



# 엔잭타 IBO 회원수첩

## ENZACTA BUSINESS INFORMATION

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## ENZACTA International

Founder Russell Edward Hall /  
Co-CEO Amy Hall Rettinger & John Hall

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# ENZACTA International

ENZACTA International is a global company headquartered in Mexico, operating independent businesses in various countries including Korea, the United States, the United Kingdom, Spain, Colombia, Australia, and Canada.

Guided by the founding philosophy of Russ Hall — “The IBO is the true owner of the company” — ENZACTA places the highest value on the success and happiness of its Independent Business Owners (IBOs). With premium-quality products and a differentiated compensation plan, ENZACTA is paving a new path in the network marketing industry. **When ENZACTA creates it, it's different.**

All ENZACTA employees are sincerely committed to supporting every IBO in achieving a successful Life Rebuilt.

## RUSS Hall Founder

Russ Hall, the founder of ENZACTA International, dedicated his life to helping others and nurturing their potential.

His philosophy, “The IBO is the true owner of the company”, became the foundation of ENZACTA and remains at the heart of everything we do today.

Although Russ is no longer with us, we hold fast in his belief to always deliver the “best of the best” in products and continue creating an opportunity for everyone to be the “best of the best” of themselves.

Following the path that Russ left behind, we continue to live a life of service and shared growth. Now, we use his simple phrase in reference to him and the love, compassion and promise he brought to ENZACTA. He was the BEST OF THE BEST.

## Amy Hall Rettinger Co-CEO & John Hall

ENZACTA now moves forward with a new heart and a greater, more expansive vision.

Amy Hall Rettinger and John Hall — family, partners, and those who stood closest to the late founder Russ Hall — now lead ENZACTA into the future as Co-Chief Executive Officers.

Amy, overseeing global marketing and finance, is devoted to helping IBOs achieve wellness through world-class products and freedom through unmatched rewards. John listens closely to the voices of IBOs around the world, providing strategic guidance and unwavering support to help them build successful businesses.

With youthful passion and enduring philosophy, their leadership is grounded in the spirit of the founder and ENZACTA's core value: Life Rebuilt. Together, they expand the path for all to live lives of dignity and honor.

Today, our mission is clear.

With ENZACTA's leadership and your passion, we will rise beyond every limit.

Let us dream together. Let us build together.

**ENZACTA — the place where dreams come true.**

# 1. ENZACTA's Product Philosophy

If you have been looking for a special item for a true business opportunity, now is the time to find the answer.

**ENZACTA's Product Philosophy:** ENZACTA always thinks of your family. It is this heart that has given birth to our amazing products. ENZACTA's ultimate goal is to help ENZACTA families lead more prosperous lives, alongside the progress of humanity. Alpha FXP contains nutritional elements derived from the pristine nature.

**ENZACTA:** ENZACTA is an innovative company that is leading a new change in the direct selling industry. Experience ENZACTA for yourself.

**ENZACTA's Philosophy:** ENZACTA's mission is to provide IBOs with the best products and services.

**True People, True Stories:** ENZACTA changes lives. See for yourself how ordinary people's lives, including their health, have transformed after discovering ENZACTA.

# 2. Sponsorship Bonus

## A New Concept in Direct Selling: Dual Team Marketing

ENZACTA is opening a new chapter in network marketing through Dual Team Marketing. Focusing on the practical income generation for IBOs, Dual Team Marketing is designed to be simple and easy to understand, making it applicable to anyone, regardless of experience or knowledge. It allows anyone to start without special expertise and to develop the business freely without being bound by time or location. Immediate income can be generated from the beginning of the business, and steady income will consistently be created, providing practical support for your financial stability. By embracing ENZACTA's Dual Team Marketing, you will experience true success, as you can build your business easily and conveniently, anytime and anywhere.

## Building a Stable Business with the Dual Team Marketing Structure

Each TP (Tracking Position) is composed of a left team and a right team. IBOs who meet certain conditions will hold a TP suited to their situation, from which they can receive Dual Team Sponsorship Bonuses. When all conditions are met for each TP, the Dual Team Sponsorship Bonus is generated. In this structure, the depth of the organization is more important than its width, so selecting the right business partners is crucial for efficient business operations.

## 5 Ways to Generate Income with Dual Team Marketing

### 1. Retail Profit

All ENZACTA IBOs can sell products to general consumers (non-members), and the difference between the member price and the suggested retail price becomes their retail profit.

2. Fast Start Bonus

A referral bonus of 10% of the member's first purchase order is paid to the referrer, and the bonus for the performance made in a week (Sunday to Saturday) will be paid on the following Wednesday.

3. Dual Team Sponsorship Bonus

The Dual Team Sponsorship Bonus is paid to qualified IBOs based on the performance (steps) achieved in their sponsorship genealogy. In order to accumulate BV in the downline, the referrer and one IBO on both the left and right sides must maintain active IBO status. The Dual Team Sponsorship Bonus is paid up to a maximum of 60 steps (3 cycles, 3 million KRW) per day, and the performance for the week (Sunday to Saturday) will be paid on the Friday of the following week.

1) Dual Team Sponsorship Bonus Step Calculation Criteria

A step is achieved by reaching 450 BV in high-volume (major) and 225 BV in low-volume (minor) sales. Once the first step is achieved, each step from 1 to 20 counts towards reaching one cycle. The leg with the higher accumulated volume between the left and right sides becomes the high-volume leg, while the other side is the low-volume leg.

Classification	High-volume	Low-volume	Earned Bonus
1 step	450 BV	225 BV	50,000 KRW
1 cycle (20 steps)	9,000 BV	4,500 BV	1,000,000 KRW

2) The auto-ship or repurchase performance of the IBO is accumulated on the left or right side as designated by the IBO.

3) If the IBO or their referred IBO fails to maintain active IBO status, some or all of the accumulated BV will be forfeited.

4) Tracking Position(TP) : Every IBO is assigned one TP upon registration. When they are promoted to the Platinum rank, they can activate a total of two additional TPs, one on each side (left and right), starting from the following month.



1TP Standard Plan

3TP Executive Plan

#### 4. Matching Bonus

The sponsor will receive 10-40% of the Dual Team Sponsorship Bonus earned by the directly sponsored IBO, based on the rank of the sponsor. This bonus is paid to active IBOs who have maintained the Senior Director rank or above for three consecutive months, for the performance accumulated in a given month (from the 1st to the last day). The bonus is paid on the fourth Monday of the following month.

(3 consecutive months rank requirement)

Sponsor Rank	Senior Director	Bronze	Silver	Gold	Platinum or higher rank
Payment Rate	10 %	20 %	30 %	35 %	40 %

#### 5. MDM Bonus

The bonus will be awarded to IBOs who first achieve the Bronze, Silver, or Gold rank and then maintain that rank for 2 or 3 consecutive months. The bonus will be paid on the third Monday of the month following the achievement.

Achieved Rank	Bronze	Silver	Gold
2 Months	1,000,000 KRW	1,000,000 KRW	1,000,000 KRW
3 Months	1,000,000 KRW	1,000,000 KRW	1,000,000 KRW

## 3. ENZACTA's Ranks

Rank achievement is based on the performance from the 1st to the last day of the month, and all conditions must be met.

### Associate

1. The individual must be an active IBO.
2. The individual must maintain 2 directly sponsored active IBOs (1 on the left and 1 on the right) in the given month.
3. The individual must achieve 2 steps in Dual Team Sponsorship Bonus during the given month.

### Director

1. The individual must be an active IBO.
2. The individual must maintain 2 directly sponsored active IBOs (1 on the left and 1 on the right) in the given month.
3. The individual must achieve 4 steps in Dual Team Sponsorship Bonus during the given month.

### Senior Director

1. The individual must be an active IBO.
2. The individual must maintain 2 directly sponsored active IBOs (1 on the left and 1 on the right) in the given month.
3. The individual must achieve 1 cycle(20 steps) in Dual Team Sponsorship Bonus during the given month.

### Bronze

1. The individual must be an active IBO.
2. The individual must maintain a total of 4 directly sponsored active IBOs (with at least 1 on the left and 1 on the right) in the given month.
3. The individual must achieve 2 cycle(40 steps) in Dual Team Sponsorship Bonus during the given month.

### Silver

1. The individual must be an active IBO.
2. The individual must maintain a total of 6 directly sponsored active IBOs (with at least 1 on the left and 1 on the right) in the given month.
3. The individual must achieve 4 cycle(80 steps) in Dual Team Sponsorship Bonus during the given month.

### Gold

1. The individual must be an active IBO.
2. The individual must maintain a total of 7 directly sponsored active IBOs (with at least 1 on the left and 1 on the right) in the given month.
3. The individual must achieve 7 cycle(140 steps) in Dual Team Sponsorship Bonus during the given month.

## Platinum

1. The individual must be an active IBO.
2. The individual must maintain a total of 8 directly sponsored active IBOs (with at least 1 on the left and 1 on the right) in the given month.
3. The individual must achieve 10 cycle(200 steps) in Dual Team Sponsorship Bonus during the given month.

## Diamond

1. The individual must meet one of the following conditions:
  - 1) The individual must be an Active IBO and maintain a total of 10 directly sponsored active IBOs (with at least 1 on the left and 1 on the right) in the given month.
  - 2) The individual must be an Active IBO with 300 BV or more, and maintain a total of 8 directly sponsored active IBOs (with at least 1 on the left and 1 on the right) in the given month.
2. The individual must achieve 15 cycle(300 steps) in Dual Team Sponsorship Bonus during the given month.
3. The individual must maintain 2 active Platinum IBOs (1 on the left and 1 on the right) in the given month.

## Blue Diamond

1. The individual must meet one of the following conditions:
  - 1) The individual must be an Active IBO and maintain a total of 12 directly sponsored active IBOs (with at least 1 on the left and 1 on the right) in the given month.
  - 2) The individual must be an Active IBO with 500 BV or more, and maintain a total of 8 directly sponsored active IBOs (with at least 1 on the left and 1 on the right) in the given month.
2. The individual must achieve 20 cycle(400 steps) in Dual Team Sponsorship Bonus during the given month.
3. The individual must maintain 2 active Diamond IBOs (1 on the left and 1 on the right) in the given month.

## Crown Diamond

1. The individual must meet one of the following conditions:
  - 1) The individual must be an Active IBO and maintain a total of 14 directly sponsored active IBOs (with at least 1 on the left and 1 on the right) in the given month.
  - 2) The individual must be an Active IBO with 700 BV or more, and maintain a total of 8 directly sponsored active IBOs (with at least 1 on the left and 1 on the right) in the given month.
2. The individual must achieve 40 cycle(800 steps) in Dual Team Sponsorship Bonus during the given month.
3. The individual must maintain 2 active Blue Diamond IBOs (1 on the left and 1 on the right) in the given month.

