

Statement of Policies and Procedures

1. SECTION - INTRODUCTION

1.1 Policies and Profit Plan Incorporated into Business Owner Agreement

These Policies and Procedures, in their present form and as amended at the sole discretion of eCosway.com Sdn Bhd (509213-A) (hereinafter "eCosway" or the "Company"), are incorporated into, and form an integral part of, the eCosway Business Owner Agreement. Throughout these Policies and Procedures, when the term "Agreement" is used, it collectively refers to:

- a) the eCosway Business Owner Agreement,
- b) the Business Owner's Terms and Conditions;
- c) these Policies and Procedures; and
- d) the eCosway Profit Plan.

These documents are incorporated by reference into the eCosway Business Owner Agreement (in its current form and as amended by eCosway). It is the responsibility of each Business Owner to read, understand, adhere to, and ensure that he or she is aware of and operating under the most current version of these Policies and Procedures.

1.2 Purpose of Policies

eCosway is a global shopping mall that markets products and services (collectively referred to herein as "merchandise") through Business Owners. It is important to understand that the success of a Business Owner and the success of fellow Business Owners is dependent upon the integrity of the men and women who market eCosway merchandise. To clearly define the relationship that exists between Business Owners, Shoppers, and eCosway, and to explicitly set a standard for acceptable business conduct, eCosway has established the Agreement.

eCosway Business Owners are required to comply with all of the Terms and Conditions set forth in the Agreement which eCosway may amend at its sole discretion from time to time, as well as all national, federal, state, provincial, territorial, and local laws governing their eCosway business and their conduct. Because Business Owners may be unfamiliar with many of these standards of practice, it is very important that each Business Owner reads and abides by the Agreement. Please review the information in this manual carefully. It explains and governs the relationship between each Business Owner who is an independent contractor and the Company.

1.3 Changes to the Agreement

Because national, federal, state, provincial, territorial, and local laws, as well as the business environment, periodically change, eCosway reserves the right to amend the Agreement, the pricing and eVolume of its merchandise in its sole and absolute discretion. By becoming a Business Owner, the Business Owner Agreement automatically binds such Business Owner and he/she agrees to abide by all amendments or modifications that eCosway elects to make. Amendments shall be effective upon notice to all Business Owners that the Agreement has been modified. Notification of amendments shall be published in official eCosway material. The Company shall provide or make available to all Business Owners a complete copy of the amended provisions by one or more of the following methods: (1) posting on the Company's official website or (2) electronic mail (e-mail). The continuation of a Business Owner's eCosway business, or a Business Owner's acceptance of earnings constitutes acceptance of any and all amendments.

1.4 Delays

eCosway shall not be responsible for delays or failures in performance of its obligations

when performance is made commercially impractical due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, riot, war, fire, death, curtailment of a party's source of supply, government decrees or orders, or technical difficulties (e.g., computer failures, inoperative telephone lines, etc.).

1.5 Policies and Provisions Severable

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid, or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect and shall be construed as if such invalid, or unenforceable provision never comprised a part of the Agreement.

1.6 Waiver

The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of eCosway to exercise any right or power under the Agreement or to insist upon strict compliance by a Business Owner with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of eCosway's right to demand exact compliance with the Agreement. Waiver by eCosway can be effected only in writing by an authorized officer of the Company. eCosway's waiver of any particular breach by a Business Owner shall not affect or impair eCosway's rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other. Nor shall any delay or omission by eCosway to exercise any right arising from a breach affect or impair eCosway's rights as to that or any subsequent breach.

The existence of any claim or cause of action of a Business Owner against eCosway shall not constitute a defense to eCosway's enforcement of any term or provision of the Agreement.

2. SECTION - BECOMING A BUSINESS OWNER

2.1 Requirements to Become a Business Owner

To become an eCosway Business Owner, each applicant must:

- a) Be of the age of majority in his or her country, state, province, or territory of residence;
- b) Have a valid form of identification acceptable for opening a bank account (e.g., government-issued identification card, etc.) for his or her country, state, province, or territory of residence if applicable;
- c) Pay the Registration Fee and Annual Access Fee; and
- d) Submit a properly completed Business Owner Application and Agreement to eCosway.

The Company reserves the right to reject any Business Owner Application without cause or explanation.

2.2 New Business Owner Registration by Online Enrollment

A prospective Business Owner may enroll online, or at the nearest eCenter (if applicable). Upon the successful submission of the Business Owner Application and Agreement, the prospective Business Owner will be accepted as a new Business Owner and will receive a Business Owner Identification Number ("ID") by which the Business Owner will be identified.

2.3 Business Owner Benefits

Once a Business Owner Application and Agreement has been accepted by eCosway, the

benefits of the Profit Plan and the Business Owner Agreement are available to the new Business Owner. These benefits include the right to:

- a) Purchase and retail eCosway merchandise via eCosway stores (where applicable);
- b) Participate in eCosway's Business Ownership Support System (B.O.S.S.);
- c) Participate in the eCosway Profit Plan (and receive earnings, if eligible);
- d) Introduce other individuals as Shoppers or Business Owners into eCosway, build a business network and benefit from the eCosway Profit Plan;

2.4 Renewal of Your eCosway Business

The term of the Business Owner Agreement is one year from the month of its acceptance by eCosway. Business Owners must renew their Business Owner Agreement each year and pay an annual access fee as determined and announced by eCosway, on or before the anniversary month of their Business Owner Agreement. (All mentions of and references in these Policies and Procedures to "Dollars" or "\$" are to U.S. Dollars.) If the annual access fee is not paid on or before the expiration of the current term of the Business Owner Agreement, the Business Owner Agreement will be cancelled. Business Owners may elect to utilize the Automatic Renewal Program ("ARP"). Under the ARP, the access fee may be deducted from the Business Owner's eAccount (if sufficient funds are available) on or before the anniversary month of the Business Owner Agreement.

3. SECTION - OPERATING AN eCOSWAY BUSINESS

3.1 Adherence to the eCosway Profit Plan

Business Owners must adhere to the terms of the eCosway Profit Plan as set forth in official eCosway material. Unless a Business Owner has received express written approval from eCosway, a Business Owner shall not offer the eCosway opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official eCosway material. Business Owners shall not require or encourage other current or prospective Business Owners or Shoppers to participate in eCosway in any manner that varies from the program as set forth in official eCosway material. Business Owners shall not require or encourage other current or prospective Shoppers or Business Owners to execute any agreement or contract other than official eCosway agreements and contracts in order to become an eCosway Business Owner. Similarly, Business Owners shall not require or encourage other current or prospective Business Owners or Shoppers to make any purchase from, or payment to, any individual or other entity to participate in the eCosway Profit Plan other than those purchases or payments identified as recommended or required in official eCosway material.

