



# Seamless. Global. One.

**iELKEN** Compensation Plan  
**Business Manual**





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Introduction



# Welcome to the iELKEN Compensation Plan

**Our  
Vision**  
Enriching lives  
together

**Mission**  
To be a leading  
global direct selling  
organisation providing  
opportunities, quality  
products, services and  
knowledge

**Our  
Brand  
Promise**  
Builds you to  
build others

Here at Elken, we want to welcome you on this journey towards securing your future and personal financial success. Intended to provide every member with products and business opportunities, this compensation plan was designed with an increasingly globalised and borderless world in mind.

Since its establishment in 1995, Elken's vision has always been to enrich lives. This means we train, motivate and recognise all our members so that they can realise their full potential. Which is why our brand promise, "Builds You To Build Others" still lies at the heart of what we do. We pride ourselves in sustainable growth for our communities in our global network.

By creating this new seamless and global plan, we are kept highly competitive and relevant, while providing a more simplified, attractive remuneration package for you. **iELKEN** is the brainchild of more than 20 years of experience in the direct selling industry and is designed to be both rewarding and sustainable. We believe this is the right way to build a business that matters. In all of our years of experience, our success has been based on your trust in us. So thank you for choosing Elken.

## Our Core Values

Quality  
Integrity  
Respect  
Passion



# iELKEN Enrolment Journey

## Member Enrolment

Start your journey by first becoming a Member once you pay a membership fee of USD10 (or local currency equivalent). As a Member, you receive an **iELKEN** Member Kit and are entitled to purchase Elken products at member prices.

Each **iELKEN** Member Kit consists of:



## Becoming a Brand Ambassador

Now that you are a Member, purchase a Welcome Pack to activate your membership and get a position in the **iELKEN** Placement Tree.

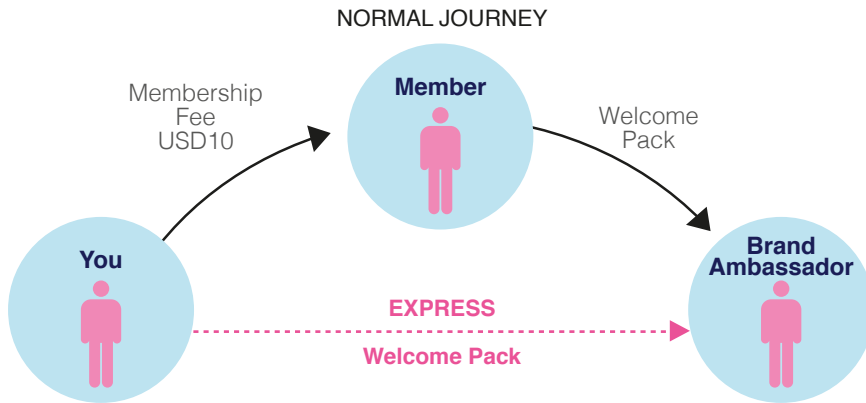
*Note: For non-activated **iELKEN** Members, his/her Personal Sales (PS) will be calculated as the direct sponsor's PS*

When you purchase the Welcome Pack, an **iELKEN** Business Suite (iBS) will be yours for 52 weeks. Your **iELKEN** Business Suite services stops when your membership expires.

# Express to Brand Ambassador

Alternatively, you may also purchase a Welcome Pack when you join iELKEN to immediately activate your membership and become a Brand Ambassador.

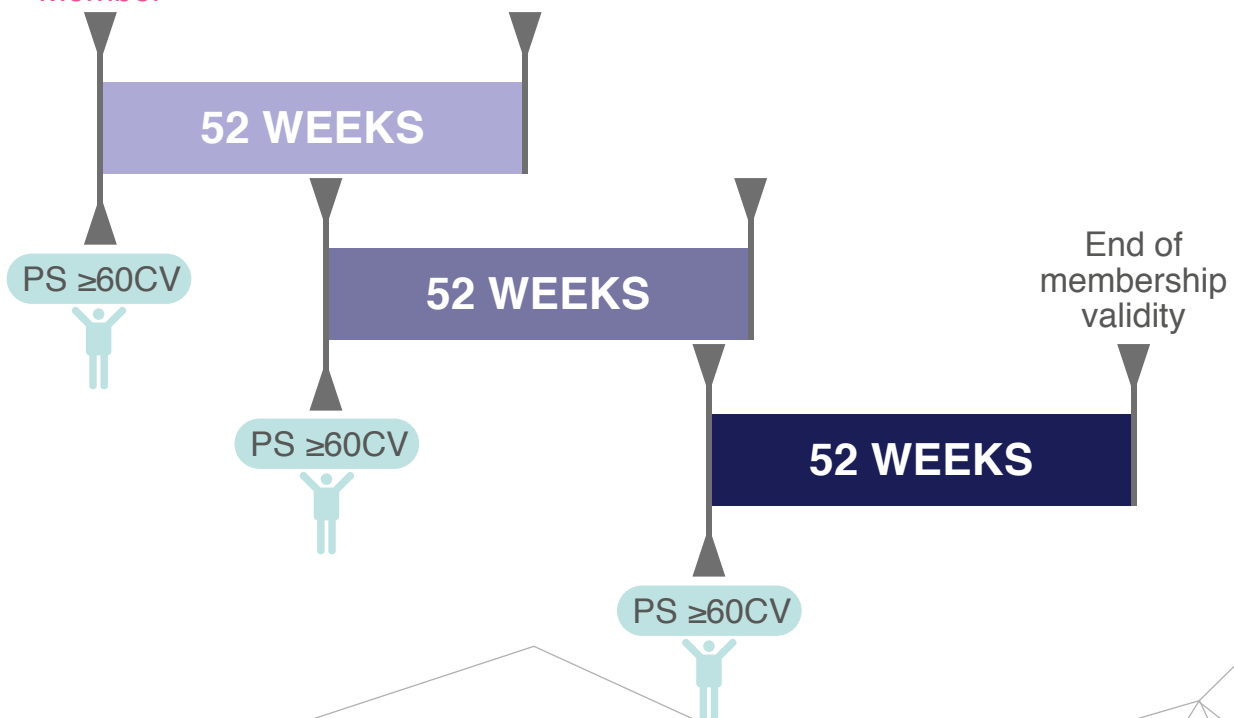
Illustration:



# Membership Validity

Members with Personal Sales of 60CV and above ( $PS \geq 60CV$ ) in a Commissionable Week will have a membership validity of 52 weeks. Your membership validity will be reset to 52 weeks whenever you achieve Personal Sales of 60CV and above ( $PS \geq 60CV$ ) in a Commissionable Week.

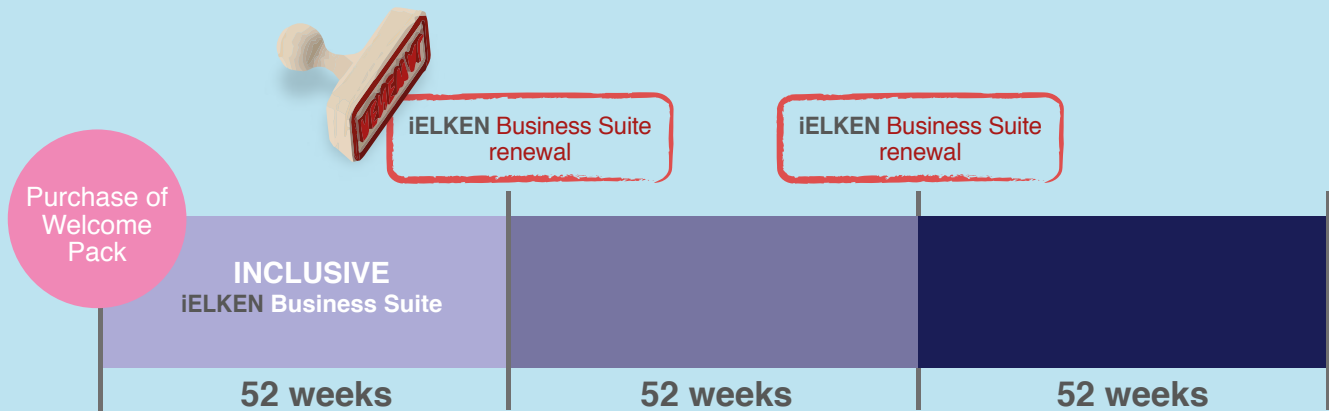
Joining date as iELKEN Member



# iELKEN Business Suite (iBS)

The **iELKEN** Business Suite (iBS) is a service that you are entitled to receive upon membership activation. Here you get a Comprehensive Back Office management system that includes membership modules, sales reporting, genealogy monitoring, e-commerce modules, e-wallet management and campaign modules all in an interactive personalised website.

