



**Proposal for
Strategic Alliance
with
eCosway
on
Partner Merchant Program**

***Cadangan bagi
Penggabungan Strategik
dengan
eCosway
untuk
Program Peniaga Kongsi***

eCosway

策略联盟建议书之联惠商家计划



Proposal to Join The eCosway Partner Merchant Program

Objective

The objective of this proposal is to invite you to enter into a Strategic Alliance with eCosway as a *Partner Merchant*.

How Will You Benefit?

- You will gain new customers who will eagerly choose you over your competitors thanks to the power of profit-driven word-of-mouth advertising.
- These customers will be very loyal to you, thanks to one of the largest and most successful loyalty point programs in Malaysia.
- You will get free advertising and promotion on our website www.PartnerMerchants.com.

Who Are We?

eCosway is a subsidiary of Cosway Malaysia -- one of the top direct selling companies in Malaysia, dealing in a very wide range of consumer products. Since its establishment in 1979, Cosway has a remarkable record of success. Cosway, with a paid-up capital of RM 155 million, is a wholly owned subsidiary of Cosway Corporation Berhad, which is listed on the KLSE. It has a paid-up capital of RM 341 million with recorded turnover of RM 1.457 billion for the financial year ending April 30, 2003.

eCosway is a very unique network marketing company. Our business strategy is founded on solid market principles and the economic self-interest of three major parties - Suppliers, Shoppers and Business Owners. By bringing these parties together and creating mutually profitable relationships between them, eCosway creates a business model that is strikingly different from other multi-level marketing companies. This model is called *Mutual Marketing™*.

People who join eCosway as independent *Business Owners* use word-of-mouth advertising to build a referral network of loyal customers for eCosway's partner suppliers and merchants. eCosway Business Owners "own" their own home-based businesses and earn lucrative residual income from the purchases of everyone in their networks. This income is based on the sales volume (called eVolume or eV) generated by their networks as calculated according to eCosway's *Profit Plan*.

Besides earning an income, eCosway Business Owners also enjoy the benefits of eCosway's Shopper Rewards Program. As they spend money at merchant establishments, they earn **CARD VALUE POINTS (CVPs)** which allow them to buy hundreds of popular items at greatly discounted prices and to participate in an exciting luxury auction.

What We Want From You?

All we need is for you to give us a commission on every transaction you make with an eCosway Co-Branded Cardholder.

eCosway will use this commission in the following manner:

- 75% will help pay for bigger and better prizes in our auction
- 25% will be converted to eV (sales volume) for calculation of profits paid to eCosway Business Owners.

The minimum commission amount we ask for, is 10%. If you can give us more than 10%, it is even better! Any extra commission you give eCosway will be used to offer ongoing or time-limited discounts and special offers to our cardholders.

This gives you more flexibility for creating shopper excitement on an ongoing basis. For example, if you can offer 20%, we will convert the first 10% into eV for profit payout and the loyalty program, and then we will give the other 10% directly to the cardholder in the form of an immediate discount at the point of sale.

You Get Free Advertising & Promotion

Regular publicity and announcements will be made available to eCosway Co-Branded Cardholders featuring the special products, services or promotions our Partner Merchants want to showcase. For example, a restaurant may feature special dishes for the month; or a Toys & Hobbies store may feature special prices for limited edition collectibles, etc. We will feature these promotions on our website.

You Get A Fantastic Loyalty Program

eCosway awards CVPs to encourage cardholder spending. We award 1 CVP for every B\$ 50 charged on the eCosway Co-Branded Card at non-partner establishments and 2 CVPs for every B\$ 50 charged with Partner Merchants.

This means that every time one of our cardholders spends with you, he or she gets the benefit of a very fun, very rewarding, loyalty program.

- **Items at Unheard-of Prices:** Unlike other loyalty programs, where cardholders have to collect thousands of points before they can get one prize, eCosway Business Owners can exchange just 1 or 2 CVPs for *fantastic discounts* on hundreds of popular items. These items include a wide range of personal and home appliances, kitchenware, branded items, etc. which can be conveniently picked up at any one of the over 400 Cosway Sales Centres around Malaysia, Singapore and Brunei.
- **Winning a branded watch:** Hundreds of desirable, brand-name products are put up for bid in eCosway's "CVP Auction". All Business Owners do is place their bids - with CVPs! The highest bid wins. Prizes can include branded watches, plasma TVs, electronic items, brand-name perfumes, and vouchers for dining and travel, etc.

