

TIENS EUROPE REGION

POLICY & PROCEDURES

JULY 2016

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INTRODUCTION

1. TIENS Policies & Procedures (hereinafter referred to as TPP) will take effect from 26th July, 2016 and shall supersede all the earlier versions.
2. The TPP are aimed at maintaining sound order in the direct-selling market and at safeguarding the rights and interests of our Distributors. Therefore, all Distributors must carefully read the TPP and ensure that they understand both, their obligations and rights. Any deviation from the provisions of the TPP may lead to the termination of the TIENS ID(s), forfeiture of bonuses and forfeiture of other rights and interests.
3. Should any of the provisions of the TPP contradict local rules or regulations, the local rules and regulations will automatically apply and be followed. All amendments, changes and revisions to the standard TPP must be submitted to EHQ for approval. TIENS reserves all rights to amend, interpret and explain the provisions of the TPP as deemed necessary.



1. DEFINITION OF TERMS

1.1. TIENS

TIENS refers to the Tianjin Tiens Group and all its subsidiaries set up globally under the name of TIENS or Tianshi.

1.2. CHQ

CHQ refers to TIENS Head Offices established at No.18 Xinyuan Road, Wuqing Development Area, New-Tech Industrial Park, Tianjin, China.

1.3. TIENS Distributor

Any eligible citizen who is sponsored by a current TIENS Distributor and has purchased the TIENS Starter Kit and had his TIENS Distributor Application Form accepted by TIENS.

1.4. TIENS Compensation Plan (TCP)

TIENS Compensation Plan comprises all rewards plans, rules, regulations and measurements for TIENS Distributors. TIENS reserves all rights to amend, interpret and modify the compensation plan as deemed necessary.

1.5. Sponsor

A TIENS Distributor who sponsors others into the TIENS Business Opportunity; a.k.a. "Upline".

1.6. TPP (TIENS Policies & Procedures)

The TPP are part of TIENS Compensation Plan.



1.7. TIENS Products

“TIENS Products” refers to products manufactured or supplied by TIENS or its OEM/ODM suppliers and distributed by TIENS. It also refers to products, sales-support goods, video/audio materials or services provided by TIENS and sold or used by its Distributors according to the TPP.

1.8. TIENS Business Alliances

These Business Alliances include: Tianjin Tianle International Trading Co. Ltd (to be amended accordingly in compliance with local laws and regulations during registration); Tai Ji Sun Health Management Co. Ltd.



2. TIENS DISTRIBUTORS

2.1. How to apply for TIENS Distributorship

2.1.1. Any adult citizens who have the capacity for civil conduct according to local laws, irrespective of their sex or race, are eligible to apply for TIENS Distributorship and enjoy the equal opportunities to become a TIENS Distributor.

2.1.2. People who are not permitted to engage in Direct-Selling or other business operations according to local legislation are not eligible to apply for TIENS Distributorship.

2.1.3. Regular employees of TIENS Group and their direct relatives are not eligible to apply for TIENS Distributorship. (“Direct relative” refers to persons related to the employee or his/her spouse by one generation upwards or downwards, e.g. parents, children and siblings, etc.)

2.1.4. TIENS Distributors, who are no longer eligible as such according to local laws or TIENS regulations, will have their Distributorship terminated from the date relevant reasons occur.

2.1.5. TIENS Distributor Qualifications refer to their qualifications, ranks, rights, obligations, and responsibilities. The TIENS Distributor ID is a unique identifier based on the TIENS Distributor’s qualifications; in other words, each TIENS Distributor Qualification corresponds to one single TIENS Distributor ID.

2.1.6. Every TIENS Distributor may own up to three IDs, on the condition that these three IDs must be placed in the same network. The Distributor is personally responsible for all rights and obligations with full legal liability for all three IDs.

2.1.7. It is not permitted to transfer or sell TIENS Distributorships without authorization. In cases of violations of this rule, TIENS will regard the sale or transfer as invalid, and all legal liabilities and losses incurred therefrom will be borne by the offender.

2.1.8. A TIENS Distributor is not permitted to engage in Direct-Selling business with any other company than TIENS, or to engage in any other Direct-Selling activities than those organized by TIENS. Otherwise, TIENS is entitled to terminate or refuse to recognize the TIENS Distributor.



