

**COMPENSATION PLAN OF
QNET VN COMPANY LIMITED**

CONTENTS

PART 1. DEFINITIONS

| | | |
|------|---|------------------------------|
| 1. | DEFINITIONS..... | 1 |
| 2. | DESCRIPTION OF MLS SYSTEM DEVELOPMENT OF COMPANY..... | 3 |
| 2.1. | Team Model (paid based on BV)..... | 3 |
| 2.2. | RSP Plan (paid based on RSP)..... | 5 |
| 3. | QUALIFIED IR AND ACTIVATED IR..... | 6 |
| 3.1. | Qualified IR..... | 6 |
| 3.2. | Activated IR..... | Error! Bookmark not defined. |

PART 2. MEMBER RANKS..... 7

| | | |
|----|---|-------------------|
| 1. | The Ranks | 7 |
| 2. | The policy of downgrading and rewarding by achievements | 10 |
| 3. | Rank advancement | 10 |

PART 3. COMMISSIONS OF COMPANY 11

| | | |
|----|--|----|
| 1. | RETAIL PROFIT..... | 13 |
| 2. | STEP COMMISION | 14 |
| 3. | EARLY PAYOUT OPTION (EPO) | 17 |
| 4. | REPEAT SALE COMMISSION (RSP) | 19 |
| | SUMMARY OF ALL BENEFITS OF EACH RANK | 22 |

A sustainable business and a lasting power of true residual income are within reach for every QNET VIETNAM IR who develops and practices the disciplines of refer, repeat, rise, and retain.

This Compensation Plan provides information regarding entitlement and calculation of commissions and/or bonuses of Independent Representatives of Company based on his/her sales of Company's products.

COMPANY'S COMMITMENT:

Company commits that the total value of commissions, bonuses and other economic benefits paid to Independent Representative in a year converted into money does not exceed 40% of multi-level sale revenue of the Company in that year.

In the event that the total value of commissions, bonuses and other economic benefits paid to Independent Representatives in a year converted into money exceed 40% of multi-level sales revenue of the Company in that year, the Company commits to take all reasonable measures to adjust the commission rate so that it is no more than 40% in accordance with the laws.

PART 1. DEFINITIONS

1. DEFINITIONS

- 1.1. **“Company”** means the QNET VN COMPANY LIMITED, a limited liability company established and operating under the laws of Vietnam.
- 1.2. **“Independent Representative”** or **“IR”** means the individual fully satisfying the conditions set by the law, the Policies & Procedures of Company, and has signed the Multi-level Sale Agreement with Company to participate in the Company's multi-level sales network.
- 1.3. **“Active”** refers to any IR attaining a minimum of 50 RSPs monthly, obtained from referring Retail Customers who directly purchased goods at Company or IRs who purchased goods for personal consumption purposes. An IR must be Active to receive Repeat Sales Compensation.
- 1.4. **“Independent Representative Identification Number”** means the unique number issued by Company to the Independent Representative. Each Independent Representative can only have one Independent Representative Identification Number **which he/she can use to identify his/her representativenesship in all his/her transactions in multi-level sale activities with the Company.**
- 1.5. **“Multi-level Sale Agreement”** means a written agreement detailing the participation in a multi-level sales network between an Independent Representative and Company, signed by the Independent Representative, approved, signed and sealed by the Company. Multi-level Sale Agreement is made under the form of Company and approved by the competent state agency.
- 1.6. **“Lower Volume Team”** means the leg with the lesser Group Business Volume (the weaker leg) between the two legs of a IR in the Team Model.
- 1.7. **“Rank”** means the recognition title given to an IR. There are two types of Ranks given to an IR including Title Rank and Pay Rank.
- 1.8. **“Title Rank”** means Rank for the purpose of recognition of an Independent Representative only, not a basis for calculating commissions, bonuses and other economic benefits.
- 1.9. **“Pay Rank”** is the Rank used for the purpose of calculating commissions, bonuses and other economic benefits for an Independent Representative, when he or she achieves the requirements to promote/maintain the rank corresponding to each Rank as stipulated in Part 2 of this Compensation Plan.

- 1.10. **“Business Volume”** or **“BV”** means the BV point value assigned to each product of Company. BV for each product detailed in List of Product Trading Via Multi-level Sales Method of Company, can be amended and supplemented from time to time after notification to competent state agencies.
- 1.11. **“Personal Business Volume”** or **“PBV”** means the total of BV points that the Independent Representative obtained from the referral of Retail Customers to purchase goods directly at Company and/or BV from purchased goods for personal consumption purposes.
- 1.12. **“Group Business Volume”** or **“GBV”** means the total of BV points earned by the entire Downline system of an Independent Representative, excluding the Personal Business Volume of that Independent Representative.
- 1.13. **“Direct BV”** means the total of BV points that an Independent Representative can receive from purchases of Direct Referrals. Direct BV is used only for the purpose of obtaining and maintaining a Rank as defined in Part 2.
- 1.14. **“RSP”** means points assigned to each Company’s product to calculate Repeat Sales Commission. RSP for each product is specified in the List of Product Trading Via Multi-level Sales Method of Company which may be amended and supplemented from time to time after notification is sent to competent state agencies.
- 1.15. **“Personal RSP”** means the total Repeat Sales Points (RSP) earned by the Independent Representative from referral of Retail Customers to purchase goods directly at Company and/or from purchases for personal consumption purposes.
- 1.16. **“Group Repeat Sales Points”** or **“GRSP”** means the total Repeat Sales Points (RSP) earned by all Referrals in the Line of Referralship of an Independent Representative, excluding the Personal RSP of that Independent Representative.
- 1.17. **“Referrer”** means the Independent Representative who introduce and directly sponsor other people desiring to become retail customers or the Independent Representatives (Direct Referral) to participate in Company's business activities..
- 1.18. **“Direct Referral”** means all Independent Representatives that are directly sponsored and introduced by an Independent Representative
- 1.19. **“Indirect Referral”** means the Downlines within the Referral Line of an Independent Representative, other than his/her Direct referrals.
- 1.20. **“Referral Line”** means a system of Direct and Indirect Referral of an Independent Representative
- 1.21. **“Upline”** means Independent Representatives who are placed above a specific Independent Representative in the network or genealogy.
- 1.22. **“Downline”** means Independent Representatives placed below a specific Independent Representative respectively in the network as the context requires.
- 1.23. **“Tier”** means the position below the Independent Representatives is calculated horizontally
- 1.24. **“Retail Customer”** means any person introduced by an Independent Representative to directly purchase products at Company without registering as an Independent Representative.
- 1.25. **“IR Discounted Price”** or **“IR Price”** means the price of products at which the Company sells to Independent Representatives. The IR Price is detailed in the List of Product Trading Via Multi-level Sales Method of Company notified to the competent state authority. The price includes VAT.
- 1.26. **“Retail Price”** means the price of products at which the Company sells to Retail

Customers. Retail Price is detailed in the List of Product Trading Via Multi-level Sales Method of Company notified to the competent state authority. The price includes VAT.