3.2 Advertising

3.2.1 In General

All Business Owners shall safeguard and promote the good reputation of eCosway and its merchandise. The marketing and promotion of eCosway, the eCosway opportunity, Profit Plan, and eCosway merchandise shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

To promote both the merchandise, and the tremendous opportunity eCosway offers, Business Owners should use the sales aids and support materials produced or approved by eCosway. The rationale behind this requirement is simple. eCosway has carefully selected its merchandise, designed the Profit Plan and promotional materials to ensure that each aspect of eCosway is fair, truthful, substantiated, and complies with the vast and complex legal requirements of national, federal, state, provincial, territorial, or local laws. If eCosway Business Owners were allowed to develop their own sales aids and promotional materials (which includes Internet advertising) without Company

approval, notwithstanding their integrity and good intentions, the likelihood that they would unintentionally violate any laws, statutes or regulations affecting the eCosway business is almost certain. These violations, although they may be relatively few in numbers, would jeopardize the eCosway opportunity for all Business Owners. Accordingly, Business Owners must submit all written sales aids, promotional materials, advertisements, and other literature (including proposed Internet advertising) to the Company for prior approval. Unless the Business Owner receives specific written approval to use the material, the request shall be deemed denied. Business Owners may develop, produce, and utilize sales aids, promotional materials, advertisements, and other literature without prior written Company's approval, if and only if, they contain no direct or indirect references to eCosway, or its Profit Plan, merchandise, trademarks, trade names, service marks, service names, websites, URLs, or any other type of identifying information.

3.2.2 Anti-Spam Policy

To protect the interests of all of our Shoppers and Business Owners, eCosway has adopted a ZERO-TOLERANCE stance on spam and inappropriate advertising. Any Business Owner or Shopper caught spamming or inappropriately advertising to promote eCosway business will be immediately terminated from the organization. If a Business Owner is terminated for spamming, he or she will lose all Business Owner privileges, be forfeited of any unpaid monies, all reserves of Value Points (VPs), Card Value Points (CVPs), Redemption Points (RPs), eVolume (eV) and Qualification Units (QUs) and lose his or her business network. If a Shopper is terminated for spamming, he or she will lose all Shopper privileges, be forfeited of all Value Points (VPs) and lose his or her Shopper referrals. If the spamming activities result in any damage or cause any of the eCosway websites, domains, servers or activities to be interrupted from normal operation, the Business Owner or Shopper will be held liable for damages and loss of business.

There is no consistently applied definition of "spam" at this time. Some people insist that only unsolicited commercial email (UCE) sent in bulk is spam, but many individuals and anti-spam organizations feel that any email sent to someone who has not chosen to receive that email is spam. For the purposes of this policy, eCosway will consider the following activities done in the following situation as spamming and in violation of our policy:

Specifically, eCosway Business Owners and Shoppers are prohibited from doing the following activities:

- Using the words Cosway or e-Cosway (even when contained within another word such as MyCosway or eCoswayNow etc.).
- Using derivative spellings of these words (such as e-Cosway, eeCosway or Causeway or ezcway).
- Referring to Cosway or eCosway.
- Linking to any of the eCosway URLs or websites* (see list).
- Linking to a site which subsequently links to an eCosway URL or website.
- Using a "pointer page" or "redirect link" which ends up on any eCosway website.
- Transmitting any information which directly or indirectly implies eCosway involvement.

... in any of the following situations:

- While violating any local, state, federal or international laws including those regarding UCE-unsolicited commercial email.
- In a website address.

- In a classified advertisement of any sort (except as specifically allowed by eCosway).
- In a signature file (except as specifically allowed by eCosway).
- In any email to any person or prospect who has not specifically requested the information or given you permission to send it.
- In any email sent to a bulk list including "safe lists", "cleaned list", "purchased list", and lists copied from the "send to" area of emails sent to you.
- In any email sent as a response to someone who has posted a message, placed a classified advertisement, or sent you an unsolicited email.
- In any email sent without a valid return email address that the recipient can reply to.
- In any email which uses a false or misleading name, a false or misleading heading, a false or misleading header, a false or misleading subject line, or any other false or misleading information.
- While communicating in a chat room without first getting permission or a request.
- While communicating with someone via an instant messaging system (such as ICQ, Yahoo, IM etc.) without first getting permission or a request for more information from that other person.
- While posting to any forum, usenet or other newsgroup, majordomo list, bulletin board, discussion list, or other similar groups or lists on the Internet.
- In any online or printed materials that are not pre-approved by eCosway.
- In any materials which are distributed on private property or in any other place or manner which is prohibited by individuals, entities, or by law.
- Any subsequent URLs or domains used by or reserved for use by eCosway.

* The URLs ("Universal Resource Locators") or more commonly known as "website addresses" and domains that you are prohibited from referencing or linking to, directly or indirectly, with or without attaching a Business Owner/Shopper ID, may include but not limited to the following:

www.eCosway.com

www.MakeMoneyStayingHome.com

www.AmazingOneDollarAuction.com

www.HexagonLivingWater.com

www.PartnerMerchants.com

www.ChargeAndEarn.com

3.2.3. **Unsolicited Faxes**

Except as provided in this section, Business Owners may not use or transmit unsolicited faxes relative to the operation of their eCosway businesses. The terms "unsolicited faxes" means the transmission via telephone facsimile of any material or information advertising or promoting eCosway, its merchandise, its Profit Plan or any other aspect of the Company which is transmitted to any person, except that these terms do not include a fax: (a) to any person with that person's prior express invitation or permission; or (b) to any person with whom the Business Owner has an established business or personal relationship. The term "established business or personal relationship" means a prior or existing relationship formed by a voluntary two-way communication between a Business Owner and a person, on the basis of: (a) an enquiry, application, purchase or transaction by the person regarding merchandise offered by such Business Owner; or (b) a personal or familial relationship which relationship has not been previously terminated by either party.

3.2.4 **Telemarketing Techniques**

The use of any automated telephone solicitation equipment or "boiler-room" tactics in connection with the marketing or promotion of eCosway, its merchandise or the opportunity is strictly prohibited. For the purposes of this section, the term "boiler

room tactics" includes high-pressure promotional tactics that have the effect of creating an artificially short period in which a prospect must make a decision or that are designed to overcome a prospect's reluctance to join eCosway, including:

- a) the use of intensive telephone campaigns or unsolicited calls to persons who are not known by or who do not have a prior relationship with the caller and in which the person is encouraged to make a hasty decision to join eCosway without regard to the person's needs and objectives;
- b) the use of scripts designed to meet the prospect's objections;
- c) repeated phone calls;
- d) phone calls designed to entrap the prospect;
- e) threatening tones on the telephone informing the prospect that there is little time within which to make a decision.