## Royal Crown Diamond

1. The individual must meet one of the following conditions:
  - 1) The individual must be an Active IBO and maintain a total of 16 directly sponsored active IBOs (with at least 1 on the left and 1 on the right) in the given month.
  - 2) The individual must be an Active IBO with 1,000 BV or more, and maintain a total of 8 directly sponsored active IBOs(with at least 1 on the left and 1 on the right) in the given month.
2. The individual must achieve 60 cycle(1,200 steps) in Dual Team Sponsorship Bonus during the given month.
3. The individual must maintain 2 active Crown Diamond IBOs (1 on the left and 1 on the right) in the given month.

## Glossary of Terms

- 1) “Company” refers to ENZACTA, Inc.
- 2) “Member” refers to an individual who has applied for IBO membership with the company and has been assigned a membership number (IBO ID). A member is categorized as a consumer if their first purchase is less than 120 BV, and as an IBO if the first purchase is 120 BV or more.
- 3) “Joint Member” refers to a member who holds rights and obligations equivalent to a registered member and is limited to legally married couples.
- 4) “Sponsor” refers to an IBO who introduces and supports individuals in the ENZACTA business and is registered as the sponsor during membership registration. The sponsor receives a 10% Fast Start Bonus from the first purchase of the referred member.
- 5) “Enroller” refers to the IBO located directly above a member in the genealogy, assisting in their business by providing education and support. The sponsor and upline can be the same, and an upline from the sponsor’s group can be assigned to another member.
- 6) “Line(Leg)” refers to a part of the member genealogy and indicates the stages of expanding the business organization.
- 7) “Product” refers to goods and services sold to members through the company.
- 8) “Group” refers to a collection of members who have formed to develop, operate, and share a business system independently.
- 9) “Resignation” refers to voluntarily relinquishing one’s status as a member, including rights and obligations.
- 10) “Qualification Termination” refers to the loss of membership due to violating the rules and procedures, resulting in the forfeiture of membership rights.
- 11) “Tracking Position(TP)” refers to the basic concept for dual-team marketing, which determines all performance and sponsorship bonus calculations. It consists of left and right teams. Every IBO is activated with one TP upon registration, and upon reaching the Platinum rank, they can activate one additional TP on each side starting the following month.
- 12) “BV(Business Volume)” refers to the value assigned to each product by ENZACTA, not a monetary unit such as won or dollars, but a value used for calculating commissions in the compensation plan.
- 13) “Cumulative BV” refers to the infinite accumulation of BV from lower-line members when the qualifications are met. After reaching the Diamond rank, the lost BV must be re-achieved monthly.
- 14) “PVB(Personal Volume Bonus)” refers to the BV accumulated solely by the individual, which does not apply to qualification requirements. Like BV, it is a value for calculating bonuses, not a monetary amount.
- 15) “PSV(Personal Sponsored Volume)” refers to the sum of the BV for all IBOs personally sponsored by the individual.
- 16) “New Purchase” refers to the first sales performance made during the membership registration process.
- 17) “Repurchase” refers to sales performance made after the initial purchase, excluding auto-ship purchases.
- 18) “Autoship” refers to a monthly automatic order program where the specified product is automatically paid for and delivered on a chosen date between the 5th and 25th of the month, making it easier for members to receive ENZACTA products.
- 19) “Active IBO” refers to meeting one of the following criteria.
  - a. Autoship purchase history with BV and PVB sum of 80 or more.
  - b. Achieving 160 BV or more in regular purchases.
  - c. Achieving 2,400 PSV or more in purchases.
  - d. Achieving 120 BV or more in the first order after registration.
- 20) “Inactive IBO” refers to an IBO who fails to maintain an active IBO status in a given month.
- 21) “Sponsorship Bonus Payment Period” is divided into ‘weekly payment’ and ‘monthly payment’ refers to bonuses paid based on the performance from the previous week (Sunday to Saturday), including Fast Start Bonus (paid the following Wednesday) and Dual Team Sponsorship Bonus (paid the Friday of the next week). ‘Monthly payment’ refers to bonuses paid based on performance for the entire month (1st to last day), including Matching Bonus (paid the fourth Monday of the following month) and MDM Bonus (paid the third Monday of the following month).
- 22) “Sponsorship Bonus Payment Limit” is based on the law of direct selling in South Korea, and the total payments made by ENZACTA Korea must not exceed 35% of the total company revenue.

## 4. Policies and Procedures

### Article 1 | Introduction

#### 1. Purpose of the Policy

Members of ENZACTA Korea Co., Ltd. (hereinafter referred to as "ENZACTA") are required to read and understand the policies and procedures defined in this document and comply with them in their business activities. They must also adhere to the laws of the country in which they operate. ENZACTA members must protect and uphold the reputation of ENZACTA and its products for the success of their business, and refrain from any actions that may interfere with the activities of other members participating in the ENZACTA business opportunity. ENZACTA members must become professionals in their business activities and treat all fellow members, customers, and ENZACTA employees with respect and courtesy. All forms of misleading, deceptive, rude, unethical, and immoral behavior must be avoided, and the sincere efforts of fellow members must be respected. Additionally, members must not engage in recruitment practices that are unethical or involve deceptive methods.

ENZACTA respects all legal business activities and will strictly monitor members who operate in an improper manner. The ultimate success of ENZACTA members depends on their ability to deliver ENZACTA's valuable products and opportunities to consumers.

#### 2. Bypassing the Policy

Any member who deliberately bypasses the policy and procedures to indirectly achieve something directly prohibited will be considered in violation of the policy and procedures, and will be subject to appropriate disciplinary action. ENZACTA reserves the right, at its discretion, to adjust the sponsorship commissions and membership status of members or their upline members who are affected by such actions. No part of this agreement or procedures is intended to confer third-party rights concerning the actions of other members regarding their membership status.

#### 3. Amendments to the Policy

ENZACTA reserves the right to amend and modify the membership applications, policies and procedures, product prices, company materials, and compensation plan without prior notice, in accordance with the laws designated by the country or changes in the business environment. However, if there are changes to the calculation and payment criteria for sponsorship commissions, these will be communicated in accordance with the procedures and methods specified by the relevant laws. Amendments and changes will be posted on ENZACTA's website, and all members receiving sponsorship commissions will be notified through various methods, such as letters, emails, and text messages. The effective date of these changes will be the earlier of the date posted on the ENZACTA website or the date sent to current members. In the case of a conflict between the amendments and any other membership applications, policies, procedures, or contract terms, the amendments will take precedence.

#### 4. Reliance on Opinions or Statements of ENZACTA Employees

ENZACTA has an extensive system in place to support members in building their businesses, and ENZACTA employees work closely with members and customers. However, except in the situations outlined below, ENZACTA employees are not permitted to offer binding opinions regarding the importance of the policies and procedures, membership terms, contract formation, membership status, or sales statistics.

Any legal interpretations of the various membership application rules or policies and procedures, as well as the creation or interpretation of other contracts, must be made in writing and only become valid when approved by ENZACTA's legal department or board of directors. Written interpretations should respond to specific factual situations outlined in written

inquiries. If ENZACTA learns that key facts were omitted in the written inquiry or that the requested action violates current or future local, national, or international law, ENZACTA is not bound by that interpretation.

Furthermore, the opinions of ENZACTA employees are not binding if they conflict with the policies and procedures, membership applications, or other contractual terms unless authorized in writing by ENZACTA's legal department or board of directors. Individual opinions regarding membership status, sales statistics, member sponsorship, or ENZACTA's obligations to a member are not binding unless formally approved.

ENZACTA employees are not permitted to express or provide explanations to members, except in the cases mentioned above. Therefore, if the opinion contradicts the stated policies, members cannot rely on such an opinion. ENZACTA disclaims any responsibility for the reliance a member places on such opinions.

## 5. Suspension of Penalties for Violations

Even if ENZACTA exceptionally allows an action that is not explicitly listed as an exception in the policies and procedures, it does not mean that the company is waiving the terms of the contract it has established. For example, if a member is given a suspension of penalties for violating the policies and procedures, this does not imply that all members are allowed to violate the policies and procedures. Additionally, if a member exaggerates or provides false information that contradicts the official information provided by the company, this is considered a violation of the contract with the company. In such cases, the company reserves the right to terminate the entire contract.

## Article 2 | Membership Registration

### 1. Eligibility for Membership Registration

Membership registration is available to any South Korean citizen aged 19 or older, but the following individuals are not eligible for registration:

- 1) A State public official, local public official, educational public official, or a teaching member under the Private School Act
- 2) Corporations or Organizations, not Individuals
- 3) The controlling shareholder or an executive officer or employee of a multi-level marketing business entity
- 4) Person under limited guardianship or Person under adult guardianship
- 5) A person legally recognized as incapable of performing certain acts or legally incompetent
- 6) A person currently serving a sentence or incarcerated in any type of correctional facility
- 7) A person who has violated the laws related to direct selling or is subject to disqualification under regulations set by presidential decree
- 8) A foreigner who has not obtained legal status for domestic stay or whose stay period has expired

#### Eligible Foreign Residence Status for Registration:

: Residency(F-2), Overseas Koreans(F-4), Permanent Residency(F-5),  
Marriage Immigrant(F-6), Business Investment(D-8), Trade Management(D-9)

\*Visit Employment (H-2) and International Students are not eligible for registration

\*Membership will be revoked if the residency period is not renewed after registration.

- 9) A person whose membership has been terminated due to violations of the company's policies and procedures
- 10) An existing member who has not passed a period of 6 months without activity.

## 2. Membership Registration Procedure

Anyone wishing to register as a member of ENZACTA must complete and submit the **IBO membership registration form** with all required information. This form must be filled out personally by the individual and signed or sealed; the individual will be held responsible for any issues arising from proxy submissions. Additionally, any member who registers someone else without their consent will have their membership immediately revoked and will be held liable for both civil and criminal responsibilities.

ENZACTA does not collect resident registration numbers during the membership registration process, in accordance with the government's Personal Information Protection Act. Therefore, when submitting identification and official documents for registration or information changes, members must redact the last 7 digits of their resident registration number. When commission is earned, members must log into the Premium Office and manually enter the last 7 digits of their resident registration number.

## 3. IBO Benefits

- 1) IBOs can purchase ENZACTA products at member prices.
- 2) IBOs can sell ENZACTA products to consumers and earn retail profits.
- 3) IBOs can receive sponsor commissions related to their downline members, training, organizational management support commissions, and other bonuses related to rank achievements.
- 4) Only qualified members can participate in trips and training opportunities.
- 5) IBOs can participate in various promotions and contests hosted by ENZACTA.

## 4. Cancellation of Membership Registration

A member who wishes to cancel their membership registration with ENZACTA may do so by submitting a membership cancellation request (IBO Membership Withdrawal Form) to ENZACTA within 3 business days (or an equivalent arbitration period) from the date of the membership registration application.

