

# **DNG WORLDWIDE CODE OF ETHICS**

## **OBJECTIVES**

1. To explain on the rights, responsibilities and duties of distributors.
2. To explain on the rules and regulations a distributor needs to abide by under the distributor's country Direct Sales Act and any amendment to any of its constituent documents.
3. To explain on the relationships among distributors, in order to build a healthy community.
4. To explain on the relationships between distributors and Company, in order to promote mutual business success.
5. To ensure the benefits of distributors in Sales and Marketing Plan.
6. To help distributors create an ethical sales environment.

## **POLICY STATEMENT**

DNG WORLDWIDE SDN BHD / PROYOUNG (S) PRIVATE LIMITED (herein after "DNGw") is a company focus on quality products and services. Although its distributors are feeling free to make sales, DNGw would need to remind them at all time act with ethics and integrity. The distributors should adhere to DNGw Code of Ethics (herein after "Code") when building DNGw career. The distributor who violates the Code shall be subjected to disciplinary action, up to and including termination of violator's (and spouse) membership.

### **The Code is stated below:**

1. The distributor **MUST** abide by and adhere to the Rules and Regulations of DNGw, by being honest and sincere in their business.
2. The distributor **MUST** promote DNGw products according to the information written in DNGw memos, leaflets and products label; no other claims or statements can be made without the prior written approval from DNGw.
3. The distributor **MUST** honest and able to properly explain DNGw Marketing Plan, in a clear and complete understanding, which includes the hard works needed to achieve success.
4. The distributor must **NOT** make vague and negative statements, with a malicious intent to damage the reputation and goodwill of DNGw, its products and other distributors, for their own individual benefits.
5. The distributor must **NOT** join in any activities, which may cause DNGw or its distributors to suffer loss or damage of any kind.
6. The distributor must **NOT** make profit in other businesses, by using DNGw's Brand, its announcements, talk shows, meetings, conferences or any Company resources.
7. The distributor **MUST** make every effort to ensure customer satisfaction with DNGw's products and its services.
8. The distributor **MUST** play the role of distributor, sponsor (upline) and leader to develop DNGw career.
9. The distributor **MUST** obey the Act, Rules and Regulations, Law and its relevant Instructions when conducting business activities.
10. The distributor **NEED** to respect the privacy of other distributors and customers.

## 1. THE QUALIFICATION OF DISTRIBUTOR

- 1.1 According to the rule and regulation, the applicant must be age 18 or above, of any gender, race, political party and religion and introduced by a qualified DNGw distributor.
- 1.2
  - i. The distributor must not sponsor an individual's husband, wife or children into different groups.
  - ii. The group application of a couple (husband and wife) and their children will be assigned to the same group.
  - iii. For the distributor who practice polygamy, the wives must be sponsored by their husband.
  - iv. If two distributors from different groups are getting married, they can choose to:
    1. one of them abandon his/her distributorship, and his/her group will transfer to his/her sponsor's group.
    - OR
    2. the latter's distributorship and his/her groups are transfer to the former's group.
  - v. The husband and wife are sharing awards and recognitions together, in order to protect the rights and benefits of distributors.
- 1.3 DNGw has the rights to deny any applicant that deemed ineligible without any explanation and disclosing any reason.
- 1.4
  - i. Any ex-distributor who has been inactive for at least 12 months, can be introduced by any group, with the approval of the DNGw.
  - ii. The distributor is marked as “active”, if he/she
    1. is selling, attempt to sell, helping to sell any DNGw product.
    2. formally or informally involved in the sale of DNGw products.
    3. introduce new distributors.
    4. involved or participated (himself/herself or on behalf of any member) in any dinner or event organized by DNGw or any DNGw distributor.
    5. presents DNGw Marketing Plan to his/her prospects.
    6. finds himself/herself in HQ, any branches, any stockist centers, with any mobile stockists or any DNGw and its distributor’s point of sale.To avoid any ambiguity, 2.6(ii) is said to be applicable to 1.4(ii) as well;
  - iii. The applicant must submit a notice in written, informing whether he/she or his wife/her husband/children was or is a DNGw distributor, and explain the reason for termination of himself/herself, or his wife/her husband/children. If the distributor unable, negligently false report, or provide invalid information, DNGw reserve the rights to terminate his/her distributorship.

