### L Alpha Policy and procedure

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### 1. **DEFINITION OF TERMS**

### 1.1. Breakthrough

Breakthrough refers to the Breakthrough Trading S.C Addis Ababa Ethiopia And All Its Subsidiaries Set Up Globally Under The Name Of Breakthrough.

### 1.2. BHQ

CHQ refers to Breakthrough Head Offices established at Bole sub city, Healthier tower, Addis Ababa, Ethiopia.

### 1.3. Alpha IBO / Brand builder

Any eligible citizen who is sponsored by a current Alpha brand builder and has purchased the Alpha Training packages and or any other Breakthroughs product packages.

### 1.4. Alpha Compensation Plan

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

### 1.5. Sponsor

An Alpha IBO who sponsors others into the Alpha Business Opportunity; is called "Upline".

### 1.6. Breakthrough P&P (BPP)

The BPP are part of Alpha Compensation Plan.

### 1.7. Alpha Products

"Alpha Products" refers to products manufactured or supplied by Breakthrough or its OEM/ODM suppliers and distributed by Breakthrough or its affiliate companies. It also refers to products, sales-support goods, video/audio materials or services provided by Breakthrough and used by its IBOs according to the BPP.

### 1.8. Breakthrough Franchises

These Franchises & branches include: Breakthrough Trading S.C. bole sub city, Healthier tower 3<sup>rd</sup> floor, Addis Ababa, Ethiopia

# 2. Alpha Independent Business Owners (IBOs) Brand builders

### 2.1. How to apply for Alpha Brand builder position

- 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 IBO position and enjoy the equal opportunities to become a IBO.
- 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 Alpha Brand builder..
- 2.1.3. Regular employees of Breakthrough Trading S.C. and their direct relatives are not eligible to apply for Alpha brand builder position. ("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. Alpha IBOs, who are no longer eligible as such according to local laws or Breakthrough s regulations, will have their IBO position terminated from the date relevant reasons occur.
- 2.1.5. Alpha IBO Qualifications refer to their qualifications, ranks, rights, obligations, and responsibilities. The Alpha IBO username is a unique identifier based on the Alpha IBO qualifications; in other words, each Alpha IBO Qualification corresponds to one single Alpha username.
- 2.1.6. Every Alpha IBO may own up to seven usernames, on the condition that these seven usernames must be placed in the same network. The IBO is personally responsible for all rights and obligations with full legal liability for all seven usernames..
- 2.1.7. It is not permitted to transfer or sell Alpha username without authorization. In cases of violations of this rule, Breakthrough 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. An Alpha IBO is not permitted to engage in Direct-Selling business with any other company than Alpha, or to engage in any other Direct-Selling activities than those organized by Alpha. Otherwise, Breakthrough is entitled to terminate or refuse to recognize the Alpha IBO.

- 2.1.9. Breakthrough reserves the right to accept or reject any application to become Alpha IBO.
- 2.1.10. Alpha IBO validity and renewal:
  - 2.1.10.1. The renewal period of a Alpha is counted from the date of purchasing the 1<sup>st</sup> Alpha product package, until the last day of the 12<sup>th</sup> month. In the following, each other renewal period will last for 12 months. Renewal fee is just to be active IBO, either through one time purchase of Alpha products in 12 months time or recruiting a customer for Alpha under the IBOs username as sponsor.
  - 2.1.10.2. Alpha IBOs 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 IBO position within the renewal period, or in case Breakthrough rejects the renewal application within or after the renewal period, the Alpha IBO position will be invalid.
  - 2.1.10.4. In case of violations of the provisions of the BPP or other rules before the end of the renewal period, Breakthrough reserves the right to reject to renew the ibo ship.
  - 2.1.10.5. For Alpha Brand builders who do not place any order within the 12 months of the valid period and IBO position expire, he/she may apply to rejoin as new Brand builder/ IBO in the following month as new IBO.

