **λ Training facilities.**

CITIDIRECT INTERNATIONAL organizes many motivation courses and seminars. Make sure your down-lines participate. Set a good example yourself to attend as many as possible.

#### **λ Show the highest standards of responsibility towards your down-line.**

Manage them effectively by keeping in constant touch and by duplicating in them your efforts to succeed!

#### **λ Goal Setting.**

This is an integral part of being successful. You will need to set your personal goals and plan your strategy accordingly. Example: How many prospects should I see a day? Who to invite for next week's meeting? Act. You will need to manage your time effectively in order to execute your plans. Again, CITIDIRECT INTERNATIONAL can assist you – we have courses and seminars on effective down-line management.

λ **Conduct regular meetings.**

Successful Distributors know the importance of holding weekly or bi-weekly meetings with their down-lines. Regular meetings allow you to train your distributors, to accord recognition to down-lines for their achievements, to maintain their enthusiasm, to keep them informed of new policies and to help overcome any problems.

λ **Stay in contact.**

As your organization grows to other cities, states and countries, it is important to keep in touch with your leaders. An effective policy is to check daily sales volume reports so that your efforts can be directed accordingly.

## **DEFINITIONS**

Terminology used in **CITIDIRECT INTERNATIONAL** Literature.

1. **Distributor (D)**

Any individual or entity whose completed on-line application form has been accepted by CITIDIRECT INTERNATIONAL and who is entitled to purchase our products at Distributor price and participated in the CITIDIRECT INTERNATIONAL Global Synchronized Compensation Plan.

2. **Senior Distributor (S.D)**

Any Distributor who has accumulated a Personal Group Bonus Value (PGBV) of 12,000 PGBV from the sales in Master Plan and 5 Star Plan with no time limit. Promotion takes effect in the following week.

3. **Diamond Distributor (D.D)**

Any Distributor who has develops 3 SDs whether direct or indirect. If indirect, they must be from a different line. Promotion takes effect in the following week.

4. **Crown Distributor (C.D)**

Any Distributor who has develops 3 DDs whether direct or indirect. If indirect, they must be from a different line. Promotion takes effect in the following week.

5. **Super Crown Distributor (S.C.D)**

Any Distributor who has develops 5 CDs whether direct or indirect. If indirect, they must be from a different line. Promotion takes effect in the following week.

6. **One Star Distributor**

Any Distributor who has accumulates a Personal Bonus Value (PBV) of 250 PBV and a Personal Group Bonus Value (PGBV) of 1,500 PGBV in the 5 Star within ONE calendar month. The PGBV includes sales from PBV. Promotion takes effect in the following week.

7. **Two Star Distributor**

Any Distributor who has develops 3 One Star Distributor whether direct or indirect. If indirect, they must be from a different line. Promotion takes effect in the following week.

8. **Three Star Distributor**

Any Distributor who has develops 3 Two Star Distributor whether direct or indirect. If indirect, they must be from a different line. Promotion takes effect in the following week.

9. **Four Star Distributor**

Any Distributor who has develops 3 Three Star Distributor whether direct or indirect. If indirect, they must be from a different line. Promotion takes effect in the following week.

10. **Five Star Distributor**

Any Distributor who has develops 5 Four Star Distributor whether direct or indirect. If indirect, they must be from a different line. Promotion takes effect in the following week.

11. **Retail Profit**

The difference between the Distributor Price and the recommended Retail Price.

**12. Unilevel Bonus**

This Bonus is paid to all Distributors and above and is based on Generation hierarchy as below:

|            |                 |                 |                 |                 |                 |                 |                 |                 |
|------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Generation | 1 <sup>st</sup> | 2 <sup>nd</sup> | 3 <sup>rd</sup> | 4 <sup>th</sup> | 5 <sup>th</sup> | 6 <sup>th</sup> | 7 <sup>th</sup> | 8 <sup>th</sup> |
| Percentage | 10%             | 20%             | 6%              | 6%              | 6%              | 4%              | 4%              | 4%              |

To enjoy the Unilevel Bonus, Distributors must perform a Personal Sales of 50 PBV monthly. Distributors who do not have a minimum Personal Sales maintenance will have their sales passed-up to the next qualified Distributor.