- 1.5 It is not allowed for the same distributor to have more than one account in the DNGw or reap any benefits (formally or informally) from other distributorships.
- 1.6 If DNG found, or believe any distributor has two (2) or more accounts (using his own name or any sponsored person's name), the Company reserve the rights to terminate his/her latest membership and transfer its downline to his/her upline or any appropriate group, based on the DNGw's judgment. The distributor is to bear any claim, compensation or loss caused by the termination, cancellation or transfer of distributorship.
- 1.7 **Conceal The Truth**
  - i. Any distributor who conceal or unable to provide any information that might cause the Company reject his/her application or terminate his/her distributorship, DNGw reserve the right at any time, terminate his/her membership, or transfer the distributor and his/her entire or partial group (downline) to any appropriate group, based on DNGw's judgment; or revoke his/her distributorship in a reasonable time frame; or take any other actions deemed appropriate.
  - ii. If DNGw believe that any introducer knew, or should have known the information as stated in 1.7(i) that are concealed by or not provided by the nominee, DNGw reserve the rights to take action against the sponsor, which include retaining his/her bonus, benefits, commissions, incentives, and terminating his/her distributorship.
- 1.8 DNGw do not need any prior consent of the group being transferred from or the group being transferred to when transferring any distributor or his/her downline; AND the distributor does not has any rights to claim compensation for any loss caused by the said action.

## **2. APPLICATION FOR DISTRIBUTORSHIP**

- 2.1 The applicant must submit DNGw Independent Distributor Application and Agreement Form, attached with photocopy of I.C. and membership fee. All applicants must be introduced by a qualified DNG distributor.
- 2.2 If the information given in application form are found untrue, illegible and inaccurate, the DNGw has the right to:
  - i. terminates the applicant's distributorship immediately;
  - ii. transfer the distributor and his/her entire or partial group to any group deemed appropriate;
  - iii. revoke the distributor's distributorship in a reasonable time frame;
  - iv. revoke the distributor's bonus, benefits, commissions or incentives;
  - v. takes any other appropriate actions.
- 2.3 The successful applicant will be appointed and registered as DNGw Distributor, with a DNGw Distributor ID and a business pack.
- 2.4 The DNGw will refund the distributorship fee to any unsuccessful applicant. However, the business pack returned by the applicant must be complete and able to resale, in order to claim back his/her refund.

## 2.5 Beneficiary

- i. The successful applicant shall use the name written in application to register as DNGw Distributor.
- ii. If the distributor is already married, he/she should report his wife's or her husband's name and other information to the DNGw.
- iii. If the distributor has more than one (1) wife, he can choose one of his wives.
- iv. The distributor should designate a beneficiary. If a beneficiary is still underage, the distributor must appoint a trustee to temporary take care of the beneficiary's rights and benefits.

- 2.6 i. Only the distributor whose name has been registered as member is entitled to bonus, commissions, incentives and other benefits. The husband or wife or appointed wife of the distributor does not has any rights to claim the distributor's bonus, commissions, incentives and other benefits from DNGw.
- ii. If the distributor's husband/ wife/ children exercise significant responsibility on behalf of the distributor, they have:
  - a) violated the Act of Direct Selling and its rules.
  - b) violated the Code of Ethics.
  - c) authorized DNG to terminate or suspend the distributor's membership.
  - d) authorized DNG to take actions against the distributor, which include retention and cancellation of bonus, commissions, incentives and other benefits; at the same time, any action taken by the distributor's husband/ wife/ children shall be treated as the distributor's own actions; DNG reserve the rights to take disciplinary actions and court actions against the distributor for his wife/ her husband/ children's behaviors.