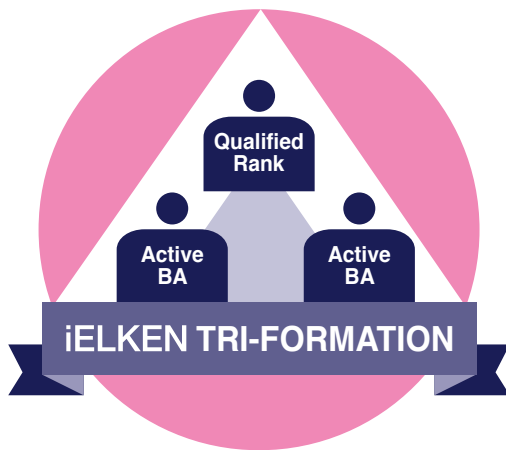
The **iELKEN** Business Suite is renewable yearly with a renewal fee.





# Qualified Brand Ambassador and Bonuses

Qualified Brand Ambassadors (BAs) and higher (with PS  $\geq$ 60CV or still in an active Commissionable Week) have the opportunity to enjoy the generous iELKEN Compensation Plan's Team Bonus, Mentor Bonus and Quarterly Dividend. The iELKEN Tri-Formation will determine if you are a Qualified BA and higher:








## The iELKEN Tri-Formation

To be a Qualified BA and higher, you must have:

- PS  $\geq$ 60CV or still in an active Commissionable Week
- At least 2 sponsored Active BAs and higher, each from a different line

Minimum rank achievement to enjoy bonuses:

Retail Profit	Welcome Bonus	Team Bonus	Mentor Bonus	Quarterly Dividend
 Member	 Brand Ambassador	 + Brand Ambassador (minimum rank)	 + Star Diamond (minimum rank) and higher	 + Star Crown (minimum rank) and higher

# iELKEN Business Model

Our business model is a seamless Compensation Plan. This means all products sold within the **iELKEN** Compensation Plan have a Commissionable Volume (CV) calculated in USD.

Best yet, the **iELKEN** Compensation Plan pays out a maximum of seventy five percent (75%) of the total Commissionable Volume (CV) or forty five percent (45%) of the total nett **iELKEN** business turnover weekly including: Welcome Bonuses, Team Bonuses, Mentor Bonuses and Quarterly Dividends.



## The Five Bonus Programme

- 1 Retail Profit
- 2 Welcome Bonus
- 3 Team Bonus
- 4 Mentor Bonus
- 5 Quarterly Dividend



The **iELKEN** Compensation Plan



# Five Bonus Programme

Five ways to earn an income in one seamless plan

Here at **iELKEN**, we have developed a Compensation Plan that gives every member the best opportunity for success.



## Retail Profit

Once you sign up as an **iELKEN** Member, you are able to purchase Elken products for personal use at a Gross Member Price (GMP). As a Member, you are able to resell Elken products to customers at Customer Retail Price (CRP) and earn a Retail Profit immediately.

Illustration:





## Welcome Bonus

As a BA or higher (valid iELKEN membership), you are eligible to enjoy Welcome Bonus when your direct or indirect downlines in the sponsor tree purchase a Welcome Pack.

Illustration:

YOU		You purchase a DIAMOND WELCOME PACK	You purchase a PLATINUM WELCOME PACK	You purchase a GOLD WELCOME PACK	You purchase a SILVER WELCOME PACK
Welcome Bonus Entitlement	L1 Direct	✓	✓	✓	✓
	L2 Indirect	✓	✓	✓	✓
	L3 Indirect	✓	✓	✓	-
	L4 Indirect	✓	✓	-	-
	L5 Indirect	✓	-	-	-

Welcome bonus entitlement is based on the welcome pack you purchased upon activation of your membership

To qualify, you must have:

- PS  $\geq$ 60CV in any of the 52 weeks.
- Achieved a minimum rank of Brand Ambassador and higher with valid iELKEN membership.

There is no limit to how many times you can enjoy the Welcome Bonus.

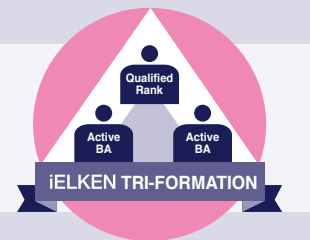
**Each Welcome Bonus is in absolute value of local currency**

# 3

## Team Bonus

You can earn powerful Team Bonuses weekly as you start to build your **iELKEN** Sales Teams. These bonuses are designed to reward you for helping and supporting those who join you. The more you help them succeed, the more you can earn from the Team Bonus.

**To qualify, you must have formed your iELKEN Tri-Formation with a minimum qualified rank of Brand Ambassador.**



As you recruit, you will form your Placement Tree. One new recruit must be placed on your left and one on your right. This qualifies your position so that you can now earn a Team Bonus.

The Team Bonus is then paid based on the percentage of the Team Bonus actually achieved, multiplied by the PAY-LEG Group Commissionable Volume (GCV).

**Team Bonus payout = % TB achievement x PAY-LEG GCV**

(the LEG with less GCV will be set as the PAY-LEG for each Commissionable Week)

# Team Bonus Summary

Qualified Rank*	Rank ID	Weekly Qualification		Team Bonus Payout %		Maximum Weekly Cap
		Minimum Qualification Requirements and Rank of Sponsored Downlines	Weekly GCV Requirement on PAY-LEG	2 Sponsored Active BA & higher (1L/1R)	6 Sponsored Active BA & higher (3L/3R)	
Brand Ambassador	BA	2 lines, 1 BA each	≥60 GCV	10%	15%	USD 300
Star Diamond	SD	2 lines, 1 BA each	≥2,000 GCV			USD 750
Royal Diamond	RD	2 lines, 1 BA each	≥5,000 GCV			USD 1,300
Empire Diamond	ED	2 lines, 1 BA each	≥10,000 GCV			USD 2,500
Star Crown	SC	3 lines, 1 SD each	≥20,000 GCV			USD 4,500
Royal Crown	RC	3 lines, 1 RD each	≥40,000 GCV			USD 9,000
Empire Crown	EC	3 lines, 1 ED each	≥80,000 GCV			USD 18,000
Star Founder	SF	4 lines, 2 ED each	≥160,000 GCV			USD 36,000
Royal Founder	RF	6 lines, 2 ED each	≥320,000 GCV			USD 60,000
Empire Founder	EF	7 lines, 2 ED each	≥550,000 GCV			USD 100,000



**\* iELKEN Tri-Formation:**

PS ≥60CV or still in an active Commissionable Week, at least 2 sponsored active BAs and higher, each from a different line.

**Note:**

For active Brand Ambassadors and higher, unutilised GCV on your POWER-LEG will be carried over to the next Commissionable Week (maximum carry-over criteria applies).

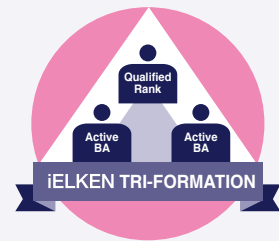
In the event that your rank status is inactive, you can only carry-over a maximum of 2,000 GCV, or your POWER-LEG GCV minus your PAY-LEG GCV, whichever is lower.

# 4

## Mentor Bonus

The Mentor Bonus is designed to reward you for being a team leader and is based on your Sponsor Tree. The payout is based on your qualified rank each Commissionable Week, and the income of Team Bonus from your sponsored downlines.

To qualify, you must have formed your iELKEN Tri-Formation with a minimum qualified rank of Star Diamond.