**13. Leadership Development Bonus (L.D.B)**

This is a bonus paid to all SDs and or higher in rank: SD position entitles 4%; DD position entitles 8%; CD position entitles 13%; and SCD position entitles 20%. Besides, Break-Off Bonus will also be paid to DD upon DD first generation break-off of 1%; CD upon CD first and second-generation break-off of 1% and 1% and SCD upon SCD first and second generation break-off of 3% and 2%.

**14. Business Development Tour (B.D.T)**

When you have attained the position of CD or higher in rank, you will be rewarded with this one time travel incentive to Hong Kong or other destinations as determined by the Company from time to time.

**15. International Profit Sharing (I.P.S)**

4% of I.P.S will be paid to SD (1%), DD (1%), CD (1%), and SCD (1%). To enjoy I.P.S, SD must produce a monthly maintenance of 10,000 Personal Group Bonus Value (PGBV); DD must produce a monthly maintenance of 30,000 PGBV; CD must produce a monthly maintenance of 90,000 PGBV and SCD must produce a monthly maintenance of 450,000 PGBV. I.P.S is computed basing on Citidirect International's worldwide turnover Bonus Value on a prorata basis to qualifiers.

**16. Maintenance**

The minimum monthly sales volume (in BV) required qualifying for the Global Synchronized Compensation Plan. Personal Group Sales includes sales from all Distributors below them.

# **GLOBAL SYNCHRONIZED COMPENSATION PLAN**

## **How does the CITIDIRECT INTERNATIONAL Global Synchronized Compensation Plan Work?**

CITIDIRECT INTERNATIONAL Distributors earn income through the sale of products. The greater the volume of products sold, the better the retail profits earned by Distributors. Additional incomes are generated from benefits and bonuses when their sales volume increases.

### **Retailing by Direct Selling**

The first method to build-up your own business is to resell CITIDIRECT INTERNATIONAL products directly to your retail customers. As your sales volume increases, you can qualify for many other bonuses/incentives that our Global Synchronized Compensation Plan offers.

### **Building a Sales Organization**

You can increase your sales volume by building your own down line organization. Through the sharing of CITIDIRECT INTERNATIONAL Products with others who will become Distributors themselves (Sponsoring), you may be rewarded for your contribution to their sales in the form of Unilevel Bonus, Leadership Development Bonus, and International Profit Sharing in Master Plan and Star Bonuses in Five Star Plan.

### **CITIDIRECT INTERNATIONAL's BV Concept**

One of the most important concepts in the CITIDIRECT INTERNATIONAL Global Synchronized Compensation Plan is that of "Bonus Value" or 'BV'. BV is the number representation of the volume of CITIDIRECT INTERNATIONAL Products that is sold by members for which bonuses are paid. Personal BV represents the volume of products

that a member purchased directly from the company. Group BV represents the volume of products purchased by a Distributor's group or down line. CITIDIRECT INTERNATIONAL assigns its own BV each product. All bonuses are computed based on that BV. Every one BV is equivalent to one Ringgit Malaysia.

In Citidirect International Global Synchronized Compensation Plan, you enjoy two types of benefits, the Master Plan and the Five Star Plan. Your first 50 Personal Bonus Value (PBV) is computed in Master Plan and any additional PBV will be computed in 5 Star Plan. To qualify for the Leadership Development Bonus, International Profit Sharing and 5 Star Plan overriding, you are to produce a monthly maintenance of a personal sale of 100 PBV.

### **Master Plan**

A total of 93% based on Bonus Value will be computed in the Master Plan. The first 50 Personal Bonus Value will be computed in the Master Plan.

