

TERMS AND CONDITIONS OF RESELLER REGISTRATION (“T&C”)

YOU MUST READ THESE TERMS AND CONDITIONS CAREFULLY BEFORE SUBMITTING YOUR REGISTRATION TO CANALE ENTERPRISE (Company Registration No.: IP0509903-D) (“Supplier”) via the website at <https://reseller.canale.com.my> , <https://canaleshop.com> ("Site").

1.0 INTRODUCTION

- 1.1 The Supplier is a supplier of beauty and skin care products listed on the Site (“Products”).
- 1.2 The Reseller wishes to purchase the Products from the Supplier on the terms and conditions contained herein and be authorised to resell the Products on the Platforms authorised by the Supplier.

2.0 INTERPRETATION

- 2.1 The following words and phrases shall have the following meanings unless the context requires otherwise:

“**Business Day**” means a standard business day in Kuala Lumpur, Malaysia;

“**Posting Date**” means within three (3) working days from the Shipping Order(s) being placed by the Reseller;

“**Delivery Location**” means the address for delivery of the Products, as set out by the Reseller in the respective Shipping Order;

“**Information**” means all information and attachments submitted by the Reseller via the Registration on the Site including any updates, proposals and/or supporting documents from time to time;

“**Stocks**” means an order placed by the Reseller with the Supplier for the Products via the Site or any other mode(s) determined by the Supplier to be transferred to the Reseller’s account;

“Shipping Order” means an order placed by the Reseller with the Supplier for the Products via the Site or any other mode(s) determined by the Supplier to be posted to the Delivery Location specified by the Reseller;

“Parties” means the Supplier, the Reseller and their respective successors and permitted assigns, and **Party** means any one of them;

“Platforms” means social media sites such as Facebook, Instagram, WeChat or any other platform(s) which may be determined by the Supplier from time to time;

“Registration” means the User Profile section listed on the Site which ought to be duly completed and submitted by the Reseller in order to be an Authorised Reseller.

2.2 In this T&C, unless the context otherwise requires:

- 2.2.1 a reference to any document (including this T&C) is to that document as varied, novated, ratified or replaced from time to time;
- 2.2.2 words in the singular include the plural and vice versa and words in one gender include any other gender;
- 2.2.3 a reference to any party includes its successors in title and permitted assigns, a reference to a “person” includes any individual firm, body corporate, association or partnership, government or state (whether or not having a separate legal personality), and a reference to a clause is to a clause of this T&C;
- 2.2.4 the heading of clauses is for convenience only and will not affect the interpretation of this T&C;
- 2.2.5 any undertaking under this T&C not to do any act or thing will be deemed to include an undertaking not to permit or suffer the doing of that act or things; and
- 2.2.6 the word “includes” in any form is not a word of limitation.

3.0 THE REGISTRATION

- 3.1 By completing the Registration on the Site, providing and submitting the Information from time to time via the Site and/or via any other mode(s) as determined by the Supplier, the Reseller is deemed to have read, understood, accepted and be bound by the terms and conditions stipulated in this T&C.
- 3.2 Without prejudice to the foregoing generality, the Supplier may reject or cancel the Reseller's Registration if the Supplier discovers all or any part(s) of the Information submitted by the Reseller is false, incomplete, inaccurate or for such other reason(s) as the Supplier shall deem fit in its absolute discretion, including but not limited to non-observance of this T&C.
- 3.3 The Registration is for the sole and exclusive use by the Reseller and not assignable or transferable under any circumstances whatsoever.