## 3. INTRODUCING

- 3.1 i. According to rules and regulations, the qualified distributor is entitled to introduce any people who has met the requirements, completed the application process and fulfilled DNGw's needs to become a distributor. The distributor must submit the Independent Distributor Application and Agreement form and its relevant documents to the Company as soon as possible to accomplish an introducing.
  - ii. The introducer must ensure his/her nominee fulfills the rules, and eligible to become DNGw Distributor; the introducer also needs to take note that:
    - a) the nominee must not be a DNGw Distributor.
    - b) the nominee must not be the husband/ wife/ children of another distributor.
    - c) the nominee must not be the newcomer invited by another distributor.
    - d) all information given by nominee in application is true and complete; the introducer must check the nominee's IC and verify the information.
- 3.2 The following methods have been prohibited in introducing or encourage people to become a distributor:
    - i. by duress, threat or menace;
    - ii. by providing false and ambiguity information, or misleading others that they will obtain finance benefits by only introducing people to become distributor;
    - iii. by providing or promising to provide money, bribe, incentives and other benefits;

- iv. by deceive, or using the name of DNGw, its brand and trademark to cheat, convince or encourage people to become DNGw Distributor.
- 3.3
    - i. The distributor is prohibited from canvassing, or causing other distributors to abandon or terminate their membership, or become inactive, or leaving his/her upline either directly or indirectly;
    - ii. Any distributor who has violated 3.3(i) shall not be allowed to introduce the nominee into his or others group. To apply and rejoin DNGw, the nominee must be introduced by his/her former Introducer.
  - 3.4 The distributor is prohibited from changing upline. DNGw will not allow any distributor to transfer his/her entire or partial group to other groups.
  - 3.5 DNGw will reject any application to change upline and any request to transfer entire or partially group sale is not allowed.
  - 3.6 The Introducer has the duty to guide and provide training to his/her downline once the nominee's application has been accepted.
  - 3.7 The distributor shall maintain an arm's length, professional relationship with his/her downline.

#### **4. SALES MANAGEMENT**

- 4.1
  - i. DNGw reserve the rights and had been authorized to publish any distributor's name, information, photos, articles and testimonials in Company printed materials, newspapers, mass media, dinners and any other medium.
  - ii. As a DNGw Distributor, he/ she has granted and authorized DNGw to publish his/her information which mentioned in 4.1(a) free of charge, and he/ she has no rights to claim any commission, royalty or other compensation.
  - iii. Even though the distributorship has been terminated, DNGw still hold the copyright of his/her photos, articles, testimonials and other relevant documents, compliance with rights to publish them at any time, and the ex-distributor has no rights to claim any compensation or thwart the publishing.
- 4.2 The distributor must shows his/ her formal distributorship ID whenever he/ she is doing any kind of transaction or presentation; and he/ she must present his/ her distributorship ID and IC while self-introduction.
- 4.3 For any distributor moving to a new country, he/ she must inform the Company in writing.
- 4.4 The distributor must issue receipts for all products sold, and clearly mark the product name, price, distributor name, DNGw distributor ID, IC number and distributor signature.
- 4.5 The distributor must abide by and obey to all DNGw rules and regulations (include the revised rules).

- 4.6 The distributor must presents DNGw products and Marketing Plan to any customer or any prospect in an honest and sincere manner. The distributor is prohibited to make any untrue and ambiguous statement on products, and he/she must not using race, politics, religion and other sensitive issues to promote DNGw products.
- 4.7 The distributor must give a correct demonstration and clear explanation on the function and usage of DNGw products; the distributor is prohibited to make a false statement and ambiguous explanation on DNG products, its usage and function. The distributor also must follow the Law and instruction from Ministry Of Health, shall not claim any DNGw product as “Specific Medicine”. The distributor who has transmitted untrue, ambiguous and misleading statements should bear any consequences the Company might face due to his/her actions.
- 4.8 When explaining DNGw Marketing Plan, the distributor is prohibited to make any statement that is inconsistent with the facts in DNGw leaflets, magazines, information and any other printed materials.
- 4.9 All distributors are independent entrepreneurs; the success of an individual in his/her career depends on himself/ herself. DNGw and its distributor are two independent entities; the distributor is not an agent or an employee to the Company. Therefore, the distributor:
- i. has no rights to use DNGw name, its business name, leaflets or business sign without DNGw's prior written approval.
  - ii. is not a DNGw staff or agent, he/she is an independent distributor/ entrepreneur.
  - iii. has no privileges in any region; the market is open to all DNGw Distributors.
  - iv. must has suitably knowledge in direct sales act, especially Direct Selling Act 1993.
  - v. must keep a record of monthly income, for Malaysian tax purposes.
- 4.10 The distributor is prohibited to claim himself/ herself represent or has the rights to represent DNGw.
- 4.11 The distributor is prohibited to claim himself/ herself represent or has the rights to represent DNGw.
- 4.12 The active distributor is prohibited to has interest or involve in other MLM companies or any competitor's activity, either direct or indirect manner. DNGw will regard the distributor as involved in other MLM companies or any competitor's activities, if:
- i. The distributor, or husband, or wife is a staff (executive or management level), shareholder or director in other MLM companies or competitors.
  - ii. The distributor, or husband, or wife is a distributor in other MLM companies or competitors.
  - iii. The distributor, or husband, or wife involved in the product sale or promotion or any activity of other MLM companies or competitors.
  - iv. The distributor, or husband, or wife is an advisor or coordinator in other MLM companies or competitors.
  - v. The distributor, or husband, or wife provides any training or service to the distributors in other MLM companies or competitors.