2.1.9. TIENS reserves the right to accept or reject any application to become TIENS Distributor.

2.1.10. TIENS Distributor validity and renewal:

2.1.10.1. The renewal period of a TIENS Distributor is counted from the date of joining TIENS, until the last day of the 12th Bonus month. In the following, each other renewal period will last for 12 months.

2.1.10.2. TIENS Distributors must fulfill all qualification requirements for renewal before the end of each renewal period.

2.1.10.3. In case of failure to renew the Distributorship within the renewal period, or in case TIENS rejects the renewal application within or after the renewal period, the TIENS Distributorship will be invalid.

2.1.10.4. In case of violations of the provisions of the TPP or other rules before the end of the renewal period, TIENS reserves the right to reject to renew the Distributorship.

2.1.10.5. For TIENS Distributors who do not place any order within the 12 months of the valid period and Distributorship expire, he/she may apply to rejoin as new Distributor in the following month as new Distributors

2.2. Procedures to apply for TIENS Distributorship

2.2.1. Those who wish to apply to become TIENS Distributors must be recommended by an authorized TIENS Distributor.

2.2.2. Applicants shall confirm that they read and understood the TPP and have a complete understanding of TIENS Starter Kit, before filling in the Independent Distributor Application and Agreement. The applicant agrees to follow all TIENS regulations and guidelines.

2.2.3. Independent Distributor Applications and Agreements should be sent immediately after filling up to TIENS. A TIENS ID Number and card will be issued upon approval of the application through TIENS, whereby the applicant officially becomes a TIENS Distributor.



2.2.4. Independent Distributors should register via TIENS **xxx** (www.tiens.**xxx**) country website to activate the Distributorship.

2.2.5. In case of several applications for TIENS Distributorship submitted by the same applicant, the first Distributorship duly completed, received and approved by TIENS will be regarded as the Principal TIENS Distributorship.

2.2.6. After receiving approval for the first Distributorship, if a TIENS Distributor seeks to apply for a second or third Distributorship (Affiliated ID), the ID of the Principal Distributorship must be provided during the application process, so that the Affiliated ID(s) can be added into the same Distributor network. Should a Distributor fail to provide the ID of the Principal Distributorship and this failure lead to the creation of a non-affiliated ID in a separate network, TIENS reserves all rights to invalidate these IDs upon detection.

2.2.7. All information provided by the applicant must be correct. It is strictly prohibited to fraudulently use another person's identity. Applicants will be held liable if found out to have provided incorrect data. TIENS reserves all rights to take action including termination of the TIENS ID(s).

2.3. Rules regarding TIENS Distributorship for spouses

2.3.1. When a married couple applies to join TIENS:

2.3.1.1. If both partners in a couple are willing to join TIENS business, the couple can register under one TIENS ID. By signing jointly on one Independent Distributor Application and Agreement, both partners share TIENS responsibilities and business. Both partners are committed to following the TPP and are taking equal responsibility for violations from either partner.

2.3.1.2. Should one party of the couple not intend to be a TIENS Distributor, he/she does not need to sign an application. He/she will then also not be eligible to make any decision pertaining to the qualification as TIENS Distributor. Anyone intending to join TIENS business with his/her partner, should obtain the partner's written consent, and then apply officially to TIENS. The status as TIENS Distributor will be considered valid upon the approval by TIENS.



2.3.1.3. Married couples or partners in a legally recognized partnership are allowed to be part of the same structure. Each of them is permitted to have up to three TIENS IDs provided that those are in the same structure and have been reported to TIENS. In case a couple previously registered with separate IDs decides to undertake TIENS business together, one partner can apply for jointly running TIENS business with the other; resulting in the termination of his/her own TIENS Distributorship.

2.3.2. In case of a marriage or newly registered legal partnership between existing TIENS Distributors, they can either retain their original TIENS ID(s), or one partner can apply to jointly run TIENS business together with the other partner, resulting in the termination of his/her own TIENS ID(s).

2.3.3. When a non TIENS Distributor who is the spouse of a TIENS Distributor violated the Rules & Regulations of TIENS, TIENS will reserve all rights to take action over the TIENS Distributorship .