4.0 Access to Site

- 4.1 The Reseller acknowledges that any transmission of information or communication by the Supplier to the Reseller via the Site shall be deemed to have been sent and received by the Reseller immediately after transmission and/or posted on the Site, as the case may be. **It is the Reseller's duty to check on the latest information and status.** It is also the Reseller's duty to enquire with the Supplier for any information, updates or latest status within the time period specified by the Supplier or the time usually required for a similar information, updates or latest status to be received.
- 4.2 The Reseller shall follow the guidance provided by the Supplier in designating the user identification code ("Login ID") and the password ("Password") for identifying the Reseller's identity prior to access. The Reseller is required to quote its Login ID and the Password and any other identifiers (if any) as the Supplier shall prescribed at the material time in order to have access to the Site.
- 4.3 The Reseller may change the Password at any time but any changes shall be effective only if accepted by the Supplier.
- 4.4 At no time and under no circumstances, the Reseller shall disclose the Login ID and/or the Password to any other person. The Reseller shall act in good

faith, exercise reasonable care and diligence in keeping the Login ID and the Password in secrecy.

- 4.5 Any Information, offers, documents, instructions, confirmation, withdrawals, actions, acceptances, updates or whatever representations or dealings that have been received by the Supplier shall be irrevocable and binding on the Reseller whether given by the Reseller or by any other person purporting to be the Reseller. The Supplier shall not at anytime under a duty to verify the identity or authority of the person dealings with the Supplier via the Site apart from verifying the Reseller's Login ID and the Password and such other identifiers (if any).
- 4.6 The Reseller shall be fully responsible for any accidental or unauthorized disclosure of the Login ID and/or the Password to any other person and shall bear the risks of the Login ID and the Password being used by unauthorised persons or for unauthorised purposes.
- 4.7 If the Reseller's Login ID and/or the Password has been disclosed to any unauthorised person or if there has been any unauthorised access to the Site, the Reseller shall notify the Supplier as soon as practicable and until the Supplier actually receives such notification, the Reseller shall remain responsible for any access and all use of the Site by unauthorised persons or for unauthorised purposes. The Supplier reserves its right to impose any administration fees in disabling and/or re-programming any of the Login ID or the Password.

5.0 AUTHORISED RESELLER

- 5.1 Duly registered and authorised Reseller may be categorised as follows:
 - 5.1.1 **Authorised Reseller (Reseller Level 1).** Minimum Stocks Acquire of 10 boxes. Minimum Restock of 8 boxes. No payment of deposit required.
 - 5.1.2 **Core Leader (Reseller Level 2).** Minimum Stocks Acquire of 50 boxes. Minimum Restock of 30 boxes. Payment of Deposit RM100.00 required.
 - 5.1.3 **Senior Leader (Reseller Level 3).** Minimum Stocks Acquire of 120 boxes. Minimum Restock of 60 boxes. Payment of Deposit RM300.00 required.

5.1.4 **Senior Director (Reseller Level 4).** Minimum Stocks of 500 boxes. Minimum Restock of 150 boxes. Payment of Deposit RM1,000.00 required.

5.1.5 **Co-Founder (Reseller Level 5).** Minimum Stocks of 3,600 boxes. Payment of Deposit RM3,000.00 required.

Note: Supplier may adjust the minimum stocks acquire and restocks as and when necessary, including all promotional, sales, or special offers and activities.

5.2 All Resellers shall be registered and authorised *via* the Site, and all dealings with Stocks acquiring and transferring shall be done *via* the Site.

6.0 THE PRODUCTS & PLATFORMS TO SELL

6.1 Any samples, drawings, descriptive matter, or advertisement produced by the Supplier and any descriptions or illustrations contained in the Supplier's catalogues or brochures are produced for the sole purpose of giving an approximate idea of the Products described in them. They shall not form part of this T&C or have any contractual force.

6.2 The Products shall only be sold by the Reseller at the Platforms allowed by the Supplier.

6.3 The Reseller shall not sell the Products on any online shopping site(s) without authorisation and/or approval from the Supplier. The Reseller may apply for such authorisation and/or approval from the Supplier in writing. The sole discretion in granting such authorisation and/or approval shall lie with the Supplier.