60% (sixty per cent) is paid out as Unilevel Bonus and another 28% (twenty-eight per cent) is allocated for Leadership Development Bonus. 1% (one per cent) on BV allocated for Business Development Tour. Besides another 4% (four per cent) BV is allocated for International Profit Sharing Bonus.

### **Your Sales Organization – The Promotion Concept**

In the CITIDIRECT INTERNATIONAL Global Synchronized Compensation Plan, a Distributor will be promoted when certain conditions are met. As your Group BV increases, you will be assigned certain "ranking" like SD, DD, CD and SCD in the Master Plan and One Star Distributor, Two Star Distributor, Three Star Distributor, Four Star Distributor and Five Star Distributor in the Five Star Plan, which will entitle you to higher bonuses.

### **Promotion Qualification**

Your position in the CITIDIRECT international Master Plan is determined by your group accumulated BV. You must maintain your minimum BV in order to enjoy the benefits/bonuses relating to that rank.

### Minimum Monthly Personal Bonus Value (PBV)

|                      |   |         |
|----------------------|---|---------|
| Distributor          | - | 50 PBV  |
| SD or higher in rank | - | 100 PBV |

Once you are promoted to the next rank, you will remain in that position until you qualify for the next position. Every Distributor you introduce to CITIDIRECT INTERNATIONAL will help build your down line organization. Since those you introduce will introduce others, your down line grow quick dramatically. There is no limit to the number of people whose sales efforts can contribute to your bonuses and incentives.

|                                      |   |
|--------------------------------------|---|
| <b>Distributor (D)</b>               | Purchase a sales kit USD 15.  |
| <b>Senior Distributor (SD)</b>       | Accumulated Personal Group BV of 12,000.  |
| <b>Diamond Distributor (DD)</b>      | Develop 3 SD's – Direct or Indirect. If indirect, they must be from a different line. |
| <b>Crown Distributor (CD)</b>        | Develop 3 DD's – Direct or Indirect. If indirect, they must be from a different line. |
| <b>Super Crown Distributor (SCD)</b> | Develop 5 CD's – Direct or Indirect. If indirect, they must be from a different line. |

### Five Star Plan

A Total of 93% based on the Bonus Value will be paid out in the 5 Star Plan. Any Personal Sales BV more than 50BV will be computed in the Five Star Plan.

### Distributor

In the 5 Star Plan, a Distributor is enjoying a 10% Distributor Star Bonus.

### **One Star Distributor (40%)**

When a Distributor achieve a personal sales of 250 PBV and 1,500 PGBV in one calendar month, he/she will be promoted as a One Star Distributor in the following month and enjoy a 40% One Star Distributor Bonus based on BV on the new sales during the following month. PGBV includes sales from personal bonus value (PBV). You can also override 30% from down-liners Distributor(s) and 3% break-off bonus from the first level One Star Distributor.

### **Two Star Distributor (48%)**

When you have developed 3 direct or indirect (from different line) One Star Distributors, you will be promoted as a Two Star Distributor in the following month and enjoy a 48% Two Star Distributor Bonus. You will enjoy the difference in bonus percentage from your down-liners Distributor(s) below you. Break off bonus of 2% will be given from your first level Two Star Distributor(s) and 2% from your second level Two Star Distributor(s).

### **Three Star Distributor (58%)**

When you have developed 3 direct or indirect (from different line) Two Star Distributors, you will be promoted as a Three Star Distributor in the following month and enjoy a 58% Three Star Distributor Bonus. You will enjoy the difference in bonus percentage from your down-liners Distributor(s) below you. Break off bonus of 2% will be given from your first level Three Star Distributor(s) and 2% from your second level Three Star Distributor(s).

### **Four Star Distributor (69%)**

When you have developed 3 direct or indirect (from a different line) Three Star Distributors, you will be promoted as a Four Star Distributor in the following month and enjoy a 69% Four Star Distributor Bonus. You will enjoy the difference in bonus percentage from your down-liners Distributor(s) below you. Break off bonus of 3% will be given from your first level Four Star Distributor(s) and 3% from your second level Four Star Distributor(s).