- 1.27. **“Retail Profit”** is the difference between the Retail Price and the Independent Representative Price that an Independent Representative receives when introducing Retail Customers who purchase goods directly from Company and/or from the first personal qualifying purchase of new Direct Referral.
- 1.28. **“Early Payout Option”** or **“EPO”** means partial payment of the first Step Commission payable in advance to the new Qualified and Activated IR upon achieving the required Group Business Volume (GBV) in any of the Lower Volume Team of his/her Account within the given time frame as stipulated at Section 3 – Part 3 – Early Payout Option. This Payout only applies to the first Step Commission of an IR, irrespective of which ever rank the new IR holds.
- 1.29. **“Step Commission”** means the commission calculated based on the product sales volume that a Qualified and Activated Independent Representatives generates based on his/her Lower Volume Team. One Step Commission is achieved once a Qualified and Activated IR completes at least 3,000 BV in his/her Lower Volume team.
- 1.30. **“Repeat Sales Commission”** or **“RSP Commission”** refers to the commission gained by an Active IR from Repeat Sales Points.
- 1.31. **“RSP Pay Level”** refers to the downline levels from which an Active IR can earn Repeat Sales Points (RSP) from. An active IR can earn RSP from a maximum of ten (10) RSP Pay Levels based on his/her current Pay Rank. Detailed content is specified in Section 4 – Part 3.
- 1.32. **“Qualified”** means when an IR who has achieved the minimum of five hundred (500) BV collected from directly referred Retail Customers who purchase the goods from Company and/or from his/her personal purchase. In the case of first purchase for personal use, the Independent Representatives must purchase the goods at the Retail Price.
- 1.33. **“Activated”** means when a Qualified IR activates – using one of the methods specified in Section 3.2 – Part 1 of the Code of Conduct in order to have the opportunity for advancing to a higher Rank and receive more commissions, bonuses and other economic benefits.
- 1.34. **“VND”** means the official currency of Vietnam.

2. **DESCRIPTION OF MLS SYSTEM DEVELOPMENT OF COMPANY**

Company’s business model is hybrid; Team model and tier development model. These are both subject to the Rules of Placement. There are two development models for compensation plan of Company, one is based on BV (Team model) and another based on RSP (tier development model - RSP Plan).

Products on List of Product Trading Via Multi-level Sales Method of Company in which is converted into 02 (two) types of points, one is assigned with BV and another is assigned with RSP. Accordingly, when the Independent Representative introduces Retail Customers to purchase goods directly at Company or buy goods for personal consumption purposes, BV are used for promoting Rank purposes and Step Commission calculations and RSP is used to calculate Repeat Sales Commissions. The system will automatically calculate the commission according to the corresponding model and the Independent Representative will have the right to receive commissions, the bonus calculated based on the BV and RSP accumulated from the purchase.

2.1. **Team Model (paid based on BV)**

2.1.1. **Forms of development**

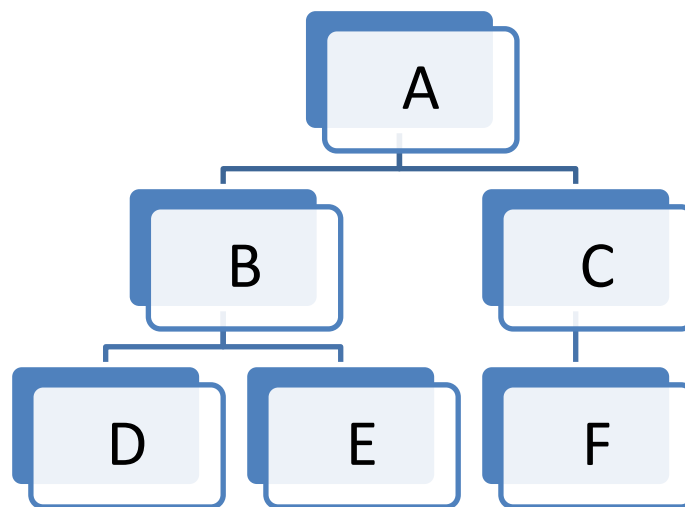
The Team model of one Independent Representative regarding the calculation of

commission, bonuses and has a single purpose for calculation and payment of Step Commission. (See details and examples in Section.2 – Part 3.).

(i) **The development of Team model:**

Under the Team model, each Independent Representative must be Qualified and must have at least two (02) Qualified Direct Referrals as his first level Downlines (one person on the left leg and the other on the right leg of Independent Representative). The 3rd and subsequent Direct Referral of the Independent Representative will be placed on the next Level of Downlines, on the left or right leg, depending on the arrangement of the Independent Representative, or use Default Placement Method (in case the Independent Representative does not arrange his/her own position for his/her Direct Referral).

(ii) **Illustration: Team Model**



A is the IR (Referrer)

Left Leg

B is the Direct Referral of A.

D and E are the Direct Referrals of B.

Right Leg

C is the Direct Referral of A.

F is the Direct Referral of C.

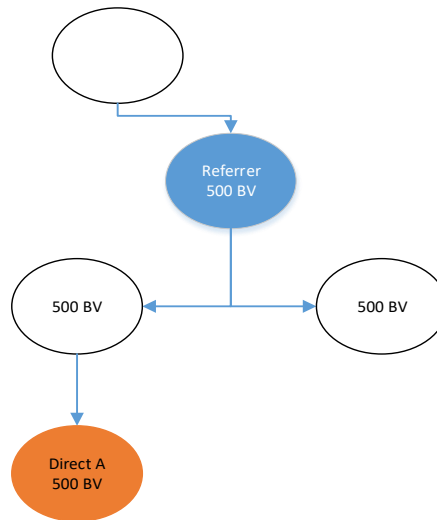
2.1.2. Rules of Arrangement in Team Model

A Referrer has the right to place the position of an IR whom he/she personally referred subject to the Rules of Placement as below.

- (a) The Referrer is the only person entitled to arrange a position for the Independent Representative to whom he or she directly sponsors.
- (b) An IR can only place his/her Direct Referral under his/her existing Downline group. An IR is not allowed to place any Direct Referral above his/her position.
- (c) Default placement: If the Referrer fails to place his/her newly registered Direct Referral(s) within the Grace Period from the registration date, Default Placement Method shall apply: the system will automatically place them on the Lower Volume Team of the Referrer.

In the event that the Referrer having a balanced volume on both legs, the system will automatically place the newly registered Direct Referral(s) on the position opposite of the placement of his/her Referrer.

Example of Default Placement Method:



*Direct A is the Direct Referral of IR Referrer. Referrer has a balanced volume on both legs. Referrer is under the **Right Side** of its Upline. If the Referrer fails to place Direct A, Default Placement Method shall apply: Direct A shall be on the **Left Side** of Referrer.*

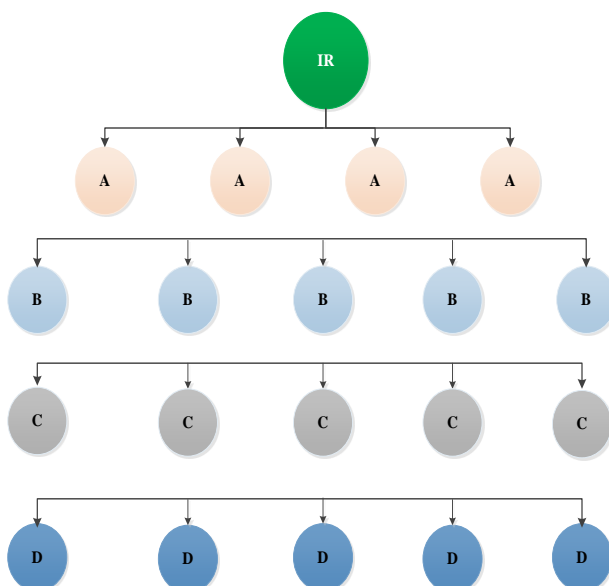
2.2. RSP Plan (paid based on RSP)

2.2.1. RSP Plan is used for calculating RSP Commission.

2.2.2. The development of the network according to this model is not limited to horizontal, vertical (depth), no branching.

2.2.3. However, the calculation of the RSP Commission rate for Independent Representative and to enjoy RSP Commission corresponds to Section 4 – Part 3. Repeat Sales Commissions (RSP) below. Accordingly, Levels Of Downlines Counted For RSP will be limited depending on Rank of Independent Representative and can only be limited to up to 10 levels. Company commits RSP Commissions in particular and the total value of commissions, bonuses and other economic benefits paid to the Independent Representative in general in one year does not exceed 40% of Company’s multi-sales revenue in that year.

Example:



A are the Downlines directly sponsored and referred by the IR (Directly Referred IRs; First Level of Downlines).

B are the Direct Referrals of A, and the Second Level Downline – Indirect Referrals of IR.