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### 2.2. Procedures to apply for Alpha Brand builder / IBO

- 2.2.1. Those who wish to apply to become Alpha IBO must be recommended by an authorized Alpha IBO.
- 2.2.2. Applicants shall confirm that they read and understood the BPP and have a complete understanding of Alpha brand building procedure through GSystem foundation level,, before agreeing to become as Alpha IBO. The applicant agrees to follow all Breakthrough regulations and guidelines.
- 2.2.3. IBO Agreements should be sent immediately after filling up to Breakthrough. An Alpha IBO username and password is submitted online upon purchase of Alpha Product packages, whereby the applicant officially becomes a Alpha IBO.

- 2.2.4. IBO should purchase Alpha product packages via <a href="www.alphagenuine.com">www.alphagenuine.com</a> website to activate the IBO position.
- 2.2.5. In case of several applications for Alpha IBO positions submitted by the same applicant, the first ibo ship duly completed, received and approved by Breakthrough will be regarded as the Principal Alpha IBO position.
- 2.2.6. 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. Breakthrough reserves all rights to take action including termination of the IBO username.

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### 2.3. Rules regarding Alpha Brand building positions for spouses

- 2.3.1. When a married couple applies to purchase Alpha product packages:
  - 2.3.1.1. If both partners in a couple are willing to join Alpha brand building business, the couple can the benefit earned from the brand builder position shall legally be for both.
  - 2.3.1.2. Should one party of the couple not intend to be a Alpha brand builder he/she does not need to purchase Alpha brand building position. He/she will then also not be eligible to make any decision pertaining to the qualification as Alpha brand building.

- 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 seven usernames provided that those are in the same structure.
- 2.3.2. In case of a marriage or newly registered legal partnership between existing Alpha IBOs, they can either retain their original Alpha Username, or one partner can apply to jointly run Alpha brand building business together with the other partner, resulting in the termination of his/her own Alpha username.
- 2.3.3. When a non Alpha IBO who is the spouse of a Alpha IBO violated the Rules & Regulations of Breakthrough, Breakthrough will reserve all rights to take action over the Alpha Brand building position .
- 2.3.4. In case of a marriage or newly registered legal partnership between existing Alpha IBOs, they can retain both their original usernames, or one partner can relinquish his/her status to become a 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 one username, the following regulations shall be complied with:
  - 2.3.5.1. Upon agreement between the couple, the ownership of the Alpha brand builder position shall be continued by the elected partner, and the other shall apply for new Alpha brand builder position username at the same time.
  - 2.3.5.2. Should the former couple be unable to reach an agreement, Breakthrough will temporarily freeze all bonuses until an agreement is reached

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### 2.4. Inheritance and Continuance of Alpha Brand building position

- 2.4.1. If a Alpha username belongs to a couple with one partner passing away, the other partner will be regarded as the heir of this Alpha username as well as all corresponding rights and obligations.
- 2.4.2. If a An Alpha IBO passes away, the following rules shall be executed accordingly:

- 2.4.2.1. If the Alpha IBO has a legal heir, and this heir is eligible to become a Alpha IBO, he/she will be regarded as the heir of all Alpha username from this IBO;
- 2.4.2.2. If the Alpha IBO has a legal heir, and this heir is already a Alpha Brand builderr, he/she could only inherit the Alpha Usernames with the termination of all of his/her own usernames;
- 2.4.2.3. If there is no heir applying to inherit the Alpha ID(s) from Alpha within 6 months after the IBO passed away, this IBO will be regarded as having terminated Alpha brand building business voluntarily. Breakthrough has the right to dispose of the ibo right at its own discretion.
- 2.4.3. Should a Alpha Brand builder lose his/her ability to work or is 65 years or older, Breakthrough, will permit the transfer of all of this IBOs username and associated benefits to a direct relative (parent, child, spouse or sibling) who is eligible to become a Alpha IBO. The transfer will only be effective if the designated beneficiary has given up all of his/her existing Alpha Brand building position, if any. The original owner of the Alpha IBO 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.