The Company will determine whether a company is competitive; the Company's decision is final.

- 4.13 The Company will execute 4.11 through its own judgment, with the coordinates of 2.6(ii).

- 4.14 i. The distributor is prohibited to promote himself/herself or products through newspapers, e-magazine, any printed materials, e-media and any other media.
- ii. The distributor is prohibited to establish any selling center or supply center, formally or informally, to supply or sell any DNGw products. The distributor is also prohibited to display or post DNGw name, trademark and other unique corporate identifying marks in any building or domain without the prior written approval of DNGw.
- 4.15 The distributor shall not request other distributors or DNGw's employees to purchase other companies product, or join in other companies marketing plan.
- 4.16 The distributor is prohibited to re-label or repack any DNGw product.
- 4.17 The DNGw products must be introduced to the market in its original packing and size.
- 4.18 The distributor must sell or distribute any product in DNGw's consent and instruction; and the distributor is prohibited to provide prizes, discounts, incentives, price cutting or offers in any transaction, EXCEPT for those with prior instruction and permission from DNGw. The distributor must sell DNGw products according to DNGw Product Price List.
- 4.19 The Distributor
- i. is prohibited to use DNGw name, business name, slogans or signboard for any purpose; EXCEPT for those with prior written permission from DNGw. The distributor is also prohibited to own, publish or distribute any statement, leaflet, information and advertisement which is related with DNGw products and its development in any media.
- ii. is prohibited to engage in/ sell/ distribute/ promote other company's products, services and activities, or solicit and sponsor any DNGw distributor or its employees to become other company's member.
- iv. is prohibited to promote himself/herself or sell other companies' product in any DNGw dinner, seminar, meeting, event, office, branches, stockist center and other activities.
- v. must not sell products to any customer who has been invited by other distributors.
- 4.20 The distributor is prohibited to use the name of other distributor, no matter whether the permission is given, to sell or attempt to sell, or distribute any DNGw product; the distributor is also prohibited to canvass and put his/her downline's sale volume or others' downline sale volume, into his/her own sale volume.
- 4.21 The distributor is prohibited to spread, make and printing any falsely accusation against DNGw and its products; the distributor is also prohibited to spread, make and printing any opinion or statement that might or might be affect the benefits, image and reputation of DNGw and its products.
- 4.22 The distributor is prohibited to attempt to canvass or force any distributor or DNGw's employee to involve in any sale, distribution or activity of any other MLM company or DNGw competitor.

- 4.23 Any distributor found in violation of these rules, his/her membership will be terminated or suspended, depends on how severe the condition is.

## **5. ORDER AND PAYMENT**

- 5.1 The distributor can order or purchase products in any DNGw branch, stockist center, mobile stockist, or HQ.
- 5.2 The distributor can use cash, credit card, product voucher issued by DNGw to make payment. The product voucher issued by DNGw must also include verification from the person in charge of HQ, branches, stockist centers or mobile centers;
- 5.3 The distributor must not use any other distributor's cheque bonus or cash voucher issued by the DNGw, to purchase products in HQ, branches, stockist centers or mobile centers; EXCEPT for those with permission from the DNGw under special circumstances.