C are the Direct Referrals of B, the third Downline level of IR .

D are the Direct Referrals of C, the fourth Downline level of IR .

3. QUALIFIED IR AND ACTIVATED IR

Activation is only possible after the Qualification of Independent Representative.

Prior to Activation, the Independent Representative may only receive Retail Profit and Repeat Sales Commissions when reaching the respective requirements of each commission.

After Activation, the Independent Representative will have the opportunity to receive Early Payout, Step Commissions, and have Rank Advancement upon completion of all requirements. Sales volume of the Independent Representative will be counted back from the date of Qualification for the purpose of calculating the above commissions. Bonuses will be calculated monthly.

After the Qualification of the Independent Representative, all sales of the Qualified Direct Referral can be used for the purpose of Activation of that Independent Representative.

3.1. Qualified IR

An IR shall be qualified in the event that they achieve the minimum of five hundred (500) BV collected directly from product sales of Retail Customers who purchase the goods from Company and/or from personal purchase(s).

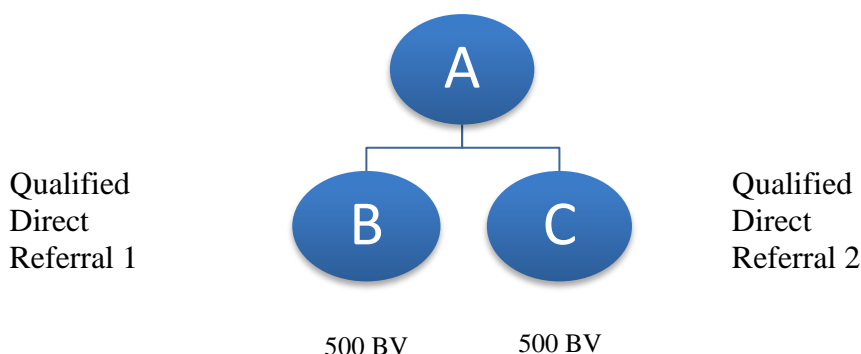
3.2. Activated IR

After Qualification, an Independent Representative can be Activated by one of the following three (03) methods:

3.2.1. Method 1: Personal Sponsorship

Place at least one (1) Qualified Direct Referral under each side of this IR.

Example: A is Qualified IR, A has 02 Qualified Direct Referrals into two legs of this IR. A is Activated.

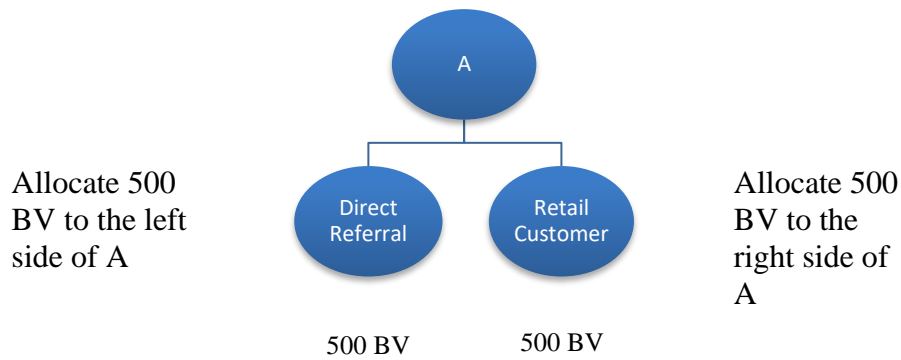


Note: This scenario will make IR A eligible for rank advancement to Bronze Star.

3.2.2. Method 2: Combination of Sales and Purchases

Independent Representatives may be Activated by:

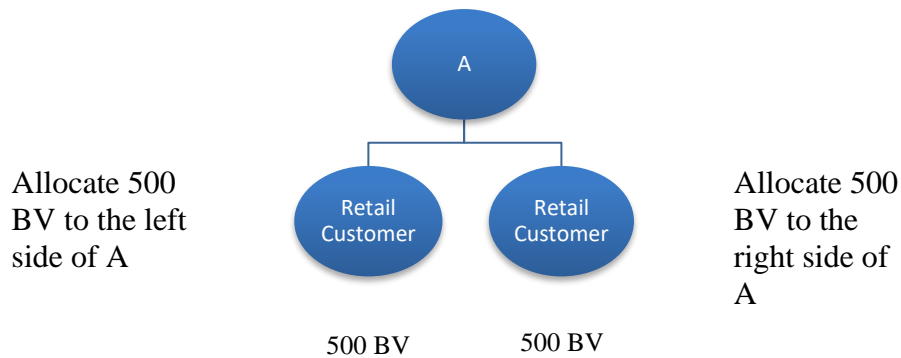
- (a) Purchases of a directly referred Retail Customer with at least 500 BV; AND
- (b) Purchases of a Directly referred IRs who has at least 500 BV.



Note: This scenario will not make IR A eligible for rank advancement.

3.2.3. **Method 3:** Through Retail Sales

All products, totaling to at least 1,000 BV are purchased by Retail Customers. The corresponding BV are allocated to the Referrer's account, 500 BV to the left and 500 BV to the right.



Note: This scenario will not make IR A eligible for rank advancement.

PART 2. MEMBER RANKS OF INDEPENDENT REPRESENTATIVE

1. The Ranks

All Rank Advancement and Maintenance requirements **MUST** be achieved on a **MONTHLY** basis. An IR can advance to eight (8) Ranks. Independent Representatives are not allowed to skip ranks to be promoted to a higher Rank.

| No. | RANKS | REQUIREMENTS/ MONTHLY REQUIREMENTS <i>(To be achieved on a MONTHLY basis)</i> |
|-----|--|--|
| 1 | INDEPENDENT REPRESENTATIVE (One-time requirements) | To be an IR, a person must: <ul style="list-style-type: none"> ✓ Be a Vietnamese citizen and have full capacity for civil acts according to Vietnamese laws. ✓ Has signed the written Distributor Agreement with the Company. ✓ Has completed the basic training program, signed the Written Commitment in accordance Form No. 13 enclosed Decree No. 40/2018/ND-CP and received the written confirmation of the Company and the Membership Card. |

| | | |
|---|---|---|
| | | <i>Note: Only after being issued the Membership Card, the IR has right to sell products and build his/her sales team.</i> |
| 2 | BRONZE STAR (One-time requirements) | To achieve Bronze Star, Independent Representative must be: <ul style="list-style-type: none"> ✓ Qualified: pursuant to Section 3.1 – Part 1; and ✓ Activated: pursuant to Section 3.2 – Part 1. Example 1 particular illustration is referred in Section 3 – Part 2. |
| 3 | SILVER STAR (One-time requirements) | To achieve Silver Star, Independent Representative must: <ul style="list-style-type: none"> ✓ Have achieved the Bronze Star Rank. ✓ 3 Qualified Direct Referrals with 500 BV each. OR <ul style="list-style-type: none"> ✓ 2 Qualified Direct Referrals with 1,000 BV each. The chart of Silver Star: <div style="text-align: center; margin: 10px 0;"> <pre> graph TD A[500 BV] --- B[1,000 BV] A --- C[1,000 BV] A --- D[500 BV] A --- E[500 BV] D --- F[500 BV] </pre> </div> Example 2 particular illustration is referred in Section 3 – Part 2. |
| 4 | GOLD STAR | To achieve Gold Star, Independent Representative must have: <ul style="list-style-type: none"> ✓ Achieved the Silver Star Rank. ✓ 500 Direct BV*. ✓ 600 Group RSP**. ✓ 2 Steps (at least 6.000 BV in Lower Volume Team). ✓ 50 Personal RSP*. Example 3 particular illustration is referred in Section 3 – Part 2. |
| 5 | SAPPHIRE STAR | To achieve Sapphire Star, Independent Representative must have: <ul style="list-style-type: none"> ✓ Achieved the Gold Star rank. ✓ 1,000 Direct BV*. ✓ 2,000 Group RSP**. |