## 5. Changes to Member Information

When applying for membership with ENZACTA, applicants must use their legal name and cannot register using someone else's name. In the case of a name change, relevant supporting documents must be provided and submitted for correction. Contact details, mailing, and delivery addresses must also be accurately recorded, submitted, and managed.

At this time, it is not allowed for three or more members to share the same contact or address. This violates the Enforcement Decree of the Act on Door-to-Door Sales and Consumer Protection (Article 32: Use of Consumer Information for Identity Verification to Prevent Fraud) and may lead to restrictions on membership under these guidelines.

When a member wishes to change their payment account or other member information, they must submit a "Member Information Change Request" to make the changes. If the member fails to notify ENZACTA of any changes, resulting in ENZACTA sending commissions and other bonuses, or requested products to the member's previous address or payment account (or being unable to deliver them), the member will be fully responsible for any damages or losses incurred.

When a member wishes to change their payment account or other member information, they must submit a **Member Information Change Request** to make the changes. If the member fails to notify ENZACTA of any changes, resulting in ENZACTA sending commissions and other bonuses, or requested products to the member's previous address or payment account (or being unable to deliver them), the member will be fully responsible for any damages or losses incurred.

## 6. Conflicting Sponsor Information

If ENZACTA receives two membership registration applications for the same applicant, ENZACTA, at its sole discretion, will regard the sponsor listed on the first application as the valid one unless the first contract is found to be invalid or legally unenforceable. If ENZACTA determines that there is an error or legal invalidity with the first application, ENZACTA reserves the right to adjust the sponsor and commission for the concerned member.

## 7. Joint Membership (Spouse Business Partners) Registration

- 1) A member may register as a joint member, having rights and obligations equivalent to a registered member, only if they are legally married. Additionally, the couple generally shares a single membership number (IBO number: ID), but they may have separate IBO numbers (IDs) if necessary for business activities. However, in such cases, the spouse cannot register under a separate line that is unrelated to the primary member's activities.
- 2) To register as joint members, the primary member must first register as an IBO through **the IBO membership registration form**. Afterward, the spouse must submit **the Member Information Change Request form** and provide a family relation certificate as proof of marriage to apply for joint membership.
- 3) Joint members have the right to participate in various company or member events (seminars, meetings, etc.) and receive equal treatment regarding rank. However, they must also comply with the terms of this policy, procedures, and related regulations. Failure to do so will result in membership restrictions being applied not only to the joint member but also to the original member.
- 4) The exclusive rights of the original member, such as the receipt of commissions and tax-related matters, are not jointly acquired by the joint members. (Joint participation in promotions, such as travel, will be restricted, with only one joint member eligible to participate.)

## 8. Approval of Membership and Joint Membership Status

The membership status becomes effective when the applicant is granted a unique membership number (IBO number: ID) by the company, and the joint membership becomes effective when it is registered in the system. However, the approval of membership status is at the sole discretion of the company, and the company has the right to approve or reject membership without any obligation to provide an explanation. ENZACTA reserves the right to reject incomplete or unacceptable membership applications. An unacceptable membership application includes those with incorrect information or contracts that violate ENZACTA's principles, legal and ethical codes, policies and procedures, any amendments to those policies, or any applicable laws, and this is not limited to these circumstances.

If, after registration, ENZACTA discovers an unacceptable submitted document, the membership status may be invalidated within one year of discovering the information, and the member will be notified accordingly.

## 9. Family Registration

When a member's spouse or direct lineal descendants (children, parents, etc.) register with ENZACTA, they must be positioned under the same sponsorship line as the already registered member. This means that family members, such as spouses and direct descendants, must operate their business within the same line.

## 10. Conflict of Interest

Members are prohibited from participating in other networks, direct selling, referral-based direct selling, multi-level marketing companies, or illegal business activities involving similar sales methods or virtual currency, apart from ENZACTA. This also includes not handling products in the same category or similar categories to those sold by ENZACTA. This restriction applies not only to the member's name but also to activities using other names (such as a spouse, parents, siblings, or other family members or relatives). Violating this policy may result in the suspension or termination of membership without prior notice, and the company may pursue legal actions.

## Article 3 | Changes in Membership Status

### 1. Transfer or Assignment of Membership

Except in cases of inheritance, membership cannot be bought, sold, transferred, or assigned under any circumstances.

### 2. Inheritance of Membership

A member's qualifications may be inherited as follows:

- 1) In the event of the member's death or loss of legal capacity, the legal heirs can inherit the membership. Loss of legal capacity means the member is unable to engage in educational or sponsorship activities (e.g., being declared legally incompetent, being adjudged severely disabled, etc.).
- 2) The primary heir will be the spouse, and in the absence of a spouse, the children will inherit the membership. (If the heir inheriting the membership is already an ENZACTA member, the heir may choose and continue to manage one of the member organizations after inheriting the membership. Other memberships will be automatically canceled.)
- 3) Even if the children are minors, they can inherit the membership, and in accordance with civil law, a guardian may be selected from the minor's direct blood relatives within three generations or from collateral relatives. If no guardian is available, the company may request the family court to appoint one.
- 4) If inheritance begins under Item 1 of Clause 2, the heir must submit documentation from a recognized institution and proof of legal inheritance to the company. (The death certificate must be submitted within 90 days of the death.) If the company does not receive notification of the intention to transfer the membership to the heir within 90 days of the member's death, the membership will be terminated. Since inheritance rights may be passed to multiple heirs under Korean civil law, ENZACTA recommends that members designate a single heir to succeed their membership to avoid legal disputes.

### 3. Marriage Between Members

In the case of marriage between members, if separate lines are created for the couple, membership will be granted as follows:

- 1) Even if separate lines are created, the downlines under each line will remain as they are. However, the spouse will be treated with the same respect as higher-ranking members.
- 2) If one member wishes to register their spouse as a joint member, the member themselves may leave their original line to register as the spouse's joint member, in which case the original line will remain intact. However, all rights related to the original line will be forfeited.

### 4. Integration and Separation of Joint Members

- 1) Except for marriage between members, couples cannot register separately as members on different lines. If such situation occurs, as soon as the facts are verified, both the individual and the entire downline will remain under the line registered with the earlier registration date. If intentionality is determined, it will be regarded as inducement between lines, and membership rights may be restricted.
- 2) If a couple gets divorced, the joint membership will automatically lose its effect, and the couple will no longer have any rights. Similarly, if a joint member wishes to withdraw from the membership, they can submit a **membership information change request** to the company, and their membership will be terminated immediately. Individual or married members may be subject to property division in the event of annulment or divorce. Until a certified court order or official ruling on the property division situation is received, ENZACTA will respect membership rights in accordance with the membership agreement. ENZACTA is not responsible for accepting any requests from members or individuals with shares in the event of an appeal or legal dispute over a lower court ruling. Individuals who previously held membership but lost or had their

membership terminated as a result of a court order or divorce ruling may not reapply for membership until at least 6 months have passed, even if their dominant share is secured. Attempts to circumvent ENZACTA's policies on simultaneous ownership through divorce are strictly prohibited.

## 5. Changing Sponsor and Enroller

- 1) As a general rule, members cannot change their sponsor to another line, and changes through family names or pseudonyms (which are considered sponsor changes) are also not allowed. In other words, if a member who is already registered attempts to register under a different name such as their parent, sibling, or relative to conduct business activities, their membership will be immediately terminated upon verification. Additionally, sponsorship through a pseudonym is regarded as inducement between lines, which can result in restricted membership, and such matters may be posted on the company's website or center.
- 2) The following cases allow for a change of referrer or sponsor upon the member's request within 3 days from the registration date:
  - ① When a change is necessary due to insufficient understanding of line formation at the time of registration.
  - ② When an error is found in the member's self-registration or by a company employee (e.g., an error in one digit of the membership number or confusion with another person of the same name).

## 6. Conversion to Non-performing member

- 1) Members who do not make any purchases for 6 consecutive months will automatically be converted to inactive status. In this case, re-registration is allowed immediately without the need for a waiting period of 6 months.
  - In the case of returns, the month of return will be considered as the beginning of the inactivity period. However, the last month in which the member was active as an IBO will still count as an active month.
- 2) Members who are converted to inactive status due to no activity for 6 consecutive months will be excluded from receiving bonuses and compensation plans. As such, the company has no obligation to notify members about changes in bonuses, compensation plans, or other policies.

## 7. Member Withdrawal and Termination of Membership

- 1) A member may withdraw at any time freely on their own, and the procedure and method are as follows:
  - ① A member who wishes to withdraw must submit an **IBO Member Withdrawal Application** to the company. Once the application is received, no further activities will be permitted for the member. However, if the member returns the first product they ordered, they will be automatically withdrawn.
  - ② Before withdrawing, a member may return any unused goods or services to the company according to ENZACTA's return policy, as outlined in Article 6, Section 3, in accordance with the withdrawal provisions under the Direct Sales Act.
  - ③ Upon withdrawal, the member loses all rights as a member. However, any existing claims or debts between the member and the company remain unaffected.
  - ④ A member who has withdrawn may re-register only after six months have passed from the withdrawal date. However, the company may shorten the re-registration period at its discretion, considering all circumstances.
  - ⑤ When re-registering, the member must follow the same procedure as for initial registration to acquire membership.
- 2) A member's membership may be terminated (revoked) for violations of this policy and procedures, and the procedures and methods are as follows:
  - ① If a member violates the company's policies and procedures, the company will notify the member of the violation via mail (registered mail). If the member fails to submit evidence to counter the violation within 7 business days, the company may terminate (revoke) the member's membership in accordance with the policy and procedures.
  - ② The rights of a terminated member will be lost, similar to those of a withdrawn member.
  - ③ A terminated member may re-register only after six months have passed from the termination date. However, re-registration may be prohibited based on the company's review.

- 3) A withdrawn or terminated member cannot engage in business activities as a member for any reason. All rights over the members previously sponsored or enrolled will be retained by the company.
- 4) If a withdrawn or terminated member re-registers, any rights held prior to the withdrawal or termination will not be restored.
- 5) The company may, if necessary, restrict access to company facilities (including centers) and participation in training and events for members who have withdrawn or been terminated, after their withdrawal or termination date.
- 6) A withdrawn or terminated member can only receive commissions earned while in an active IBO status. If the member held promotion qualifications while in active IBO status but their membership status changes during the promotion period, they cannot participate in the promotion, and it cannot be substituted with cash or other rewards. Only active IBOs can participate in all promotions or events of ENZACTA.
- 7) If the company has any claims against a withdrawn or terminated member, it may offset the claims with any unpaid commissions or seek repayment through legal measures.

## 8. Handling of Downlines due to Changes in Membership Status

In the event of a change in membership status, such as withdrawal, termination, or conversion to a non-performing member, the downlines will remain intact, but the rights of the member whose status has changed will be lost.