3.2.5 Websites, Domain Names, and Email Addresses

Business Owners shall not use, register, or attempt to register the word "eCosway," "Cosway" or any of eCosway's trade names, trademarks, service names, service marks, merchandise names, or any derivative thereof, in any domain name, on any website, in any email address, on any blog site or in any nickname, or in the HTML code or meta-tags of any non-eCosway website not pre-approved by eCosway. Business Owners are also prohibited from linking to any eCosway domain or website from any non-eCosway website. If a Business Owner desires to use the word "eCosway" or "Cosway" on a website, or if a Business Owner wishes to link to eCosway from a website that the Business Owner creates, he or she must first contact eCosway for permission and written approval to do so. No Business Owner may use, incorporate, or attempt to incorporate the word "eCosway," "Cosway," or any of eCosway's trade names, trademarks, service names, service marks, product names, or any derivative thereof, into any electronic mail address or signature files.

If a Business Owner desires to utilize an Internet webpage to promote his or her business, he or she may do so through the Company's official website, using official eCosway templates. Alternatively, Business Owners may develop their own website, however, any Business Owner who does so must ensure that such website contains no direct or indirect references to eCosway, or its Profit Plan, merchandise, trademarks, service marks, websites, URLs, or any other type of identifying information. Business Owners who develop or publish their own websites must register their site(s) with the Company and receive written approval from the Company prior to the site(s) public availability. Business Owners must also notify the Company whenever any changes or modifications are made to the site(s). The failure to register or notify the Company of subsequent changes or modifications constitutes a material breach of these policies and procedures.

3.2.6 Trademarks and Copyrights

eCosway will not allow the use, for any purpose, of its trade names, trademarks, services names, service marks, product names, URLs, website addresses, designs, or symbols by any person, including an eCosway Business Owner, without its prior written permission. Business Owners do not need to obtain prior written permission to use the above-mentioned items if the Business Owner is using eCosway's official material for the purpose of eCosway related business.

Business Owners may not produce for sale or distribution any recorded Company events or speeches without written permission from eCosway nor may a Business Owner reproduce for sale or for personal use any recording of Company-produced audio or video tape presentations.

3.2.7 Website Proprietary Rights

Business Owners agree that the eCosway Websites contain information, data,

photographs, graphs, software, videos, text, typefaces, graphics, designs, music, sound, and other material (collectively "Intellectual Property") that are protected by copyrights, patents, trademarks, trade secrets, or other proprietary rights and that these rights are valid and protected in all forms and technologies, existing now or hereafter developed. Business Owners agree that they shall not modify, remove, delete, augment, add to, publish, transmit, participate in the transfer or sale of, create derivative works from, distribute, perform, display, or in any way exploit any of the Intellectual Property or the sites, in whole or in part.

To the extent necessary to lawfully access and use the eCosway Websites, and provided there are no specific restrictions displayed, Business Owners may display, download, archive, and print in hard copy portions of the Websites for the Business Owner's personal use only. In so doing so, a Business Owner may not modify the materials and must retain all copyright and other proprietary notices contained in the materials.

Business Owners may not remove or mirror any material contained on any eCosway Website without the prior written permission of eCosway. Business Owners agree that they will not copy, disassemble, de-compile, or reverse engineer any part of the eCosway Websites. Business Owners further agree that they will not otherwise attempt to obtain or learn the source code, structure, algorithms, or ideas underlying such sites.

Any violation of this Section shall constitute a material violation of the Business Owner Agreement. The restrictive terms of this Section 3.2.7 shall survive the termination of the Business Owner Agreement.

3.2.8 Media and Media Inquiries

Business Owners must not attempt to respond to media inquiries regarding eCosway, its merchandise, or their independent eCosway business. All inquiries by any type of media must be immediately referred to eCosway. This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image.

3.3. Fraudulent Enrollment

"Fraudulent Enrollment" includes: (a) the enrollment of individuals or entities without the knowledge of and/or execution of a Business Owner Application and Agreement by such individuals or entities; or (b) the enrollment or attempted enrollment of non-existent individuals or entities as Business Owners or Shoppers ("phantoms"). Fraudulent enrollment constitutes a material breach of these Policies and Procedures and is strictly and absolutely prohibited.

3.4. Changes to the eCosway Business

3.4.1. In General

Each Business Owner must immediately notify eCosway of all changes to the information contained on his or her Business Owner Application and Agreement. Business Owners may modify their existing Business Owner Agreement (i.e., change in name due to marriage, adopting a new name, change of bank account or personal identification, change of government identification number, or change the form of ownership from an individual proprietorship to a business entity owned by the Business Owner) by submitting a completed "Change in Particulars Form" provided online together with appropriate supporting documentation to eCosway.

3.4.2. Cancellation and Re-application

A Business Owner may cancel his or her eCosway business by submitting his or her cancellation request in writing to the Company. Following a six (6) month period of inactivity from the date of cancellation, the former Business Owner may reapply under a different branch or network.

In the event that a Business Owner's business is cancelled due to non-renewal of his or her business, the said Business Owner may immediately reapply under a different branch or network, subject to any condition that may be put in place by the Company.

The prescribed fees are generally not refundable upon cancellation of the Business Owner Agreement. However, a refund of the prescribed fees will be allowed provided that the cancellation is effected within fourteen (14) calendar days from the date of enrollment.

3.5. Unauthorized Claims and Actions

3.5.1. Indemnification

A Business Owner is fully responsible for all of his or her verbal and written statements made regarding eCosway merchandise, and the Profit Plan which are not expressly contained in official eCosway material. Business Owners agree to indemnify eCosway and eCosway's directors, officers, employees and agents, and hold them harmless from any and all liability including civil penalties, refunds, attorney fees, court costs, or loss of business suffered by eCosway as a result of the Business Owner's unauthorized representations or actions. This provision shall survive the termination of the Business Owner Agreement.

3.5.2. Product Claims

No claims (which include personal testimonials) as to therapeutic, curative or beneficial properties of any merchandise offered by eCosway may be made except those contained in official eCosway material. In particular, no Business Owner may make any claim that eCosway merchandise are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases. Such statements can be perceived as medical or drug claims. Not only are such claims violative of eCosway policies, but they potentially violate national, federal, state, provincial, territorial or local laws and regulations.

3.5.3. Income Claims

In their enthusiasm to enroll prospective Business Owners, some Business Owners are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of network marketing. This is counterproductive because new Business Owners may become disappointed very quickly if their results are not as extensive or as rapid as the results others have achieved. At eCosway, we firmly believe that the eCosway income potential is great enough to be highly attractive, without reporting the earnings of others.

