

Overview/Quick Understanding *about* Dynamic Start Program (DSP)

- There are various packages of product combination with various DP, PV and SV, called **DSP Packs**.
- The DSP Packs are only available (can be sold) to a newcomer who intends to join DXN.
- The DSP Bonus distribution will be based on:
 - 1st Level – 60% of SV (This is for the DIRECT UPLINE)
 - 2nd Level – 10% of SV
 - 3rd Level – 5% of SV
 - 4th Level – 5% of SV
 - Please note that this “LEVEL” is not identical to the compressed levels under the Marketing Plan.
- The sponsor of this new member will get 60% of SV (from DSP Packs) if the sponsor has maintained 100 PPV. In fact as long as the sponsor maintains 100 PPV each month, it's just a matter of time (depending on whether he has maintained 100 PPV) before he gets the 60% SV because the 60% SV will be calculated and given on a weekly basis so as long as our system detects that the sponsor has 100 PPV then this 60% SV will be paid to him. However if by the end of the month the sponsor has failed to maintain 100 PPV, then this 60% SV will be forfeited.
- At the end of the month, the system will search vertically up in the same line where three more DSP Bonus (10%, 5%, and 5%) will be given to the closest uplines who have maintained 100 PPV. Those who did not maintain 100 PPV will not get the DSP Bonus.
- The newcomer who purchases the DSP Packs will be entitled for:
 1. PV of the DSP Packs (can be used as his/her monthly maintenance under the Marketing Plan)
 2. Discount Value (as defined in the outline) which he can utilize within certain validity years (as defined in the outline).
- To enjoy the 1st Level DSP Bonus from the new downline, one must be in one's eligibility period (as defined in the outline).
- An existing member (including 818 members) will have a 12-week eligibility period counted from the implementation of DSP.
- A newcomer will have a 12-week eligibility period counted from their joined date.

** DYNAMIC START PROGRAM **

The detailed outline

OBJECTIVE

- ◆ To approach new target group (recruitment)
- ◆ To reactivate the existing members

DEFINITIONS

DSP

Dynamic Start Program

Prospect

A prospect who intends to register as a new member under the DXN Marketing Plan.

Member

A DXN member (including 818 member) who has already registered/signed up under the DXN Marketing Plan, with normal registration without DSP Packs.

DSP Pack

There are 3 DSP Packs, namely *DSP-"A"*, *DSP-"B"*, *DSP-"C"*. Each country will have its own DSP Packs with various PV, SV and DP in the MLM system.

For example:

Slovakia	DSP-"A"	DSP-"B"	DSP-"C"
PV_{dsp}	529	370	112
SV_{dsp} (Euro)	231.6	142.5	45.35
DP_{dsp} (Euro)	538.4	316.3	101.4

Each DSP Pack will be given a unique code in the MLM System of each country.

Each DSP Pack purchased will be entitled for a **FREE Starter Kit**.

DSP Bonus Distribution

Levels	Bonus Calculation	Frequency
1 st Level (Direct Upline)	60% from SV _{dsp} of the DSP Pack	Calculated and paid after <u>every DSP Week</u> based on whether the 1 st Level has made his 100 PPV maintenance in the Marketing Plan(SIMP).
2 nd Level	10% from SV _{dsp} of the DSP Pack	Calculated and paid after <u>every month</u> based on the 100 PPV maintenance in the Marketing Plan (SIMP). It would be passed up to the closest qualified uplines of that month.
3 rd Level	5% from SV _{dsp} of the DSP Pack	
4 th Level	5% from SV _{dsp} of the DSP Pack	

Note: The "level" is not referring to the compressed level as in our Marketing Plan. It is referring to the closest qualified uplines who have maintained 100 PPV through the vertical upright search in the same line.

DSP Week

There are 4 DSP Weeks in a month, defined as below:

- 1st - 7th
- 8th - 14th
- 15th - 21st
- 22nd – month end.

Week 0

The week where a member joined on DSP. Week 1 shall commence on the following DSP Week.

Eligibility Period (Week 0 + 12 DSP Weeks)

The period one is allowed to sell the DSP Packs and enjoy the 60% DSP Bonus.

Sell

To recruit a new member and introduce this new member to purchase a DSP Pack at the same time.

MECHANISM

Assumption

- Date of DSP implementation: **1st December 2014**
- **A, B, C** are the existing members who have joined before 1st December 2014. A is the sponsor of B; B is the sponsor of C.
- **D** joined under C as normal registration on 10th December 2014, without buying any DSP Packs.
- **E, F, G** are all non members. They are the potential prospects.
- **H** joined under C on 16th December 2014 with the purchase of a DSP Pack.