2.3.4. In case of a marriage or newly registered legal partnership between existing TIENS Distributors, they can retain both their original TIENS IDs, or one partner can relinquish his/her status to become a direct down-line of the other partner.

2.3.5. In case of a divorce or dissolution of a legally registered partnership between a couple who jointly owns TIENS ID(s), the following regulations shall be complied with:

2.3.5.1. Upon agreement between the couple, the ownership of the TIENS ID(s) shall be continued by the elected partner, and the other shall apply for new TIENS ID(s) at the same time.

2.3.5.2. Should the former couple be unable to reach an agreement, TIENS will temporarily freeze all bonuses until an agreement is reached

2.4. Inheritance and Continuance of TIENS Distributorship

2.4.1. If a TIENS ID belongs to a couple with one partner passing away, the other partner will be regarded as the heir of this TIENS ID as well as all corresponding rights and obligations.

2.4.2. If a TIENS Distributor passes away, the following rules shall be executed accordingly:



2.4.2.1. If the TIENS Distributor has a legal heir, and this heir is eligible to become a TIENS Distributor, he/she will be regarded as the heir of all TIENS ID(s) from this Distributor;

2.4.2.2. If the TIENS Distributor has a legal heir, and this heir is already a TIENS Distributor, he/she could only inherit the TIENS ID(s) with the termination of all of his/her own TIENS ID(s);

2.4.2.3. If there is no heir applying to inherit the TIENS ID(s) from TIENS within 6 months after the Distributor passed away, this Distributor will be regarded as having terminated TIENS business voluntarily. TIENS has the right to dispose of the Distributorship at its own discretion.

2.4.3. Should a TIENS Distributor lose his/her ability to work or is 65 years or older, TIENS, will permit the transfer of all of this Distributor's TIENS ID(s) and associated benefits to a direct relative (parent, child, spouse or sibling) who is eligible to become a TIENS Distributor. The transfer will only be effective if the designated beneficiary has given up all of his/her existing TIENS Distributorships, if any. The original owner of the TIENS Distributorship(s) is deemed to have totally surrendered all claims of ownership connected to the transferred ID(s) effective from the day of approval of the transfer.

2.5. Termination of and Re-Application for TIENS Distributorship

2.5.1. Termination of TIENS Distributorship means TIENS terminates all contracts it closed with the concerned TIENS Distributor. From the date of issuance of the termination notice, the terminated TIENS Distributor will immediately lose his TIENS Distributorship rights and interests, including the bonuses generated from the concerned TIENS ID.

2.5.2. Should a TIENS Distributor (including partners of a couple with shared TIENS ID) be found to have committed any of the below listed violations, TIENS will inform him/her via letter of required amendments or further consequences. These include but are not limited to correction measures and termination of the TIENS Distributorship.

2.5.2.1. Providing false information in the TIENS Distributor Agreement (including non-original signature).



2.5.2.2. Serious violations of the TPP.

2.5.2.3. Violations of the Policies & Procedures where previous written requests for correction within a certain timeframe by TIENS Corporation were ignored or not fully complied with.

2.5.2.4. Violations of law punishable by imprisonment.

2.5.3. When a TIENS Distributorship is terminated, the TIENS Distributor will lose all his/her position in personal structures, including but not limited to, ranks and bonuses.

2.5.4. Where a TIENS Distributorship is terminated voluntarily by the TIENS Distributor, the former-Distributor is not allowed to re-apply for TIENS Distributorship within six months after the termination.

2.5.5. Where a TIENS Distributorship is compulsorily terminated, former-Distributor is not permitted to re-apply for approval within twelve months after the termination. Re-application depends upon approval from TIENS.



3. RIGHTS AND RESPONSIBILITIES OF TIENS DISTRIBUTORS

3.1. Rights of TIENS Distributors

A TIENS Distributor has the following rights & interests:

- 3.1.1. To buy, use and promote TIENS products.
- 3.1.2. To participate in TIENS Compensation Plan and other Incentive Plans, to receive relevant bonuses and awards.
- 3.1.3. To sponsor other eligible persons to join TIENS to build a direct-selling career.
- 3.1.4. To participate in other events, trainings and meetings organized by TIENS and or Distributors.