6.4 The Reseller agrees to use its best endeavours to promote the sale and obtain orders for the Products.

6.5 The Reseller further agrees to regularly promote the Products in its respective social media platforms. Should the Reseller fail or neglect to promote Products on its respective social media platforms more than seven (7) days without any valid reason, the Supplier shall deem that the Reseller is no longer interested to perform this T&C and the Supplier shall in its discretion rearrange the said

Reseller's existing downline to other Reseller without notifying the Reseller should there is such request of transfer from the downline. In that event, the Reseller shall not entitle to the profit or benefit generated by its downline after the transfer.

- 6.6 In furtherance to 6.5 above, the Supplier shall have the absolute discretion to either terminate the Reseller or to make any adjustment in relation to the position or level and/or the benefit package of the Reseller.
- 6.7 For the avoidance of doubt, the Supplier shall have the absolute discretion to prohibit the Reseller from participating in the any events organized by the Supplier for its Reseller.

7.0 STOCKS & SHIPPING ORDERS

- 7.1 The Reseller may request for Stocks from the Supplier at any time and the Stocks shall be transferred to the Reseller's account via the Site within ten (10) Business Days upon **full** payment being received by the Supplier.
- 7.2 The Reseller may submit Shipping Order for the Products at any time and the Reseller may track the status of the Shipping Order via the Site.
- 7.3 The Supplier shall use its best endeavours to supply the Products in accordance with the Reseller's Shipping Order.

8.0 POSTING

- 8.1 The Posting Date of the Shipping Order shall be within seven (7) Business Days upon **full** payment of postage fees being received by the Supplier.
- 8.2 Time is of the essence. Should the Supplier discover that Posting Date cannot be met, the Supplier shall immediately notify the Reseller of the cause of delay and propose a revised schedule to the Reseller.
- 8.3 Should the delay be caused by *Force Majeure*, the delivery time shall be automatically extended by a reasonable period taking due regard to the circumstances.

9.0 PAYMENT

- 9.1 All payment shall be made via the Site or any other form(s) and method(s) as determined by the Supplier from time to time as the case may be.
- 9.2 If the Reseller fails to pay the quoted charges for the Stocks requested by the Reseller in full or any part of thereof, the Supplier shall not transfer any Stock to the Reseller.
- 9.3 The Reseller shall notify the Supplier in writing should there be an error in the payment, or in the event dispute arises on any of the charges. Notwithstanding this, the Reseller remains obligated to pay the remaining balance of the quoted charges.

10.0 PRICE OF THE PRODUCTS

- 10.1 The selling price of the Products shall be in accordance with the price as determined and stated by the Supplier on the Site [“**Price**”]. Such Price shall be final.
- 10.2 The Reseller in selling the Products, shall at all times abide by the Price.
- 10.3 The Reseller may notify the Supplier in writing in the event the Reseller discovers any difference between the Price and the prevailing market price.
- 10.4 The Price may be varied by the Supplier from time to time and any changes in the Price shall take immediate effect and be notified in writing by the Supplier via the Site or any other mode(s) as determined by the Supplier.

11.0 TITLE AND RISK

- 11.1 Risk in the Products shall pass to the Reseller on completion of unloading the Products at the Delivery Location or upon physical collection of Products by the Reseller, whichever precedes another.
- 11.2 Title to the Products shall only pass to the Reseller once the Supplier receives payment **in full**, either in the form of cash, cleared funds or any other forms of payment as agreed by the Parties.

12.0 INTELLECTUAL PROPERTY RIGHTS

12.1 Any and all intellectual property rights in the Products as well as in any work carried out by the Supplier in order to adapt the Products to the Reseller's requirements shall vest exclusively in the Supplier. The Supplier undertakes that it will grant a non-exclusive license of such intellectual property rights to the Reseller for the purpose of this T&C.

13.0 LIMITATION OF LIABILITY

13.1 The Supplier shall not be liable to the Reseller by reason of any representation (unless fraudulent), or any implied warranty, condition or other term, or any duty at common law, or under the express terms of this T&C, for any loss of anticipated savings, business revenues, or profits or any indirect, special or consequential loss (including losses arising from business interruption, wasted management time, loss of goodwill, date and all other such loss whether or not arising in the normal course of business), damages, costs, expenses or other claims (whether caused by the negligence of the Supplier, its servants or agents) which arise out of or in connection with the provision of the Products.