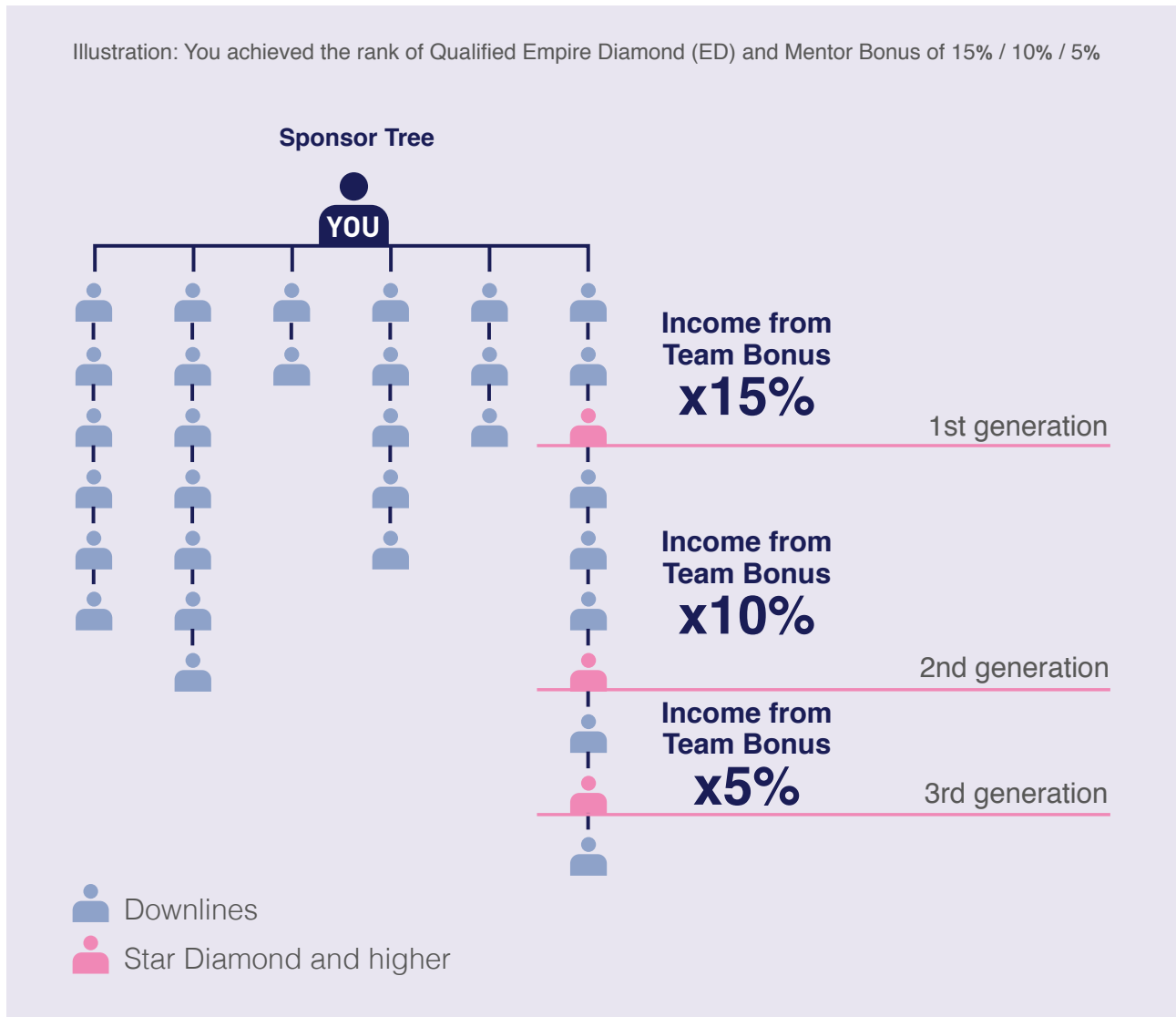


Qualified Rank	Rank ID	1st generation	2nd generation	3rd generation	4th generation	5th generation	6th generation	7th generation
Star Diamond	SD	15%	10%					
Royal Diamond Empire Diamond	RD • ED	15%	10%	5%				
Star Crown	SC	15%	10%	5%	5%			
Royal Crown Empire Crown	RC • EC	15%	10%	5%	5%	5%		
Star Founder	SF	15%	10%	5%	5%	5%	5%	
Royal Founder Empire Founder	RF • EF	15%	10%	5%	5%	5%	5%	5%

Qualified Star Diamond and higher (PAY-LEG ≥2,000 GCV) is considered One Generation Position.



A "generation" is based upon a roll down concept which stops at a qualified Star Diamond and higher, in each sponsor line.



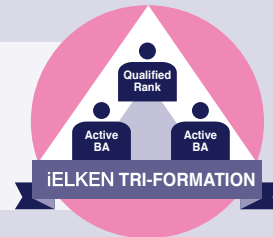
**Five** Bonus Programme



## Quarterly Dividend

Every Commissionable Week, you will get shares based on your qualified rank that week.

To qualify, you must have formed your iELKEN Tri-Formation with a minimum qualified rank of Star Crown.



Here are the number of shares each qualified rank can earn:



Every quarter, the system will calculate your total shares, divided by the company total shares, and multiplied by 3% of CV from total iELKEN business, which makes up your Quarterly Dividend.

$$\text{Quarterly Dividend} = \frac{\text{Individual total shares}}{\text{Company total shares}} \times 3\% \text{ of total quarterly company CV}$$

Quarterly commission are paid 21 days after the end of each quarter period.  
(Jan-Mar • Apr-Jun • Jul-Sep • Oct-Dec = Quarter period)

# Maximising Team Bonus from Personal Sales

## Optimising Personal Sales (OPS)

This optimisation is a special feature in iELKEN and is specifically designed to maximise your own Team Bonus and Rank advancement only. Excess CVs are placed where they will generate the greatest amount of Team Bonus during that Commissionable Week. OPS starts at **PS61CV\*** and above. **All Commissionable Volume from either retail customers, members or personal purchases** in excess of the PS  $\geq 60CV$  requirement for a Commissionable Week is optimised.

To enjoy, you must have formed your iELKEN Tri-Formation with a minimum qualified rank of Brand Ambassador and higher.

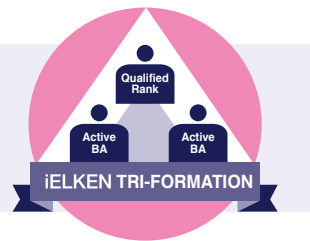
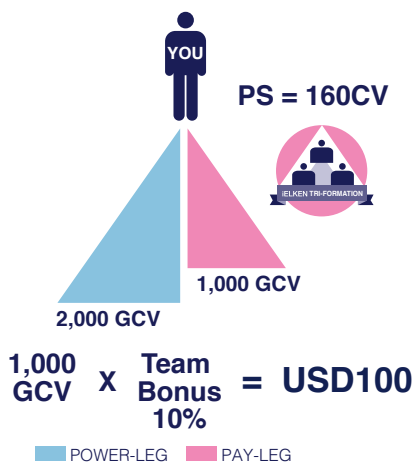
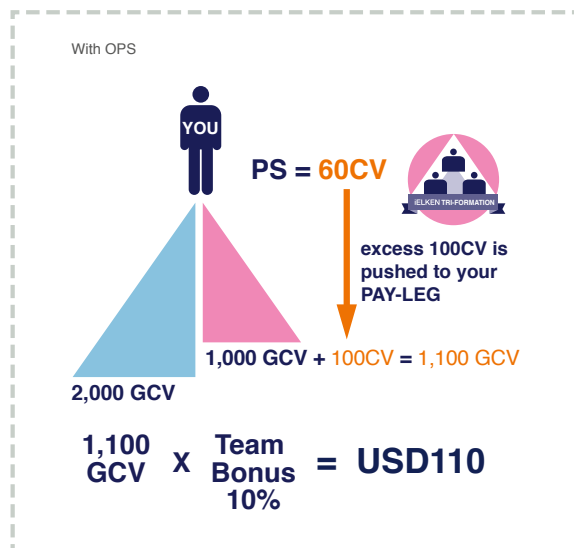


Illustration:  
Without OPS



With OPS



\*Excluding Welcome Pack purchases

# Rank Qualification Criteria

Your Rank Achievement in the iELKEN Compensation Plan is determined by your performance in a Commissionable Week.