| | | |
|----------|----------------------|--|
| | | <ul style="list-style-type: none"> ✓ 40 Steps (at least 120.000 BV in Lower Volume Team). ✓ 5 Downlines with Gold Star rank or above**. ✓ 50 Personal RSP*. <p>Example 4 particular illustration is referred in Section 3 – Part 2.</p> |
| 6 | PLATINUM STAR | <p>To achieve Platinum Star, Independent Representative must have:</p> <ul style="list-style-type: none"> ✓ Achieved the Sapphire Star rank. ✓ 1,000 Direct BV*. ✓ 5,000 Group RSP from a minimum of 2 legs and a maximum of 2,500 GRSP each**. ✓ 120 Steps (at least 360.000 BV in Lower Volume Team). ✓ 50 Personal RSP*. ✓ Team achievements - 5 Downlines with Sapphire Star rank OR above AND 10 Downlines with Gold Star rank and above**. ✓ Team achievements herein is the Payrank of Downlines requested in a business month. ✓ Achieve Platinum Star rank requirements for 2 consecutive months. <p>Example 5 particular illustration is referred in Section 3 – Part 2.</p> |
| 7 | DIAMOND STAR | <p>To achieve Diamond Star, Independent Representative must have:</p> <ul style="list-style-type: none"> ✓ Achieved the Platinum Star rank. ✓ 2,000 Direct BV*. ✓ 15,000 GRSP from a minimum of 2 legs and a maximum of 7,5000 GRSP each**. ✓ 200 Steps (at least 600.000 BV in Lower Volume Team). ✓ 50 Personal RSP*. ✓ 15 Downlines with Sapphire Star rank or above (max of 11 from any side of an IR, any Downline), AND ✓ 1 Downline with Platinum Star rank or above within line of sponsorship. ✓ Achieve Diamond Star rank for 2 consecutive months. <p>Example 6 particular illustration is referred in Section 3 – Part 2.</p> |

| | | |
|----------|--------------------------|--|
| 8 | BLUE DIAMOND STAR | <p>To achieve Blue Diamond Star, Independent Representative must have:</p> <ul style="list-style-type: none"> ✓ Achieved the Diamond Star Rank. ✓ 3,000 Direct BV*. ✓ 20,000 Group RSP from a minimum of 3 legs and a maximum of 7,500 GRSP each**. ✓ 320 Steps (at least 960.000 BV in Lower Volume Team). ✓ 50 Personal RSP*. ✓ 10 Downlines with Platinum Star or above, in which, max of 7 from any side of an IR, any Downline. ✓ 2 Downlines with Diamond Star rank or above, in which, maximum 1 from each side of the IR. ✓ Achieve above requirements of the Blue Diamond Star rank for 3 consecutive months. <p>Example 7 particular illustration is referred in Section 3 – Part 2.</p> |
|----------|--------------------------|--|

**Sales from directly referred Retail Customers or personal purchases*

*** Within line of Sponsorship*

2. The policy of downgrading and rewarding by achievements

A downgrade policy means that in the event that an Independent Representative fails to maintain the monthly requirements for their Rank, the Independent Representative will still retain his or her current Title Rank but the Pay Rank will be downgraded to the Rank in which he or she meets the maintenance requirements of that Rank. IRs are being paid according to the achievement. Please note that, if an Independent Representative achieves a Gold Star Rank or above, if he or she does not meet the requirements for maintaining the Rank monthly, then the Pay Rank will be downgraded according to the actual achievement but not lower than the Silver Star Rank.

3. Rank advancement

After signing the Multi-level Sale Agreement with the Company, completing the Basic Training Program, signing the Commitment Letter and being granted a Membership Card, the individual will become an Independent Representative of the Company, purchase Product and develop multi-level sales network.

When the business of the Independent Representative develops, they have the opportunity to advance to a higher Rank when they meet the respective conditions of each Rank in accordance with Section 1 – Part 2 of this Compensation Plan and this is a bonus for all Independent Representatives.

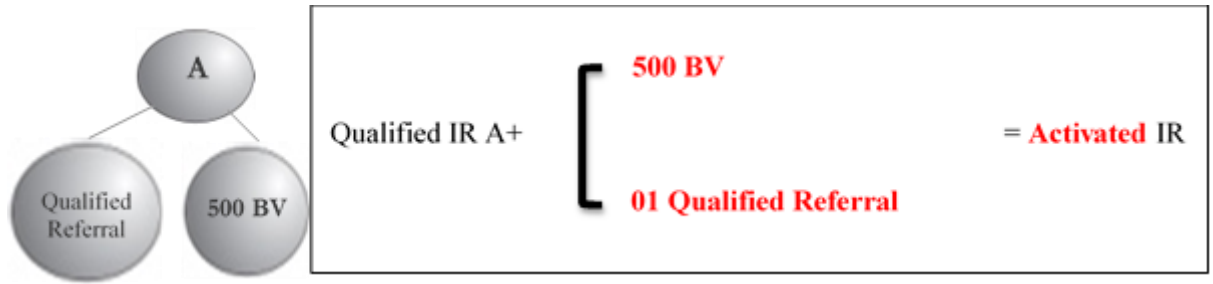
Example 1: Requirements for obtaining Bronze Star Rank

- (a) Independent Representative A purchases Company's products for personal consumption and accumulate 500 BV. Then, A will become a Qualified Independent Representative.



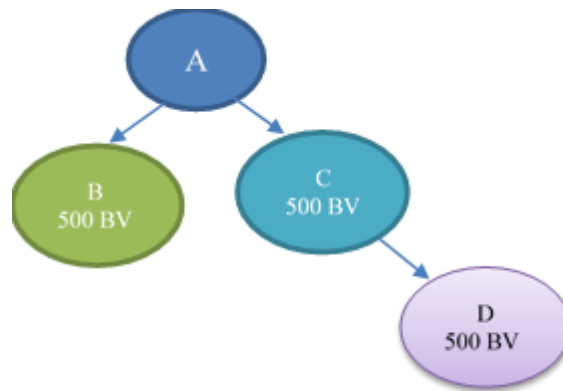
A + **500 BV** = **Qualified** Independent Representative (IR A)

- (b) After becoming Qualified IR, Independent Representative A continues purchasing Company's products for personal consumption and accumulated 500 BV and sponsored a Qualified Referral. (One of the activation method: Method 2)



- (c) A will become a Qualified and Activated Independent Representative, so A reaches the Bronze Star Rank.

Example 2: Requirements for obtaining Silver Star Rank



A reaches the Bronze Star Rank and sponsors three (3) Direct Referrals, with at least 500 BV each. After completing these, A will achieve the Silver Star Rank.

Example 3: Requirements for obtaining Gold Star Rank

Independent Representative B:

- (a) Achieved the Silver Star Rank;
- (b) Has 50 Personal RSP;
- (c) 600 Group RSP from the IRs line of referralship;
- (d) Achieved 500 BV from purchases of Direct Referrals; and
- (e) 2 Step Commissions (at least 6,000 BV in the Lower Volume Team).

Example 4: Requirements for obtaining Sapphire Rank

Independent Representative C:

- (a) Achieved the Gold Star Rank;
- (b) Has 50 Personal RSP;
- (c) 2,000 Group RSP from the IRs line of referralship;
- (d) Achieved 1,000 BV from purchases of Direct Referrals;
- (e) 40 Step Commissions (at least 120,000 BV in the Lower Volume Team); and
- (f) Has 5 Downlines with the Gold Star rank and above.