3.2. Observation of local laws and regulations

TIENS Distributors must obey all constitutions and legislations of the country that they reside in, especially the laws, regulations and rules that relate to Direct Selling businesses. TIENS Distributors cannot involve in any business transaction that has been specified by the government as fraud or unlawful, or in any activities that may jeopardize the reputation of TIENS.

3.3. Observance of TIENS rules and policies

When carrying out any activities related to TIENS business (including retailing, sponsoring and meetings, etc.), TIENS Distributors must identify themselves as such by producing TIENS ID card. Distributors must always completely abide by the TPP, TIENS Compensation Plan and other relevant methods, rules, policies, procedures, regulations, measures and revisions.



3.4. Follow TIENS Regulations, and guarantee quality service

3.4.1. TIENS Distributor can choose to order Joining Packages directly from TIENS branches or online. For repeat orders, TIENS Distributors can choose to place orders via TIENS's Authorized Agent Offices, TIENS branches, or TIENS online website.

3.4.2. TIENS Distributors must sell TIENS products to customers at the recommended retail prices regulated by TIENS.

3.4.3. TIENS Distributors must offer product demonstrations and give a verbal explanation of usage and notes shown on product tags.

3.5. TIENS Distributors must order goods directly from TIENS branches or its authorized stores.

3.5.1. All journals/magazines and video/audio materials created and published by TIENS are under protection of local copyright laws. Without prior permission by TIENS, TIENS Distributors or any other person may not reproduce, reprint, produce and copy the above-mentioned materials in whole or in part in any form. Otherwise, all legal liabilities incurred must not be held against TIENS, and should be borne by TIENS Distributors themselves. TIENS has the right to make claims according to law for any losses it may sustain.

3.5.2. TIENS Distributors can only use the words, audio/video materials published by TIENS and for the sole purpose of helping to build TIENS business.

3.5.3. Without prior authorization by TIENS, TIENS Distributors may not create, publish or sell in any form sales-supporting materials related to TIENS.

3.5.4. TIENS Distributors are permitted to make audio/video recordings of all kinds of meetings held by TIENS, provided that: the quality of the meetings or the participation of others are not compromised; only one copy of audio/video can be made; this copy is only be used by the Distributor himself/herself; and it cannot be reproduced, sold or used for other purposes.



3.6. TIENS Distributors must observe meetings-governing rules.

3.6.1. A meeting or event organized by TIENS Distributors must be called according to the rules of TIENS, which must follow the purpose of training Distributors, or be used to promote TIENS business or TIENS products. The organizer is strictly prohibited to use such gatherings for other objects.

3.6.2. TIENS Distributors who own TIENS organizations must report to TIENS to register such logos and names. The marks cannot be used until being officially approved by TIENS.

3.6.3. When TIENS networks are engaged in activities that need TIENS Brand/Logo for identification, they must use the name of “TIENS Distributor” as the main identification, with the name of the structure as an auxiliary part.

Example: TIENS Distributors XX Structure Training Session

3.7. Using TIENS brand and trademarks

3.7.1. A TIENS Distributor must know that all TIENS trademarks, medals, symbolic badges, designs, layouts, audio and visual materials, as well as all technological skills and knowledge related to TIENS Business Plan and products utilized by TIENS are actually the properties of TIENS. All the mentioned have been registered, utilized and authorized and can only be used by TIENS in the local countries exclusively.

3.7.2. A TIENS Distributor shall not misuse the brand and trademarks of TIENS and TIENS Business Alliances in the following ways:

3.7.2.1. Producing, obtaining and selling any goods printed with 天狮/ TIENS/Tianshi (or symbols and trademarks of TIENS or TIENS Business Alliances) through other sources outside of TIENS;

3.7.2.2. Placing any brand and trademarks of TIENS or TIENS Business Alliances (except for the stickers/signs sold by TIENS) on personal cars.

3.7.2.3. Advertising or broadcasting business activities or products of TIENS or TIENS Business Alliances in any media.



3.7.2.4. Utilizing the name 天獅, Tianshi, TIENS or TIENS Business Alliances as the name for any organization/business, or authorize others to use such names.

3.7.2.5. Using the name 天獅, Tianshi, TIENS or TIENS Business Alliances and trademarks without the prior approval by TIENS.