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### 2.5. Termination of and Re-Application for IBO position.

- 2.5.1. Termination of Alpha IBO position means Breakthrough terminates all contracts it closed with the concerned IBO. From the date of issuance of the termination notice, the terminated Alpha IBO will immediately lose his Alpha IBO position rights and interests, including the bonuses generated from the concerned username.
- 2.5.2. Should a Alpha IBO (including partners of a couple with shared IBO username) be found to have committed any of the below listed violations, Breakthrough 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 Alpha IBO.
  - 2.5.2.1. Providing false information in the Alpha IBO Agreement (including non-original signature).

- 2.5.2.2. Serious violations of the BPP.
- 2.5.2.3. Violations of the Policies & Procedures where previous written requests for correction within a certain timeframe by Breakthrough S.C. were ignored or not fully complied with.
- 2.5.2.4. Violations of law punishable by imprisonment.
- 2.5.3. When a Alpha IBO is terminated, the IBO will lose all his/her position in personal structures, including but not limited to, ranks and bonuses.
- 2.5.4. Where a IBO is terminated voluntarily by the IBO, the former-IBO is not allowed to reapply for Alpha IBO within 12 months after the termination.
- 2.5.5. Where a brand builder is compulsorily terminated, former-IBO is not permitted to reapply for approval within twelve months after the termination. Re-application depends upon approval from Breakthrough.

### 3. RIGHTS AND RESPONSIBILITIES OF Alpha Brand builders

### 3.1. Rights of IBOs

A brand builder has the following rights & interests:

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

### 3.2. Observation of local laws and regulations

Alpha brand builders 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. Alpha brand builders 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 Breakthrough.

### 3.3. Observance of Breakthrough rules and policies

When carrying out any activities related to Alpha brand building business (including retailing, sponsoring and meetings, etc.), . Brand builders must always completely abide by the BPP, Alpha marketing Plan and other relevant methods, rules, policies, procedures, regulations, measures and revisions.

### 3.4. Follow Breakthrough Regulations, and guarantee quality service

- 3.4.1. IBO can choose to order Joining Packages directly from Breakthrough branches, franchises, E-pin agents or online.
- 3.4.2. IBOs must advertise by words of mouth Alpha products to customers at the recommended retail prices regulated by Alpha.
- 3.4.3. IBOs must offer product benefits they get from Alpha products by personal testimony and give a verbal explanation of how to benefit from Alpha product packages clearly.

# 3.5. Alpha brand builders must order goods directly from Breakthrough branches or its authorized franchises & epin agents.

- 3.5.1. All journals/magazines and video/audio materials created and published by BREAKTHROUGH are under protection of local copyright laws. Without prior permission by Breakthrough, brand builders or any other person may not reproduce, reprint, produce and copy the abovementioned materials in whole or in part in any form. Otherwise, all legal liabilities incurred must not be held against Breakthrough, and should be borne by Alpha IBOs themselves. Breakthrough has the right to make claims according to law for any losses it may sustain.
- 3.5.2. IBOs can only use the words, audio/video materials published by Breakthrough and for the sole purpose of helping to build brand building business.
- 3.5.3. Without prior authorization by Breakthrough, IBOs may not create, publish or sell in any form sales-supporting materials related to Breakthrough.
- 3.5.4. IBOs are permitted to make audio/video recordings of all kinds of meetings held by Breakthrough, 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 IBO himself/herself; and it cannot be reproduced, sold or used for other purposes.

3.6.

### Alpha brand builders must observe meetings-governing rules.

3.6.1. A meeting or event organized by IBO must be called according to the rules of Breakthrough, which must follow the purpose of training IBOs, or be used to promote Alpha product. The organizer is strictly prohibited to use such gatherings for other objects.

