

Marketing Plan

There are 10 Ranking of Discount Level:

1. 15% - **New Member**
2. 20% - **Consultant**
3. 25% - **Manager**
4. 30% - **Director**
5. 40% - **Managing Director**
6. 42% - **Senior Managing Director**
7. 44% - **Silver Managing Director**
8. 46% - **Gold Managing Director**
9. 48% - **Diamond Managing Director**
10. 50% - **International Diamond Managing Director**

New Member should: be sponsored by existing member
 be 18 years or older and complete membership application
 sign the consent form
 pay the annual membership fee of \$35.00

Buy-----Get immediate discount

up to \$900.00 worth of products -----1). **15% - New Member**

\$900 up to \$2100 worth of products -----2). **20% - Consultant**
Or achieve usable Group Retail Volume of \$900 or more

Buy in the same calendar month -----Get discount in the Following month

\$2100 up to \$ 7500 worth of products -----3). **25%. - Manager**
Or achieve usable Group Retail Volume of \$2,100 or more

\$7500 up to \$ 9,900 worth of products-----4). **30% - Director**
Or achieve usable Group Retail Volume of \$7,500 or more

\$9,900 or more worth of products-----5). **40% - Managing Director**
Or achieve usable Group Retail Volume of \$15,000 or more

6). **42% - Senior Managing Director**

- ◆ At least five (5) Managing Directors downlines including
- ◆ Two (2) first generation Managing Directors, and
- ◆ Two (2) second generation Managing Directors, and
- ◆ PRV + IPRV >=\$1,000 and GWV>=\$5,000.

7). **44% - Silver Managing Director**

- ◆ At least ten (10) Managing Directors downlines including
- ◆ Three (3) first generation Managing Directors, and
- ◆ Two (2) third generation Managing Directors, and
- ◆ PRV+ IPRV \geq \$1,000 and GRW \geq \$10,000.

8). **46% - Gold Managing Director**

- ◆ At least twenty (20) Managing Directors downlines including
- ◆ Five (5) first generation Managing Directors, and
- ◆ Three (3) fourth generation Managing Directors, and
- ◆ PRV + IPRV \geq \$1,000 AND GWV \geq \$20,000.

9). **48% - Diamond Managing Director**

- ◆ At least fifty (50) Managing Directors downlines including
- ◆ Ten (10) first generation Managing Directors, and
- ◆ Five (5) fourth generation Managing Directors, and
- ◆ PRV + IPRV \geq \$1,000 AND GWV \geq \$45,000.

10). **50% - International Diamond Managing Director**

- ◆ Twelve (12) first generation Managing Directors, and five (5) first generation Diamond Managing Directors, or
- ◆ Twelve (12) first generation Managing Directors, and at least five (5) Diamond Managing Directors in five (5) different lines within five (5) generations.

Definitions:

- Personal Retail Volume (PRV) is the total retail amount purchased by a member during one (1) calendar month.
- Indirect Personal Retail Volume (IPRV) is the sum of retail amount of purchased made by new direct downlines recruited by a member in the current calendar month.
- Group Retail Volume (total GRV) is the total retail amount purchased during one (1) calendar month by a member and his/her downlines expanding through seven (7) levels.
- Group Wholesale Volume (total GWV) is a member's GRV minus his/her qualified discount.

Useable GRV/GWV is the total GRV/GWV minus the GRV/GWV used by any downlines to jump from one discount level to higher discount level.

Example: #1

Suppose **A**
buys \$300
worth of
products



Suppose **B**
buys \$300
worth of
products



Suppose **C**
buys \$300
worth of
products

A will jump to 20% discount level because since B and C do not use their useable GRV/GWV. B has $\$300 + C$ has $\$300 = \600 ; therefore A has total $\$300 + \$600 = \$900$ subsequently, A qualified to jump to 20% discount level.

B is still in 15% level: $\$300 + \$300 = \$600$, is not enough for the next level, because B needs \$900 to go to the next level.

C is still in 15% level, because C is the starting point for the computation since our system calculation is from bottom up.

Example #2

Suppose A buys \$300 worth of products, A still in 15% because $\$300 + \$300 = \$600$ is not enough to go to the next level.



Suppose B buys \$600 worth of products, B will jump to 20% because $\$600 + \$600 = \$1,200$. B only needs \$900 to go to the next level. Therefore, \$300 remaining for A to use.



Suppose C buys \$600 worth of products, C is in 15% level because C is not qualify to go to the next level (C needs \$900).

Please note that we calculate the usable volume from

- **PRV Rules:** A member achieves discount update solely by his/her personal retail volume. The amount of PRV used by the member for the update can be reuse once as part of usable GRV by his/her sponsors

GRV Rules: A member achieves discount update by his/her group retail volume. The amount of PRV used by the member, if any, as part of GRV for the update is exclude from usable GRV for his/her sponsors.

All discount updates will become effective in the following month, except those from 15% to 20% by the PRV Rule, which will be immediately effective, starting the next purchase.