3.7.2.6. It is not permitted to try to register name or trademarks of TIENS or TIENS Business Alliances for official or semi-official organizations, or to raise objections in any form or claim any rights. Where registrations have been applied for, objections raised or rights claimed, instructions from TIENS must be followed.

3.8. Duties and Responsibilities of TIENS Distributors joining the TIENS Business Alliances

3.8.1. Abide by all rules and regulations, including all legal and administrative regulations

3.8.2. Observe principles of service, fairness, honesty and dependability when conducting business activities; respect social ethics and safeguard the interests and good image of TIENS Business Alliances

3.8.3. Comply with all related rules and regulations when engaging in activities of TIENS Business Alliances.

3.8.4. All information provided by the applicant during application to become a member of the TIENS Business Alliances must be correct and valid. It is strictly prohibited to fraudulently use another person's identity or to obtain the TIENS Business Alliances membership through improper means. Upon detection of false information provided or failure to meet membership requirements, TIENS reserves all rights to take appropriate actions, including the cancellation and withdrawal of all benefits and privileges of the TIENS Benefit Alliances membership.

3.8.5. Responsibilities of TIENS Distributors when promoting the TIENS Business Alliances business

3.8.5.1. To retail the TIENS Business Alliances products at the recommended price, without any additional fees nor engaging in pricing discounts or other pricing anomalies when selling to customers.



3.8.5.2. To conduct product demonstrations and offer clear explanations on the usage and precautions as shown on the product labels when selling to customers.

3.8.5.3. To courteously and expeditiously handle all customer complaints, following the guidelines provided by the TIENS Business Alliances regarding product returns and exchanges.

3.8.5.4. It is prohibited to use the TIENS Business Alliances sales channels to promote or sell non-TIENS Business Alliances products.

3.8.6. Responsibility of TIENS Distributors to promote businesses of TIENS Business Alliances

3.8.6.1. It should neither be promoted as a get-rich-quick scheme nor as one which makes life easier.

3.8.6.2. Studying diligently, understanding the status of the Alliances companies, avoiding exaggeration of the strengths of the TIENS Business Alliances.

3.8.6.3. Spread neither any business, promotions, policies and other information which has not been approved by the TIENS Business Alliances, nor any false information regarding the TIENS Business Alliances.

3.9. Responsibility of TIENS Distributors in sales and marketing

3.9.1. In the case of all major claims or complaints made by TIENS Distributors, the network leading Distributor must promptly report to TIENS, supplementing with written and verbal descriptions, to constantly improve the service quality of TIENS.

3.9.2. TIENS Distributors can only display or sell TIENS products in stores authorized by TIENS. They may not, or delegate others, to sell or display TIENS products in any public areas.

3.9.3. It is not permitted to sell products or recruit TIENS Distributors in a door-to-door way, or to sell products or present TIENS Compensation Plan to strangers/passersby in public areas.

3.9.4. It is not permitted for TIENS Distributors to use telemarketing methods, fax, flyers, posters, large quantity mailings or other communication methods to promote sales; and they are not permitted to ask others to join TIENS business in any other improper way.



3.9.5. Without written approval from TIENS, it is not permitted to create, publish or release advertisements, explicitly or implicitly, to promote products or recruit Distributors.

3.9.6. TIENS Distributors may not take advantage of the authority of individuals, enterprises or other organizations to sell TIENS products or introduce new TIENS Distributors in any improper manner, such as intimidation or threats.

3.9.7. It is not permitted to represent TIENS, its products, or products it distributes in any exaggerated, unfounded or misleading way.

3.9.8. It is not permitted to distort the prices, specifications, quality, functions, grades, ingredients, styles, models, places of origins or supplies details, etc. of TIENS products or products distributed by TIENS.

3.9.9. It is not permitted to represent TIENS products or products distributed by TIENS with unwarranted sponsors, approvals, functions, ingredients, usages, etc.

3.9.10. TIENS products or products distributed by TIENS can only be sold at the prices prescribed by TIENS for local markets.

3.9.11. It is not permitted to import or sell any TIENS products or products distributed by TIENS that are not supplied by TIENS, or to export or help others to export TIENS products or products distributed by TIENS.