13.2 The Reseller agrees to indemnify and keep the Supplier fully indemnified from and against any loss, claim or liability whatsoever incurred or suffered by the Supplier as a result of negligence, breach or any default by the Reseller (or its employees, agents or representatives) of its obligations however arising in connection with this T&C, together with expense, claim, loss or damage which the Supplier may suffer due to such negligence, breach or default.

13.3 The Reseller agrees and acknowledges that the allocation of risk in this clause is fair and reasonable in the circumstances having considered the efforts of the Supplier in branding the Products and setting up the Platforms.

14.0 TERMINATION

14.1 Notwithstanding Clause 15, if the Reseller fails to observe or perform any of the terms and conditions on its part to be observed and performed and/or fails to remedy any such breach within seven (7) days of notice thereof from the

Supplier, then the Supplier may serve a written notice to the Reseller to terminate the Reseller's authorisation to sell with immediate effect.

- 14.2 The Supplier shall be entitled to terminate the Reseller's authorisation to sell forthwith in the event that:-
 - 14.2.1 a conflict of interest or potential conflict of interest in the opinion of the Supplier arises between the parties; or
 - 14.2.2 the Reseller is in continual or repeated breach of this T&C; or
 - 14.2.3 the Reseller (or its employees, representatives or agents) engages in any conduct prejudicial to the Supplier, its business, interest or reputation; or
 - 14.2.4 the Reseller attempts to or circumvents this T&C in any way.
- 14.3 The Reseller shall not (except with the prior written consent of the Supplier) during the term of this T&C, and for a period of three (3) months thereafter, directly or indirectly engage or be interested in sale or advertisement of goods of any description or kind similar to or competitive with the Products.
- 14.4 Any termination pursuant to this clause shall be without prejudice to any other rights or remedies the Supplier may be entitled to under this T&C or at law and shall not affect any accrued rights or liabilities of either party nor the coming into or continuance in force of any provision which is expressly or by implication intended to come into or continue in force on or after such termination.
- 14.5 In the event the Reseller is desirous to voluntarily terminate the authorisation to sell hereby granted, the Reseller shall serve a thirty (30) day notice in writing to the Supplier.
- 14.6 Upon serving the notice for voluntary termination, the Reseller shall ensure the Stocks are fully cleared before applying for return of Deposit (if applicable).
 - 14.6.1 Upon submission of the application for return of Deposit, the Reseller shall cease all manners in selling of the Products.
 - 14.6.2 The Supplier shall return the Deposit as follows:-
 - 14.6.2.1 **Core Leader (Reseller Level 2)**. After thirty (30) days of observation period.

14.6.2.2 **Senior Leader (Reseller Level 3).** After sixty (60) days of observation period.

14.6.2.3 **Senior Director (Reseller Level 4).** After ninety (90) days of observation period.

14.6.2.4 **Co-Founder (Reseller Level 5).** After one hundred and eighty (180) days of observation period.

provided always that this T&C shall has been duly observed and performed by the Reseller.

14.6.3 Should the Supplier find any misconduct and/or failure on the Reseller's part to abide by the Price determined by the Supplier during the observation period, the Supplier shall forfeit the Deposit with immediate effect.

15.0 PENALTY CLAUSE

15.1 In selling the Products and in any event of failure on the Reseller's part to abide by the Price determined by the Supplier, the Supplier shall:-

15.1.1 terminate the Reseller's authorisation to sell with immediate effect and without notifying the Reseller;

15.1.2 blacklist the Reseller;

15.1.3 forfeit deposit paid by the Reseller, if applicable;

15.1.4 forfeit all remaining Stocks in the Reseller's account; and

15.1.5 be entitled to a penalty fee:-

15.1.5.1 Authorised Reseller – RM2,000.00;

15.1.5.2 Core Leader – RM5,000.00;

15.1.5.3 Senior Leader – RM9,000.00;

15.1.5.4 Senior Director – RM20,000.00;

15.1.5.5 Co-Founder – RM40,000.00.

15.2 Should the Reseller wish to claim the remaining Stocks or any part thereof, the Reseller shall pay **TRIPLE** of the original Price to the Supplier for the release of the Stocks.