Moreover, many countries, states, provinces and territories have laws or regulations that regulate or even prohibit certain types of income claims and testimonials made by persons engaged in network marketing. While Business Owners may believe it to be beneficial to provide copies of Business Status Reports, or to disclose the earnings of themselves or others, such approaches have legal consequences that can negatively impact eCosway as well as the Business Owner making the claim unless appropriate disclosures required by law are also made contemporaneously with the income claim or earnings representation. Because eCosway Business Owners do not have the data necessary to comply with the legal requirements for making income claims, a Business Owner, when presenting or discussing the eCosway opportunity or Profit Plan to a prospective Business Owner, shall not make income projections, income claims or disclose his or her eCosway income or Business Status Report (including the showing of bank statements or tax records). Hypothetical income examples that are used to explain the operation of the Profit Plan, and which are based solely on mathematical projections, may be made to prospective Business Owners, so long as the Business Owner who uses such hypothetical examples makes clear to the prospective Business Owner(s) that such earnings are hypothetical.

3.6. Conflicts of Interest

3.6.1. Nonsolicitation

eCosway Business Owners may participate in other direct selling or network marketing or multilevel marketing ventures (collectively "network marketing"), and Business Owners may engage in selling activities related to non-eCosway merchandise if they desire to do so. However, if a Business Owner elects to participate in another network marketing opportunity, in order to avoid conflicts of interest and loyalties, Business Owners are prohibited from Unauthorized Introduction, which includes the following:

a) During the term of this Agreement, any actual or attempted introduction or enrollment of eCosway Business Owners for other network marketing business ventures (except Cosway), either directly or through a third party. This includes, but is not limited to, presenting or assisting in the presentation of other network marketing business ventures (except Cosway) to any eCosway Business Owner, or implicitly or explicitly encouraging any eCosway Business Owner to join other business ventures. Because there is an extreme likelihood that conflicts will arise if a Business Owner operates two network marketing programs, it is the Business Owner's responsibility to first determine whether a prospect is an eCosway Business Owner before introducing or enrolling the prospect for another network business venture.

b) For a period of six months following the cancellation of a Business Owner Agreement, the former Business Owner may not introduce any eCosway Business Owner for another network marketing program (except Cosway).

3.6.2. Business Status Reports

Business Status Reports are available for Business Owners' access and viewing at eCosway's official website. Access to online Business Status Reports is password protected. **All Business Status Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets belonging to eCosway.** Business Status Reports are provided to Business Owners in strictest confidence and are made available to Business Owners for the sole purpose of assisting Business Owners in working with their respective branch network in the development of their eCosway business. Business Owners should use their Business Status Reports to assist, motivate, and train other Business Owners in their branch network. The Business Owner and eCosway agree that if Business Owner did not agree to these terms of confidentiality and nondisclosure, eCosway would not provide Business Status Reports to the Business Owner. A Business Owner shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- a) Use the information to compete with eCosway or for any purpose other than promoting his or her eCosway business; or
- b) Introduce or solicit any Business Owner of eCosway listed on any report, or in any manner attempt to influence or induce any Business Owner of eCosway, to alter his or her business relationship with eCosway.

Upon demand by the Company, any current or former Business Owner will return the original and all copies of Business Status Reports to the Company.

3.7. Errors or Questions

If a Business Owner has questions about or believes any error has been made regarding earnings, Business Status Reports, or charges, the Business Owner must notify eCosway in writing via email within 60 days of the date of the purported error or incident in question. eCosway will not be responsible for any errors, omissions or problems not reported to it within 60 days.

3.8. Excess Inventory Purchases Prohibited

Business Owners are not required to carry inventory of merchandise or sales aids. Business Owners who do so may find making retail sales and building a branch network somewhat easier because of the decreased response time in fulfilling Shopper orders or in meeting new Business Owner's needs. Each Business Owner must make his or her own decision with regard to these matters.

eCosway strictly prohibits the purchase of merchandise in unreasonable amounts primarily for the purpose of qualifying for earnings or advancement in the Profit Plan. Business Owners may not purchase more inventory than they can reasonably resell or consume in a month nor may they encourage others to do so.

3.9. Governmental Approval or Endorsement

The majority of national, federal, state, provincial, territorial, or local regulatory agencies or officials do not engage in the approval or endorsement of any direct selling or network marketing companies or programs. Therefore, Business Owners shall not represent or imply that eCosway or its Profit Plan have been "approved," "endorsed" or otherwise sanctioned by any government agency, unless the Company or the Profit Plan have been so approved or officially sanctioned by such an agency.

3.10. Holding Applications or Orders

Business Owners must not manipulate enrollments of new Business Owners, or purchases of merchandise. The holding of applications or orders constitutes "stacking." The term "stacking" includes: (a) the failure to transmit to eCosway, or the holding of a Business Owner Application and Agreement, in excess of twenty-four (24) hours after the time any funds are or credit card information is provided by the new Business Owner (unless the transmission of a Business Owner Application and Agreement is not possible due to the contingencies set forth in Section 1.4); (b) the placement or manipulation of Business Owner Applications and Agreements for the purpose of maximizing earnings pursuant to eCosway's Profit Plan; or (c) providing financial assistance to new Business Owners for the purpose of maximizing earnings pursuant to eCosway's Profit Plan. Stacking constitutes a material breach of these Policies and Procedures and is strictly and absolutely prohibited.

3.11. Identification

A Business Owner shall provide the official Identification Number which his or her bank will accept for the opening of bank account in the country in which the Business Owner resides. This information must be provided to eCosway via the Business Owner Application and Agreement.

3.12. Income Taxes

Every year, eCosway will provide appropriate income tax reports to residents of countries that require such reports. Each Business Owner is responsible for paying national, federal, state, provincial, territorial or local taxes on any income generated as a Business Owner.

3.13. Independent Contractor Status

Business Owners are independent contractors and are not purchasers of a franchise or a business opportunity. The agreement between eCosway and its Business Owners does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Business Owner. Business Owners shall not be treated as an employee for his or her services or for national, federal, state, provincial, territorial, or local tax purposes. All Business Owners are responsible for paying national, federal, state, provincial, territorial, or local taxes due from all profits and incentives earned as a Business Owner of the Company. The Business Owner has no authority (expressed or implied), to bind the Company to any obligation. Each Business Owner shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the Business Owner Agreement, these Policies and Procedures, and applicable laws.

The name of eCosway and other names as may be adopted by eCosway are proprietary trade names, trademarks and service marks of eCosway. As such, these marks are of great value to eCosway and are supplied to Business Owners for their use only in an expressly authorized manner. Use of eCosway name on any item not produced by the Company is prohibited except as follows:



Business Owner's Name
Business Owner

All Business Owners may list themselves as an "eCosway Independent Business Owner" in the white or yellow pages of the telephone directory under their own name, however, neither this phrase nor any other verbiage identifying eCosway may be used in any email signature file. No Business Owner may place telephone directory display advertisement using eCosway's name or logo. Business Owners may not answer the telephone by saying "eCosway", or in any other manner that would lead the caller to believe that he or she has reached corporate offices of eCosway.