Rank Achievement	Rank ID	PS $\geq 60$ CV or still in an active Commissionable Week	Minimum Qualification Requirements and Rank of Sponsored Downlines	Weekly GCV on PAY-LEG
Member	MEM	n/a	n/a	n/a
Brand Ambassador	BA	$\geq 60$ CV	2 lines, 1 BA each	$\geq 60$ GCV
Star Diamond	SD	$\geq 60$ CV	2 lines, 1 BA each	$\geq 2,000$ GCV
Royal Diamond	RD	$\geq 60$ CV	2 lines, 1 BA each	$\geq 5,000$ GCV
Empire Diamond	ED	$\geq 60$ CV	2 lines, 1 BA each	$\geq 10,000$ GCV
Star Crown	SC	$\geq 60$ CV	3 lines, 1 SD each	$\geq 20,000$ GCV
Royal Crown	RC	$\geq 60$ CV	3 lines, 1 RD each	$\geq 40,000$ GCV
Empire Crown	EC	$\geq 60$ CV	3 lines, 1 ED each	$\geq 80,000$ GCV
Star Founder	SF	$\geq 60$ CV	4 lines, 2 ED each	$\geq 160,000$ GCV
Royal Founder	RF	$\geq 60$ CV	6 lines, 2 ED each	$\geq 320,000$ GCV
Empire Founder	EF	$\geq 60$ CV	7 lines, 2 ED each	$\geq 550,000$ GCV

Commissions are paid based on your Rank Achievement in that Commissionable Week.

# GCV Carry-Over Criteria











In a Commissionable Week, you are allowed to carry-over your GCV based on the highest rank achieved, as recorded in the system.

Highest Rank Achievement in system	Rank ID	Maximum GCV on POWER-LEG to be carried over at the end of each Commissionable Week	PS $\geq$ 60 CV or still in an active Commissionable Week
Brand Ambassador	BA	5,000 GCV	
Star Diamond	SD	10,000 GCV	
Royal Diamond	RD	20,000 GCV	
Empire Diamond	ED	40,000 GCV	
Star Crown	SC	80,000 GCV	
Royal Crown	RC	160,000 GCV	
Empire Crown	EC	320,000 GCV	
Star Founder	SF	550,000 GCV	
Royal Founder	RF	1,000,000 GCV	
Empire Founder	EF	1,000,000 GCV	

For active Brand Ambassadors and higher, unutilised GCV in your POWER-LEG will be carried over to the next Commissionable Week (maximum carry-over criteria applies). In the event that your rank status is inactive, you can only carry-over a maximum of 2,000 GCV, or your POWER-LEG GCV minus your PAY-LEG GCV, whichever is lower.

# Bonus Qualification Criteria at a Glance

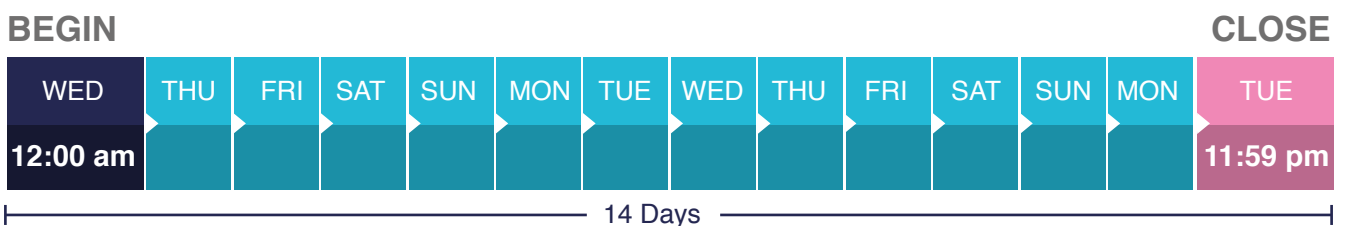
This chart allows you to see qualified ranks and the bonuses you are entitled to in each rank.

Ranks	Retail Profit	Welcome Bonus	Team Bonus	Mentor Bonus	Quarterly Dividend	Optimising Personal Sales
Member	✓					
Brand Ambassador	✓	✓				
Qualified Brand Ambassador 	✓	✓	✓			✓
Qualified Star Diamond 	✓	✓	✓	✓		✓
Qualified Royal Diamond 	✓	✓	✓	✓		✓
Qualified Empire Diamond 	✓	✓	✓	✓		✓
Qualified Star Crown 	✓	✓	✓	✓	✓	✓
Qualified Royal Crown 	✓	✓	✓	✓	✓	✓
Qualified Empire Crown 	✓	✓	✓	✓	✓	✓
Qualified Star Founder 	✓	✓	✓	✓	✓	✓
Qualified Royal Founder 	✓	✓	✓	✓	✓	✓
Qualified Empire Founder 	✓	✓	✓	✓	✓	✓

# Commission Periods

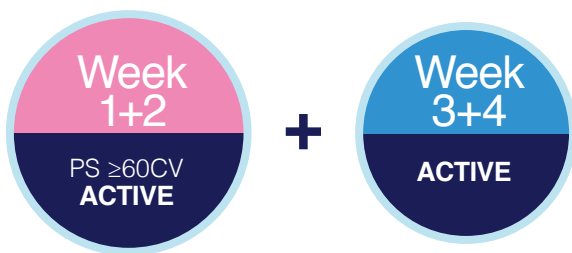
## Commissionable Week (14 days)

Our global, seamless plan means that we have a Commissionable Week that begins every Wednesday morning at 12.00 a.m. and closes on the following 2nd Tuesday (14 days commissionable week), 11.59 p.m. Hong Kong time (GMT+8). Payouts are made after closing.



## Commissionable Cycle (1+1)

A Commissionable Cycle is when you achieve a minimum Personal Sales of PS  $\geq 60CV$  in any Bi-weekly period and you will continue to be "Active" for next Bi-weekly period, fulfilling a cycle.



You must be "Active" to enjoy commissions from any bonus programme.

# Commission Payouts

## Weekly Payout

The following bonuses are calculated on a weekly basis:

- Welcome Bonus
- Team Bonus
- Mentor Bonus



All weekly commissions will be paid 21 days after the end of each week's closing.

## Quarterly Payout

The following bonuses are calculated on a weekly basis:

- Quarterly Dividend



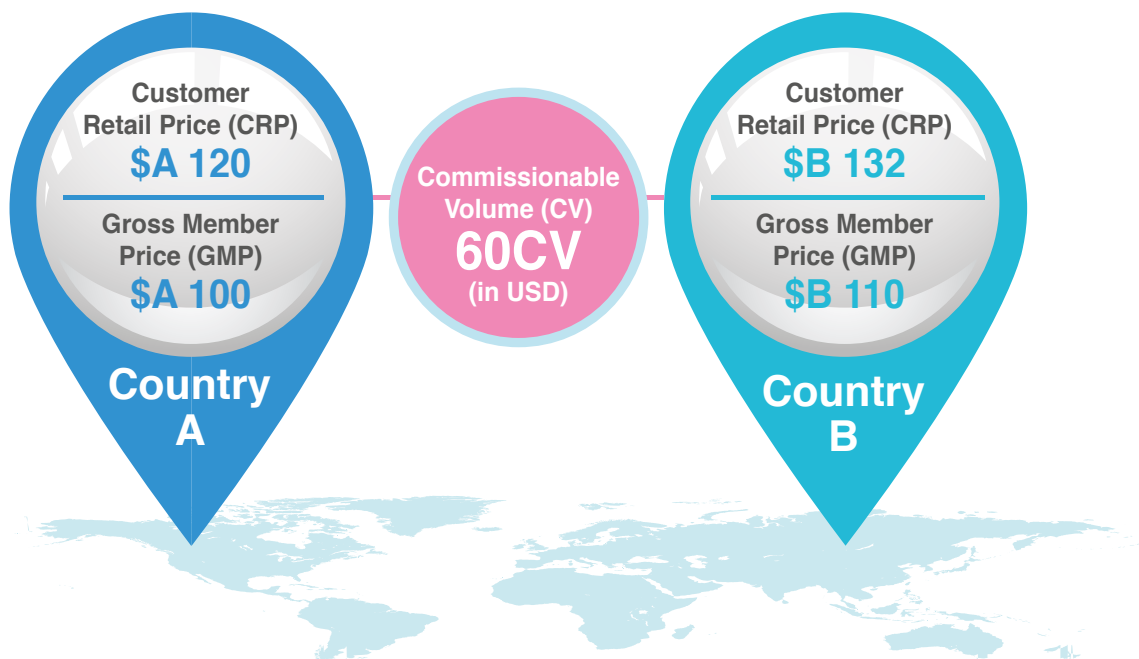
Quarterly commissions will be paid 21 days after the end of each quarter period.