16.0 MISCELLANEOUS

16.1 **Force majeure.** Neither party shall be in breach of this T&C nor liable for delay in performing, or failure to perform, any of its obligations under this T&C if such delay or failure result from a Force Majeure event.

16.2 Assignment and other dealings.

16.2.1 The Reseller shall not assign, transfer, charge, subcontract, declare a trust over or deal in any other manner with any or all of its rights or obligations under this T&C without the prior written consent of the Supplier.

16.2.2 The Supplier may at any time assign, transfer, charge, subcontract, declare a trust over or deal in any other manner with any or all of its rights under this T&C.

16.3 **Confidentiality.** The Parties shall keep strictly confidential and not without the other party's prior consent in writing disclose to any third party any document or information marked as confidential, whether of commercial or technical nature, furnished by the other Party pursuant to this T&C.

16.4 Entire T&C.

16.4.1 This T&C constitutes the entire T&C between the parties and supersedes and extinguishes all previous T&Cs, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

16.4.2 Each party agrees that it shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this T&C. Each party agrees that it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this T&C.

16.4.3 The Reseller shall bear all the costs incurred by the Supplier in enforcing this T&C against the Reseller.

16.5 **Variation.** Any variation of this T&C shall be effective in writing and published by the Supplier (or their authorised representatives) on the Site. The Supplier reserves the rights to vary this T&C from time to time as the case may be.

16.6 **Governing law and Jurisdiction.** This T&C, and any dispute or claim arising out of or in connection with it shall be governed by, and construed in accordance with the law of Malaysia. Each party irrevocably agrees that the courts of Malaysia shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this T&C.

16.7 **Notices**

16.7.1 Any notice issued by the Supplier through any of the following methods shall constitute valid written notice ("Written Form"):

- Official company WeChat group announcements;
- Official customer service/authorized representative's WeChat Moments posts;
- Publication on the company's official website or electronic system;
- Any other electronic notification method recognized by the company.

16.7.2 Such notice shall be deemed delivered and acknowledged by the Reseller/Distributor upon issuance, regardless of whether the recipient has actually read or reviewed it.

16.7.3 The Reseller/Distributor shall not claim "I did not check the group messages," "I was not in the group," "I did not receive the Moments/electronic notice," or similar reasons as grounds for non-receipt or for exemption from obligations.

16.7.4 The Supplier shall only be required to provide relevant screenshots of the announcement or system records as evidence that the notice has been issued. This shall constitute full discharge of the Supplier's notification obligations, and the Supplier shall not be required to make individual phone calls, private messages, or personal confirmations.

16.8 **System Closure and Handling of Balance/Inventory**

16.8.1 In the event that the Supplier decides to close or deactivate the existing system, the Supplier shall provide prior written notice (including but not limited to group announcements, emails, publication on the official website, or other written forms) to the Resellers/Distributors at least three (3) months in advance.

16.8.2 During the notice period, the Resellers/Distributors shall be responsible for logging into the system to verify their account balance and inventory, and to complete any refund or stock collection arrangements within the stipulated timeframe.

16.8.3 Upon expiry of the notice period, the system shall be officially closed. Any balance or inventory not claimed or processed within the prescribed period shall be deemed automatically forfeited by the Reseller/Distributor. The Supplier shall bear no further obligation to refund, compensate, or otherwise process such balance or inventory thereafter.

16.8.4 This clause shall apply to all Resellers/Distributors, and the Supplier reserves the right to enforce it strictly to ensure fairness and consistency of the system.