#### Allowed events.

- 1. One on one presentation and enabling
- 2. ABC presentation or follow up.
- 3. HP not more than 9 people presentation, follow up and training.
- 4. NBO, BT, PT, TOT, TC, SLT, NDT only with prior written approval from The HQ or branch. Content should be as per the GSystem schedule.
- 3.6.2. IBO who own Alpha franchise must report to Breakthrough to register such logos and names. The marks cannot be used until being officially approved by Breakthrough..
- 3.6.3. When Breakthrough networks are engaged in activities that need Breakthrough Brand/Logo for identification, they must use the name of "Alpha brand builder" as the main identification, with the name of the structure as an auxiliary part.

Example: Alpha brand builders ..... team Training Session

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### 3.7. Using Breakthrough brand and trademarks

- 3.7.1. A brand builder must know that all Alpha trademarks, medals, symbolic badges, designs, layouts, audio and visual materials, as well as all technological skills and knowledge related to Breakthrough Business Plan and products utilized by Breakthrough are actually the properties of Breakthrough. All the mentioned have been registered, utilized and authorized and can only be used by Breakthrough in the local countries exclusively.
- 3.7.2. A brand builder shall not misuse the brand and trademarks of Alpha and Breakthrough Business Alliances in the following ways:
  - 3.7.2.1. Producing, obtaining and selling any goods printed with Breakthrough/
    Alpha( or symbols and trademarks of Breakthrough or Breakthrough Business
    Alliances) through other sources outside of Breakthrough;
  - 3.7.2.2. Placing any brand and trademarks of Alpha or Breakthrough Business Alliances (except for the stickers/signs sold by Breakthrough) on personal cars, or other materials.
  - 3.7.2.3. Advertising or broadcasting business activities or products of Breakthrough or Breakthrough Business Alliances in any media. Both social and main media.

- 3.7.2.4. Utilizing the name Breakthrough or Alpha Business Alliances as the name for any organization/business, or authorize others to use such names.
- 3.7.2.5. Using the name Breakthrough or Breakthrough Business Alliances and trademarks without the prior approval by Breakthrough.
- 3.7.2.6. It is not permitted to try to register name or trademarks of Breakthrough or Breakthrough 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 Breakthrough must be followed.

# 3.8. Duties and Responsibilities of Alpha brand builders joining the Breakthrough 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 Breakthrough Business Alliances
- 3.8.3. Comply with all related rules and regulations when engaging in activities of Breakthrough Business Alliances.
- 3.8.4. All information provided by the applicant during application to become a member of the Breakthrough Business Alliances must be correct and valid. It is strictly prohibited to fraudulently use another person's identity or to obtain the Breakthrough Business Alliances membership through improper means. Upon detection of false information provided or failure to meet membership requirements, Breakthrough reserves all rights to take appropriate actions, including the cancellation and withdrawal of all benefits and privileges of the Breakthrough Benefit Alliances membership.
- 3.8.5. Responsibilities of IBOs when promoting the Alpha Business Alliances business
  - 3.8.5.1. To explain the Alpha Business Alliances products at the recommended price, and ethics without any additional fees nor engaging in pricing discounts or other pricing anomalies when explaining to customers.

- 3.8.5.2. To conduct product explanation and offer clear explanations on the benefit and what it can not do as shown on the product labels.
- 3.8.5.3. To courteously and expeditiously handle all customer complaints, following the guidelines provided by the Breakthrough Business Alliances regarding product returns and exchanges.
- 3.8.5.4. It is prohibited to use the Breakthrough Business Alliances sales channels to promote or sell non-Breakthrough Business Alliances products.

#### 3.8.6. Responsibility of IBOs to promote businesses of Breakthrough 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 Breakthrough Business Alliances.
- 3.8.6.3. Spread neither any business, promotions, policies and other information which has not been approved by the Breakthrough Business Alliances, nor any false information regarding the Breakthrough Business Alliances.