# Product Pricing Information

Each country has the product price listed in its local currency. However, the CV amount remains the same (in USD) regardless of the local price.

Illustration:



**CRP:** Customer Retail Price (inclusive of country value added tax or government service tax)  
The selling price that customers pay for products.

**GMP:** Gross Member Price (inclusive of country value added tax or government service tax)  
The buying price that members pay for products.

**CV:** Commissionable Volume

The value assigned to a product used to track business activity, rank qualifications and to calculate commissions and/or bonuses.

# Glossary of Terms

- 1.1 iELKEN:** The name given to this Compensation Plan. This name represents a seamless and global plan.
- 1.2 Member:** Individual who has enrolled in the iELKEN Compensation Plan to build his/her network by selling products or referring others.
- 1.3 Valid Membership:** Purchase PS  $\geq$ 60CV in a Commissionable Week, within a 52 week period.
- 1.4 Activation of Membership:** When a member purchases a Welcome Pack and gets a placement in the Placement Tree.
- 1.5 Commissionable Volume (CV):** A value assigned to a product and used to track rank qualifications and calculate commissions.
- 1.6 Group Commissionable Volume (GCV):** GCV is the total volume accumulated from your network in a Commissionable Week.
- 1.7 Personal Sales (PS):** The CV of any ELKEN product that is bought and/or sold by you as an ELKEN Member, whether through retail sales to a customers or personal consumption, including CV from your Member downline(s) who have not yet purchased a Welcome Pack.
- 1.8 Direct Sponsor/Upline:** Your Direct Sponsor/Upline is the person who introduced you to ELKEN and under whom you joined as a Member.
- 1.9 First Indirect Sponsor:** Your first Indirect Sponsor is the Direct Sponsor of the person who sponsored you.
- 1.10 Direct Downline:** Direct Downline is the person(s) you introduced to ELKEN and under whom they joined as a member.
- 1.11 First Indirect Downline:** Your first Indirect Downline is the person(s) who joined directly under your Direct Downline.
- 1.12 PAY-LEG:** The dual team leg that has the lesser amount of GCV (left or right) at the end of a Commissionable Week.
- 1.13 POWER-LEG:** The dual team leg that has the greater amount of GCV (left or right) at the end of a Commissionable Week.
- 1.14 Placement Tree:** Placement Tree is where you, your uplines and your downlines (and so on) are placed in relation to each other.
- 1.15 Sponsor Tree:** You, your immediate downlines, their downlines and so on.
- 1.16 Sponsor Line:** A person you have personally sponsored to join your business, including all his/her downlines. This group is called one Sponsor Line.
- 1.17 Rank:** Ranks are achievement levels within the iELKEN Compensation Plan. Ranking is permanent in terms of "title". Commissions will be paid according to your "Active" Rank Qualification in each Commissionable Week.
- 1.18 Qualified Rank:** BAs and higher with PS  $\geq$ 60CV, in an active week that have at least 2 sponsored active BAs and higher (each from a different line).
- 1.19 Brand Ambassador (BA):** Members who have purchased a Welcome Pack, and have a position in the iELKEN Placement Tree.
- 1.20 Active:** To become Active means that you must have a minimum of PS  $\geq$ 60CV during the Commissionable Week, and continue to be Active for three subsequent weeks to enjoy commissions from any bonus programme.
- 1.21 Activate:** Upon purchasing a Welcome pack, the membership will be activated.
- 1.22 Generation:** Anyone in your sponsor line who reaches a Qualified Star Diamond and higher, with a PAY-LEG of  $\geq$ 2000 GCV.
- 1.23 Carried Over:** Active Brand Ambassadors and higher: unutilised GCV in your POWER-LEG will be carried over to the next Commissionable Week (maximum carry-over criteria applies). Inactive Brand Ambassadors and higher: you can only carry-over a maximum of 2,000 GCV, or your POWER-LEG GCV minus your PAY-LEG GCV, whichever is lower.

# Members' Rules & Regulations (R&R)

## 1. Introduction

This R&R is implemented with the purpose of safeguarding the rights and regulating the obligations of its Member rather than restraining your independent business activities. In order to mould yourself to be a responsible and ethical Member, you must understand and abide by the R&R, which have the objective of building a healthy business networking environment for your long term and profitable business; promoting unity and positive harmony among fellow Member; and between Member and Elken International (Cambodia) Co. Ltd. Your strength and success as a Member is a collective effort, founded upon the enduring partnership of commitment and trust that exists between the Company and our Member.

It is the responsibility of each Member to; (i) read, understand, adhere to and ensure that he/she is aware of and operating under the most current version of the R&R; (ii) update his/her contact details and correspondence/e-mail addresses as the Company will send communication to Member's last known address as stored in its database. Each Member agrees that the relationship between a Member and the Company is entirely contractual. Accordingly, the Company will not recognise any claim by a Member that the relationship is or has been quasi-contractual, has arisen by implication from any continuing practice or course of action, has been verbally authorised by any employee of the Company in contradiction of the R&R or policy, or is otherwise implied in fact or in law.

This R&R in their present form and as amended by the Company from time to time is incorporated into and form an integral part of the Member Application Form and constitutes part of the agreement between the Company and the Member. Failure to comply with any of the provisions herein may result in termination of your membership.

### 1.1 Member' Code of Ethics

All Member is required to observe the Member' Code of Ethics at all times. The Company reserves the right to terminate any membership at any time for violation. Member's Pledge:

- a) I will follow the highest standard of honesty and integrity in conducting the **iELKEN** Business.
- b) I will abide by R&R, policies, procedures, Code of Ethics, and directives at all times.
- c) I will not resort to any fraudulent act in promoting the Company's business at the expense of the direct selling industry, the Company and fellow Member.
- d) I will present **iELKEN** Compensation Plan accurately and honestly, clearly portraying the level of efforts required to achieve success.
- e) I will not make negative or disparaging remarks about the Company, its products, employees, officers, directors or denigrate other Company's products, marketing plan or any other features of that company. I will be respectful to the Company and to the direct selling industry as a whole.
- f) I will not retail the Company's products at below or above the prescribed or authorised prices.
- g) I will not use the Company's trade name(s), information, literature, advertising material and gathering of people or other Company's resources to enhance other business interests. I will continuously strive to ensure that my customers and fellow Member is satisfied with the Company's products and my service.

### 1.2 Independent Contractor Status

- a) A Member is an independent contractor and shall not imply or represent himself/herself as a franchisee, partner, employee, agent or authorised representative of the Company and shall neither have the right to negotiate or conclude any contract on behalf of the Company nor hold himself/herself as having such a right.

## 2. Becoming a Member

### 2.1 Eligibility

- a) Any individual who is of legal age in Cambodia can apply to be a Member by completing the Member Application Form manually or via e-registration. Any application in the name of a company or a third party will not be accepted.
- b) The Company reserves the right to accept and reject any application without assigning any reason whatsoever.
- c) A Member must not be an existing agent, representative, employee or spouse of an employee of the Company.
- d) All applications must be sponsored by an existing authorised Member.
- e) All Membership is single membership. A Member may own or have an ownership interest in only one membership except as where an existing Member purchases another membership.
- f) Married couples are allowed to maintain two separate memberships under the same line of sponsorship provided they are directly sponsored by his/her spouse.