### **Five Star Distributor (83%)**

When you developed 5 direct or indirect (from a different line) Four Star Distributors, you will be promoted as a Five Star Distributor in the following month and enjoy an 83% Five Star Distributor Bonus. You will enjoy the difference in bonus percentage from your down-liners Distributor(s) below you. Break off bonus of 4% will be given to your first level Five Star Distributor(s); 3% from your second level Five Star Distributor(s) and 3% from your third level Five Star Distributor(s).

## **THE CITIDIRECT INTERNATIONAL OFFICIAL STATEMENT OF RULES AND REGULATIONS**

Each CITIDIRECT INTERNATIONAL Distributor is required to familiarize themselves with the operational policies of CITIDIRECT INTERNATIONAL. These rules and regulations are subject to change for any reason by CITIDIRECT INTERNATIONAL without notice and you will be held responsible for keeping track of the latest replacement pages at our web site from time to time.

### **1. Purchasing Order**

Products can be purchased over the counter or through on-line purchasing at Citidirect International web site.

2. **Payment Method** – All orders must be paid in cash, e-points or credit card. We only accept either Master or Visa credit card. All credit cards are subject to verification in Malaysia before any sales confirmation.

3. **Delivery of Products** – All products will be delivered by Courier Service. Distributor can expect to receive the products in 3 to 5 working days. A delivery charge of USD10 will be imposed when the order is less than 500 BV.

### **4. Confirmation of Products Received**

A member must confirm that the product received matches the product listed in the purchase order/invoice and that the product is not damaged. Failure to notify

CITIDIRECT INTERNATIONAL of any shipping discrepancy within 10 (ten) days of receipt of the order will destroy a Distributor's right to request a correction.

**5. Payment of Bonuses**

- i) All bonuses are pay at real time. Bonus statement can be found at the Distributor back office for reference.
- ii) CITIDIRECT INTERNATIONAL reserves the right to deduct any balances due or owed to the company from a Distributor's bonuses/incentives.

**6. Change of Address and Name**

Distributor can change his address and name in the distributor back office profile.

**7. Sponsorship Restrictions**

- i) No sponsorship changes are allowed. An individual or entity may own only one CITIDIRECT INTERNATIONAL Distributorship. Strict anti-double sponsoring rules will take effect if an existing distributor signs up under a second sponsor.
- ii) If a distributor has been inactive for 6 consecutive months and he has notified CITIDIRECT INTERNATIONAL in writing to terminate the first distributorship, a new one may be commenced under a new sponsor. Failure to wait the required period of time will violate the "No sponsoring change" rule and subject the distributorship to termination.
- iii) "Double sponsoring" refers to the sponsorship of the same individual or entity by two existing Distributors and such double sponsoring is considered a serious violation of CITIDIRECT INTERNATIONAL's Policy. All claims of double sponsoring must be brought to the attention date of the second distributorship.
- iv) If CITIDIRECT INTERNATIONAL determines that Double Sponsoring has taken place, any of the following penalties may be imposed:

- a) Termination
- b) Suspension
- c) Mandatory repayment of improperly earned bonuses or incentives to the original sponsoring distributor up to 1/2 the value of the bonus payout for a period of up to 6 (six) months.

## **CITIDIRECT INTERNATIONAL DISTRIBUTORSHIP AGREEMENT**

The CITIDIRECT INTERNATIONAL marketing is based on retail sales through Independent Distributors. The following agreement constitutes parts of your main contract with CITIDIRECT INTERNATIONAL, and your failure to adhere to any provision contained herein is grounds for the immediate termination of your Distributorship and all benefits associated therewith.