## **6. STOCK RETURN POLICY**

- 6.1 We observe strict checking procedures on all products to ensure that they are in order and in good condition before shipping/handover to our customers.
- 6.2 All products sold are neither returnable nor exchangeable nor any payment made refundable. In the event of receiving wrong or damaged or broken product(s), kindly contact DNGw within 48 Hours upon receiving of such product(s).
- 6.3 The product being exchanged must be unopened and in reusable and resalable condition. DNGw will not ship the exchange product until the returned product is received (c/w sales receipt) and inspected by the company.
- 6.4 Enclose a letter stating the reason for the return.
- 6.5 DNGw will replace the correct product(s) to customers in the event of delivery of wrong product(s) or damaged product(s) that directly result from our fault or error.

## **7. PROMOTION AND BONUS**

- 7.1 The qualifications for promotion and bonus have been explained in Marketing Plan.
- 7.2 DNGw will issue bonus to distributor based on his/her purchase records.
- 7.3 If there is any technical error in Bonus Statement, the distributor must inform DNGw within 7 days from the date the letter was sent. Any complaint or protest after due date will not be entertained.
- 7.4 The distributors have agreed, and DNGw reserves the right to revise Marketing Plan without the prior consent from its distributors.



- 7.5 DNGw reserves the right to cancel or retain any distributor's bonus, commissions, incentives and other benefits, if:
- i. there is any argument or conflict between distributor (or spouse) and DNGw, or among distributors (or spouse).
  - ii. DNGw based on its own judgment, suspend the bonus, commissions, incentives and other benefits for public interest.
  - iii. the distributor (or spouse) has violated or suspected violated any rules and regulations.
  - iv. DNGw has request a letter of explanation from or issue a suspended notice to the distributor (or spouse).
  - vi. the membership of the distributor (or spouse) has been terminated.
  - vii. DNGw should suspend or retain the bonus, commissions, incentives and other benefits of the distributor (or spouse).

## **8. TRAINING AND SELF-IMPROVEMENT**

- 8.1 The distributor is encouraged to attend training courses organized by DNG.

## **9. THE CONSTRAINTS AND HANDOVER OF MEMBERSHIP**

- 9.1 The distributor must purchase at least 30UV product in a single bill within 12 months period from the latest entitle bonus expiry date to maintain his/her distributorship.
- 9.2 The “Distributor” title is belongs to an individual, and must not be transferred, sold, or handover without prior written consent from DNGw; the Company reserve the rights, without notice or explanation, to retain any agreement among the distributors.
- 9.3 Any request to transfer, sell or handover the distributor's rights and benefits, should associated with acceptable reasons, and clear particulars on these transactions.
- 9.4 When DNGw approved the distributor to transfer, sell or handover his/her rights and benefits:
- i. DNGw reserves the right to define reasonable rules and regulations.
  - ii. DNGw reserves the right to revise any privilege, benefits, bonus and other payments to the distributor; and the distributor has no right to appeal.
  - iii. The distributor who handover his/her rights and benefits, her husband, his wife, or children are not permitted to apply or re-apply for DNGw Distributor.
  - iv. The distributor who received the handover has no right to appeal or take any action (to DNGw) on his/her rights and distributorship.

- 9.5 If the distributor become loss of consciousness, death, or disable caused by illnesses, accidents and other reasons:
- i. the rights and benefits of the distributor shall be transferred to his only wife, associated with no “any other instructions” given to DNGw, with a complete documentation and fulfillment towards all Company's requirements.
  - ii. the rights and benefits of the distributor shall be transferred to his appointed wife (if he has more than one wife), associated with a complete documentation and fulfill all Company's requirements.
  - iii.
    - a) if the distributor has more than one wife, his wives must assign one of them to receive the distributor's rights; and the rights and benefits of the distributor shall be transferred to the assigned wife, associated with a complete documentation and fulfill all Company's requirements.
    - b) if his wives, in ninety (90) days or within extended due date given by DNGw, failed, neglect, ignore or unable to reach an agreement to appoint a representative, the rights and benefits of the distributor will transfer to his appointed beneficiary; if the distributor does not appoint any beneficiary, DNGw reserve the rights to terminate his distributorship or take any action deemed appropriate, and the distributor's wives have no right to appeal.
  - iv. If the distributor is still single, or has given a written notice that he refuse to handover his rights and benefits to his spouse or appointed wife, or his spouse or appointed wife has passed way, loss of consciousness and disable before the required documentation have completed, his rights and benefits shall be transferred to his beneficiary under the consent of DNGw.
  - vi. If the distributor has no eligible spouse or beneficiary to receive his rights, ownership, benefits and interests, DNGw reserve the rights, according to its own judgment, to cancel, terminate or take over the distributorship.