3.14. Adherence to Laws and Ordinances

3.14.1 Local Ordinances

Some countries, states, provinces, territories, counties, and cities have laws regulating certain home-based businesses. In most cases these laws are not applicable to Business Owners because of the nature of their business. However, Business Owners must obey those laws that do apply to them. If a governmental official tells a Business Owner that a law, regulation, or ordinance applies to him or her, the Business Owner shall be polite and cooperative, and immediately send a copy of the ordinance to eCosway.

3.14.2 Compliance with National, Federal, State, Provincial, Territorial, or Local Laws

Business Owners shall comply with all national, federal, state, provincial, territorial, or local laws and regulations in the conduct of their businesses.

3.15. Minors

A person who is recognized as a minor of age in his or her country or state of residence may not be an eCosway Business Owner. Business Owners shall not enroll or introduce minors into the eCosway program..

3.16. Multiple eCosway Businesses

A Business Owner may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one eCosway business unless the Business Owner previously enrolled with a "multiple ID option" as allowed by eCosway and registered the different IDs with the same account profile. No individual may have, operate or receive earnings from more than one eCosway business in any other manner except in the allowed configuration of the allowed business IDs sharing one profile. Exceptions to this rule will be considered on a case-by-case basis in certain cases (e.g., a Business Owner who receives an interest in another business through inheritance). Requests for exceptions to policy must be submitted in writing to eCosway.

3.17. Re-packaging and Re-labeling Prohibition

Business Owners may not re-package, re-label, refill or alter the labels on any eCosway merchandise, information, materials or programs in any way. eCosway merchandise must be sold in their original containers only. Such re-labeling or re-packaging would likely violate national, federal, state, provincial, territorial or local laws, which could

result in severe criminal penalties. Business Owners should also be aware that civil liability can arise when, as a consequence of the re-packaging or re-labeling of merchandise, the persons using the merchandise suffer any type of injury or their property is damaged.

3.18. Requests for Records

In the event that a report, document or record is available online, a Business Owner should download and print it from the eCosway system. Any request from a Business Owner to eCosway for copies of invoices, applications, Business Status Reports or other records will be available for a fee. This fee covers the expense of mailing and time required to research files and make copies of the records.

3.19. Roll-up of Business Network

When a vacancy occurs in a business network due to the termination of a Business Owner, the branches which are directly linked to the terminated Business Owner will be moved up to the Business Owner who is linked directly above the terminated Business Owner. For example, if A introduces B, and B introduces C1, C2 and C3, if B terminates his or her business, C1, C2 and C3 will "roll-up" to A and become A's immediate branches. This roll-up process will also apply to the network of Shoppers which is linked to the terminated Business Owner.

3.20. Sale, Transfer or Assignment of eCosway Business

Although an eCosway business is a privately owned, independently operated business, the sale, transfer or assignment of an eCosway business is subject to certain limitations. If a Business Owner wishes to sell his or her eCosway business, the following criteria must be met:

- a) Protection of the existing branch must always be maintained so that the eCosway business continues to be operated in that branch.
- b) The buyer or transferee must be (or must become) a qualified eCosway Business Owner. If the buyer is an active eCosway Business Owner, he or she must first obtain the approval from eCosway before termination of his or her eCosway business simultaneously with the purchase, transfer, assignment or acquisition of any interest in the new eCosway business. The six (6) month waiting period set forth in Section 3.4.2 shall not apply to the sale, transfer or assignment of an eCosway business pursuant to this section.
- c) Before the sale, transfer or assignment can be finalized and approved by eCosway, any debt obligations the selling Business Owner has with eCosway must be satisfied.
- d) The selling Business Owner must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer or assign an eCosway business.

Prior to selling an eCosway business, the selling Business Owner must notify eCosway of his or her intent to sell the eCosway business. No changes in that branch can result from the sale or transfer of an eCosway business.

3.21. Branch Linkage

All active Business Owners in good standing have the right to introduce and enroll others into eCosway. Should there be a dispute in the linkage caused by multiple registration by a Business Owner or Shopper, the earliest registration received by the Company will be deemed controlling.

3.22. Succession

Upon the death or incapacitation of a Business Owner, his or her business may be passed to his or her heirs. Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper. Accordingly, a Business Owner should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever an eCosway business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all earnings of the

deceased Business Owner's business network provided the following qualifications are met. The successor(s) must:

- a) Execute a new Business Owner Agreement; and
- b) Comply with terms and provisions of the Agreement.

Profit and incentive payments of an eCosway business transferred pursuant to this section will be remitted to the bank account of the beneficiaries. The beneficiaries must provide eCosway with the details of the bank account to which all profit and incentive payments will be remitted. If the business is bequeathed to joint beneficiaries, they must form a business entity. eCosway will issue all earnings and appropriate tax reporting forms (if any) to the business entity. An individual's interest in more than one eCosway business will be allowed only in the event of the death or incapacitation of a Business Owner.

3.23 Transfer Upon Death of a Business Owner

To effect a testamentary transfer of an eCosway business, the successor must provide the following to eCosway: (1) an original death certificate; (2) a copy of the will or other instrument attested by a lawyer establishing the successor's right to the eCosway business; and (3) a completed and executed Business Owner Agreement.

3.24. Transfer Upon Incapacitation of a Business Owner

To effect a transfer of an eCosway business because of incapacity, the successor must provide the following to eCosway: (1) a copy of an appointment as trustee attested by a lawyer; (2) a copy of the trust document or other documentation attested by a lawyer establishing the trustee's right to administer the eCosway business; and (3) a completed Business Owner Agreement executed by the trustee.

4. SECTION - RESPONSIBILITIES OF BUSINESS OWNERS

4.1. Change of Address or Telephone

To ensure timely delivery of merchandise, support materials, and remittance of payment, it is critically important that eCosway's files are current. Street addresses are required for shipping as eCosway will not deliver to a post office box. To guarantee proper delivery, Business Owners must immediately update their individual Profile Page with their new delivery address and telephone numbers whenever the need arises. The update will only be effective for the Business Owner's subsequent purchase transactions.

4.2. Ongoing Sales Responsibilities

Regardless of their level of achievement, Business Owners have an ongoing obligation to continue to personally promote sales through the generation of new Shoppers and through servicing their existing customers.

4.3. Nondisparagement

eCosway wants to provide its independent Business Owners with the best merchandise, Profit Plan and service in the industry. Accordingly, eCosway values Business Owners' constructive criticism and comments. All such comments should be submitted via email to eCosway. While eCosway welcomes constructive input, negative comments and remarks made in the field by Business Owners about the Company, its merchandise, or Profit Plan, serve no purpose other than to sour the enthusiasm of other eCosway Business Owners. For this reason, and to set the proper example for their branch network, Business Owners must not disparage eCosway, other eCosway Business Owners, eCosway's merchandise, the Profit Plan, or eCosway's directors, officers, or

employees and any disparagement of the aforesaid would constitute a material breach of these Policies and Procedures.