## 9. Seizure Due to Litigation

ENZACTA membership is considered an asset that provides the owner with the right to purchase ENZACTA products and a source of income; however, in legal situations, it may be seized by creditors or bankruptcy trustees. If there is a claim for a share of this membership in such situations, ENZACTA will notify the member.

If the member owes debt to a creditor in a legal lawsuit, ENZACTA may be legally required to transfer any commissions or bonuses owed to the member to the creditor. ENZACTA will handle such legal requirements according to court rulings or precedents, and is not responsible for any appeals or objections.

If the member claims legal exemptions granted to debtors, they must secure an appropriate legal judgment and submit it to ENZACTA.

## Article 4 | Member Status and Obligations

### 1. Independent Contractor Status

An ENZACTA IBO member (IBO: Independent Business Owner) is an independent contractor and is not considered a branch, division, joint venture, partner, employee, or agent of ENZACTA for tax or legal purposes. Therefore, the member cannot make oral or written statements or imply any such relationship, and such actions are prohibited. Additionally, the member does not have the authority to impose legal obligations on ENZACTA or incur legal responsibility on behalf of ENZACTA. ENZACTA is not responsible for paying wages or compensation to employees hired by the independent member.

The member may engage in business activities freely, provided that they do not violate the policies and applicable laws outlined in this manual. The member has the freedom to set their own working hours and objectives. The member is responsible for their own health, automobile, disability, workers' compensation, and other insurance obligations.

### 2. Member Obligations

- 1) **Prohibition of Modification of Goods or Services** : Members shall not add, change, or delete the appearance or contents of goods or services provided by the company without prior approval.

- 2) **Prohibition of Misappropriation of Business Names, Trademarks, and Product Names** : Members must recognize that the company holds the rights to its business name, trademarks, product names, and other industrial and intellectual property, and shall not misappropriate or alter these without prior approval from the company.
- 3) **Responsibility for Actions** : Members are fully responsible for their own actions and must not engage in any behavior that could cause financial or emotional harm to the company.
- 4) **Independent Contractor Relationship** : Members must recognize that registering as a member does not imply employment by the company, but rather an independent contractual relationship for conducting business.
- 5) **Responsibility for Earnings** : The company does not guarantee any member's profits. Members must recognize that profits are achieved through their own efforts, proper training, and support from their enrollers and upline members.
- 6) **Compliance with Laws** : Members must comply with the Direct Selling regulations and recognize that any issues arising from violations are their responsibility.
- 7) **Right of Withdrawal Notice and Retail Contract** : When delivering products to consumers, members must provide written notice regarding the right of withdrawal, as stated in the contract, and also provide the "Multi-Level Marketing Guide" provided by the Fair Trade Commission. Two copies of the retail contract or sales receipt must be prepared, with one given to the consumer.
- 8) **Prohibition of Misleading as Branch or Agency** : Members must not, without prior approval from the company, supply, display, or exhibit products in a manner that might cause others to mistakenly believe the location is a branch or agency of the company.
- 9) **Duty to Prevent Violations** : Members must not assist or tolerate other members in violating the policies and procedures. If they become aware of any violations, they must report them to the company for correction.

### 3. Obligation to Pay Taxes

ENZACTA is legally required to report all commissions and sales paid to members to the relevant government authorities. For ENZACTA to fulfill this obligation, accurate and truthful tax-related information must be submitted and maintained by each member. If a member fails to provide such information, preventing proper tax reporting, the company may withhold the member's enroller commissions.

Falsifying information or using another taxpayer's information without their consent is strictly prohibited and will result in the nullification of the member's status. ENZACTA reserves the right to verify suspicious information to protect the interests of the member, enroller, and relevant government authorities before determining the validity of the agreement.

Any member whose membership is nullified, along with their enroller, is required to refund ENZACTA for all forms of commissions and bonuses paid to the nullified member. Furthermore, ENZACTA may confiscate any income or rank derived from the nullified membership relationship.

### 4. Prohibited Conduct of Members

In accordance with Articles 23 and 24 of the Direct Selling Act, members are prohibited from engaging in the following activities:

- 1) Forcing others to enter into a contract for the sale of goods or services, or threatening them to obstruct their right to cancel or withdraw from a contract.
- 2) Inducing transactions by providing false or exaggerated information or using deceptive methods to obstruct contract cancellation or withdrawal. This includes providing false information about the price or quality of goods or services, or misleading others to believe they are significantly superior or advantageous compared to their actual attributes.
- 3) Changing addresses, phone numbers, or other contact details with the intent to obstruct contract cancellation or withdrawal.
- 4) Supplying goods or services and charging for them unilaterally without the other party's consent, or forcing sales of goods or services to subordinates.
- 5) Forcing consumers to purchase goods or receive services through telephone, text messages, fax, internet, or other means, even after the consumer has clearly stated they have no intention to purchase or use the services.
- 6) Misleading others into believing that a member not employed by the company is a company employee or allowing individuals who are not registered members to act as members.

- 7) Using consumer information without the consumer's consent or beyond the scope of consent granted.
- 8) Transferring or assigning membership organizations and membership status (excluding inheritance of membership status, or cases involving the transfer, acquisition, or merger of a business).
- 9) Engaging in monetary transactions without actual goods or services being exchanged within the membership organization, or disguising monetary transactions as goods or service transactions.
- 10) Providing financial benefits to members or prospective members purely for recruiting subordinates, or granting economic benefits beyond enroller commissions without legitimate reasons.
- 11) Exploiting social relationships to coerce others into registering as members or purchasing goods or services.
- 12) Forcing members or prospective members into training, residential programs, or loans against their will.
- 13) Attracting individuals under false pretenses such as employment, side jobs, or training, without disclosing that it is related to ENZACTA products or business opportunities.

Furthermore, the following actions are prohibited in connection with the explanation, promotion, or advertising of products and business opportunities:

- 1) Making statements that suggest a product can replace medical treatment by a physician or standard treatments for specific diseases.
- 2) Claiming the medical efficacy of a specific product or recommending its consumption for a particular disease. (Under no circumstances should ENZACTA products be compared to prescription drugs used for the treatment of specific diseases or imply that they are pharmaceuticals.)

## Article 5 | Product Purchase

### 1. Product Purchase

All ENZACTA products can only be purchased at member prices by registered members. Non-members must purchase products through a registered member. When purchasing products, members must place orders through the internet or submit a completed **product purchase agreement** to the company.

Members can place orders via ENZACTA's phone line (02-565-4011), website (Premium Office), or by visiting the company headquarters directly. Unless specified otherwise by ENZACTA, all orders must be submitted by the final business day of each month to be calculated as part of the monthly sales volume.

If a member purchases an unreasonably excessive quantity of products that cannot reasonably be resold, consumed, or used to promote their membership within a reasonable time frame, the company may restrict further purchases. ENZACTA reserves the right to limit the quantity of products a single member can purchase.

### 2. Price Changes and Shipping Fees

The availability and pricing of products are subject to change without prior notice.

For total purchases of ENZACTA products amounting to 50,000 KRW or more (including VAT), shipping is free. For purchases totaling less than 50,000 KRW, a shipping fee of 2,500 KRW (including VAT) will be charged. However, members who violate company policies and procedures will be responsible for shipping costs, which they must bear.

### 3. Payment for Purchases

Members can pay for their purchases through direct cash payments, bank transfers, or credit cards. The list of acceptable credit cards may vary depending on the company's internal policies.

Bank Name	Bank Code	Account Number
Shinhan	088	100-022-581681
Nonghyup	011	1191-01-004361
Account Holder : ENZACTA Co., Ltd.		

Retail customers do not pay product fees directly to members unless the product is delivered by the member to the customer.

ENZACTA cannot process orders without full payment; therefore, members are responsible for ensuring proper payment. If a member uses someone else's credit card to purchase products, the cardholder must complete, sign, and submit a **Credit Card Authorization Form** to ENZACTA, authorizing the member to use their card. Failure to submit this form or providing false information may result in future issues, and the responsibility for such purchases will rest entirely with the form's author.

For online orders, members using another's payment information must carefully manage and protect such details. This ensures customer trust, protects sensitive information, and aligns with legal and ethical privacy standards.

#### 4. Autoship Program

The Autoship program allows IBOs to receive products regularly on their chosen date through **an automatic monthly order**. The Autoship program allows you to freely select products with a sum of BV and PVB of 80 or more. Members can select any date between the 5th and 25th of each month for Autoship. Payments are automatically processed on the designated date, and products are shipped accordingly.

#### 5. Autoship Registration and Cancellation

Members may submit a signed **Autoship application** form to ENZACTA or manage their Autoship directly through the Premium Office.

To ensure accurate processing, any changes or cancellations must be completed at least two days prior to the scheduled payment date.

#### 6. Autoship Payments

The Autoship program allows you to freely select products with a sum of BV and PVB of 80 or more. Products are only shipped after successful payment. If Autoship payments are not successfully processed for three consecutive months, ENZACTA may cancel the member's Autoship program at its discretion. Non-payment or cancellation of Autoship may affect the member's status. Pending Autoship payments must be resolved by submitting a written application or making changes through the Premium Office.

#### 7. Monthly Order Deadline

All orders must be submitted by the final business day of the month unless stated otherwise to count toward that month's sales volume.

#### 8. Transfer of Sales Volume

Transferring personal sales volume to another member or carrying over sales volume from one period to the next is strictly prohibited.

Article 6 | Returns and Refunds

1. Retail Customer Satisfaction Guarantee

In compliance with South Korea’s retail laws, ENZACTA guarantees a 100% refund for all retail activities within 14 days. Retail customers who wish to exercise their right to withdraw must submit their withdrawal request to the member who sold the product. However, if the member’s location is unknown or other circumstances specified by Presidential Decree make withdrawal difficult, the customer can request a refund through ENZACTA’s Returns Department. ENZACTA reserves the right to offset such refunds against the corresponding member.

2. Member Returns

Members may withdraw their purchase agreement with ENZACTA within three months from the product receipt date, provided the product remains in resellable condition. When returning products, the refund amount will be calculated by deducting commissions and time-related costs paid by ENZACTA for the order. Any other outstanding debts owed to the company will also be deducted before the refund is processed.

1) Return Refund

Products can be returned within three months of purchase and receipt. The refund deduction rates will apply based on the duration since the product receipt date, as detailed below:

Category	Exceeding 1 Month	Exceeding 2 Months	Exceeding 3 Months
Deduction Rate	5%	7%	Non-returnable

▶Article 18 of the Door-to-Door Sales Act (Effects of Withdrawal of Offer, etc.), and Article 26 of the Enforcement Decree (Deductions from Refund for Goods, etc.)

When returning a portion of a set, the discount benefits applied to the set purchase will not be applicable. The products that are not returned will be calculated at their individual prices, and the refund will be processed based on the adjusted amount.