### **1. Basic Principles**

- i) The purpose of this Distributorship Agreement, the Business Handbook and the Distributor Application, which is incorporated by reference herein, (collectively referred to as the "Agreement") is to establish the CITIDIRECT INTERNATIONAL Distributor as an authorized Distributor for the sale of CITIDIRECT INTERNATIONAL products and to set forth the respective duties, obligations, and responsibilities of CITIDIRECT INTERNATIONAL and of the CITIDIRECT INTERNATIONAL Distributor in the sale of CITIDIRECT INTERNATIONAL products by CITIDIRECT to INTERNATIONAL the Distributor, and the sale of these products by the Distributor.
- ii). The independent CITIDIRECT INTERNATIONAL Distributor has elected to enter into this Agreement with confidence in CITIDIRECT INTERNATIONAL's integrity and expressed intention to deal fairly with its independent Distributors.

- iii) CITIDIRECT INTERNATIONAL has elected to enter into this Agreement with a Distributor with the recognition that CITIDIRECT INTERNATIONAL's efficient, vigorous and successful independent Distributors whose business conduct is free of false, deceptive or misleading advertising, marketing pricing and service practices, and with confidence in Distributors integrity and ability, INTERNATIONAL and in the Distributors expressed intention to deal fairly with CITIDIRECT INTERNATIONAL Distributors duties, customer's and to perform and carry out Distributors duties, obligations and responsibilities as set forth in this Agreement.

## **2. Eligibility To Become A CITIDIRECT INTERNATIONAL Distributor**

- i) Any individual who is of legal age (18) is eligible to become a CITIDIRECT INTERNATIONAL Distributor.
- ii) An individual can only have one Distributorship. He may not own any other Distributorship either individually or jointly nor may he participate as a partner, owner, stockholder, trustee, director, or association member in another Distributorship in any form.
- iii) No individual, partnership, corporation, or other business entity operating under a fictitious name may be a CITIDIRECT INTERNATIONAL without submitting the Form entitled "Information Sheet for Distributor" to the Company.

## **3. Rights Granted**

- i) CITIDIRECT INTERNATIONAL hereby grants to the Distributor a non-exclusive right upon the terms and conditions contained in the Agreement to purchase, inventory, promote and resell CITIDIRECT INTERNATIONAL products in any part of the world.
- ii) A Distributor may sponsor persons who reside anywhere to become independent CITIDIRECT INTERNATIONAL Distributors. Such newly sponsored distributors must be given an opportunity to fully review the most current version of the Business Handbook, fill out and sign the Distributor Application, and along with USD20 for the cost of a Sales Kit, mail such

materials to CITIDIRECT INTERNATIONAL. A newly sponsored Distributor may also purchase a Sales Kit from their sponsoring Distributor.

- iii) A Distributor may only sponsor persons or entities which understand the personal network marketing philosophy, and express an intention to build their business based on that philosophy.

#### **4. Independent Business Relationship**

- i) The Distributor is an independent contractor whose success or failure depends on his/her initiative and the Distributor, their agents and employees shall under no circumstances be deemed agents or representatives of CITIIDIRECT INTERNATIONAL. The Distributor shall not modify CITIDIRECT INTERNATIONAL products in any way. Neither the Distributor nor CITIDIRECT INTERNATIONAL shall have any right to enter into any contract or commitment in the manner of, or on behalf of the other, or to bind the other in anyway whatsoever.
- ii) The CITIDIRECT INTERNATIONAL Distributor may set his/her own hours and determine his/her own strategy for sales, so long as he/she complies with the Business Handbook.
- iii) The Distributor shall be held responsible indemnify CITIDIRECT INTERNATIONAL from and against any claim, demand, liability, loss, cost or expense (including, but not limited to, reasonable attorney's fees) arising or alleged to arise in connection with his/her operations.

#### **5. Compliance By CITIDIRECT INTERNATIONAL Distributors With All Applicable Income Tax, and Other Sales Laws**

The Distributor accepts sole responsibility for all self-employment and income taxes due to income earned as a Distributor.

#### **6. Authorized Sales Region/International Business**

A Distributor may participate in CITIDIRECT INTERNATIONAL programs throughout the world, provided all eligibility criteria on distributorship.