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### 3.9. Responsibility of Alpha Brand builders in words of mouth and marketing

- 3.9.1. In the case of all major claims or complaints made by IBOs, the network leading IBO must promptly report to Breakthrough, supplementing with written and verbal descriptions, to constantly improve the service quality of Breakthrough.
- 3.9.2. Alpha Brand builders can only display or sell Alpha products in franchise offices authorized by Breakthrough. They may not, or delegate others, to sell or display Breakthrough products in any public areas.
- 3.9.3. It is not permitted to sell products or recruit IBOs in a door-to-door way, or to sell products or present Breakthrough Compensation Plan to strangers/passersby in public areas.
- 3.9.4. It is not permitted for Breakthrough IBO to use telemarketing methods, fax, flyers, posters, large quantity mailings, social media group postings, social media advertisements or other communication methods to promote sales; and they are not permitted to ask others to join Alpha business in any other improper way.

- 3.9.5. Without written approval from Breakthrough, it is not permitted to create, publish or release advertisements, explicitly or implicitly, to promote products or recruit IBOs.
- 3.9.6. IBOs may not take advantage of the authority of individuals, enterprises or other organizations to sell Alpha products or introduce new IBOs in any improper manner, such as intimidation or threats.
- 3.9.7. It is not permitted to represent Breakthrough, 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 Breakthrough products or products distributed by Breakthrough.
- 3.9.9. It is not permitted to represent Alpha products or products distributed by Breakthrough with unwarranted sponsors, approvals, functions, ingredients, usages, etc.
- 3.9.10. Breakthrough products or products distributed by Breakthrough can only be sold at the prices prescribed by Breakthrough for local markets.
- 3.9.11. It is not permitted to import or sell any Breakthrough products or products distributed by Breakthrough that are not supplied by Breakthrough, or to export or help others to export Breakthrough products or products distributed by Breakthrough.
- 3.9.12. It is not permitted to represent and promote non -Breakthrough products/service as from Breakthrough or distributed by Breakthrough.
- 3.9.13. It is not permitted for Alpha IBOs to use Breakthrough networks to sell products/services which are not manufactured or distributed by Breakthrough (e.g. insurances, taxes, real estate, investment, etc.)
- 3.9.14. Without prior permission of Breakthrough, it is not permitted to register or set up websites related to Breakthrough and use them to release Breakthrough-related information, product description or business promotion materials.
- 3.9.15. Being engaged in marketing/sales, Alpha IBOs are not permitted to make any charges in any other form than prescribed within the rules laid down by Breakthrough.

- 3.9.16. It is not permitted to disparage, verbally attack Breakthrough, other IBOs or other lines of business or trades
- 3.9.17. It is not permitted to deceive, pile stocks or pile e-pins, 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 Breakthrough. Using or inducing the Breakthrough business connections, or using other IBOs to promote non-Breakthrough business is similarly prohibited. In the Handbook of Business Conduct, "inducement" includes any form of offer, invitation or persuasion to entice other IBOs 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, Alpha IBOs cannot spread any negative comments or speeches that may have a negative influence on Alpha development and reputation.
- 3.9.20. Alpha IBOs must ensure that, Breakthrough 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 Breakthrough Business or Breakthrough products. The IbO must make compensations to Breakthrough or concerned parties for any losses, damage to business reputation, mental anguish, etc.
- 3.9.21. Without prior permission of Breakthrough, it is not permitted to accept media interviews or reports as Alpha IBO.
- 3.9.22. Alpha IBOs are not permitted to:
  - 3.9.22.1. Represent themselves as the employee or commercial partner of Breakthrough or organizations related to Breakthrough.
  - 3.9.22.2. Represent themselves as Breakthrough 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 Breakthrough 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 IBOs, a brand builder must represent the products, marketing plan and BPP truthfully and honestly. During the representation, the Alpha brand builder may require the potential IBO to sign the application form, provided that he/she does not make any fraudulent, concealed or misleading statements about the Alpha marketing plan. During the representation, the IBO must especially stress on the following points: ---- The qualification of becoming a Alpha IBO

---- Alpha Marketing plan , effort required to achieve good results, like time, commitment, discipline,...