2) Recoupment of Commissions

The company must also return or deduct the commissions paid for the corresponding order. These commissions include all commissions paid to both the returning member and their upline members. Each member who has received commissions due to the order must return the commissions they received to the company. The amount to be returned should be prioritized before the refund, but if there are future commissions to be paid, these may be deducted from them.

3. Return Procedure and Approval

- 1) After receiving the product, the member must immediately inspect the order to ensure the items are in proper condition. If the product is damaged during shipping or is unsatisfactory, a return is possible. If no defect or shipping error is reported within 30 days of receipt, the right to request a return will be forfeited. For returns, the member who purchased the product must initiate the return process.
- 2) The member must return the goods (products, etc.) upon withdrawal of consent, and returns are not possible in the following cases:
  - ① If the product is lost or damaged due to the member's fault.
  - ② If the product's value has significantly decreased due to partial use or consumption.
  - ③ If the product is no longer in a saleable condition or has passed its expiration date.
- 3) The company must inspect the returned product and refund the payment within 3 business days using the original payment method.
- 4) If an autoship order is returned, ENZACTA may cancel the corresponding autoship program.

**Return Address**

ENZACTA Logistics Center, Bldg.2, 23, Jangjincheon-gil 46beon-gil, Ilsandong-gu, Goyang-si, Gyeonggi-do (Zip: 10253)

**Article 7 | Sponsorship Activities****1. IBO's Recommendation and Sponsorship**

- 1) **Obligation to Accept Contractual Responsibilities** : In order for an IBO to become a sponsor or enroller, they must meet all the qualifications stated in the contract and accept all responsibilities.
- 2) **Placement** : The IBO can introduce prospective IBOs to the company. Once the company approves the IBO membership registration application, the applicant will be placed in the enroller's organization as specified in the application form.
- 3) **Organizational Training and Support** : The IBO has an obligation to train and support the IBOs in their organization in order to become a successful enroller or sponsor. The success of the IBO is directly related to the systematic sales of company products and the purchase of products by the IBOs within their organization.
- 4) **Becoming a Successful Enroller and Sponsor** : In order to become a successful enroller, sponsor, and leader, the IBO must fulfill the following responsibilities:
  - ① Regularly conduct sales and organizational training within their organization and provide guidance and encouragement. The enroller and sponsor should continuously meet with all members of their organization and be ready to answer their questions.
  - ② The IBO should make every effort to ensure that their organization members understand and comply with the company's contract terms and the applicable laws and regulations of the country and region.
  - ③ Actively intervene in disputes between customers and organization members, striving to resolve them quickly and amicably.
  - ④ Educate to ensure that meetings related to product sales and opportunities within the organization are conducted in accordance with the company's contract and the relevant laws and regulations.
  - ⑤ Resolve any disputes between themselves, other IBOs, and within their organization quickly.
  - ⑥ Educate the IBOs they have sponsored and enrolled about the company's policies.

**2. Ongoing Sponsorship Responsibilities**

- 1) Members are required to continuously promote products and services to manage existing customers and create new customers, providing appropriate sponsorship and training.
- 2) If the company determines that a member is receiving sponsorship commissions without actually engaging in sponsorship activities, the member's membership may be restricted.
- 3) Especially when a higher-ranking member (Platinum or above) is determined not to be engaging in actual sponsorship activities, the company may impose disciplinary actions for a serious violation of policies and procedures and may exclude them from the rank recognition program.
- 4) Higher-ranking members (Platinum or above) have the following responsibilities:
  - ① They cannot participate in illegal business proposals or sales methods similar to network marketing, direct selling, multi-level companies, or cryptocurrency businesses other than ENZACTA. This includes refraining from handling products similar to or within the same category as those sold by ENZACTA.
  - ② They must regularly organize meetings for motivation and training within their group or provide opportunities for their group members to attend such meetings, and maintain interaction.
  - ③ They must attend various seminars, conventions, and rank meetings unless there is a special reason.
  - ④ If they fail to fulfill their sponsorship obligations and the company sends a written notice, they must respond appropriately and make improvements.

- ⑤ If complaints regarding sponsorship activities arise from lower lines, the company will investigate whether appropriate sponsorship activities were carried out, and if it is determined that the sponsorship obligations were not fulfilled, disciplinary actions may be taken.
- ⑥ No commission can be received without sponsorship activities, and members must promote and sell products and services to consumers, engage in actual activities such as recommending new members, and perform other substantial actions.

### 3. Invalidity of Sponsorship

A member cannot request ENZACTA to invalidate their relationship with their personal sponsor. Members should not actively seek or solicit new personal sponsors.

### 4. Prohibition of Recruitment and Cross-Sponsorship

ENZACTA prohibits both inter-company recruiting and line-to-line recruiting by IBOs.

#### 1) Prohibition of inter-company recruiting

- The organization chart of the company (including the relationship with each IBO, the sponsorship of each IBO, the upline and downline of the IBO, charts, data reports, and other critical past purchase information regarding each IBO, collectively referred to as 'Confidential Information') is owned by the company and is provided to you in strict confidence as valuable business information for the company. The company's legitimate business interests must not be shared with competitors.
- It is not allowed to introduce or promote illegal businesses such as other networks, direct sales, sponsorship direct sales, multi-level marketing companies, or cryptocurrency to ENZACTA members other than ENZACTA.
- Activities that aim to indirectly or directly enroll or involve ENZACTA IBOs or customers in illegal businesses like other networks, direct sales, sponsorship direct sales, multi-level marketing companies, or cryptocurrency, including activities such as recruitment, persuasion, or exerting influence through websites or other channels, will be considered as recruiting. Even if it comes in response to inquiries from other IBOs or customers, it is regarded as recruiting.
- Products or services that are not sold by ENZACTA may not be promoted in any form during official ENZACTA events, meetings, conferences, or other gatherings.

#### 2) Prohibition of line-to-line recruiting

- Activities aimed at directly or indirectly enrolling individuals who are already in another sponsorship line and have the sales rights of ENZACTA into one's downline through various channels, including websites (such as recommendations, persuasion, or exerting influence). Registering an IBO who has had ENZACTA sales rights within the past six months also constitutes line-cross recruiting.
- Existing members are prohibited from registering under a new personal sponsor or using names of family members, such as pseudonyms, spouses, parents, or siblings, false resident registration numbers, or any other means to cleverly bypass these regulations.
- If an existing member recruits another member before the mandatory 6-month waiting period after withdrawal and successfully registers them under a new sponsor, ENZACTA reserves the right, at its discretion, to cancel both the original membership and any new memberships that arise under the new personal sponsor. If the above action results in the cancellation of the dual registration, the new member placed under the new personal sponsor or their upline will be reassigned. However, the new personal sponsor must not have been removed by ENZACTA.
- This policy is entirely at ENZACTA's discretion, and ENZACTA reserves the right to take any actions deemed necessary, depending on the circumstances, to achieve the purposes of this policy. Specifically, ENZACTA has the right to determine when and how to reassign a member in violation of the policy, and to decide which memberships should be terminated. These decisions fall under ENZACTA's sole discretion and should not be interpreted as an obligation to act or not act. Additionally, ENZACTA is not liable for any consequences resulting from the enforcement or failure to enforce this policy.

- To prevent recruitment theft, members must refrain from inappropriate actions, including but not limited to:
  - ① Slander about other ENZACTA members
  - ② Claiming special influence over ENZACTA
  - ③ Contacting other members regarding line changes or dual registrations
  - ④ Contacting members requesting money or assistance for other purposes
- 3) Prohibition of cross-sponsorship
  - Members are prohibited from registering under multiple names, such as real names or pseudonyms, to engage in cross-sponsoring or simultaneous sponsoring. If it is discovered that a member holds two or more membership numbers (IBO numbers: IDs) or has been registered under multiple lines, the member's eligibility may be restricted.

## 5. Recruiting Potential Members Who Have Not Yet Registered as Members

The policy regulating recruitment to prevent poaching applies only to the recruitment of existing members and does not apply to those who have not yet registered as ENZACTA members. In other words, personal sponsors who recruit other individuals but have not yet registered them as members will not be penalized. Like other commercial enterprises, members who invest time and money in potential members are taking the risk that these potential members may eventually register under someone else's downline. Therefore, members should be cautious about investing excessive time or money into individuals who have not yet been registered as members in their downline organization.

## 6. Obtaining Downline Information

Most of the downline information necessary for effectively managing an ENZACTA membership can be accessed through the Premium Office. Members can log in using their ID number and password. The password is automatically assigned based on the format set during initial membership registration, and if needed, members can call ENZACTA for assistance. After logging into the Premium Office, members can change their password by going to "Account Information".

## 7. Prohibition of Collecting Personal Information

It is prohibited to collect or use the personal information of others (such as date of birth, resident registration number, card information, account details) obtained during the recruitment process, or to provide such collected information to third parties. Any issues arising from such actions will result in the violating member being held fully responsible for the consequences, in accordance with the Personal Information Protection Act. Changing the personal information (including Premium Office passwords) of other ENZACTA members through customer support or the Premium Office is also prohibited. ※Using personal information without the consent of the data subject may result in imprisonment for up to five years or a fine of up to 50 million KRW, as stipulated by the Personal Information Protection Act.

## 8. Prohibition of Altering or Exaggerating the Compensation Plan

Members must accurately and fairly explain ENZACTA's compensation plan and avoid making any income claims that may be misleading or false. It is prohibited to exaggerate sponsor bonuses or make financial guarantees during the recruitment of other members or potential members. The correct information about ENZACTA's sponsor bonuses must be provided through company-approved materials, and it should be clearly communicated that success is the result of the individual member's effort, time, and resources. If a member is found to be altering or misleading others regarding the company's compensation plan, or if complaints are received, the member's eligibility may be revoked, and re-registration may be prohibited.

## 9. Prohibition of Encouraging Investment

Under no circumstances may members use the name, trademark, compensation plan, products, corporate documents, ENZACTA employees, or related matters to 1) suggest that membership could be considered as an investment, 2) imply that the member could be managed by someone other than themselves, or 3) promise, achieve, or share benefits or profits from investments. It is also prohibited to promote or coerce illegal loans, force product purchases, or impose burdens on the business. The above actions, as well as any actions that violate the laws of the Republic of Korea, are explicitly prohibited and considered violations of ENZACTA's policies and procedures.

## 10. Simultaneous Ownership

A member may only operate or own the ENZACTA business with a single membership number (IBO number: ID) and may not maintain more than one membership, either directly or indirectly, using aliases or other means.

## Article 8 | Marketing Activities

### 1. Eligibility to Sell Products

ENZACTA products can only be sold by members who have submitted an IBO membership registration application to ENZACTA and have had their membership approved. When selling ENZACTA products, the member selling the product must clearly state that they are an IBO of ENZACTA.