Example 5: Requirements for obtaining Platinum Star Rank

Independent Representative D:

- (a) Achieved the Sapphire Star Rank;
- (b) Has 50 Personal RSP;
- (c) 5,000 Group RSP from a minimum of 2 legs and a maximum of 2,500 GRSP each within the IRs line of referralship;
- (d) Achieved 1,000 BV from purchases of Direct Referrals;
- (e) 120 Step Commissions (at least 360,000 BV in the Lower Volume Team);
- (f) 10 Downlines with Gold Star rank and above within the line of sponsorship;
- (g) Has 5 Downlines with the Sapphire Star rank or above within the line of referralship; and
- (h) Achieve the Platinum Star pay rank for 2 consecutive months.

Example 6: Requirements for obtaining Diamond Star Rank

Independent Representative E:

- (a) Achieved the Platinum Star Rank;
- (b) Has 50 Personal RSP;
- (c) 15,000 Group RSP from a minimum of 2 legs with a maximum of 7,500 GRSP each within the IRs line of referralship;
- (d) Achieved 2,000 BV from purchases of Direct Referrals;
- (e) 200 Step Commissions (at least 600,000 BV in the Lower Volume Team);
- (f) Has 15 Downlines with the Sapphire Star rank or above maximum of 11 from any side of an IR;
- (g) 1 Downline with Platinum Star rank and above within line of sponsorship; and
- (h) Achieve the Diamond Star pay rank for 2 consecutive months.

Example 7: Requirements for obtaining Blue Diamond Star Rank

Independent Representative F:

- (a) Achieved the Diamond Star Rank;
 - (b) Has 50 Personal RSP;
 - (c) 20,000 Group RSP from a minimum of 3 legs with a maximum of 7,500 GRSP each within the IRs line of referralship;
 - (d) Achieved 3,000 BV from purchases of Direct Referrals;
 - (e) 320 Step Commissions (at least 960,000 BV in the Lower Volume Team);
 - (f) Has 10 Downlines with the Platinum Star rank or above maximum of 7 from any side of an IR;
 - (g) 2 Downlines with Diamond Star rank and above, 1 from each side of an IR, at least 1 from the line of sponsorship; and
- Achieve the Blue Diamond Star pay rank for 3 consecutive months

PART 3. COMMISSIONS OF COMPANY

An IR will have an opportunity to earn commissions/bonuses from both BV and RSP of his/her personal purchases, retail sales, and sales to Downlines.

Commissions and/or bonuses are paid **ONLY** based on the sales of the Company's products. No commission or bonus is paid based on referring other Representatives and/or Customers without product purchases.

An IR can earn from one or more of the following three (03) different types of commissions/bonuses from the QNET's Compensation Plan.

1. RETAIL PROFIT

Retail Profit is the difference between the Retail Price and IR Price. Retail Profit is worth up to 23%.

Independent Representatives will receive Retail Profit from introducing Retail Customers to purchase goods directly at Company and from their first qualifying personal purchases of their Direct Referrals.

Example 1: Retail Price and IR Price of HomePure 9-step water filter is VND 3,120,000 and VND 2,400,000 respectively.

IR A introduces Mr. Nam to contact Company and buy HomePure 9-step water filter as a Retail Customer with Retail Price, while IR A can buy this product with IR Price of VND 2,400,000. Therefore, Active A can enjoy VND 720,000 of Retail Profit.



Example 2: IR A introduces and refers Mr. Nam to become his/her Direct Downline. To become Qualified IR, Mr. Nam must buy a qualified product with Retail Price.

Retail Price and IR Price of HomePure Nova water filter is VND 20,810,000 and VND 19,500,000 respectively.

Mr. Nam will buy HomePure Nova water filter with Retail Price of VND 20,810,000 while the IR Price is VND 19,500,000. Therefore, IR A can enjoy VND 1,310,000 of Retail Profit.



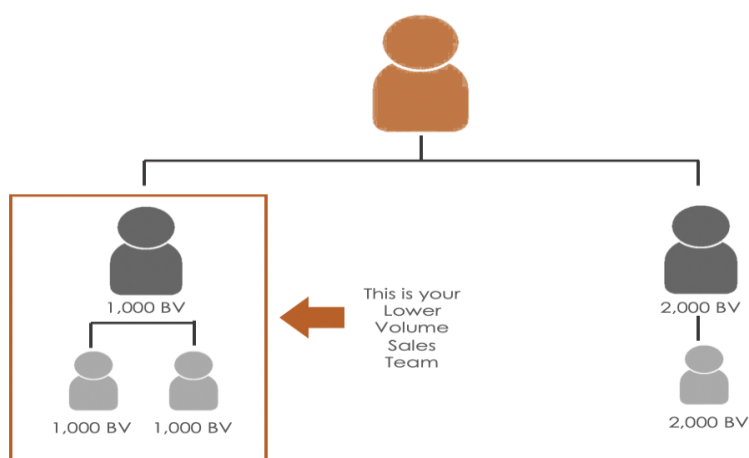
Note: Product prices and other amounts shown in this clause are for reference only and may vary after being noticed regarding the change of List of Product Trading Via Multi-level Sale Method to the competent authorities by QNET VN.

2. STEP COMMISSION

2.1 Requirements for bonus

1. Only Qualified and Activated IR (who have achieved Bronze Star or above) are eligible to have Step Commission, upon achieving specific rank requirements.
2. At least 3,000 BV from Lower Volume Team is required for an IR to receive 1 Step Commission.

Ex:



2.2 How to calculate the bonus

(a) Upon completion of the rank requirements, the Independent Representative will be paid Step Commission(s) according to the Pay Rank as follows:

| | Bronze Star | Silver Star | Gold Star | Sapphire Star | Platinum Star | Diamond Star | Blue Diamond Star |
|---|--------------------|--------------------|------------------|----------------------|----------------------|---------------------|--------------------------|
| Commission for each Step | VND 4,034,000 | VND 4,524,000 | VND 5,013,000 | VND 5,209,000 | VND 5,503,000 | VND 5,993,000 | VND 6,482,000 |
| Maximum Number of Steps Per Commission Week | 40* | 50* | 60* | 65* | 70* | 80* | 90* |

(*) *Max Steps*

(b) After Step Commissions are paid, any BV that accumulates in a week that exceeds the maximum number of paid steps will be lost and will not be used to calculate the Step Commissions for the following weeks.

(c) Difference between Carry-Forward BV and Flush-Out BV

(i) **Carry-Forward BV**

Refers to the unpaid BV coming from IRs who have NOT reached the maximum number of Step Commission within one commission week. These BV will be carried forward to the following commission weeks. For this scenario, Unpaid BV refers to BV that are not enough to complete one (1) Step Commission within one commission week.

(ii) **Flush-Out BV**

Refers to the unpaid BVs coming from that an IR who has reached the maximum number of Step Commission within one commission week. These BV will be flushed-out and not be carried forward to the following commission weeks. For this scenario, Unpaid BV refers to ALL BV that exceeds the maximum number of Step Commission within one commission week.

2.3 Payment of bonus

Step Commission are paid weekly. Step Commissions paid to an Independent Representative will be calculated at the end of each week and any remaining BV balances (not enough of a Commission Step) that have not yet been calculated will be transferred to the following week.