---- Importance of attending various meetings organized by

Breakthrough

- ---- TPP
- ---- Obligations and responsibilities of IBOs
- ---- Compensation Plan
- ---- Categories, prices, indications, quality and purposes of Alpha products
- ---- Resignation of IBOs

3.10.2. It must be explicitly ascertained whether the potential IBO and his/her spouse were Alpha IBOs or got Alpha Orientation by other IBO in the past.. If one happened to be a prior Alpha IBO, the brand builder can only sponsor the person twelve months after the termination of the previous IBO membership. In the event the sponsored person violates any of the provisions of the BPP in the future, leading to the situation where Breakthrough S.C. has to give punishment, and the sponsoring IBO and the up-lines sustain losses, then the matter must be resolved by the concerned parties according to proper rules. If the guest says has already received orientation. Then the IBO should encourage the guest to continue with the previous IBO. Only if the guest has serious reason not to work with the previous IBO, then the brand builder can continue with the presentation.

3.10.3. The placement Sponsor must fulfill the following responsibilities:

3.10.3.1. Giving their downlines regular retailing trainings, guidance and



- 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 Alpha business; and superior services.
- 3.10.4. Under any circumstances, a brand builder cannot (directly or indirectly) assist, persuade or interfere with another Alpha IBO to leave his structure or to switch to another structure.
- 3.10.5. Alpha is dedicated to maintaining the complete structures of IBOs and does not allow IBOs to switch their sponsors and placement sponsors. Breakthrough reserves the right to reject any applications to switch structures.

### 3.11. Responsibilities of Senior Alpha Brand builders (SABB)

- 3.11.1. A SABB does not only need to fulfill obligations as a Placement Sponsor and Alpha IBO but also need to accomplish responsibilities such as:
  - 3.11.1.1. Ensuring that all IBOs in his/her structure provide services to consumers in compliance IBO with the Alpha marketing plan.
  - 3.11.1.2. Ensuring that he/she serves as a role model by: strictly abiding by the BPP and all revised rules laid down by Breakthrough; providing trainings to all IBOs in his/her structure so that the latter understand the focus in operating Breakthrough business and abide by the BPP and all revised Breakthrough rules.
  - 3.11.1.3. In case the s in his/her networks are located in different regions, the SABBr must provide trainings for IBOs in various localities, or help them to participate the conference that boosts their Alpha business.
- 3.11.2. SABB must keep up an active attitude in operating his/her network, and a focus on the expansion of the network. If a SABB fails to fulfill the following key responsibilities as a leader, Alpha has the right to freeze any bonuses, Honorary status, and all the relevant incentives, such as travel funds.

IBO \_\_\_\_\_

- 3.11.2.1. The SABB has to intervene immediately if finding out (s) in his/her structure are spreading speeches that may lead to negative influences on Breakthrough reputation, meanwhile the SABBhas to report to Breakthrough and give guidance to the downline.
- 3.11.2.2. SABBmust 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, SABB 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. SABB 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. SABB must actively organize systematic trainings to their structures and give supports to the development IBO of downlines.
- 3.11.2.6. SABB must organize business meetings or home parties at least once every month. s have to organize trainings and events regularly according to the GSYSTEM Home Parties or Product Sharing on every
- 3.11.3. SABB must actively implement strategies and policies given by Breakthrough, and work smart to expand markets and serve as role models for IBOs to boost the markets.

In order to be advanced to Senior ranks ranks, IBOs must fulfill the qualifications stated in the Alpha marketing plan, as well as follow the relevant local regulations.