## 3. Term and Renewal

### 3.1 Term

- a) Upon registration of the Member Application Form, the Membership is valid for a term of 52 weeks. Membership will only be activated, upon qualifying the activation requirement under **IELKEN** Compensation Plan.
- b) Member is required to keep their account active for 52 weeks consecutively, failing which membership shall be terminated by the Company.
- c) Member is entitled to rescind the Agreement within 7 days from joining date or resign from his/her membership at anytime thereafter with written notice to the Company. His/her downlines shall be transferred to his/her upline/sponsor.
- d) A Member must wait until the expiry of his/her membership (i.e. 52 weeks from last purchase or 6 months after the Company received his/her resignation letter), whichever comes first or such other time at the Company's discretion, to determine before reapplying to be a Member.

### 3.2 Renewal

- a) Member is required to renew his/her Membership annually by paying a renewal fee of USD10 (or an equivalent value in the local currency) on or before end of 52 weeks failing which membership shall be terminated by the Company. Alternatively, membership fee shall be waived if Member maintains  $PS \geq 60CV$  within the week in any given week during the term of membership.

## 4. Sponsoring & Placement Change/Correction

### 4.1 Principal of Sponsorship

- a) It is against the Company's policy for any Member to change sponsor through any means. Any application submitted with the intent to change sponsors will be rejected except due to Member's placement error and subject to the condition specified in clause 4.3 below.
- b) It is against the Company's policy for a Member to be sponsored under two or more memberships. Such conduct will result in his/her membership being terminated.
- c) Application for the change of sponsor or transfer of some of his/her entire personal group is strictly not permitted.

### 4.2 Cross-Sponsoring

- a) No Cross-Sponsoring of membership shall be allowed. Cross-Sponsoring in this context means:
  - i) Signing up an existing Member from another group.
  - ii) Signing up under another sponsor to operate his/her membership when his/her

membership is still valid.

- iii) Allowing other people or relatives to use his/her membership to conduct business.
- b) In the event of Cross-Sponsoring, the following actions shall be taken:
  - 1. i) The membership of the Member who signs up Member of other group shall be terminated.
  - ii) All Member involved shall be transferred back to their original sponsor.
  - 2. i) If Member "A" is found to have used other people's or relative "B's" membership under another group to carry out business.
  - ii) "B's" membership will be terminated and all of "B's" downline Member shall be transferred to "A".
- c) The Company reserves the right:
  - i) to withhold commission/bonus payment of the offending Member; and/or
  - ii) to terminate the offending Member at the Company's discretion.

#### 4.3 Rules of Placement

- a) Sponsor shall have the sole right to place the placement of the downline he/she personally sponsored and can only place the placement under his/her existing account within his/her downline group.
- b) Sponsor cannot place downline which contravene with Clauses 4.1 and 4.2 above.
- c) In the event the placement instruction from the sponsor is not clear, erroneous, contrary to the R&R (including the Compensation Plan) or he/she gives no placement instruction at all, default placement, the downline account placement shall be by way of default i.e. placement in the first vacant position of his/her sponsor account

#### 4.4 Placement Change/Correction

- a) Upon written consent from the current sponsor, Member may request in writing to Company's Head Office for a 1 time placement change or correction of sponsor within 3 days from the new Member's joining date.
- b) Any subsequent request is subjected to the Company's review and approval. The Company has the right to reject or approve any request at its sole discretion. In the event the request for placement change/sponsor correction is approved, the Member shall pay a placement change fee of USD25 (or an equivalent value in local currency).

## 5. Representations & Obligations

### 5.1 Representations

- a) Member shall not enroll or attempt to enroll an individual without his/her knowledge or enroll or attempt to enroll a non-existent individual (phantom) as a Member or fraudulently execute a Member Application Form on his/her behalf.
- b) Member shall only conduct their business operations within the country where they join as a member.

### 5.2 Obligations

- a) Member shall be responsible to make tax payment in relation to his/her earnings in accordance with the relevant local tax legislations/regulations.
- b) Member shall comply with all relevant applicable laws, legislations, regulations and ordinances concerning his/her business operations in their respective country of residence.
- c) Member is obliged to provide receipts to retail customers and to keep complete and accurate records of all his/her business dealings.
- d) Member is required to provide guidance, adequate training and supervision to his/ her downlines and to the Member he/she sponsored.

## 6. Violation of R&R

### 6.1 Prohibited Acts

A Member shall not:

- a) Incur any liability or debt in the name or on behalf of the Company;
- b) Make or modify or alter or discharge any contracts in the name of the Company;
- c) Negotiate, enter into contracts and/or agreements for and on behalf of the Company;
- d) Sponsor or solicit or attempt to sponsor or solicit the Company's Member, employee, supplier, manufacturer, consultant and vendor into any trade, business or profession whether directly or indirectly in competition with or in conflict with the Company's interest or to alter or terminate their employment or business relationship with Company;
- e) Solicit the participation of any the Company's Member, employee, supplier, consultant, manufacturer, and vendor to purchase any products other than the Company's or opportunity or to participate in any trade, business or profession whether directly or indirectly in competition with or in conflict with the Company's interest. Notwithstanding the aforesaid, this provision does not apply to businesses/ trades conducted by other associated and related companies within the Elken Group;
- f) Be engaged in or be interested whether directly or indirectly or whether as director, shareholder, proxy, principal, agent, servant or licensee in the promoting the interest or opportunity and sale of any products or goods other than those of the Company in any trade, business or profession in competition with or in conflict with the Company's interest. Notwithstanding the aforesaid, this provision does not apply to businesses/ trades conducted by other associated and related companies within the Elken Group;
- g) Influence existing Member, employees or agents of the Company or its related and associated companies in any manner that may be detrimental, prejudicial, adverse or which may disrupt the operations, image or reputation of the Company and its related and associated companies
- h) Be involved in any media release or publication of Elken's corporate-related information (including personal interviews granted) to newspapers/magazines/others without prior written approval from the Company.
- i) Violate any terms stipulated in the R&R, policies, procedures, Code of Ethics, and directives.

### 6.2 Reporting of Violation

- a) It is the obligation of every Member to abide by and maintain the integrity of the R&R. If a Member observes another Member committing any violation, he/she should report such violation to the Company by emailing to Customer Service Department, giving details pertaining to the nature of the alleged violation.

### 6.3 Rectification, Suspension and Termination Procedures due to Violation of R&R

- a) Violation of R&R is a serious issue and constitutes a breach of agreement by the Member. It is likely to cause a negative impact not only on the business of the independent Member involved, but also on others. At the same time, it may cast a dishonourable image and negative impression on the Company, its Member, business partners, officers, shisholders, Board of Directors and agents or the general public, media and relevant authorities.

The Company provides guidance and advice in rectifying any violation and when the severity of the situation warrants, it shall take appropriate action against the Member involved. In the event of violation, the following procedure shall be observed:

- i) Upon any violation of the R&R, a complaint has to be lodged immediately with the Company. The complainant may email to Customer Service Department, giving details pertaining to the nature of the alleged violation. The complainant must also inform his/her upline about the complaint lodged against the Member concerned.

- ii) Upon receiving the complaint, the Company shall notify the Member concerned, demanding a swift response and give him/her the opportunity to explain himself/herself regarding the alleged violation.
- iii) In the event the Company finds that the information provided by both the complainant and the Member concerned is inadequate, the Company reserves the right to request for more details from either party. The Company may at any point in time withhold commissions under the **iELKEN** Compensation Plan and whatever product campaigns and incentives, or withdraw facilities and privileges of the Member (if any) pending the final outcome of the investigation.
- iv) Upon securing all details pertaining to the alleged violation as claimed by the complainant, the Company shall talk to the Member concerned, ensuring that the violation is not repeated. If necessary, the complaint lodged shall also be submitted for further discussion by the Company in consultation with the Management.
- v) If by acting on the principle of impartiality, the Company is convinced that the only way to rectify the established violation is to suspend or terminate the membership of the Member concerned, it shall write a letter informing the Member concerned about its decision. The letter shall be posted through registered mail to the last known address of the Member as listed in the Company's database and the postmark shall be taken as the proof of receipt. In the event of suspension, the letter shall state a brief description of the complaint lodged against the suspended Member, in addition to spelling out the necessary steps in rectifying his/her behaviour as well as the deadline for their compliance.
- vi) Failure on the suspended Member's part in rectifying his/her behaviour within the deadline stipulated shall eventually lead to the termination of his/her membership.
- vii) The Company reserves the right to take necessary actions against the terminated Member and demand any compensation for damages and legal costs incurred, if any.
- viii) The Company reserves the right to amend or change any part of the above procedure when necessary without giving prior notice.
- b) The Company shall send a registered letter to inform the Member about the suspension/termination of his/her membership.
- c) Member may choose to suspend his/her membership with written notice to the Company. In doing so, the Member must wait until the membership expires (52 weeks from last purchase) before reapplying to be a Member.
- d) Refusal of delivery or request for return of products previously purchased for refund shall be deemed as self-suspension.