Example 1: Flush-Out BV

IR A achieved by the model of 01. Group Business Volume (within 1 week of sales) on the left side is 274,000 BV and the right side is 272,000 BV

⇒ IR A has a left side with 274,000 BV and a right side with 272,000 BV. Thus, the right side shall be a Lower Volume Team and used for calculation of Step Commission.

$$272,000 \text{ BV} \div 3,000 \text{ BV} = 90 \text{ Steps}$$

(a) If Independent Representative A is a Bronze Star Rank, Independent Representative A has a maximum number of steps in a week of 40 Steps. Independent Representative A earns VND 4,034,000 per Step

(iii) Total commission: $40 \text{ Step} \times \text{VND } 4,034,000 = \text{VND } 161,360,000$

(iv) The Flush-Out Step: $90 \text{ Step} - 40 \text{ Step} = 50 \text{ Step}$

(v) The Flush-Out BV:

$$\text{Left: } 274,000 - (40 \times 3,000 \text{ BV}) = 154,000 \text{ BV}$$

$$\text{Right: } 272,000 - (40 \times 3,000 \text{ BV}) = 152,000 \text{ BV}$$

(b) If Independent Representative A is a Silver Star Rank, Independent Representative A has a maximum number of steps in a week of 50 Steps. Independent Representative A earns VND 4,524,000 per Step

(vi) Total commission: $50 \text{ Step} \times \text{VND } 4,524,000 = \text{VND } 226,200,000$

(vii) The Flush-Out Step: $90 \text{ Step} - 50 \text{ Step} = 40 \text{ Step}$

(viii) The Flush-Out BV:

$$\text{Left: } 274,000 - (50 \times 3,000 \text{ BV}) = 124,000 \text{ BV}$$

$$\text{Right: } 272,000 - (50 \times 3,000 \text{ BV}) = 122,000 \text{ BV}$$

(c) If Independent Representative A is a Gold Star Rank, Independent Representative A has a maximum number of steps in a week of 60 Steps. Independent Representative A earns VND 5,013,000 per Step

(ix) Total commission: $60 \text{ Step} \times \text{VND } 5,013,000 = \text{VND } 300,780,000$

(x) The Flush-Out Step: $90 \text{ Step} - 60 \text{ Step} = 30 \text{ Step}$

(xi) The Flush-Out BV:

$$\text{Left: } 274,000 - (60 \times 3,000 \text{ BV}) = 94,000 \text{ BV}$$

$$\text{Right: } 272,000 - (60 \times 3,000 \text{ BV}) = 92,000 \text{ BV}$$

- (d) If Independent Representative A is a Blue Diamond Star Rank, Independent Representative A has a maximum number of steps in a week of 90 Steps. Independent Representative A earns VND 6,482,000 per Step
- (i) Total commission: $90 \text{ Step} \times \text{VND } 6,482,000 = \text{VND } 583,380,000$
 - (ii) The Flush-Out Step: $90 \text{ Step} - 90 \text{ Step} = 0 \text{ Step}$
 - (iii) The Flush-Out BV:
 - Left: $274,000 - (90 \times 3,000 \text{ BV}) = 4,000 \text{ BV}$
 - Right: $272,000 - (90 \times 3,000 \text{ BV}) = 2,000 \text{ BV}$

Example 2: Carry-Forward BV

IR A has 24,500 BV on the left side and 21,500 BV on the right side in one week (first week) and on the following week (the second week) this IR has 8,500 BV on the left side and 11,500 BV on the right side. Thus, this IR has the total Step Commission in such 02 weeks as follows:

In the first week

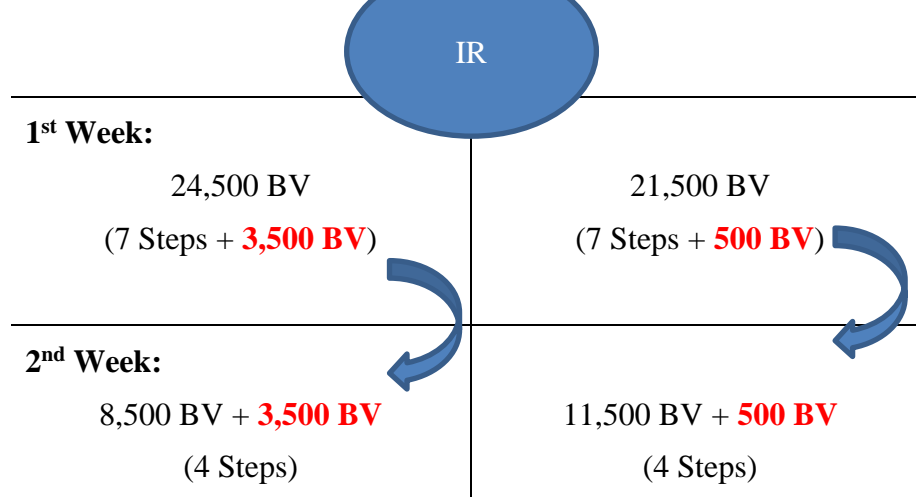
- ⇒ IR A has 24,500 BV on the left side and 21,500 BV on the right side. Thus, the right side shall be the Lower Volume Team and used for calculations of Step Commission.
- ⇒ Right side: $21,500 \text{ BV} \div 3,000 \text{ BV} = 7 \text{ Step}$ and **500 BV be carried forward to the following sale week**
- ⇒ Left side: $24,500 \text{ BV} \div 3,000 \text{ BV} = 7 \text{ Step}$ and **3,500 BV be carried forward to the following sale week**
 - (a) If IR A is a Bronze Star Rank, IR A earns VND 4,034,000 per Step. Total commission: $7 \text{ Step} \times \text{VND } 4,034,000 = \text{VND } 28,238,000$
 - (b) If IR A is a Silver Star Rank, IR A earns VND 4,524,000 per Step. Total commission: $7 \text{ Step} \times \text{VND } 4,542,000 = \text{VND } 31,668,000$
 - (c) If IR A is a Blue Diamond Star Rank, IR A earns VND 6,482,000 per Step. Total commission: $7 \text{ Step} \times \text{VND } 6,482,000 = \text{VND } 45,374,000$

In the second week

- ⇒ IR A has 8,500 BV on the left side and 11,500 BV on the right side. Thus, the left side shall be the Lower Volume Team and used for calculations of Step Commission
- ⇒ Left side: $(8,500 \text{ BV} + 3,500 \text{ BV to be carried forward from the first week}) \div 3,000 \text{ BV} = 4 \text{ Step}$
- ⇒ Right side: $(11,500 \text{ BV} + 500 \text{ BV to be carried forward from the first week}) \div 3,000 \text{ BV} = 4 \text{ Step}$
 - (a) If IR A is a Bronze Star Rank, IR A earns VND 4,034,000 per Step. Total commission: $4 \text{ Step} \times \text{VND } 4,034,000 = \text{VND } 16,136,000$
 - (b) If IR A is a Silver Star Rank, IR A earns VND 4,524,000 per Step. Total commission: $4 \text{ Step} \times \text{VND } 4,542,000 = \text{VND } 18,096,000$
 - (c) If IR A is a Blue Diamond Star Rank, IR A earns VND 6,482,000 per Step. Total commission: $4 \text{ Step} \times \text{VND } 6,482,000 = \text{VND } 25,928,000$

Illustration for Example 2:

| | |
|-------------|--------------|
| LEFT | RIGHT |
|-------------|--------------|



3. EARLY PAYOUT OPTION (EPO)

3.1 Requirements for bonus

- (a) Early Payout Option are only applicable to new Qualified and Activated Independent Representatives who will achieve the given requirements. In order to receive EPO, the Independent Representative must be Qualified and Activated by Method 1. Use of activation Methods 2 and 3 will not allow an Independent Representative to receive EPO.
- (b) Early Payout is achieved once an IR completes the **first 1,000 BV** from his/her Lower volume team WITHIN the first four weeks and **the second 1,000 BV from his/her Lower volume team WITHIN the first six weeks** after successful registration.).