3.9.12. It is not permitted to represent and promote non -TIENS products/service as from TIENS or distributed by TIENS.

3.9.13. It is not permitted for TIENS Distributors to use TIENS networks to sell products/services which are not manufactured or distributed by TIENS (e.g. insurances, taxes, real estate, investment, etc.)

3.9.14. Without prior permission of TIENS, it is not permitted to register or set up websites related to TIENS and use them to release TIENS-related information, product description or business promotion materials.

3.9.15. Being engaged in marketing/sales, TIENS Distributors are not permitted to make any charges in any other form than prescribed within the rules laid down by TIENS.



3.9.16. It is not permitted to disparage, verbally attack TIENS, other TIENS Distributors or other lines of business or trades.

3.9.17. It is not permitted to deceive, pile stocks, purposefully manipulate sales, and disrupt market orders.

3.9.18. It is not permitted to engage or participate in businesses that are in competition or of similar nature with TIENS. Using or inducing the TIENS business connections, or using other TIENS Distributors to promote non-TIENS business is similarly prohibited. In the Handbook of Business Conduct, “inducement” includes any form of offer, invitation or persuasion to entice other TIENS Distributors to try, buy, use or sell these products and/or services, regardless whether the intention is for profit or otherwise.

3.9.19. During the marketing process, TIENS Distributors cannot spread any negative comments or speeches that may have a negative influence on TIENS development and reputation.

3.9.20. TIENS Distributors must ensure that, TIENS is not influenced by any liabilities, claims, requirements, lawsuits from any individuals or groups, that are caused by his/her personal behaviors (distortion, unwarranted claims, false products, intimidation, threats etc.) relating to TIENS Business or TIENS products. The Distributor must make compensations to TIENS or concerned parties for any losses, damage to business reputation, mental anguish, etc.

3.9.21. Without prior permission of TIENS, it is not permitted to accept media interviews or reports as TIENS Distributors.

3.9.22. TIENS Distributors are not permitted to:

3.9.22.1. Represent themselves as the employee or commercial partner of TIENS or organizations related to TIENS.

3.9.22.2. Represent themselves as TIENS business attorneys, brokers, commercial agent, go-between, business representative, delegate, manager, etc.

3.9.22.3. Take slandering, threatening or intimidating actions in any form against TIENS employees for the official activities they are bound to make as such.



3.10. Responsibilities of a sponsor

3.10.1. When sponsoring others to become TIENS Distributor, a Distributor must represent the TCP and TPP truthfully and honestly. During the representation, the TIENS Distributor may require the potential Distributor to sign the application form, provided that he/she does not make any fraudulent, concealed or misleading statements about the TCP. During the representation, the Distributor must especially stress on the following points:

- The qualification of becoming a TIENS Distributor
- TCP
- Importance of attending various meetings organized by TIENS
- TPP
- Obligations and responsibilities of TIENS Distributors
- Compensation Plan
- Categories, prices, indications, quality and purposes of TIENS products
- Resignation of Distributors

3.10.2. It must be explicitly ascertained whether the potential Distributor and his/her spouse were TIENS Distributors. If one happened to be a prior TIENS Distributor, the Distributor can only sponsor the person six months after the termination of the previous Distributorship. In the event the sponsored person violates any of the provisions of the TPP in the future, leading to the situation where TIENS Corporation has to give punishment, and the sponsoring Distributor and the up-lines sustain losses, then the matter must be resolved by the concerned parties according to proper rules.

3.10.3. The placement Sponsor must fulfill the following responsibilities:

3.10.3.1. Giving their downlines regular retailing trainings, guidance and encouragement. Keeping in touch with all members of the structure and solving their problems whenever necessary.

3.10.3.2. Providing special trainings to ensure that all Distributors in the networks operate according to TCP.



3.10.3.3. In the case of any disputes in the network, the Sponsor should mediate and solve the disputes in a prompt and friendly manner.

3.10.3.4. Supervising the performance of structures to ensure: professional, ethical business operation; proper promotion of TIENS business; and superior services.

3.10.4. Under any circumstances, a TIENS Distributor cannot (directly or indirectly) assist, persuade or interfere with another TIENS Distributor to leave his structure or to switch to another structure.