### 2. Sales Principles

- 1) **Online Sales** : ENZACTA's business is not just about delivering products; it is a business that provides a special opportunity and value to grow together through personal and warm exchanges. Online sales are only allowed after being reviewed and approved by the company to protect the basic values of network marketing and the legitimate business activities of members. ENZACTA products may not be sold or distributed to individuals or businesses for purposes of unauthorized online sales or resale.  
※ If this policy is violated, a warning notice will be sent, and if the violation is not corrected within a 7-business-day period, the membership may be revoked (see Article 11, Section 7).
- 2) **Prohibition of Bulk Selling and Repackaging** : Selling products in bulk or repackaging them is a violation of Article 12 of the Enforcement Rules of the Health Functional Foods Act. Products must be sold only in their original state.
- 3) **Prohibition of Sales to Other ENZACTA Members** : ENZACTA members may not provide ENZACTA products or materials for resale to other ENZACTA members, nor can they purchase products from other ENZACTA members. Product purchases must be made solely through the company. In emergency cases, members may lend products to other members. The borrowing member must then order the product from ENZACTA, and it will be directly shipped to the lending member.
- 4) **Mandatory Listing of Components in Set Sales** : When selling products or materials as a set, the individual components and quantities must be clearly listed.
- 5) **General Sales Business Registration and Training Completion** : When selling health functional foods from ENZACTA, members must register as a general sales business in accordance with Article 13 of the Health Functional Foods Act and Article 19 of its Enforcement Rules. Members must renew their qualification annually and complete the required training. Any disadvantages arising from a violation of this regulation will be the responsibility of the member involved.

### 3. Marketing Principles

- 1) Members must maintain and promote a positive image of ENZACTA, its products, and services.
- 2) Members must only use the marketing tools and support materials provided by the company.
- 3) If prior approval is required for marketing activities, members must request approval from the ENZACTA Ethics and Compliance Department.
- 4) Members must not create, use, or sell sales materials, publications, advertisements, promotional items, or internet webpages without prior approval from the company.
- 5) Members must not provide unofficial, unverified, or false information.
- 6) Members must not engage in activities that promote or may promote gambling or similar risks.
- 7) Members must not claim exclusive rights or authority over specific regions.
- 8) Members may not promote anything other than ENZACTA business opportunities at official ENZACTA events, meetings, or any other gatherings.
- 9) Members must not sell or promote products other than ENZACTA products to other ENZACTA members or suggest marketing opportunities from other companies. Even providing a rough response to inquiries from other members will be considered recruiting.
- 10) Members must not impose obligations or offer monetary incentives for group training, seminars, or other events, including selling materials, personal sales quotas, or training fees. This is considered a violation of laws related to direct selling.
- 11) Members may not suggest that ENZACTA has made exclusive agreements with the government regarding product access or use.
- 12) Members must not mention or imply family relationships with ENZACTA representatives or employees, past employment with ENZACTA, or special contacts or privileges with ENZACTA executives that other members do not have to promote themselves or their membership.

### 4. Offline Store Business

- 1) ENZACTA products may not be sold, displayed, or stored in public retail stores such as health food shops, grocery stores, chain stores, shopping malls, or any other store primarily focused on product retail rather than professional services (unless ENZACTA has granted approval).
- 2) ENZACTA promotional materials may not be displayed inside or outside of public retail stores (unless ENZACTA has granted approval).
- 3) ENZACTA products may be displayed in private or restricted-access offices or clubs. These stores should be ones where the general public is not allowed entry unless they have an appointment or membership, and the store's primary function is not retailing but providing professional services. ENZACTA promotional materials can be displayed inside such stores but must not be placed outside, such as on visible walls or windows, unless ENZACTA has granted approval.

In this way, the exhibition, sales promotion, and business explanations of ENZACTA products must be within locations and limits that have been pre-approved by ENZACTA.

### 5. Internet Business

- 1) Internet business refers to the use of online or mobile services, including websites, internet communities, social media, text messages, and similar platforms, to post and deliver content related to ENZACTA (hereinafter referred to as "websites").
- 2) In principle, members are not allowed to create and operate personal websites or internet cafes for business activities. However, websites with the nature of member groups or gatherings, intended for smooth information exchange and communication among members, may be created and operated.
- 3) Websites operated by member groups or organizations must adhere to the following requirements:
  - ① When creating, modifying, or changing a website, prior consultation and approval must be obtained from the company.
  - ② The company name or any name that could be mistaken for the company website should not be used, and it must clearly state that the website is not associated with the company.

- ③ As company trade secrets could easily be exposed, the homepage should include a login (password) function, and no other information should be displayed on the initial screen. (Be cautious of password exposure)
  - ④ The website must not include or allow content that defames or damages the company's business.
  - ⑤ The website must not accept member registrations or promote the company's products.
- 4) Members are prohibited from selling ENZACTA products on internet sites, including online shopping malls, online auctions, online stores, open markets, or virtual shopping sites. (However, members may sell products on these sites if approved by ENZACTA.)
  - 5) Members must not send promotional emails, business or product advertisements, or similar communications without prior consent from the recipient. When sending advertising information via emails or other electronic means, the guidelines outlined in the Korea Internet & Security Agency's "Information and Communications Network Act Guide for Prevention of Illegal Spam" must be strictly followed.

※Information and Communications Network Act Guide for Prevention of Illegal Spam : <https://www.kisa.or.kr> - Announcements - Notices.

## 6. Confidentiality and Maintenance

By signing the membership application form, the member is deemed to have agreed to maintain confidentiality regarding corporate secrets, proprietary information, and other confidential matters. This confidentiality agreement is irrevocable and remains in effect even after the member's resignation from ENZACTA. If a court order for enforcement of the injunction is issued, any associated costs and fees will be charged to the member.

All information (whether written, verbal, or electronic) is treated as confidential and is provided to the member only to the extent necessary for the member's ENZACTA business, maintaining the highest level of confidentiality. The member must make every effort to maintain the confidentiality of this information and must not directly or indirectly disclose it to any third party. The member is prohibited from using this information for purposes other than promoting ENZACTA's business and its products and services, including competing with ENZACTA. ENZACTA may require a signed Non-Disclosure Agreement (NDA) before providing genealogy or downline information. Upon expiration of the membership contract, non-renewal, or resignation, the member must cease using this confidential information and immediately return any confidential information in their possession to ENZACTA.

Business relationships between ENZACTA and its subcontractors, manufacturers, and suppliers are also confidential. Members must not contact, converse, or communicate directly or indirectly with ENZACTA's suppliers or manufacturers, except at events sponsored by ENZACTA or where ENZACTA's subcontractors or manufacturers attend at ENZACTA's request.

## Article 9 | Advertising Activities

### 1. Advertising Principles

- 1) This section includes all the contents of Section 8, Article 3, of the Policies and Procedures related to marketing principles.
- 2) Regardless of the type of media (including but not limited to all forms of printed or copied materials, newspapers, magazines, radio, internet, television, video, etc.), all advertisements must be approved in advance by ENZACTA's Ethics and Compliance Department before publication or use. ENZACTA reserves the right to request modifications or cessation of use of any advertisement approved for a member.
- 3) Members must use ENZACTA's registered trademarks or logos appropriately and must obtain prior approval from ENZACTA's Ethics and Compliance Department before using them. If approval for advertising materials is not obtained, disciplinary actions will be taken against the member.
- 4) Members must clearly state in their advertisements that "**The ENZACTA logo is a registered trademark of ENZACTA**" and "**ENZACTA IBO**".
- 5) Advertising regulations vary by country, so members must obtain approval for materials in the country where they will be distributed or used.
- 6) ENZACTA's Ethics and Compliance Department has the right to review advertisements related to ENZACTA at any time, even without a prior approval request. ENZACTA may require modifications or cessation of use of the advertisement based on trademark and intellectual property rights and applicable laws. If corrections or deletions are not made within the given timeframe, a notice of correction will be issued.

## 2. Prohibition of False and Exaggerated Advertising

Members are prohibited from making any claims or statements that may violate laws related to food labeling and advertising, health functional foods, food hygiene, cosmetics, medical law, pharmacists' law, and other relevant regulations when describing ENZACTA products. This includes, but is not limited to, the following examples:

- 1) Claims that may lead to the belief that the product has disease prevention or treatment effects.
- 2) Claims that may lead to the belief that the product is a pharmaceutical.
- 3) Claims that may cause confusion between general foods [cosmetics] and health functional foods [functional cosmetics, natural cosmetics, organic cosmetics].
- 4) False or exaggerated claims.
- 5) Claims that deceive consumers or may lead to deception.
- 6) Content that defames or disparages other companies or their products, regardless of the truth.
- 7) Unfair comparisons with other companies or their products without objective evidence.
- 8) Claims about quality, effectiveness, etc., that cannot be objectively verified or that exceed the scope of the product.
- 9) Content that incites gambling, uses obscene expressions, or significantly violates public morals or social ethics.

This includes not only the content of advertisements but also product names, titles of posts, product categories, and hashtags (#).

Any member using materials that fall under the above categories for the sale or advertising of ENZACTA products or in connection with ENZACTA trademarks must immediately comply with the company's corrective instructions, and failure to do so may result in disciplinary action. ENZACTA encourages members to advertise only the materials approved by the company for the purpose of selling and describing ENZACTA products.

## 3. Prohibition of Advertising to Unspecified Individuals (Spam Messages)

Members must not engage in advertising activities aimed at unspecified individuals using mass media (such as emails, printed materials, banners, interviews, phone calls, text messages, social media, internet, faxes, etc.) without prior approval from ENZACTA. In particular, the purchase of mailing lists and sending bulk advertising messages, or engaging in advertising without inquiries or requests, is also prohibited. Regardless of the language, frequency, or size of the message, any activity that causes mental distress to others is prohibited.

## 4. Advertising in Countries Without Official Business Registration

ENZACTA prohibits advertising in countries where the official opening date has not been announced.

Furthermore, even after the official business opening date is announced in a country, members may not use ENZACTA's trademarks, trademark names, logos, phone numbers, graphics, or other intellectual property without written permission or before ENZACTA has officially opened business in that country.

## 5. Trademarks and Intellectual Property Rights

ENZACTA's trademarks, product names, logos, designs, and other intellectual property rights belong to ENZACTA. Members may only use materials provided by ENZACTA with prior approval and must clearly state that ENZACTA holds ownership of the intellectual property rights. Members must not alter the content of these materials without permission.

This includes documents, audio, video, electronic materials, presentations, events, speeches, and video conferences created by ENZACTA, and recording or reproducing them is strictly prohibited.

ENZACTA may request that members cease unauthorized use, modification, or reproduction of its intellectual property and may hold them legally accountable for such actions.