#### 6.4 Effects of Suspension and Termination

- a) The suspended or terminated Member is not permitted, either directly or indirectly, from entering into the premises of the Company, purchasing products, holding and attending meeting or incentive trips, to participate in the building, sponsoring or development of any of the Company's memberships. He/she shall cease to identify himself/herself as the Company's Member and shall covenant not to influence existing Member, employees or agents of the Company or its subsidiaries in any manner that may be detrimental, prejudicial, and adverse or which may disrupt the operations or image of the Company.
- b) Any Member whose membership has been suspended / terminated shall no longer be entitled to the status of his/her membership and all of **iELKEN's** Compensation Plan, benefits and entitlements. (Standing orders for future purchases will be terminated and the Company may refund the unutilised funds (if any) after deduction of administrative charges.) His/Her downline organisation shall be transferred to his/ her direct sponsor. The resigned, suspended or terminated Member shall have no further claims whatsoever against the Company. A Member who has resigned or been suspended or terminated can reapply for a new membership after his/her resignation, suspension or

termination subject to the Company's approval and Clause 6.4 (d).

- c) Any person reapplying to become a Member of the Company shall not lay claim to any of his/her bonuses/ incentives, ranks or positions, which he/she enjoyed or held prior to his/her suspension/termination or resignation.
- d) The Company reserves the right to claim damages from the suspended or terminated Member if he/she is in breach of the R&R or has participated in any other actions that may cause losses in terms of financial or otherwise to the Company.

## 7. Sale & Succession of Membership

### 7.1 Sale of Membership

The sale of membership is subject always to prior written approval of the Company's Head Office and upon fulfilling the following conditions:

- a) Only a membership in good standing with the Company and having the rank of Royal Crown and above and not in violation of the R&R may be sold. The Member must write in to the Company for prior written approval before any sale of membership can be made. Approval is based on the review of the proposed purchaser's qualification and intention to manage and will be subject to the consent and approval of the Company.
- b) The sale of the membership follows the below preferential order:
  - i) First priority  
The Member's immediate sponsor
  - ii) Second priority Any upline Member
  - iii) Third priority  
One of the Royal Crown's downline sponsored by the Member
  - iv) Fourth priority  
One of the Member in the Company with the rank of Royal Crown and above
- c) Upon obtaining written approval of the sale from the Company, a sale and purchase agreement must be signed between the buyer and seller. A transfer fee of USD50 (or an equivalent value in local currency) together with a copy of the duly stamped sale and purchase agreement must be extended to the Company for safekeeping.
- d) Any Member who has sold his/her membership can only apply to join as the Company's Member after one year from the date of the sale. Accordingly, he/she will start from the very beginning with no link to previous downlines.
- e) All bonuses accrued to the previous membership will be paid to the new owners. The awards and recognition previously awarded to the membership will be transferred to the new owner, if the new owner is presently a Member of the Company. However, the new owner has to attain the required qualification before he/she is entitled to acquire any due awards and recognition of the transferred membership.
- f) Selling and buying an existing membership as a means of changing membership is generally discouraged. The Company will closely scrutinise such transactions for violation of other important policies.

The Company reserves the right to disapprove any sale of membership without having to give any reason. Any effort to circumvent compliance of this section will render the transfer to be declared null and void.

### 7.2 Succession

- a) Upon the demise, incapacity or health problems of a Member, his/her membership shall be transferred to the Member's beneficiary subject to the Company's Beneficiary Policy and relevant laws of the country concerned.
- b) Where a Member (being a transferor), in order to facilitate the transfer of a membership in the event of his/ her death, requests the name of another transferee to be included into his/her membership. The transferee must be his/her next of kin, namely his/ her spouse, parent, child, or immediate brother or sister, and the transfer has to be



supported by relevant documents. The name of the transferor must continue to remain in the membership until his/her death and supporting estate-planning documentation must be provided to the Company. Such transfer shall be subject to such terms and conditions as may be imposed by the Company and the prior written approval of the Company and whose approval may at any time be withdrawn without any notice to that Member.

## 8. Product Sales and Pricing

### 8.1 Sales Representation

- a) The integrity of **iELKEN's** Compensation Plan and the confidence of other Member should be upheld at all times as such Member shall present the Company's products and **iELKEN's** Compensation Plan truthfully and accurately.
- b) Members shall not disseminate or spread any misleading, inaccurate and untruthful information or make any disparaging comparisons/statement whether directly or by implication about the Company, its related and associated companies through any communication platform. Any comparisons/statements made shall not be unfairly selected and shall be based on facts which can be substantiated.
- c) Member shall not claim, represent, and imply directly or indirectly, that the Company's Products other than those found in current Company literature and/or labels. If the reputation of the Company is damaged for this reason, the Member concerned will be held responsible for all costs or damages arising from such action. Furthermore, they shall not bind or commit the Company to any settlement related to such costs or damages.
- d) It must be made clear that the Company's programme is based on sales of the Company's products and not for recruitment or rank advancement in **iELKEN** Compensation Plan. It shall be stated that sales commissions are generated through diligent and committed efforts and Member is not allowed to exaggerate any income claim.
- e) All statements regarding Product description and use must conform in every way to the written policies of the Company.
- f) Member shall not impose minimum purchase or compel prospective members to purchase more Products than they can reasonably sell, use or maintain a specific amount of products before joining the Company.
- g) Member shall only use credit card with his/her own name embossed on the credit card for any purchases and shall ensure the credit card information is accurate and there are sufficient funds for the same.

### 8.2 Pricing

- a) Member shall sell products to customers at Consumer Retail Price (CRP). Only Member can enjoy the Company's products at the Member Price (MP) and those offered as the Company's official promotional packages.
- b) Member is refraining from under-pricing or over-pricing any product of the Company for the purposes of gaining higher profits or promoting sales. This action may warrant termination and/or legal action by the Company.
- c) Under-pricing or over-pricing in the above context means:
  - i) All products of the Company shall be sold at the price prescribed or approved by the Company. No Member is allowed to raise or lower the price of any products.
  - ii) No Member is allowed to carry out their own promotion unless with prior written approval from the Company.
  - iii) Products obtained during promotions or with purchase offers shall be sold at the price prescribed or approved by the Company.
  - iv) Member is not allowed to instigate, encourage, indulge and teach downlines to

obtain bonus rebate/refund of commission in order to be more competitive in pricing.

- v) Member is not allowed to resell the Company's products to their downlines, sidelines and other groups without the submission of sales report to the Company.
- vi) Member is not allowed to purchase/sell to the staff of the Company and vice versa.

## 9. Product Guarantee & Refund

### 9.1 Product Guarantee

In the event of any dissatisfaction, manufacturing or packaging defect, Customers/ Member can return/exchange the Product within 90 days from the date of purchase. They have to provide a good reason and return the said goods together with the Customer Order Receipt copy. Thereafter, Customers/Member can return the products to the Company and exchanges for the same products within 90 days from the purchase date. The Products returned must be in good condition, useable, resellable, restockable, unopened, unaltered and the shelf-life of the goods have not expired, Customers/Member must attach the following at the time of returning the products:

- Product Return Form (attached with Product stating reasons for return)
- Copy of Invoice/Cash Order and Customer Order Receipt

However, this guarantee does not apply to expired Products or Products which were damaged due to negligence, misuse, unintended use, mishandling or unauthorized modification.