4.4. Reporting Policy Violations

Business Owners observing a Policy violation by another Business Owner should submit a written or email report of the violation directly to the attention of eCosway. Details of the incidents such as dates, number of occurrences, persons involved, and any supporting documentation should be included in the report.

5. SECTION - SALES REQUIREMENTS

5.1. Product Sales

The eCosway Profit Plan is based upon the sale of eCosway merchandise to end consumers. Business Owners must satisfy the personal sales and Shopper requirements as specified in the eCosway Profit Plan (as well as meet other responsibilities set forth in the Agreement) to be eligible for profits and incentives. "Personal Branch eVolume" includes purchases made by the Business Owner and purchases made by the Business Owner's Shopper network.

5.2. No Territory Restrictions

There are no exclusive territories granted to anyone. No franchise fees are required.

6. SECTION - EARNINGS

6.1. Profit and Incentive Qualifications

A Business Owner must be active and in compliance with the Agreement to qualify for profits and incentives. So long as a Business Owner complies with the terms of the Agreement, eCosway shall pay profits and incentives to such Business Owner in accordance with the Profit Plan. All earnings will be accumulated in the Business Owner's eAccount. Each Business Owner must select a "Minimum eAccount Balance" in his or her individual eAccount to enable automatic deductions to be made for annual access fee and purchases. Each Business Owner must also select a "Minimum eAccount Transfer Amount," which shall be the minimum amount that eCosway will transfer out of the Business Owner's eAccount to his or her bank account, while maintaining the Minimum eAccount Balance.

6.2. Earnings and Bonus

If the earnings or bonus is less than RM100/SGD100 for a particular month, that earnings or bonus will be kept in eAccount where Business Owner may utilise such amount to purchase Cosway's products.

If the earnings or bonus is more than RM100/SGD100 for a particular month, that earnings or bonus will be credited into the banking account provided by the Business Owner. If there is no banking account, the earnings or bonus will be retained in the eAccount.

(The paragraph above shall only apply to the Business Owner who is a resident of Malaysia or Singapore. Business Owner who is a resident of other countries, please refer to eCosway customer service for the amount applies in their respective currency.)

Any earnings or bonus which are not claimed or utilised by any Business Owner and are retained in the eAccount for more than 12 months, eCosway shall have absolute right to deal with such earnings or bonus as it deems fits. For the purpose of clarification, this term shall also be applicable to any former Business Owner whose the Agreement is cancelled, has been canceled, or terminated for whatsoever reason pursuant to the terms and conditions of the Business Owner Agreement.

6.3. Business Status Reports

All information provided by eCosway in online Business Status Reports, including but not limited to sales volume in the personal branch and branch network (or any part thereof) and business network activity, is believed to be accurate and reliable.

Nevertheless, due to various factors including the inherent possibility of human and mechanical error; the accuracy, completeness and timeliness of orders; denial of credit card; returned merchandise; credit card charge-backs; the information is not guaranteed by eCosway or any persons creating or transmitting the information.

ALL BUSINESS STATUS INFORMATION IS PROVIDED "AS IS" WITHOUT WARRANTIES, EXPRESS OR IMPLIED, OR REPRESENTATIONS OF ANY KIND WHATSOEVER. IN PARTICULAR BUT WITHOUT LIMITATION THERE SHALL BE NO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE, OR NON-INFRINGEMENT.

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, eCOSWAY AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO ANY BUSINESS OWNER OR ANYONE ELSE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT ARISE OUT OF THE USE OF OR ACCESS TO BUSINESS STATUS REPORT INFORMATION (INCLUDING BUT NOT LIMITED TO LOST PROFITS, EARNINGS, LOSS OF OPPORTUNITY, AND DAMAGES THAT MAY RESULT FROM INACCURACY, INCOMPLETENESS, INCONVENIENCE, DELAY, OR LOSS OF THE USE OF THE INFORMATION), EVEN IF eCOSWAY OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. TO THE FULLEST EXTENT PERMITTED BY LAW, eCOSWAY OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE NO RESPONSIBILITY OR LIABILITY TO YOU OR ANYONE ELSE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY OR OTHER THEORY WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO.

Access to and use of eCosway's online services and the Business Status Report information is at the Business Owner's own risk. All Business Status Report information is provided to Business Owners "as is". If a Business Owner is dissatisfied with the Business Status Report information, his or her sole and exclusive remedy is to discontinue use of and access to eCosway's online Business Status Report services and the Business Status Report information.

7. SECTION - DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

7.1. Disciplinary Sanctions

Violation of the Agreement, these Policies and Procedures, or any illegal, fraudulent, deceptive or unethical business conduct by a Business Owner may result, at eCosway's discretion, in one or more of the following corrective measures:

- a) Issuance of a written warning or admonition;
- b) Requiring the Business Owner to take immediate corrective measures;
- c) Imposition of a fine which may be withheld from profit and incentive payments;
- d) Loss of rights to one or more profit and incentive payments;
- e) eCosway may withhold from a Business Owner all or part of the Business Owner's profits and incentives during the period that eCosway is investigating any conduct

allegedly violative of the Agreement. If a Business Owner's business is canceled for disciplinary reasons, the Business Owner will not be entitled to recover any earnings withheld during the investigation period;

- f) Suspension of the individual's Business Owner Agreement for one or more pay periods;
- g) Involuntary termination of the offender's Business Owner Agreement;
- h) Any other measure expressly allowed within any provision of the Agreement or which eCosway deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Business Owner's policy violation or contractual breach;
- i) In situations deemed appropriate by eCosway, the Company may institute legal proceedings for monetary and/or equitable relief.

7.2. Grievances and Complaints

When a Business Owner has a grievance or complaint with another Business Owner regarding any practice or conduct in relationship to their respective eCosway businesses, the complainant Business Owner should first report the problem to eCosway. eCosway will review the facts and attempt to resolve it. If it is not resolved, it will be referred to the Dispute Resolution Board for final review and determination.

7.3. Dispute Resolution Board

The purpose of the Dispute Resolution Board ("DRB") is to: (1) review appeals of disciplinary sanctions; and (2) review matters between eCosway Business Owners. After the response or settlement instituted by eCosway has been denied or otherwise remains unresolved, the Dispute Resolution Board reviews evidence, deliberates, and responds to current outstanding issues on a collective basis.