3.10.5. TIENS is dedicated to maintaining the complete structures of Distributors and does not allow Distributors to switch their sponsors and placement sponsors. TIENS reserves the right to reject any applications to switch structures.

3.11. Responsibilities of Honorary TIENS Distributors

3.11.1. A HTD does not only need to fulfill obligations as a Placement Sponsor and TIENS Distributor, but also need to accomplish responsibilities such as:

3.11.1.1. Ensuring that all Distributors in his/her structure provide services to consumers in compliance with the TCP.

3.11.1.2. Ensuring that he/she serves as a role model by: strictly abiding by the TPP and all revised rules laid down by TIENS; providing trainings to all Distributors in his/her structure so that the latter understand the focus in operating TIENS business and abide by the TPP and all revised TIENS rules.

3.11.1.3. In case the Distributors in his/her networks are located in different regions, the TIENS Honorary Distributor must provide trainings for Distributors in various localities, or help them to participate the conference that boosts their TIENS business.

3.11.2. TIENS Honorary Distributors must keep up an active attitude in operating his/her network, and a focus on the expansion of the network. If a TIENS Honorary Distributor fails to fulfill the following key responsibilities as a leader, TIENS has the right to freeze any bonuses, Honorary status, and all the relevant incentives, such as travel funds.



3.11.2.1. The TIENS Honorary Distributor has to intervene immediately if finding out Distributor(s) in his/her structure are spreading speeches that may lead to negative influences on TIENS reputation, meanwhile the TIENS Honorary Distributor has to report to TIENS and give guidance to the downline.

3.11.2.2. TIENS Honorary Distributors must take purposeful travels to where their structures are based at, to organize trainings, meetings, and events to the structure, at least once every two months at his/her own cost

3.11.2.3. In the case of cross-border marketing operations, TIENS Honorary Distributors must take purposeful trips to the foreign countries that their structures are based at, to organize trainings, meetings, and events to the structure, at least twice per year at his/her own cost

3.11.2.4. TIENS Honorary Distributors must make an inspection trip at least twice every year at his/her own cost, to the overseas markets for organizing education and training events and providing consultation services to the overseas structures.

3.11.2.5. TIENS Honorary Distributors must actively organize systematic trainings to their structures and give supports to the development of downlines.

3.11.2.6. Bronze Lion and Silver Lion rank Distributors must organize business meetings or home parties at least once every month. Distributors have to organize trainings and events regularly according to the Tiens Business Operating Guidelines. Home Parties or Product Sharing on every Tuesday; Business Training, Product Training or OPP Training on every Thursday; and OPPS on every Saturday.

3.11.2.7. Gold Lion and above Distributors rank Distributors must support TIENS branches or their structures to organize trainings or BBS at least twice every month, including story sharing or trainings.

3.11.3. TIENS Honorary Distributors must actively implement strategies and policies given by TIENS, and work hard to expand markets and serve as role models for Distributors to boost the markets.

In order to be advanced to Honorary ranks, Distributors must fulfill the qualifications stated in the TCP, as well as follow the relevant local regulations.



4. VIOLATIONS, DISCIPLINARY AND CORRECTIVE MEASURES

4.1. Punishments for Violations by Distributors

4.1.1. When Distributors are found in violation of the provisions of the TPP that caused negative influence on TIENS reputation and interests of other TIENS Distributors, TIENS has the right to give punishments to the offending Distributor according to TPP.

4.1.2. TIENS has the right to decide whether to publish the violation details in form of: notices, announcements, letters, meetings, through TIENS website, E-mails etc. The detailed information published may include, but is not limited to: Distributor name, TIENS ID, rank, violation behavior, and penalty

4.1.3. In case a TIENS Distributor receives bonuses through the violations to TIENS regulations, TIENS has the right to recalculate, deduct, and cancel the bonuses and ranks of related offenders.

4.1.4. Penalties on violations are graded according to the severity of violation details, into a scale from one to nine levels. In the case of more than 2 violations at the same time, the highest level will be applied.

4.1.5. Penalty Scale:

Level 1: Verbal Warning

Level 2: Written Warning

Level 3: Freeze of bonuses, and cancellation on participations to all TIENS activities.