## **7. Pricing**

The Distributor shall purchase CITIDIRECT INTERNATIONAL products at Distributor's price, and resell products no lower than the current retail price. CITIDIRECT INTERNATIONAL shall be free to change its prices from time to time without advance notice.

## **8. Representations Made By CITIDIRECT INTERNATIONAL Distributors**

Each CITIDIRECT INTERNATIONAL Distributor shall truthfully and fairly describe the CITIDIRECT INTERNATIONAL products and programs in all his discussions with customers and other Distributors or potential Distributors. This obligation of fair and complete discussion shall include without limitation the following:

- i) The Distributors shall neither misstate nor omit any significant material fact about CITIDIRECT INTERNATIONAL program. The Distributor shall provide each potential Distributor with a copy of this Business Handbook prior to or when giving such person a Distributor Application.
- ii) The Distributor shall make clear that the CITIDIRECT INTERNATIONAL program is based upon sales of CITIDIRECT INTERNATIONAL products, and that CITIDIRECT INTERNATIONAL Distributor will not be successful merely by recruiting other Distributor without regard to sales.
- iii) The Distributor shall not state that profits are guaranteed or certain for CITIDIRECT Distributor. He shall make it clear that CITIDIRECT INTERNATIONAL Distributor can expect to be successful only through hard work and substantial efforts.
- iv) The Distributor shall not distort or misrepresent any of the CITIDIRECT INTERNATIONAL products.
- v) The Distributor, unless he is a licensed health-care professional, must not diagnose or treat illness or other body conditions.
- vi) The Distributor shall not state that the Health Department or any other regulatory agency has approved or endorsed the company's plans or products. These agencies do not permit the use of their names in any

agency's name as a reference is never authorized, nor can it be used in the advertising or sales material of any commercial organization.

- vii) The distributor shall not make claims for any CITIDIRECT INTERNATIONAL product other than those found in current company literature or on current labels. All statements regarding product description and use must conform in every way to written company policies.

## **9. Labeling and Packaging**

CITIDIRECT INTERNATIONAL Distributors are forbidden repackage any of the CITIDIRECT INTERNATIONAL products or use different labels from those approved by the company.

## **10. Advertising and Use of Name**

- i) CITIDIRECT INTERNATIONAL Distributors shall not advertising the CITIDIRECT INTERNATIONAL products or program except by use of the exact language contained in the most current CITIDIRECT INTERNATIONAL Sales Kit or by use of advertising whose form and content have been approved in advance in writing by CITIDIRECT INTERNATIONAL.
- ii) A Distributor shall not directly or indirectly use or permit others to use the name CITIDIRECT INTERNATIONAL, CITIDIRECT INTERNATIONAL Logo or any other trade names, trademarks, or distinctive phrases or marks used by CITIDIRECT INTERNATIONAL in its business or related to any product without prior written approval by CITIDIRECT INTERNATIONAL.
- iii) A Distributor shall not make purchases or enter into any transaction in CITIDIRECT INTERNATIONAL's name or hold himself out as an agent of any manufacturer of CITIDIRECT INTERNATIONAL products.
- iv) Immediately upon expiration, termination or cancellation of a distributorship the affected distributor will remove and discontinue the use of, and will not thereafter use the names and marks, or any signs, labels, stationary, advertising and reading material referring to or related to any CITIDIRECT INTERNATIONAL product.

- v) Any independent distributor may decide to select business name. This business name should not imply that the member is an employee or agent of CITIDIRECT INTERNATIONAL, but should state that he/she is an independent distributor. In all cases, a distributor may state that he/she is an ‘Independent CITIDIRECT INTERNATIONAL Distributor’.