✓ *16th – 21st December 2014 is Week 0 for H. His DSP Week 1 starts from 22nd – 31st December 2014.*

Who Can Purchase DSP Packs

- ◆ Prospect – Only a prospect can purchase the DSP Pack, and only ONCE. When he purchases the DSP Pack, he will be given a free DXN membership.
 - ✓ *[A, B, C cannot purchase any DSP Packs]*
 - ✓ *[D is not allowed to purchase any DSP Packs because he has already registered]*
 - ✓ *[E, F, G can purchase one of the DSP Packs when they register]*
- ◆ A new member who joined in DXN e-World System (818) may also purchase the DSP package within **14 days** from the date he registered himself. However his Eligibility Period shall be counted from his joined date.

Who Can Sell and For How Long

- ◆ Existing Members (including 818 members) – 12 DSP Weeks from the implementation date of the DSP.
 - ✓ *[A, B, C can sell DSP Pack to their direct new prospects, up to 28th February 2015 (12 DSP Weeks counted from 1st December 2014). After this Eligibility Period they will not be allowed to sell DSP Packs]*
- ◆ New Members joined after DSP Implementation Date (including 818 members) – 12 DSP Weeks (plus Week 0) from the date of his/her registration .
 - ✓ *[D's Week 0 starts from 10th – 14th December 2014. Week 1 starts from 15th – 21st December 2014. His Week 12 will end on 14th March 2015.*

So D can sell the DSP Packs to his direct new prospects, up to 14th March 2015. After this Eligibility Period he will not be allowed to sell any DSP Packs]
 - ✓ *[H's Week 0 starts from 16th – 21st December 2014. Week 1 starts from 22nd – 31st December 2014. His Week 12 will end on 21st March 2015.*

So H can sell the DSP Packs to his direct new prospects, up to 21st March 2015. After this Eligibility Period he will not be allowed to sell any DSP Packs]

DSP Bonus Distribution and Entitlement

- ◆ Bonus will be distributed based on the DSP Bonus Distribution Table as above.
- ◆ The sponsor (the seller) of the DSP Pack will be entitled for 60% of the SV (as 1st Level).
- ◆ 2nd Level will be the closest qualified uplines of the said sponsor. Same goes to the 3rd and 4th Level.
- ◆ All the levels must maintain 100 PPV in the Marketing Plan (SIMP) in order to be entitled for this respective bonus.
- ◆ 1st Level DSP Bonus will be calculated in every DSP Week. As long as the 1st Level has maintained 100 PPV, this 60% DSP Bonus will be paid out after that particular DSP Week. This bonus will be forfeited if the 1st Level did not maintain 100 PPV by the end of the month.

Example:

*C sold a DSP Pack to H on 16th December 2014.
C himself maintained 100 PPV on 26th December 2014.*

a) C would not receive the 60% DSP Bonus on 22nd December 2014 (not yet maintained 100 PPV)

b) C would receive the 60% DSP Bonus on 1 January 2015 (already maintained 100 PPV)

c) If C does not maintain 100 PPV in December 2014, this 60% DSP Bonus will be forfeited (will not be passed up or carried forward to the next month)

- ◆ For 2nd Level, 3rd Level and 4th Level, DSP Bonus will be calculated every Month. The entitlement is also based on the 100 PPV maintenance where it will be passed up to the closest qualified uplines in the same line.

Example:

For the DSP Bonus from H's purchase,

a) B would receive 10% (as 2nd Level) if he made his 100 PPV maintenance at the end of the month.

b) However if B did not maintain in that month, the 2nd Level bonus would go to A (who has maintained) and so on.

- ◆ It is important that one maintains one's 100 PPV EVERY MONTH to enjoy the continuous uninterrupted DSP Bonus entitlement.

Bonus Payment

- ◆ Bonus will be calculated and paid as per the above DSP Week schedule.
- ◆ This weekly DSP Bonus Statement will be available in the **e-Business**.

PV

- ◆ PV from the DSP Pack can be used/included as PV maintenance in the Marketing Plan (SIMP) as well as PGPV and DGPV.

✓ [Immediately after the purchase of a DSP Pack, H will gain the PV from the DSP Pack and this PV can be used as his 100 PPV maintenance as well as his eligibility to enjoy the DSP Bonus]

- ◆ PV will be counted as per Calendar Month (as per Monthly Bonus processing cut off date)

✓ [This PV will be counted under the December 2014 bonus processing for H]

SV

- ◆ During the Eligibility Period, SV_{dsp} generated from selling the DSP Packs will be taken for DSP Bonus calculation, but it will NOT be counted/used in the Marketing Plan.
- ◆ After the Eligibility Period, SV_{dsp} generated from selling the DSP Packs will NOT be taken for DSP Bonus calculation, instead it will be counted/used in the Marketing Plan.