Those who do not win do not lose their CVPs. The CVPs will continue to accumulate so people can use them in subsequent auctions. Everyone stands a chance to win sooner or later... as long as they continue to chalk up CVPs!

You Have Tremendous Upside Potential & ZERO Downside Risk

You will reap incremental business volume from an expanded customer base comprised of eCosway Co-Branded Cardholders.

The factors driving the incremental business volume are:

- eCosway Business Owners strive continuously to expand their networks by recruiting their friends and relatives in order to increase their earnings. This means Business Owners will not only encourage their friends to join eCosway, but will also encourage them to shop at your establishment. You automatically acquire new customers when Business Owners bring in other Business Owners.
- Our Business Owners need to generate sales volume (eV) each month to qualify for bonuses and incentives. They will be very motivated to patronize Partner Merchants instead of non-Partner Merchant outlets because they receive almost 9 times higher eV by using their Co-Branded Card at Partner Merchants (that give us 10%) than they do from non-partner establishments.

This whole new business venture costs you nothing unless we bring you business. We bear the entire cost of the advertising and promotion, the web hosting, and the loyalty program.

The Procedure

If Merchant is an EXISTING Baiduri merchant

1. Get the merchant to complete and sign Documents A (2 copies) & B of the Partner Merchant Agreement.
2. Submit the signed original copies of Documents A (both copies) & B directly, by-hand or via courier service to:
Baiduri Bank
Attn: Ms. Jazline Rose
Card Centre
Block A, Unit 8
Kiarong Complex
Lebuhraya Sultan Hassanal Bolkiah
Bandar Seri Begawan BE1318
Brunei
Tel: 245 4186 Fax: 245 4184

Proof of mailing does not constitute proof of receipt by Baiduri Bank or eCosway.

3. Upon receipt of Documents A & B, Baiduri Bank shall process the application and forward the original documents to eCosway (Attn: Partner Merchant Services, Lot 2.69 Wisma Cosway, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia) and eCosway shall record the date and time of receipt. Should any controversy arise over duplicate documents received bearing different details for the same merchant, the first set of complete documents bearing Merchant's signature and stamp received by eCosway shall be recognized as the rightful set for processing the Partner Merchant arrangement.
4. Upon acceptance or successful installation of the Baiduri Bank EDC facility at the Merchant location, Baiduri Bank will inform eCosway of the activation EDC facility and the eCosway Partner Merchant Agreement then takes effect.

If Merchant is a NON-Baiduri merchant

You will need to go through the preliminary steps below before continuing with steps 2- 4 above.

- Please bring along the merchant's business card or contact details and go to Baiduri Bank at Block A, Unit 8, Kiarong Complex, Lebuhraya Sultan Hassanal Bolkiah, Bandar Seri Begawan) and meet Ms. Jazline Rose. To expedite processing, it is recommended that you call 673-226 8349 to set an appointment with her first.
- You will need to pass the merchant's business card to Ms. Jazline and fill in the merchant and your (Introducer) details in a book.
- Ms. Jazline will contact you and the merchant within 7 working days to notify on whether the merchant application has been approved or rejected.
- If the merchant's application is approved, Ms. Jazline will require the Introducer BO to get the merchant to fill in Documents A (2 copies) & B of the Partner Merchant Agreement. (Click on link to download.) You will then need to follow steps 2 – 4 as above.

The Length of Contract

1. The eCosway Partner Merchant Agreement shall be valid for a one (1) year term effective from the operational date of the Baiduri Bank EDC facility, where the term shall be automatically renewed yearly unless otherwise notified in writing by the Partner Merchant with 3 months advance notice.
2. In the event that the first Agreement is terminated and the Merchant enters into subsequent Agreement(s) within two (2) years from the first termination date, the Introducer BO as carried in the first Agreement will prevail.
3. In the event that Baiduri Bank terminates or deactivates the EDC facility of the Merchant as a consequence of non-compliance to the Bank's policies, the eCosway Partner Merchant Agreement is automatically terminated.