A Business Owner may submit a written request within seven business days from the date of: (1) the written notice by eCosway of disciplinary action; or (2) the written decision of eCosway regarding disputes between Business Owners. All communication with eCosway and the Business Owner seeking resolution of a dispute must be in writing. It is within the DRB's discretion whether a claim is accepted for review. If the DRB agrees to review the matter, it shall schedule a hearing within twenty-one (21) business days of the receipt of the Business Owner's written request. All evidence (e.g., documents, exhibits, etc.) that a Business Owner desires to have considered by the DRB must be submitted to eCosway no later than seven business days before the date of the hearing. The Business Owner shall bear all of the expenses related to his or her attendance and the attendance of any witnesses he or she desires to be present at the hearing. The decision of the Dispute Resolution Board will be final and subject to no further review. During the pendency of the claim before the DRB, the Business Owner waives his or her right to pursue arbitration or any other remedy.

Following issuance of a sanction, the disciplined Business Owner may appeal against the sanction to the DRB. Business Owner's appeal must be in writing and received by the Company within 15 business days from the date of eCosway's cancellation notice. If the appeal is not received by eCosway within the 15 business days period, the sanction will be final. The Business Owner must submit all supporting documentation with his or her appeal correspondence. If the Business Owner files a timely appeal against cancellation, the DRB will review and reconsider the cancellation, consider any other appropriate action, and notify the Business Owner in writing of its decision.

7.4. Arbitration

Any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration administered by the Asian International Arbitration Centre (the "Centre") under its Rules for Arbitration, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. If a Business Owner files a claim or counterclaim against eCosway, he or she

may only do so on an individual basis and not with any other Business Owner or as part of a class or consolidated action. Business Owners waive all rights to any court. All arbitration proceedings shall be held in Kuala Lumpur, Malaysia. Each of the parties shall be responsible for one-half of the total of: (1) the arbitrator's or arbitrators' fees; and (2) the costs of arbitration. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitrate shall survive any termination or expiration of the Agreement.

Nothing in these Policies and Procedures shall prevent eCosway from applying to and obtaining from any court having jurisdiction a temporary injunction, preliminary injunction, permanent injunction or other relief available to safeguard and protect eCosway's interest prior to, during or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

7.5 Governing Law

The laws of the Malaysia shall govern all matters relating to or arising from the Agreement.

8. SECTION - SHOPPING

8.1. Shopping Terms and Conditions for Business Owners

eCosway provides a wide range of merchandise sourced directly from Suppliers. Business Owners shall abide by the Shopping Terms and Conditions when purchasing any merchandise at the eCosway Shopping Mall or eCosway appointed eCenters (where applicable).

8.2. Purchasing eCosway Merchandise

Business Owners must purchase merchandise using his or her own Business Owner identification number so that eVolume, Qualification Units, Value Points, Card Value Points and Redemption Points (if applicable) are credited to their personal branch.

8.3. Shopper Rewards Program

Business Owners shall participate in the Shopper Rewards Program and build a network of Shoppers by giving them, his or her personal ID for accessing eCosway Shopping Mall. All eVolume and Qualification Units generated by the Shopper network and Value Points generated by the Shoppers whom the Business Owner personally referred shall be credited to the Business Owner's personal branch.

8.4. Pricing

Unless stated otherwise, all merchandise listed in eCosway Shopping Mall are priced in US Dollars and may be subject to change from time to time at the sole discretion of eCosway without prior notice. However, for merchandise offered for sale at eCosway appointed centers, the Company reserves the right, where appropriate, to price the merchandise in the local currencies.

Prices listed in eCosway Shopping Mall do not include import duties, sales taxes, value added taxes, or other taxes which may be imposed by the country to which the merchandise will be delivered. All duties, sales taxes, value added taxes, customs fees, and other charges are to the sole and exclusive responsibility of the recipient.

8.5 Freight Charges

- a) The amount of freight charges is calculated based on the delivery cost from the Supplier's country to the delivery address. In some instances eCosway may subsidize the freight charges.
- b) Freight charges for each item ordered will be determined once the delivery address is submitted by the Business Owner upon check-out from the eCosway Shopping Mall.
- c) Freight charges are not refundable.

- d) Reimbursement of freight charges will only be made for the return of defective merchandise or in the event the wrong item is sent.
- e) Freight charges are not applicable to offline purchases made at eCosway appointed centers where delivery is not required.

8.6. Payment

All acceptable modes of payment will be listed in the eCosway website. However, eCosway reserves the right at its sole discretion not to accept a certain mode of payment without specifying the reason thereto.

8.7. Delivery

Delivery of orders will take about 3 weeks, and subject to availability of the merchandise ordered. In certain circumstances where further verification of credit card payment is necessary, delivery may be delayed.

8.8. Verification of Business Owner's Credit Card Particulars

The Business Owner agrees to the verification of credit card particulars by eCosway or its Agent when required.

8.9. Acceptance of Orders

- a) The Business Owner will receive via email address provided by as per in Business Owner's profile, an Order Confirmation together with an Order number when the order has been accepted by eCosway and an Order Delivery email stating the airway bill number of the shipped item for reference.
- b) There will be no further notifications relative to an order unless there is a problem with the order (e.g., non-availability or insufficient quantity). In such instances eCosway will communicate with the Business Owner via e-mail.

8.10. Cancellation Process

Orders are processed automatically and immediately. Therefore, a Business Owner is not allowed to cancel the order but may return the merchandise to eCosway in accordance with the Returns Policy and Procedure. Cancellation of orders will only be allowed if the orders have not been fulfilled by the Supplier. Business Owners must check the Order Status and only if the orders have not been fulfilled, may then submit the online Cancellation Form to eCosway.

8.11 Returns Policy and Procedure

- a) The return of any merchandise must be within ten (10) days from the date of its receipt.
- b) All merchandise may be returned unless specified otherwise in the shopping pages of the eCosway Shopping Mall.
- c) The Business Owner must complete and submit the online Merchandise Return Form.
- d) Upon approval, a Merchandise Return Number (MRN) will be sent by eCosway via electronic mail to the Business Owner, and the Business Owner can proceed with the return of the merchandise.
- e) All returned merchandise must be in original packaging and original condition; and sent to the Supplier's address stated on the shipping label with freight charges prepaid and borne by the Business Owner. Suppliers will not accept shipping-collect charges. Proper shipping cartons and packaging materials are to be used in packaging the merchandise being returned. The Merchandise Return Number must be written on the Invoice which is to accompany the returned item to the Supplier.
- f) The Business Owner must retain all supporting courier documents as proof of returning the merchandise and for tracking purposes. If the returned merchandise is not received by the Supplier, it is the responsibility of the Business Owner to trace the shipment and file a claim for the lost or damaged merchandise to the courier company.
- g) Returned merchandise will only be accepted if all the conditions and procedure in

the Returns Policy have been complied with.