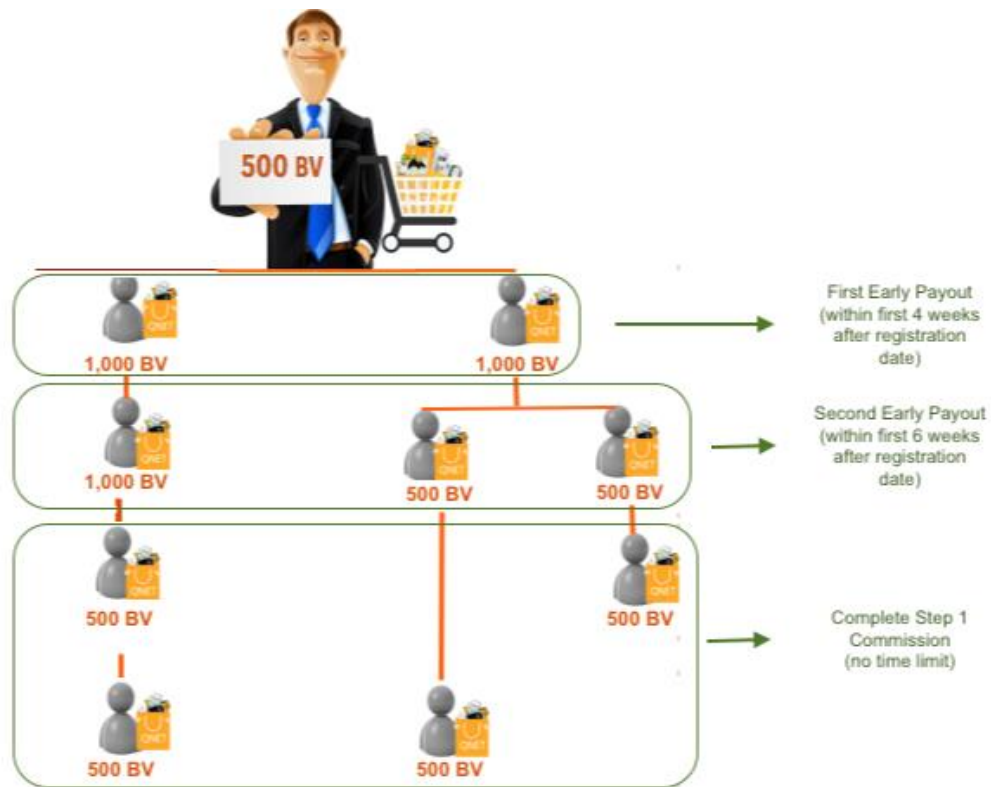
3.2 How to calculate the bonus

EPO is an optional way for an IR to earn the first Step Commission. It is only applicable to Step 1, when the Lower Volume Team of such Independent Representative achieves a certain number of BV points over a certain period as follows:

| Group Business Volume In Any Lower Volume Team | EARLY PAYOUT (In VND) | TIME FRAME |
|--|-----------------------|---|
| 1,000 BV | VND 1,008,500 | Within the first four weeks from the IR's registration date |
| 1,000 BV | VND 1,008,500 | Within the first six weeks from the IR's registration date |
| 1,000 BV | VND 2,017,000 | NA -- For Bronze Star |
| | VND 2,507,000 | NA -- For Silver Star |

Example 1:

Illustration for EPO:



Because EPO is an optional way for an IR to receive a part of **the first Step Commission**. EPO is only applied for **and WITHIN the first four weeks after successful registration of IR**. → **Applied for Bronze Star and Silver Star Rank**, because Gold Star and higher rank requires more than 02 Commission Steps.

Please note that if an IR **does not complete the first 1,000 BV in the Lower Volume Team within first 4 weeks after registration day, he/she shall not be eligible to earn EPO**. The IR will receive the first full Step Commission after completing all requirements.

- (a) If a new IR is Qualified and Activated → Such IR is promoted to **Bronze Star**.
 - (i) IR will earn VND 1,008,500 when **achieving the first 1,000 BV** on his/her Lower Volume Team **within first four (04) weeks after the registration date**. IR will earn the next VND 1,008,500 when his/her lower Volume Team achieving **the following 1,000 BV within the first six (06) weeks from the registration date**.
 - (ii) The remain amount of VND 2,017,000 will be paid when such IR's Lower Volume Team achieves **the next 1,000 BV which means that the first Step Commission has been completed**.
- ⇒ This IR earns totally: $1,008,500 + 1,008,500 + 2,017,000 = \text{VND } 4,034,000$ (equivalent to Commission for each Step of Bronze Star)
- (b) If a new IR is Qualified and Activated → Such IR is promoted to Bronze Star. Then, IR refers 02 Qualified Direct Downlines with 1,000 BV for each → Such IR is promoted to **Silver Star**.
 - (i) IR will earn VND 1,008,500 when **achieving the first 1,000 BV** on his/her Lower Volume Team **within first four (04) weeks after the registration date**. IR will earn the next VND 1,008,500 when his/her lower Volume Team achieving **the following 1,000 BV within the first six (06) weeks from the registration date**.
 - (ii) The remain amount of VND 2,507,000 will be paid when such IR's Lower Volume Team achieves **the next 1,000 BV which means that the first Step Commission has been completed**.

⇒ This IR earns totally: 1,008,500 + 1,008,500 + 2,507,000 = **VND 4.524.000**
(equivalent to Commission for each Step of Bronze Star).

4. REPEAT SALES COMMISSION (RSP)

4.1 Requirements for bonus

An IR must be an Active IR by achieving a minimum of 50 Personal RSP per month. The calculation of the RSP bonus depends on the Independent Representative's Rank.

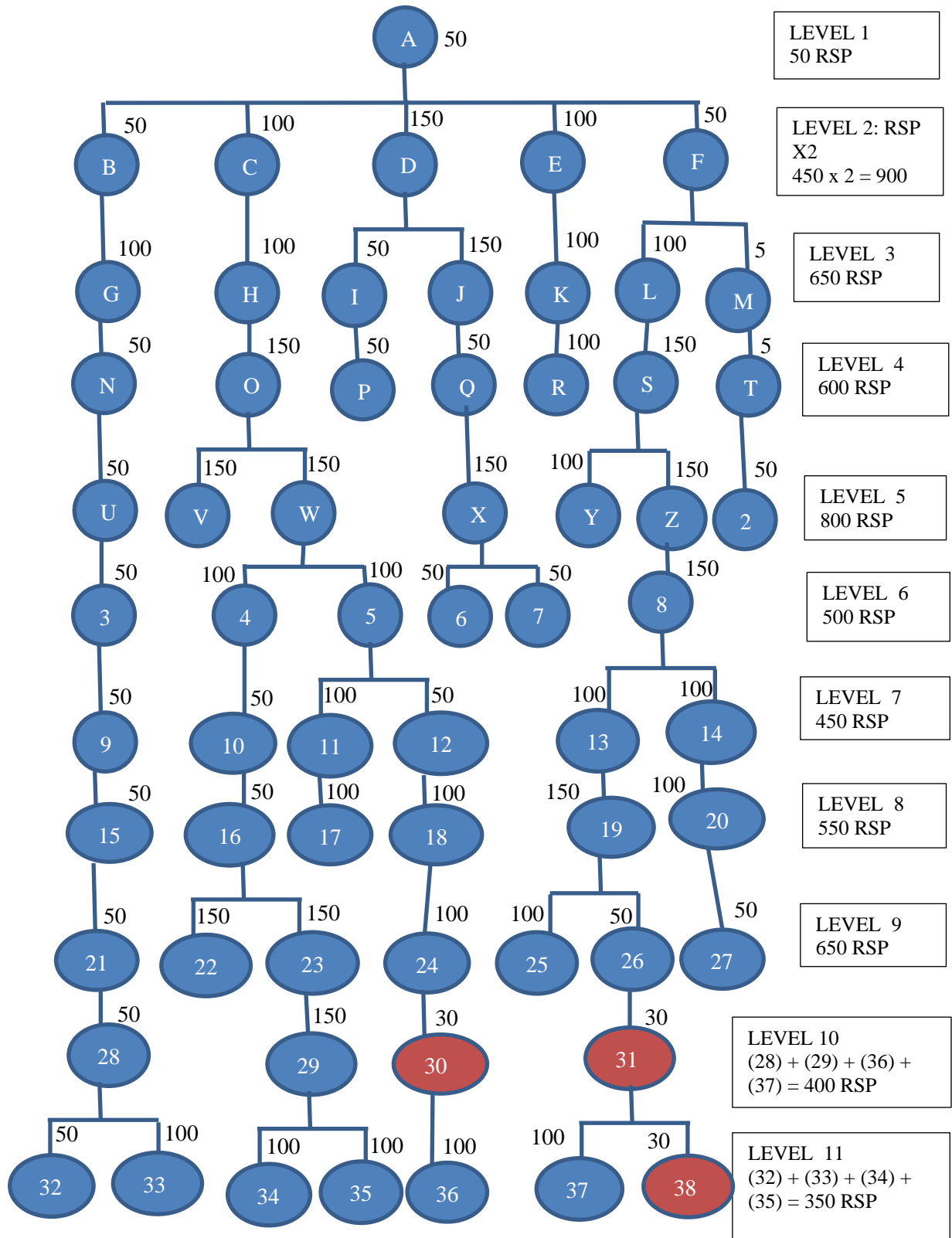
4.2 How to calculate the bonus

- (a) An Active IR will be eligible to earn RSP from his/her personal purchase, retail sales, and repeat sales to his/her Downlines up to a maximum of ten (10) RSP Pay Levels based on his/her current Rank.
- (b) The RSP Pay Level of an Active IR is based on his/her current Pay Rank. RSP from RSP Pay Level 2 are doubled in value.
- (c) An IR can convert his/her earned RSP into cash based on the standard conversion rate of 1 RSP = VND 705.