### 4. VIOLATIONS, DISCIPLINARY AND CORRECTIVE MEASURES

### 4.1. Punishments for Violations by IBOs

- 4.1.1. When IBO s are found in violation of the provisions of the Alpha BPP that caused negative influence on Breakthrough reputation and interests of other Alpha IBOS Breakthrough has the right to give punishments to the offending ibo according to BPP.
- 4.1.2. Breakthrough has the right to decide whether to publish the violation details in form of: notices, announcements, letters, meetings, through Breakthrough website, E-mails etc. The detailed information published may include, but is not limited to: IBO s name, username, rank, violation behavior, and penalty
- 4.1.3. In case a brand builder receives bonuses through the violations to Breakthrough regulations, Breakthrough 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 Breakthrough 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 Alpha IBO position, including all the bonuses and honorary awards.

- 4.1.6. If the IBO is involved in, or may be involved in violations to Breakthrough regulations, Breakthrough reserves the right to accordingly postpone the applications of information corrections submitted by this IBO. Decision will be made after the inspection of violation behaviors.
- 4.1.7. Breakthrough has the right to review the eligibility to Travel Incentives or anniversary Conventions of IBOs that are under penalty.
- 4.1.8. In the case that local government is involved, Breakthrough 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 Breakthrough does not look into the Alpha IBO who violates the Policies & Procedures, this does not mean that such violations to the same nature done by other Alpha brand builder will not be looked into.
- 4.1.10. It is strictly prohibited for Alpha Brand builders to provide false documents and interrupt the investigation from Breakthrough.

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### 4.2. Grievance Procedures

- 4.2.1. IBOs may file a complaint within 2 months since the infringement of their rights (date of violation)
- 4.2.2. Breakthrough 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. IBOs may file complaints through Breakthrough branches. Having done so, the IBO should: try to avoid leaving the registered address; keep in touch with Breakthrough; accept inquiries/investigations; and give further support materials if required.

- 4.2.5. Upon receiving and accepting the complaint from IBO, Breakthrough will start the investigation within prescribed time. During the process, the complainant and the IBOs involved should actively work with Breakthrough. Breakthrough reserves the right to freeze the bonuses of the IBOs involved.
- 4.2.6. During the investigation, Breakthrough may take necessary measures accordingly to collect evidence.
- 4.2.7. Breakthrough will handle the complaint according to Breakthrough regulations based on the investigation, evidence collected and mediation results, and notify both the complainant and ibo s involved.
- 4.2.8. IBOs may apply for an appeal within 15 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 Breakthrough will start the review procedure of the complaint.
- 4.2.10. The appeal decision made by Breakthrough will be the final decision, which should be strictly followed by IBOs. There is no possibility for a second review.

### P&P

#### 4.3. Correction Measures

- 4.3.1. If Breakthrough believes that there are one or more IBOs within the same structure misrepresenting the alpha marketing plan or seriously violating the BPP, Breakthrough may take correction measures against all or part of the structures in the structure.
- 4.3.2. Before executing the correction measures, Breakthrough will inform the involved IBOs of the reasons of penalties to emphasize the necessity of such actions.
- 4.3.3. When Breakthrough informs the IBOs according to Breakthrough regulations, involved IBOs 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. IBOs who have been subject to correction measures should finish a thorough retraining to learn how to correctly represent and implement the Alpha marketing plan, and how to give

trainings correctly. The retraining sessions will be hosted by a leading IBO or other designated IBOs under the supervision of Breakthrough.

- 4.3.5. The leading IBOs or other designated IBO must submit the retraining sessions' agenda, which should contain date, time, venue, expected number of attendance and names of lecturers of the Alpha marketing plan..
- 4.3.6. During the retraining sessions, all the attending IBOs must sign attendance, which should be submitted to Breakthrough by the leading IBO or other designated IBOs
- 4.3.7. Breakthrough 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 Alpha Marketing plan; the representatives may host the sessions instead of the original hosts when necessary.
- 4.3.8. If the IBO or relevant sponsors are slow or even fail to take proper and effective measures within the prescribed period, Breakthrough has the right to take further actions against them.