Maximum Discount Value

- ◆ The DSP Packs come with a Maximum Discount Value, which is entitled to a 10% discount on the DP for future purchases up to this Maximum Discount Value with a validity period as stated in the table below from the date of joining as below :

Maximum Discount Value	DSP-"A" – 150% x DP	DSP-"B" – 130% x DP	DSP-"C" – 110 % of DP
Validity Period	4 years	3 years	2 years

- ◆ The Discount Value will be in round figure. Any decimals will be rounded up/down.

For example

	DSP-"A"	DSP-"B"	DSP-"C"
DP_{dsp} (Euro)	538.4	316.3	101.4
Maximum Discount Value (Euro)	808	411	112

- ◆ The Discount Value will be in the currency of the country where the DSP Packs are purchased.
- ◆ The Discount Value can only be used in the same country where the pack is purchased.
- ◆ The Discount Value is not redeemable for cash.
- ◆ The Discount Value is NOT applicable for any promotional package/items.

Example:

H purchased DSP-"A" with DP Euro 538.40.

Hence he is entitled for the Discount Value of Euro $(538.4 \times 150\%) = 808$ (rounded figure).

On 28th January 2015

H purchased a few products worth DP Euro 1,000.

He will be entitled for a discount of Euro 100 (10% discount of Euro 1,000)

The System will deduct Euro 100 from his Discount Value (Balance = Euro 708)

*So he only needs to pay **Euro 900**.*

On 18th May 2015

H purchased a promotional pack (buy 3 free 1 Package) worth DP Euro 300.

H cannot enjoy the 10% discount value.

*He pays **Euro 300**.*

On 12th December 2015

H purchased a few more products worth DP Euro 8,000.

As the 10% of Euro 8,000 has exceeded his Discount Value balance, the system will deduct only Euro 708 (Maximum discount utilized, balance = Euro 0) instead of Euro 800.

*So he needs to pay **Euro 7,292**.*

What Happens After One's Eligibility Period

- ◆ After the Eligibility Period, one can still sell the DSP Packs to one's direct new prospects, but these DSP Packs sold will not be considered under the DSP Bonus (No more DSP Bonus for all Levels). The SV will be included in the SIMP Bonus calculation.
- ◆ The prospect will still get the Maximum Discount Value based on the pack he/she purchased, as well as the PV for his/her monthly maintenance in the Marketing Plan.

	Maximum Discount Value	PV	SV
During Eligibility Period	For Prospect	For Prospect	In the DSP Bonus
After Eligibility Period	For Prospect	For Prospect	In the SIMP Bonus

- ◆ However, one can still enjoy the 2nd / 3rd / 4th Levels from one's eligible downlines provided if one still maintains 100 PPV.

OTHERS

- 1) Targeted Countries: **Europe + Russia**
- 2) Targeted Date of Implementation: **1 December 2014**
- 3) There will be a 3-month Special Promotion Period for DSP (first three months starting 1 December 2014), where we will give 70% of SV in 1st Level, and also an attractive flat 10-year validity period of Discount Value for all the DSP Packs.
- 4) A new prospect can always be allowed to register under the company directly (with the purchase of any DSP Packs) to enjoy the DSP Bonus and the Eligibility Period.
- 5) There is strictly no back date for DSP Bonus. Also, after the particular week calculation, any back date of cashbill will not change nor have any effect on the DSP Bonus entitlement.
- 6) The DSP Bonus and Discount Value entitlement will cease immediately if the member has resigned or the membership has been terminated.
- 7) The sales of the DSP Packs can be made available from the Branch Office and the Service Centres.
- 8) Sales of the DSP Packs From a Service Centre (SC)
 - ◆ All DSP Packs come with a specified Product Code in the MLM system.
 - ◆ The SC must "purchase" the DSP Packs from the branch before they can sell in their MLM system.
 - ◆ The SC must have the physical stock of the DSP Packs to be sold.
 - ◆ The DSP Packs sales cannot be back-dated for any reasons.
 - ◆ If a member comes to a particular SC to purchase the products and gets a discounted price (10%, to utilise the Discount Value), the 10% difference in DP value will be reimbursed from the Branch to the SC (either every two weeks or every month, or in the form of contra if feasible)
- 9) If one of the products is unavailable, a DSP Voucher can be given on a temporary basis, and this DSP Voucher could be exchanged to the DSP pack once the product is available. A DSP Voucher can only be issued under a Branch office and not in a SC.
- 10) Should there be any double registration, the first registration will remain and second registration will be cancelled as per DXN's Rules and Regulations. Whatever bonus which has been paid out as the DSP bonus will not be re-calculated.

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