## 6. Internet Advertising

ENZACTA allows internet advertising on member-operated websites as long as members strictly comply with these Policies and Procedures and advertising principles. However, any use of ENZACTA's trademarks, logos, or other intellectual property on the internet must follow the guidelines outlined in these Policies and Procedures, and members must obtain prior approval from ENZACTA before using them. For approval purposes, ENZACTA may require printed copies of documents from the website and all associated webpages. Websites cannot be posted on the internet or registered with search engines until they have received ENZACTA's approval. Furthermore, if a member modifies an approved website or content without prior approval from ENZACTA, ENZACTA may take disciplinary action against that member.

Any use of ENZACTA's trademark in buried code or meta tags on a website must also be approved by ENZACTA in advance, just like the use of any other trademark.

Members may link their ENZACTA product webpage to a homepage containing various products for sales or advertising purposes, but both the ENZACTA page and the homepage must be approved by ENZACTA. The ENZACTA page must only advertise ENZACTA products and should not be linked to other products. ENZACTA reserves the right to refuse adding ENZACTA products to any homepage that contains products or services with dubious or low-quality characteristics.

Members may add direct links from their personal ENZACTA product website to other sites officially approved by ENZACTA, or to sites containing legitimate and scientific research. When adding such links, a disclaimer page must be included, and this page should be placed between the personal homepage and the third-party research website. The content, other than the disclaimer, must be freely accessible. The disclaimer should be clearly stated as follows:

**“This linked site is not supported or operated by ENZACTA. The information and pages on this site belong to the site owner and are not related to ENZACTA's product advertisements. By clicking here, you acknowledge that you have read and understood this disclaimer and will be redirected to the linked page.”**

This intermediary page must be connected to a third-party website, which must have a separate domain, and no backlinks to the member's personal website can be installed.

## 7. Additional Advertising Rules

- 1) All television and radio advertisements must follow the script that has been pre-approved by ENZACTA, and the advertisements must comply with the “What You May/May Not Say” guidelines of the country where the advertisement is being broadcast.
- 2) Members may not use the word “ENZACTA” alone or make statements that would lead the person calling to believe they have reached ENZACTA's headquarters when they are answering the phone or using an automated response.
- 3) If members want to use ENZACTA's trademark or product names on office supplies, business cards, or personal items, only ENZACTA's approved graphics may be used. Members are free to design their own office supplies and personal items, but they must obtain prior approval from ENZACTA before the designs are printed or distributed.
- 4) Any media inquiries related to ENZACTA products must be referred to ENZACTA, not to the member.

## Article 10 | International Business Activities

### 1. International Sponsorship Activities

Members may sponsor other members in countries where ENZACTA is officially conducting business. Before presenting the IBO application form or at the time of submission, the member must ensure that the potential member reviews the current Policies and Procedures.

## 2. Overseas Member Activities in Markets Without Business Establishment

ENZACTA's International Development Department handles all tasks related to the development of new overseas markets. ENZACTA may seek the help of consultants and local experts who have no special partnership to provide additional expertise during the development process.

ENZACTA does not offer members sole or exclusive access to any market. Any claims of such privileged influence in any country without ENZACTA's approval are false. If a member makes such false claims, they will be subject to disciplinary action. Until ENZACTA officially announces the commencement of business in a specific country, no member meetings can be held in that country. A meeting is defined as any gathering of five or more people where ENZACTA's marketing opportunities and products are discussed. If a meeting violating this policy is discovered, it must be reported to the ENZACTA Ethics Department, along with written or other evidence of the violation, including the date, time, location, number of attendees, and the member presiding over the meeting. The member who violated this rule will face disciplinary action.

In countries where business has not been established, ENZACTA meetings will only be allowed after the following conditions are met:

- 1) After the official ENZACTA opening date has been announced.
- 2) After the official "Meeting Guidelines" for the country have been issued.

Members who hold meetings before the official business opening announcement must follow the "Meeting Guidelines" issued for that country. The meeting guidelines are issued along with the official country business commencement announcement. ENZACTA will not allow meetings in any country before this official announcement. ENZACTA holds all rights to global income and will protect these rights. ENZACTA does not grant income rights or product approval to any member or non-member in any country; these rights are exclusively held by ENZACTA and designated ENZACTA entities.

## Article 11 | Disciplinary Actions for Violation of Policies

### 1. Scope and Application

This policy and procedure apply to all individuals who have submitted an IBO member registration form, received an IBO number (ID) from the company, and are registered as IBO members. It primarily applies to all business activities conducted by IBO members.

### 2. Ethics Code Violation Reporting Procedure

The goal of the ENZACTA Ethics Department is to address all ethics code issues fairly and efficiently. Therefore, the Ethics Department should only take action when concrete evidence is presented in written form. This procedure ensures that all members are treated fairly. Complaints filed with the Ethics Department must be submitted in writing, accompanied by written evidence of the wrongdoing related to the member in question, such as physical evidence or audio recordings of the complainant's voice.

Upon receiving such a claim regarding a member, the Ethics Department will contact the member and other involved parties to conduct a comprehensive investigation into all facts and the alleged behavior. To this end, the Ethics Department has the authority to access personal information, order history, payment details, and other information provided to ENZACTA by the member and related parties. The accessed information will only be used for the purpose of the investigation.

Written notice of claims against ENZACTA must be filed within 6 months from the date the member became aware, or should have been aware, of the claim.

#### ENZACTA Compliance Department

Tel 02-565-4011 / Fax 02-565-4038 / E-mail enzactakorea@enzacta.co.kr

### 3. Disciplinary Procedure

The company has the right to investigate whether a member has violated the policies, procedures, and other relevant regulations, and the procedure is as follows:

- 1) Violation Report: A member may submit an Ethics Code Violation Report if they discover another member violating the company's regulations. The report must include details of the incident and any supporting evidence. If the company requests additional materials, the member must cooperate.
- 2) Opportunity for Explanation: Based on the submitted report, the company will verify the violation and provide the accused member with an opportunity to explain in writing (via certified mail). If the company directly discovers the violation, they will immediately send a written notice (IBO Response letter via certified mail) to the member, giving them an opportunity to explain. Upon sending the written notice, the member's activities will be suspended.
- 3) Explanation Deadline and Follow-Up Procedure: The member must provide an explanation within 7 business days from the date the written notice is received. If the deadline passes, the company will either conduct a re-investigation or decide on limitations to the member's qualifications based on the explanation provided.
- 4) Notification of Disciplinary Action: Once the disciplinary decision is made, the company will notify the member of the decision, including details of the violation. The investigation period is included in the disciplinary period, and sponsorship bonuses will be withheld until the disciplinary action is completed.
- 5) Preventive Measures Training: If a member is disciplined in relation to sponsoring activities, they must comply with the company's request for meetings or training to prevent future violations before resuming their business after the disciplinary action ends.

### 4. Restrictions on Membership Qualifications

The company may impose restrictions on a member's qualifications as stipulated in the regulations to prevent unfair harm to members conducting business properly and to ensure the company's healthy development.

The types of membership restrictions include warnings, suspension of membership (up to 6 months), and termination (revocation) of membership. Examples provided in Articles 5 through 7 of this section are illustrative only, and the final disciplinary action will be determined based on the severity and consequences of the case.

Members who have received disciplinary action and the resulting outcomes may be publicly announced at company centers and online.

### 5. Types of Disciplinary Actions - 1) Warnings

The company may issue a warning to a member under the following circumstances:

- 1) Violation of this policy, procedures, or other related regulations, where the consequences are deemed minimal.
- 2) Actions that intentionally defame the company or other members, or even truthful statements that ultimately result in defamation.
- 3) Engaging in conduct that causes disputes among members, such as fraudulent use of credit cards.
- 4) Misappropriation of cash sales by replacing them with personal or third-party credit card transactions.
- 5) Forcing sales or sponsorships onto downline members.
- 6) Obstructing other members' normal business activities.
- 7) Impersonating company employees or falsely claiming exclusive sales rights.
- 8) Engaging in behavior that damages the company's image or fails to maintain the dignity of a member, such as using profanity, harassment, belittling, slander, or defamation in connection with ENZACTA-related business.
- 9) Using an alias or engaging in activities that induce line switching within already established member networks.
- 10) Attempting to entice members from other groups to conduct business within one's own group, even without formal line switching.
- 11) Receiving penalties less severe than a fine (such as detention, disqualification, license revocation, forfeiture, etc.) from a court of law in connection with business activities.
- 12) Unauthorized distribution or sale of marketing and promotional materials not approved by the company.
- 13) Failing to fulfill ongoing sponsorship responsibilities as outlined in Article 7, Clause 2, or engaging in sponsorship activities deemed inadequate by the company.

## 6. Types of Disciplinary Actions - 2) Suspension of Membership

The company may decide on suspension of membership depending on the severity and impact of violations of policies, procedures, or other related regulations, even if the case qualifies for a warning or termination. The specifics of membership suspension, including its implications, duration, and resolution, are as follows:

- 1) A suspended member is restricted from placing product orders, visiting centers, accessing the Premium Office, attending member training, and participating in sponsorship activities. No sponsorship bonuses or benefits under ENZACTA's compensation plan will be paid during the suspension period. Performance metrics generated by the downline during the suspension period will not accumulate. Any bonuses earned prior to the investigation or disciplinary period but due for payment during this period will be withheld and released only after the suspension period ends.
- 2) The suspension period can last for a maximum of six months.
- 3) After the suspension period, the company will carefully review the member's potential for repeated violations and their attitude toward business operations before deciding to lift the suspension.  
If the member commits further violations during the suspension period, additional actions, such as termination of membership, may be enforced.

## 7. Types of Disciplinary Actions - 3) Termination of Membership

The company may terminate (revoke) a member's membership under the following circumstances:

- 1) Significant violations of policies, procedures, or other related regulations resulting in serious consequences.
- 2) Actions violating laws on direct selling or other related regulations.
- 3) Submission of false information on registration forms or other documents provided to the company.
- 4) Unauthorized registration of another individual as a member without their consent.
- 5) Failure to comply with the company's corrective measures.
- 6) Absence of a successor in the event of the member's death (refer to inheritance rules in Article 3, Clause 2).
- 7) Receiving penalties of fines or higher from a court of law in relation to business activities.
- 8) Refusal to honor legitimate refund requests from consumers.
- 9) Habitual violation of sales principles.
- 10) Violation of online sales regulations outlined in Article 8, Clause 2, Section 1.
- 11) Re-registration as a member under an alias within six months after voluntary withdrawal or termination of membership.
- 12) Misrepresenting products from other companies as ENZACTA products and distributing them through the member network.
- 13) Modifying or exaggerating the company's compensation plan.
- 14) Repeated violations of the same or similar regulations within two years of receiving a warning.
- 15) Obstructing the company's operations by disregarding its policies, making unreasonable demands, causing disturbances, or engaging in violent behavior at the company or centers.
- 16) Causing disturbances or engaging in violence at the company or centers due to conflicts among members or groups.
- 17) Spreading false rumors related to business activities, significantly disrupting the operations of the company and other members.
- 18) Interfering with or defaming other members' businesses, leading to severe consequences.
- 19) Encouraging or enticing members to leave their groups, resulting in serious repercussions.
- 20) Promoting other companies in the same industry to members, persuading them to engage with those companies.
- 21) Dual membership in other companies within the same industry, causing significant harm to ENZACTA.
- 22) Establishing personal agencies for insurance, telecommunications, or other unrelated businesses and using member networks to promote or distribute associated products or services.
- 23) Using the member network to serve the interests of specific individuals or groups.
- 24) Soliciting or enticing investments through member networks.
- 25) Engaging in activities contrary to the company's interests, causing severe losses to the company.
- 26) Submitting unverified claims to authorities, resulting in significant difficulties for the company.
- 27) Committing morally or ethically inappropriate acts according to common judgment standards.
- 28) Undermining unity and cohesion among members in a serious manner.