Level 4: Deduction of 50% of bonuses from the offending month

Level 5: Deduction of 50% of bonuses for 2 consecutive months since the offending month

Level 6: Deduction of 50% of bonuses for 4 consecutive months since the offending month

Level 7: Deduction of 50% of bonuses for 6 consecutive months since the offending month

Level 8: Deduction of 50% of bonuses for 12 consecutive months since the offending month, as well as cancellation of all the Honorary awards in the current year.



Level 9: Termination of TIENS Distributorship(s), including all the bonuses and honorary awards.

4.1.6. If the Distributor is involved in, or may be involved in violations to TIENS regulations, TIENS reserves the right to accordingly postpone the applications of information corrections submitted by this Distributor. Decision will be made after the inspection of violation behaviors.

4.1.7. TIENS has the right to review the eligibility to Travel Incentives or anniversary Conventions of Distributors that are under penalty.

4.1.8. In the case that local government is involved, TIENS will adjust penalty decisions concerning the opinions from local government, as well as the influences that the violation caused in the local business environment.

4.1.9. Even if TIENS does not look into the TIENS Distributor who violates the Policies & Procedures, this does not mean that such violations to the same nature done by other TIENS Distributors will not be looked into.

4.1.10. It is strictly prohibited for TIENS Distributors to provide false documents and interrupt the investigation from TIENS.

4.2. Grievance Procedures

4.2.1. Distributors may file a complaint within 2 months since the infringement of their rights (date of violation)

4.2.2. TIENS reserves the right to reject the complaints that already passed the prescription period

4.2.3. Relevant documents have to be submitted together with the complaint, which may include but not limited to: complaint letter, the ID/passport of the complainant, evidences.

4.2.4. Distributors may file complaints through TIENS branches. Having done so, the Distributor should: try to avoid leaving the registered address; keep in touch with TIENS; accept inquiries/investigations; and give further support materials if required.



4.2.5. Upon receiving and accepting the complaint from TIENS Distributor, TIENS will start the investigation within prescribed time. During the process, the complainant and the Distributors involved should actively work with TIENS. TIENS reserves the right to freeze the bonuses of the Distributors involved.

4.2.6. During the investigation, TIENS may take necessary measures accordingly to collect evidence.

4.2.7. TIENS will handle the complaint according to TIENS regulations based on the investigation, evidence collected and mediation results, and notify both the complainant and Distributors involved.

4.2.8. Distributors may apply for an appeal within 10 working days since the reception of the notification with supplement evidences. No appeal within the time frame will be regarded as an acceptance of the decisions.

4.2.9. Upon receiving the appeal application and supplement evidences, the TIENS CHQ will start the review procedure of the complaint.

4.2.10. The appeal decision made by TIENS CHQ will be the final decision, which should be strictly followed by Distributors. There is no possibility for a second review.

4.3. Correction Measures

4.3.1. If TIENS believes that there are one or more Distributors within the same structure misrepresenting the TCP or seriously violating the TPP, TIENS may take correction measures against all or part of the structures in the structure.

4.3.2. Before executing the correction measures, TIENS will inform the involved TIENS Distributor of the reasons of penalties to emphasize the necessity of such actions.

4.3.3. When TIENS informs the Distributors according to TIENS regulations, involved Distributors are permitted to make a statement about the whole incident, and undertake an investigation in their own structures within a prescribed period.

4.3.4. Distributors who have been subject to correction measures should finish a thorough retraining to learn how to correctly represent and implement the TCP, and how to give



trainings correctly. The retraining sessions will be hosted by a leading Distributor or other designated Distributors under the supervision of TIENS.

4.3.5. The leading Distributor or other designated Distributors must submit the retraining sessions' agenda, which should contain date, time, venue, expected number of attendance and names of lecturers of the TCP.

4.3.6. During the retraining sessions, all the attending Distributors must sign attendance, which should be submitted to TIENS by the leading Distributor or other designated Distributors

4.3.7. TIENS may delegate representatives to attend the retraining sessions, in order to keep informed about the proceedings and place special emphasis on the essential part of the TCP; the representatives may host the sessions instead of the original hosts when necessary.

4.3.8. If the Distributor or relevant sponsors are slow or even fail to take proper and effective measures within the prescribed period, TIENS has the right to take further actions against them.