8.12 Refunds

- a) eCosway will notify the Business Owner via electronic mail of the refund once the returned merchandise has been received by eCosway's Supplier.
- b) The amount to be refunded will be credited into the Business Owner's Refund eAccount.
- c) The Business Owner must first fully utilize the said credit balance available in the Refund eAccount as payment for the Business Owner's next purchases before other modes of payment.

8.13. Adjustment to Business Owner's eVolume, Qualification Units and Value Points

- a) The eVolume (eV), Qualification Units ("QU"), Value Points (VPs), Card Value Points (CVPs) and Redemption Points (RPs) assigned to the returned merchandise by both Business Owners and their Shoppers will be deducted from the Business Owner's Personal Branch eV, QU, VPs, CVPs and RPs in the same month of the date of receipt of the returned merchandise.
- b) If the Business Owner's existing eV, QU, VPs, CVPs and RPs for the month and those retained in reserves are insufficient to meet the deductions of the eV, QU, VPs, CVPs and RPs assigned to the returned merchandise, deduction shall continue every month thereafter until the eV, QU, VPs, CVPs and RPs are completely recovered.

8.14. Timing of Orders

All orders, regardless of the local time of the country in which they are placed, are effective as of the date and time in Kuala Lumpur, Malaysia, which is +8 hours GMT. For example, if an order is placed on Tuesday at 2:00 p.m. in New York, the actual time of the order will be Wednesday at 2:00 a.m. Business Owners should always check Malaysian time when placing orders by clicking on the "Server Time" button which is found on all ordering pages. All qualification periods will close as of the time specified in official eCosway publications as of the local time in Kuala Lumpur, Malaysia.

All orders will be deemed to be received when payment is accepted by eCosway. If the mode of payment for an order is rejected or declined for any reason, the order will be rejected and will not be credited for any purposes (including the accumulation of eV, QU, VPs, CVPs or RPs). Business Owners should submit orders earlier in the month if they wish to include the orders in current month purchases. eCosway is not responsible for any delay in the submission of orders due to circumstances beyond its reasonable control.

9. SECTION- INACTIVITY AND CANCELLATION

9.1. Effect of Cancellation

So long as a Business Owner remains active and complies with the terms of the Business Owner Agreement and these Policies and Procedures, eCosway shall pay profits and incentives to such Business Owner in accordance with the Profit Plan. A Business Owner's earnings constitute the entire consideration for the Business Owner's efforts in generating sales and all activities related to generating sales (including building a business network). Following a Business Owner's non-renewal of his or her Business Owner Agreement, cancellation for inactivity, or voluntary or involuntary cancellation of his or her Business Owner Agreement (all of these methods are collectively referred to as "cancellation"), the former Business Owner shall have no right, title, claim or interest to the business network which he or she has built, or any earning from the sales generated by the business network. A Business Owner whose business is canceled will permanently lose all rights as a Business Owner. This includes the right to sell eCosway merchandise and the right to receive future earnings or other income resulting from the sales and other activities of the Business Owner's former business network. In the event of cancellation, Business Owners agree to waive all rights they may have, including but not limited to property rights to

their former business network and to any profit and incentive or other remuneration derived from the sales and other activities from his or her former business network.

eVolume derived from the sales of a Business Owner who has cancelled his or her Business Owner Agreement continues to count towards the group's eVolume.

eVolume derived from the sales of a Business Owner who has cancelled his or her Business Owner Agreement continues to count towards the group's eVolume.

9.2. Involuntary Cancellation

A Business Owner's violation of any of the terms of the Agreement, including any amendments that may be made by eCosway in its sole discretion, may result in any of the sanctions listed in Section 7.1, including the involuntary cancellation of his or her Business Owner Agreement. Cancellation shall be effective on the date on which written notice is emailed to the Business Owner's last known email address, or when the Business Owner receives actual notice of cancellation, whichever occurs first.

The Company expressly reserves the right to terminate the Agreement and cease the eCosway business by giving thirty (30) days written email notice in the event that it elects to: (1) cease business operations; (2) dissolve as a corporate entity; or (3) terminate distribution of its merchandise via direct selling.

9.3. Voluntary Cancellation

A Business Owner has a right to cancel his, her, or its Business Owner Agreement at any time, regardless of reason. Cancellation must be submitted in writing to the Company at its principal business address. The written notice must include the Business Owner's name, address, and Business Owner Identification Number (ID).

9.4. Non-renewal

A Business Owner may also voluntarily cancel his or her Business Owner Agreement on the anniversary month of registration.

10. SECTION - DEFINITIONS

10.1. Active Business Owner

A Business Owner who satisfies the minimum activity requirements, as set forth in the eCosway Profit Plan, to be eligible to receive profits and incentives.

10.2. Agreement

The contract between the Company and each Business Owner includes the Business Owner Agreement, the Business Owner Terms and Conditions, the eCosway Policies and Procedures, and the eCosway Profit Plan, all in their current form and as amended by eCosway in its sole discretion. These documents are collectively referred to as the "Agreement."

10.3. Branch

An extension of the eCosway Shopping Mall allotted for each Business Owner.

10.4. Branch Network

Group of Business Owners referred directly or indirectly to register with eCosway by a Business Owner no matter how many generations of referrals occur.

10.5. Business Network

The sum total of a Business Owner's Personal Branch including his or her Shopper network and branch network.

10.6. Business Owner

A "Business Owner" is an individual who has completed an eCosway Business Owner Application and Agreement and thereby acquired the rights and responsibilities of an eCosway business.

10.7. Business Status Report

A report generated by eCosway that provides critical data relating to sales information and enrollment activity of each Business Owner's business network. This report contains confidential and trade secret information which is proprietary to eCosway.

10.8. Cancellation

The termination of a Business Owner's business. Cancellation may be either voluntary, involuntary, through non-renewal or inactivity.

10.9. Company

The term "Company" as it is used throughout the Agreement means eCosway.com Sdn Bhd, a company incorporated under the laws of Malaysia with the company number (509213-A).

10.10 Earnings

A collective term used to describe the profits and incentives available pursuant to the eCosway Profit Plan.

10.11 End Consumer

A person who purchases eCosway merchandise for the purpose of personally consuming them rather than for resale to someone else.

10.12 Personal Branch

The Business Owner's own branch of the eCosway Shopping Mall where his or her personal purchases and the purchases of his or her Shopper network are credited.

10.13. Official eCosway Material

Literature, websites, audio or video tapes, files, and other materials developed, printed, published and distributed by eCosway to Business Owners.

10.14. Roll-Up

The process by which a vacancy is filled in a business network.

10.15 Shopper

An individual who purchases merchandise from the eCosway Shopping Mall.

10.16. Shopper Network

Group of Shoppers referred directly or indirectly to purchase from a Business Owner's branch, no matter how many generations of referrals occur.