### 9.2 Refund

Upon voluntary resignation of membership, Member may apply to return any Company's Products within 90 days from the purchase date provided that the Products are in good condition, useable, resellable, restockable, unopened, unaltered and the shelf-life of the Products have not expired.

Upon approval, amount refunded will be equivalent to Member's cost of Product being returned, less total bonus paid on the original purchase, any benefits/incentives paid under any campaign and 10% service charge from Member Price of the Products toward the cost of handling charge and freight.

## 10. Trademark, Advertisement & Social Media

### 10.1 Trademark

- a) Apart from printed materials that the Company may supply and/or sell to Member, a Member should not use the name of the Company, its logo, trademark(s), and/or other representation of the Company without prior written approval of the Company. Upon expiration, suspension/termination of a membership, the affected Member:
  - i) Shall discontinue the use of all the Company's logo, trademark(s), and/or any other representations; and
  - ii) Shall not use any name, sign, label, stationery, Products name, copyrights, designs and/or any printed material related to any of the Company's Products.
- b) Member may not register or use any of the Company's name(s), trademark(s), logo(s) or product name(s) in any website, URL (Uniform Resources Locator) address, Domain name, electronic media advertising or other forms of advertisement.

### 10.2 Advertisement

- a) Member shall not advertise the Company's Products and/or its Compensation Plan without the prior written consent of the Company except by use of the exact language used in the Company's printed materials.
- b) Member shall not duplicate, reprint or personalized any/all Company official literature and materials without prior written approval from the Company. Any/all privately produced promotional materials must be approved in writing by the Company prior to its publication.

- c) All products of the Company shall be marketed and sold in its original form and packing. Member shall not alter, relabel, repackage, rebundle, unbundle, sell in loose form, or otherwise change any of the Company's products or sell any product under any name or label other than that authorised by the Company.
- d) Member shall obtain prior written approval from the Company prior to selling, participating and displaying Company's products at trade shows/conventions.
- e) Member shall obtain prior written approval from the Company before participating in any media interviews, respond to any media inquiries and promote product or opportunity through any news report or trade industry publication.

### 10.3 Internet and Social Media

- a) Member may promote **iELKEN** business through the Company's replicating website programme only.
- b) Member must obtain the Company's prior written approval before setting up any online social platform, including but not limited to blogs, sites, Facebook account to share his/her personal experience and/or network's experience. Such information published and/or its content shall comply with the provisions in the R&R.
- c) Any advertising online pertaining to the Company's products, campaigns and promotions shall be published upon obtaining prior written approval from the Company.

## 11. Commission and Bonus Payment

- a) All commissions and/or bonuses payable under **iELKEN** Compensation Plan are based on the sales of the Company's Products and not through recruitment or rank advancement. Only Active and Activated membership are eligible for commission and/or bonuses.
- b) All weekly commissions and/or bonuses will be paid in the local currency within 21 days after the end of each week closing save for Quarterly Dividend which will be paid within 21 days after the end of each quarter closing. In some unforeseen situations, there may be a few days of delay due to external factors beyond the Company's control.
- c) The minimum payment for commission is USD10 (or an equivalent value in the local currency). Any commission generated less than USD10 (or an equivalent value in the local currency) shall be accumulated and paid to the Member until it exceeds USD10 (or an equivalent value in the local currency).
- d) The Company shall be entitled to charge a fee of USD20 (or an equivalent value in the local currency) per commissionable cycle for the following:
  - i. No commissions activity for a period of 12 month in the Member's e-wallet;
  - ii. Commission payments that are delayed/pending due to the act/omission of Member for a period of 6 months.
- e) Upon receiving weekly Bonus Statements, Member should check to ensure the figures are accurate. Any queries should be made within 14 days from the issuing date of the statements, failing which the Bonus Statement is deemed correct.
- f) The Company shall be entitled to adjust all commissions and/or bonuses paid or to be paid as a result of returned/refund of Products and the commission and/or bonuses shall be adjusted accordingly in his/her weekly Bonus Statement.

## 12. General Provision

- a) Confidentiality: Member shall not disclose to third party or use confidential information including but not limited to genealogy, manufacturer information, commission and sales reports Product specifications or formula and other business and financial information of the Company received whether in electronic or written form for any other purpose except as permitted by the Company nor directly or indirectly contact or communicate with the Company's supplier, vendor, and manufacturer except with Company's prior written consent.
- b) Waiver: Failure to enforce or to require the performance at any time of anyone of the provisions of this R&R shall not be construed as a waiver of such provision, and shall not affect either the validity of this R&R or any part hereof or the right of any party thereafter to

enforce each and every provision in accordance with the terms of this R&R. Any waiver by the Company can and shall only be effected in writing by the authorised personnel of the Company.

- c) Indemnity: Member shall indemnify and hold harmless the Company, its shareholders, officers, directors, employees and agents from and against any/all claim, demand, liability, loss, cost or expense including, but not limited to, court costs and attorneys' fees, asserted against or suffered or incurred by any of them, directly or indirectly arising out of or in any way related to or connected with allegedly or otherwise, the Member's: (a) activities as Member; (b) breach of the terms of the Agreement; and/or (c) failure to comply with any applicable laws, legislations/regulations or rules.
- d) Limitation on Liability: To the extent permitted by law, the Company shall not be liable for, and Member releases the Company from, and waives all claims for any loss of profits, indirect, direct, special or consequential damages or any other loss incurred or suffered by Member as a result of: (a) breach of Agreement, R&R, policies, procedures, Code of Ethics, directives, terms and conditions of the Business Manual, and/or **IELKEN** Compensation Plan by Member; (b) Member's business operations; (c) any inadvertent, incorrect or wrong data or information provided by Member; (d) violation of any copyright in connection with materials provided by Member; or (e) failure by Member to provide any information or data necessary to the Company for business operations including but not limited to marketing and promoting of Company's Products and/or the joining and acceptance of any individual as the Company's Member or the payment of commission and bonuses.
- e) Limitation of Damages: To the extent permitted by law, the Company, its affiliates, officers, directors, shareholders, employees and other representative shall not be liable for, and each Member hereby releases the foregoing from, and waives all claims for loss of profits, incidental, special or consequential or exemplary damages which may arise out of any claim whatsoever relating to the Company's performance or non-performance, act of omission with respect to the business relationship or other matters between the Member and the Company whether in contract, tort or strict liability. Furthermore, it is agreed that any damages to the Member shall not exceed and is hereby expressly limited to the amount of unsold Company's Products owned by Member and any commission and/or bonuses owed to Member.
- f) Force Majeure: The Company shall not be responsible for delays or failure in performance caused by circumstances beyond the Company's control including but not limited to strikes, labour difficulties, fire, war, government decrees or orders, or curtailment of a party's usual source of supply.
- g) Entire Agreement: This Agreement, R&R and **IELKEN** Compensation Plan together constitute the entire Agreement between Member and the Company.
- h) Notices: Each notice, demand or other communication of any kind whatsoever given/ served by either the Company or Member shall be in writing and delivered by electronic communication whether by telex, telegram, e-mail or fax (if confirmed in writing sent by registered mail or by personal service). Any Party may change its address for notice by giving written notice to the other in the manner provided in this section. Any such notice, demand or communication shall be deemed to have been given or served on the date personally served by personal service, on the date of confirmed dispatch if by electronic communication, or other evidence if delivery is by mail.
- i) Changes and/or Amendments: Member shall comply with this R&R, policies, procedures, Code of Ethics, directives and any amendment made by the Company from time to time. The Company reserves the right to add, amend/change or substitute its Compensation Plan, Terms of Agreement, R&R, policies, procedures, Code of Ethics, directives at any time without prior notice. Amendments will be communicated by the Company by publication at the Company's website and shall be effective and binding as the publication date. In the event any conflict exists between the previous documents/policies and any such amendments, the amendments shall prevail.
- j) Should any part of this Agreement be unenforceable (including any provision of exclusion of liabilities) the enforceability of any other part of therein shall remain in full force and effect.



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In the event of any inconsistency between English and Khmer version of this Business Manual, the English version shall prevail.