9.6 To Prevent Any Ambiguity:

- i. The beneficiary appointed in form or other documents, or the beneficiary nominated in the distributor's will in order to make “any other instruction” become legitimate, it must be written in black and white, and signed in front of attorney, and clearly stated the distributor's rights, rank, benefits and interests, that he refuse to handover his rights and benefits to his spouse or appointed wife; and these documents must be submitted to and verified by DNGw before the rights, benefits and interests be handover to his spouse or appointed wife.
- ii. No one has the rights to receive or take away, the rights, rank, benefits and interests (according to rules and regulations) of a distributor; EXCEPT for those with complete documentation and fulfill DNGw requirements, and the distributor still alive, to be physically and mentally healthy.
- iii. The rights, benefits and interests of a distributor belong to an individual, and his/her rights, benefits and interests are being waived at the time of death. EXCEPT for those who handover his/her rights and benefits to spouse or appointed wife, or the beneficiary, by rules and regulations, else the rights and benefits will not become the legacy when the distributor passed away.

- 9.7 The distributor who wishes to change beneficiary, may do so at any time by giving DNGw a written notice.

## **10. TERMINATION OF DISTRIBUTORSHIP**

- 10.1 The distributor (or spouse) who violates any Law, Direct Selling Act of the distributor's country or DNG Code of Ethics or any rule and regulation, or engage in any act that might affect DNGw's benefits, image and reputations, or upon distributor's bankruptcy, or in the opinion of DNGw the distributor is not suitable or shall not be a DNGw Distributor, or provide false, illegible and inaccurate information in his/her application, DNGw reserve the rights to terminate at any time, the distributorship of distributor (or spouse) without any prior notice.
- 10.2 The distributor may request for distributorship termination at any time, by giving DNGw a written notice and without any explanation.
- 10.3 When the distributorship of the distributor has been terminated, his/her downline will then be transferred to his/her upline, with the condition of DNGw has rights to retain the transfer, until the time deemed appropriate.
- 10.4 Without affecting DNGw rights and benefits, if there is any incident happen as mentioned in Rule 9.1, Rule 2.6(ii), Rule 4.14 or Rule 4.18, DNGw will terminate the relevant distributor under the provision in Rule 9.1. DNGw based on its judgment, and has absolute rights, to suspend the rights and benefits of distributor or take action against the distributor, within the time deemed appropriate. During the time of suspension, the distributor will lose his/ her rights and benefits, including DC rewards; and after the suspension has been waived, the distributor has no right to claim back the losses of rights and benefits.
- 10.5 A distributor whose distributorship has been terminated, suspended or canceled, he/she is not allowed, in any circumstances, to sell or distribute DNGw products, or involved in any other related transaction.

## **11. THE REVISION OF RULES AND REGULATIONS**

- 11.1 DNGw reserve the rights to amend, increase or replace any rule and DNGw Code of Ethics at any time, and announce through DNGw's periodical, or memo, or notice; the distributor must abide by the revised rules and DNGw Code of Ethics.
- 11.2 DNGw will keep one or more copy of Code of Ethics, with revised and finalized rules in DNGw HQ, to be used at any time, whenever there is any argument in definition and content, which is a formal legislative document.
- 11.3 The distributor must at any time, follow-up or be attentive to any alteration in the formal document; the distributor has the duty to check himself, the new rules released in the formal document.

## **12. OTHERS**

- 12.1 If there is any rule, Code of Ethics, or any regulation has been pronounced invalid or cannot be executed, by court or any appropriate authority, it does not affect the validity and enforcement of other provisions in rules or Code of Ethics.

12.2 The rules and regulations shall become invalid and cannot be executed once they violate:

- i. Act of Parliament.
- ii. Government Policies and Order.
- iii. Direct Selling Act of distributor's country.
- iv. any terms and condition as may be decided by appropriate authority from time to time.

And these may not affect DNGw rights to execute other rules and DNGw Code of Ethics.  
This Code of Ethics only for Independent Distributor.

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END  
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