## **11. Cancellation, Resignation, Termination, Death or Incapability**

- i) Any distributorship may be cancelled by CITIDIRECT INTERNATIONAL for any violation of this Business Handbook, the CITIDIRECT INTERNATIONAL Code of Ethics, a breach of any of the promises made in the Distributor Application by the distributor in the Agreement or any order form. In addition to cancellation, CITIDIRECT INTERNATIONAL is entitled to sue the distributor for any damages to which it is entitled by law.
- ii) Any Distributorship that has six consecutive months without a purchase of 50 BV or more in one month will be terminated without notice. If that individual desires to become a CITIDIRECT INTERNATIONAL Distributor at some later date, they must meet all the requirements of a new Distributor.
- iii) Any distributor may terminate his distributorship upon written notice to CITIDIRECT INTERNATIONAL. The downline of a terminated distributor inures to his sponsor. A Distributor who has resigned is eligible to re-apply to be a distributor again six months or more after the date of his last recorded CITIDIRECT INTERNATIONAL purchase. During such six month period he is not permitted, to participate actively or passively in the building or development of a CITIDIRECT INTERNATIONAL Distributorship.
- iv) A distributor re-applying after termination due to inactivity or resignation will not retain prior rights to bonuses, rank, or position in any former line of descent after such application.
- v) Upon the death or incapability of a distributor, this agreement shall inure to the benefit of the distributor’s successors in interest.

## **12. Excuse for Non-Performance**

Neither CITIDIRECT INTERNATIONAL nor any distributor shall be responsible for delays and failures in performances hereunder where performance is made commercially impracticable due to circumstances without limitation, strikes, labor difficulties, riot, war, fire, death or curtailment of the party's usual source of supply or government decrees or orders.

**13. Assigned and Delegation**

No distributor shall (by operation of law or otherwise) assign his rights or delegate his performance as a CITIDIRECT INTERNATIONAL Distributor without the prior written consent of CITIDIRECT INTERNATIONAL. Any attempted assignment or delegation without such consent shall be violable by CITIDIRECT INTERNATIONAL. CITIDIRECT INTERNATIONAL may assign or delegate any of rights or duties, provided that CITIDIRECT INTERNATIONAL possesses reasonable assurance that the delegate will be able satisfactorily to perform CITIDIRECT INTERNATIONAL obligation to its distributors.

**14. Limited Warranty**

CITIDIRECT INTERNATIONAL warrants the quality of CITIDIRECT INTERNATIONAL products and shall exchange any defective product. Anyone returning any defective product should also send a full written statement of all defects, subject to other provisions in the Business Handbook and other CITIDIRECT INTERNATIONAL literature.

**15. Infringement**

CITIDIRECT INTERNATIONAL disclaims and excludes all warranties regarding possible infringement of any Malaysian or foreign patent, trademark, trade name, copyright or the like caused by the distributors operations; and the distributor shall have no claim in connection therewith. Upon learning of any claim or suit relating to any of the matters discussed in this paragraph, the distributor shall immediately notify CITIDIRECT INTERNATIONAL.

**16. Copyrighted Materials**

All CITIDIRECT INTERNATIONAL literature and programs are copyrighted by CITIDIRECT INTERNATIONAL and may not be duplicated without the written consent of CITIDIRECT INTERNATIONAL. Any distributor found to be making or

distributing unauthorized copies of literature or programs that violate the Distributor Agreement or Business Handbook will have their distributorship terminated.

**17. Exclusive Rules**

This Business Handbook, CITIDIRECT INTERNATIONAL Distributor Application and Agreement, and the instruments and documents referred to herein constitute the entire understanding of the parties with respect to the subject matter. The Business Handbook and Distributor Agreement may be amended at any time by any instrument in writing signed by an officer or CITIDIRECT INTERNATIONAL. Should any inconsistencies arise, all of the terms and conditions of this Business Handbook shall be controlling.

**18. Waiver**

The failure of CITIDIRECT INTERNATIONAL to exercise any rights stated in the Business Handbook, Distributor Application Agreement or to insist upon strict compliance by a distributor with any obligation or provision there under shall not constitute a waiver of CITIDIRECT INTERNATIONAL's right to demand exact compliance therewith. An authorized officer of CITIDIRECT INTERNATIONAL can only affect waiver by CITIDIRECT INTERNATIONAL in writing.