Once achieved, all discounts from 15% to 40% are maintained permanently. Discounts above 40% may be lowered back to 40% temporary when a member's PRV+IPRV is less than \$1,000 in a month. Member needs meet $PRV+IPRV \geq \$1,000$ in one (1) month to reinstate his/her original discount in the following month.

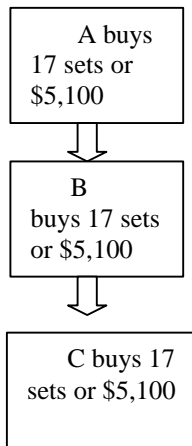
50% discount once achieved will be maintained permanently.

Benefits:

Members of ELEGANCE CORP. are authorized to sell Elegance products, and entitled to sponsor new members.

Members of ELEGANCE CORP. are eligible to purchase Elegance products at qualified discounts determined by rules as described.

Members maintaining PRV \geq \$25 receive commission overrides on qualified purchase made by his/her downlines expanding through seven (7) levels.

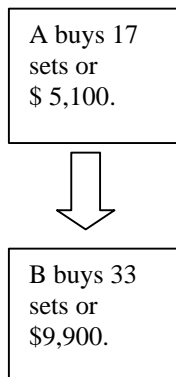


Promotional:

The following rules only apply to members whose current discount is less than 40%.

17 – 17 –17 Rule

A sponsors B, B sponsors C each must buy seventeen (17) sets = \$ 5,100.in the same calendar month, in order for all three (3) of them to qualified for 40% discount level in the following month.



17 – 33 Rule

A sponsors B, A buys seventeen (17) sets or \$5,100 worth of products in the same calendar month and B buys thirty-three (33) sets or \$9,900 worth of products in the same calendar month; they both will be qualified 40% in the following month.

When these promotional rules apply, his/her sponsors cannot reuse the amount of PRV used for discount update as part of useable GRV.

All previous promotions not listed here are expired.

Car Bonus

Silver Managing Director or above / Allowance \$250

At least ten (10) Managing Directors downlines, and
Minimum \$25,000 in monthly wholesale Managing Directors' Volume**,and
Minimum three (3) personally sponsored Managing Directors,
and
At least two (2) Managing Directors in the third generation.

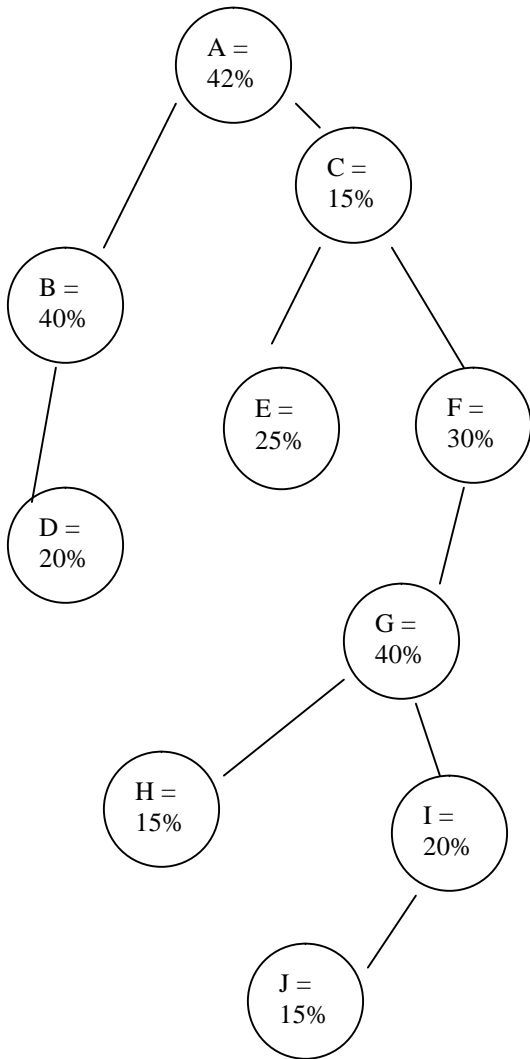
Gold Managing Director or above / Allowance \$500

At least 20 Managing Directors downlines, and
Minimum \$50,000 in monthly wholesale Managing Directors
Volume**,and
Minimum five (5) personally sponsored Managing Directors,
and
At least three (3) Managing Directors in the fourth generation.

Diamond Managing Director or above / Allowance \$1,000

At least fifty (50) Managing Directors downlines, and
Minimum \$100,000 in monthly wholesale Managing Directors
Volume**, and
Minimum ten (10) personally sponsored Managing Directors,
and
At least five (5) Managing Directors in the fourth generation.

*Company reserves the right to change or amend this document at any time.



Understanding Commission Calculations

Commission is paid to the sponsors from a downline through seven (7) levels based on the purchase amount and difference in discount % between members and sponsors.

Commission is paid if members have met PRV \geq \$25. If this requirement has not met, no commission will be paid!

If sponsor's discount level is less than his/her downline members are, then no commission is paid.

We hold members commission if monthly minimum PRV not met.

- G override H = 25%
- G override I = 20%
- F does not override G because G greater than F
- A override B = 2%
- A override C = 27%
- B override D = 20%
- C does not override E or F because E & Fare greater than C
- H does not override J because of the same level