- 29) Violating public order or good morals, causing severe disruption.
- 30) Causing negative impacts on the company's business due to inappropriate relationships among members.
- 31) Unjustly obstructing members from participating in company events through coercion, persuasion, or threats.
- 32) Exploiting sponsorship relationships to unjustly acquire goods or assets.

## 8. Appelas

If a member wishes to appeal ENZACTA's decision to terminate (revoke) their membership, the member must submit a written appeal within 15 days of receiving the termination notice. If the appeal is not submitted within this 15-day period, the termination will be considered final. If the appeal is submitted within the specified period, ENZACTA will review the appeal and notify the member of its decision. In cases involving significant and clear violations, ENZACTA reserves the right to deny the appeal. ENZACTA's decision will be deemed final, and no further reviews or considerations will be conducted. If the decision is not overturned, the disciplinary action will take effect on the date stated in the initial notification.

## ENZACTA IBO Commitment

- 1) Members must fully understand the contents outlined in these Policies and Procedures and all related regulations, and conduct their business accordingly.
- 2) As proud representatives with a mission to lead a new culture, members should serve and contribute to society, always treating others with sincerity and integrity, and setting an exemplary standard through their actions.
- 3) Recognizing that the company's business requires corresponding training and effort, members should fully understand the compensation plan, rewards, and product knowledge before promoting the business. They must ensure accurate dissemination of concepts and commit to continuous learning and training as they grow.
- 4) Members should create their business plans with complete autonomy and strive to achieve their goals based on the principles of rationality and accuracy.
- 5) Members must not criticize competing products or reveal competitive conditions of other companies. Instead, they should conduct their business with honesty and credibility, highlighting the excellence and competitiveness of ENZACTA's products.
- 6) Members must strive to understand consumer satisfaction thoroughly and take measures to address it, ensuring that the excellence of products is accurately perceived by consumers. In cases of consumer dissatisfaction, members must act swiftly and precisely, following the company's product quality assurance policies, to prevent any harm to consumers.
- 7) By dedicating continuous management and attention to existing customers, members acknowledge that trust-based cultivation of new customers is the fundamental principle and fastest path to business growth.
- 8) Members must guide and educate the members they sponsor with diligence and responsibility, developing the network while taking full collective responsibility for the business activities within their established network.
- 9) IBOs are obligated to adhere faithfully to the company's Policies and Procedures and all related regulations. In the event of violations, they accept the disciplinary actions stipulated by the company.

**\*These Policies and Procedures are effective as of June 1, 2025.**

**\*The previous Policies and Procedures are replaced by these updated versions..**

# 5. Fair Trade Commission Explanation Materials

[Fair Trade Commission Notice No. 2015-15, Partially Amended on October 23, 2015]

## 1. What is Multilevel Marketing (MLM)?

- Multilevel marketing (MLM) refers to a distribution method where products are sold through a sales organization in which a salesperson recruits other individuals as subordinate salespeople in a step-by-step process, rather than following traditional distribution channels such as manufacturer → wholesaler → retailer → consumer.
- MLM often expands sales networks through stepwise recruitment and relies on direct personal sales, which can sometimes lead to consumer harm.
- The socially controversial pyramid schemes involve overpricing products relative to their quality, unfairly demanding money from those who wish to become salespeople, or forcing salespeople to purchase products or recruit subordinates. In such schemes, salespeople's earnings primarily derive from recruitment, resulting in exploitative and gambling-like structures.
- The government enforces the Door-to-Door Sales Act to prevent MLM activities from becoming exploitative or harmful to consumers. Violations of this law are subject to corresponding penalties.

## 2. When Being Invited to Become an MLM Salesperson

If you are invited to join an MLM organization as a salesperson, ensure you check the following:

- 1) Verify Legal Registration : Before joining, confirm that the company you intend to join is registered with the Fair Trade Commission or the relevant local authorities under the Door-to-Door Sales Act. If there are any doubts, postpone joining and seek clarification from the Fair Trade Commission, local government offices, business associations, or consumer organizations.
- 2) Examine the Products : Before becoming a salesperson, review the company's products thoroughly to determine their suitability for your sales activities.  
MLM companies usually lack physical stores or advertisements, so their products must have competitive quality and pricing.
- 3) Understand Compensation and Income Potential : When joining as a salesperson, examine the payment criteria for compensation bonuses, including the average and distribution of bonuses among salespeople. Consider the expected income opportunities before deciding to join.
- 4) Know Your Right to Withdraw : As an MLM salesperson, you have the right to withdraw from the organization at any time by expressing your intention to resign. The MLM company cannot impose any conditions or penalties for withdrawal.

## 3. Purchasing or Selling Goods/Services from a Multilevel Marketing (MLM) Company

- 1) Mandatory Consumer Compensation Insurance : MLM companies are required to participate in consumer compensation insurance. When purchasing goods or services (hereinafter referred to as "goods, etc.") from an MLM company, ensure that the company has such insurance in place and request a copy of the certificate. If you withdraw from the contract (hereinafter referred to as "contract cancellation") and return the goods, but the MLM company fails to refund the payment or supply the goods, the insurance company will provide partial or full compensation for the payment in accordance with the insurance terms.
- 2) Contract Cancellation and Refund Conditions : MLM salespersons can cancel the contract and receive a refund for goods, etc., within three months from the purchase date. The refund amount depends on the timing of the cancellation:
  - Within 1 month of delivery: Full refund of the payment
  - After 1 month but within 2 months of delivery: At least 95% of the payment (5% deducted), or the amount agreed upon in the contract

- After 2 months but within 3 months of delivery: At least 93% of the payment (7% deducted), or the amount agreed upon in the contract
- 3) Refund Timing : When a contract is canceled and goods are returned, the MLM company must refund the payment within 3 business days. If the refund is delayed, the consumer is entitled to additional interest for the delay.
- 4) Contract Cancellation by Consumers : If a salesperson sells goods to a consumer, the consumer may cancel the contract and request a refund within 14 days from the contract date or under the following conditions:
  - ① If the delivery of goods or services is delayed beyond the contract date, the cancellation period starts from the date the goods or services were received.
  - ② If the consumer received a contract without the MLM company's address, or if the address changed after the contract was received, the consumer can cancel within 14 days of knowing or discovering the company's address.
  - ③ If the contract does not include information on cancellation rights, the consumer may cancel within 14 days of learning or being informed of this right.
  - ④ If the MLM company obstructs the cancellation process, the consumer may cancel within 14 days from the end of the obstructive behavior.

#### 4. Illegal Multilevel Marketing Organizations

The following companies are considered illegal multilevel marketing organizations. If you come across any MLM organization that fits the following descriptions, you should immediately report it to the relevant authorities such as local government, the Korea Fair Trade Commission, the police, business organizations, or consumer organizations.

- 1) The MLM company does not have a valid registration certificate or registration number, or the registration is unclear.
- 2) The company does not disclose information about how sponsor bonuses are calculated and paid.
- 3) The company does not issue a proper MLM salesperson registration certificate or MLM salesperson handbook, or issues invalid ones.
- 4) The company sells high-priced goods exceeding 2.0 million KRW (including VAT).
- 5) The company's product return and refund policies are unclear or are not adhered to.
- 6) The company offers excessively high sponsor bonuses, and the price of goods supplied to salespeople exceeds 35% of the product's sale price.)
- 7) The company uses violence, coercion, or other threatening or forced methods to recruit individuals.
- 8) The company demands an enrollment fee of more than 10,000 KRW or requires the purchase of goods worth more than 50,000 KRW as a condition for becoming a salesperson.
- 9) The company forces salespeople to purchase sales support materials worth more than 30,000 KRW.
- 10) The company requires salespeople to meet additional sales targets that were not disclosed during enrollment in order to maintain their salesperson status and qualify for sponsor bonuses.
- 11) Salespeople earn bonuses solely for recruiting new members.
- 12) The company frequently changes its business address, phone number, or other contact details deliberately.
- 13) The company sets product prices significantly higher than similar products in the market or essentially engages in monetary transactions only.
- 14) The company forces salespeople or prospective salespeople to attend training or boarding sessions against their will.
- 15) The company does not clearly state that its goal is to recruit new salespeople, instead using false pretenses such as job placement, part-time work, seminars, or educational meetings to lure people.

## The Ten Commandments for Multilevel Marketing (MLM) Salespeople

1. Illegal MLM companies are those that are not registered with a trade association.
2. A legitimate MLM company must report sales to the trade association and issue a sales report notification every time a salesperson enters into a product purchase contract.
  - Without a sales report notification, you cannot apply for compensation.
3. Verify whether the purchase contract is made by a salesperson or a consumer, as the compensation limits differ:
  - Salesperson: For product returns within 3 months, compensation is 90% of the transaction amount, with a limit of 10 million KRW per person.
  - Consumer: For product returns within 14 days, compensation is 100% of the transaction amount, with a limit of 5 million KRW per person.

※Note: If the purchase date on the sales report notification and the purchase contract are different, the purchase contract date is used as the basis.
4. Illegal transactions are not eligible for compensation:
  - If the individual product price exceeds 2.0 million KRW (including VAT).
  - If the transaction involves non-product goods like land or is a non-product transaction such as investment.
  - If there is a fake transaction, pretending to sell goods but it's actually an investment or similar.
5. If there is a delay in shipping after the contract is signed, the salesperson should withdraw the purchase. If there is no confirmation of the shipping, the transaction could be considered illegal, and the compensation might not be provided.
6. If the purchase contract does not include the product name, specifications, price, quantity, or total amount, it will not qualify for compensation.
7. The withdrawal must be made within the validity period of the sales report notification, and if the payment is not refunded within 3 business days after returning the product, compensation should be requested from the association.
8. Excessive stockholding or other unreasonable conditions may exclude the transaction from being eligible for compensation.
9. Coercing or forcing anyone who wants to become a salesperson, or against the wishes of current salespeople, to undergo training or boarding is prohibited.
10. Providing a salesperson membership handbook is a legal obligation for MLM companies, and salespeople should familiarize themselves with its contents.



ENZACTA

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