| IR | Bronze Star | Silver Star | Gold Star | Sapphire Star | Platinum Star | Diamond Star | Blue Diamond Star |
|-----------|--------------------|--------------------|------------------|----------------------|----------------------|---------------------|--------------------------|
| 5 Levels | 5 Levels | 5 Levels | 6 Levels | 7 Levels | 8 Levels | 9 Levels | 10 Levels |

- (d) **Note:** If an Independent Representative does not meet the minimum of 50 Personal RSP monthly, all Independent Representatives (under Direct Downline of that Independent Representative) who meet the minimum of 50 monthly RSP requirements under him/her will move upwards in the network to temporarily replace the Independent Representative's position for the purpose of obtaining an RSP from the Downline maximally in their referralship network.

Example:



(a) A is an IR, RSP shall be calculated on 5 Levels of Downline Counted for RSP.

RSP of IR A shall be calculated as follows:

(i) First Levels of Downline Counted for RSP (IR A): 50 RSP

(ii) Second Levels of Downline Counted for RSP of IR A: $50 + 100 + 150 + 100 + 50 = 450$ RSP. Value of bonus: $450 \times 2 = 900$ RSP (RSP of the Second Levels of Downline Counted for RSP will be doubled)

- (iv) Third Levels of Downline Counted for RSP of IR A: $100 + 100 + 50 + 150 + 100 + 100 + 50 = 650$ RSP
- (v) Fourth Levels of Downline Counted for RSP of IR A: $50 + 150 + 50 + 50 + 100 + 150 + 50 = 600$ RSP
- (vi) Fifth Levels of Downline Counted for RSP of IR A: $50 + 150 + 150 + 150 + 100 + 150 + 50 = 800$ RSP
- ⇒ Total RSP: $50 + 900 + 650 + 600 + 800 = 3,000$ RSP.
- ⇒ Total bonus of RSP (VND): $3,000 \times \text{VND } 705 = \text{VND } 2,115,000$.
- (b) A is an IR with **Bronze Star, Silver Star Rank**, RSP shall be calculated on 5 Levels of Downline Counted for RSP. RSP is the same as IR Rank which is **VND 2,115,000**.
- (c) A is an IR with **Gold Star Rank**, RSP shall be calculated on 6 Levels of Downline Counted for RSP.
 - (i) Sixth Levels of Downline Counted for RSP of IR A: $50 + 100 + 100 + 50 + 50 + 150 = 500$ RSP
 - ⇒ Total RSP: $50 + 900 + 650 + 600 + 800 + 500 = 3,500$ RSP.
 - ⇒ Total bonus of RSP (VND): $3,500 \times \text{VND } 705 = \text{VND } 2,467,500$.
- (d) A is an IR with **Sapphire Star Rank**, RSP shall be calculated on 7 Levels of Downline Counted for RSP.
 - (i) Seventh Levels of Downline Counted for RSP of IR A: $50 + 50 + 100 + 50 + 100 + 100 = 450$ RSP
 - ⇒ Total RSP: $50 + 900 + 650 + 600 + 800 + 500 + 450 = 3,950$ RSP.
 - ⇒ Total bonus of RSP (VND): $3,950 \times \text{VND } 705 = \text{VND } 2,784,750$.
- (e) A is an IR with **Blue Diamond Star Rank**, RSP shall be calculated on 10 Levels of Downline Counted for RSP.

IR 30 and IR 31 are not Active (having less than 50 Personal RSP within a month). After that, IR 36 and IR 37 are moved up to temporarily substitute IR 30 and IR 31's corresponding position.

 - (i) Tenth Levels of Downline Counted for RSP of IR A: $50 + 150 + 100 + 100 = 400$ RSP
 - ⇒ Total RSP: $50 + 900 + 650 + 600 + 800 + 500 + 450 + 550 + 650 + 400 = 5,550$ RSP.
 - ⇒ Total bonus of RSP (VND): $5,550 \times \text{VND } 705 = \text{VND } 3,912,750$

SUMMARY OF ALL BENEFITS OF EACH RANK

Details of the commission ratio calculation are attached to the end of this document.

| No. | RANKS | BENEFITS | DETAIL | Maximum Commission Rate/Revenue |
|-----|----------------|--|---|---------------------------------------|
| 1 | IR | ✓ Retail Profits | Up to 23% | 18.22% |
| | | ✓ Repeat Sales Commission | Calculating RSP based on 5 Levels Of Downline Counted For RSP | |
| | | ✓ Rank Advancement | Promotion to higher Rank | |
| 2 | BRONZE STAR | ✓ Retail Profits | Up to 23% | 22.40% |
| | | ✓ Step Commission (including EPO if any) | VND 4,034,000 per Step* | |
| | | ✓ Repeat Sales Commission | Calculating RSP based on 5 Levels Of Downline Counted For RSP | |
| | | ✓ Rank Advancement | Promotion to higher Rank | |
| 3 | SILVER STAR | ✓ Retail Profits | Up to 23% | 22.90% |
| | | ✓ Step Commission (including EPO if any) | VND 4,524,000 per Step* | |
| | | ✓ Repeat Sales Commission | Calculating RSP based on 5 Levels Of Downline Counted For RSP | |
| | | ✓ Rank Advancement | Promotion to higher Rank | |
| 4 | GOLD STAR | ✓ Retail Profits | Up to 23% | 23.41% |
| | | ✓ Step Commission | VND 5,013,000 per Step* | |
| | | ✓ Repeat Sales Commission | Calculating RSP based on 6 Levels Of Downline Counted For RSP | |
| | | ✓ Rank Advancement | Promotion to higher Rank | |
| 5 | | ✓ Retail Profits | Up to 23% | 23.61% |

| | | | | |
|----------|--------------------------|----------------------------------|---|--------|
| | SAPPHIRE STAR | ✓ <i>Step Commission</i> | <i>VND 5,209,000 per Step*</i> | |
| | | ✓ <i>Repeat Sales Commission</i> | <i>Calculating RSP based on 7 Levels Of Downline Counted For RSP</i> | |
| | | ✓ <i>Rank Advancement</i> | <i>Promotion to higher Rank</i> | |
| 6 | PLATINUM STAR | ✓ <i>Retail Profits</i> | <i>Up to 23%</i> | 23.92% |
| | | ✓ <i>Step Commission</i> | <i>VND 5,503,000 per Step*</i> | |
| | | ✓ <i>Repeat Sales Commission</i> | <i>Calculating RSP based on 8 Levels Of Downline Counted For RSP</i> | |
| | | ✓ <i>Rank Advancement</i> | <i>Promotion to higher Rank</i> | |
| 7 | DIAMOND STAR | ✓ <i>Retail Profits</i> | <i>Up to 23%</i> | 24.42% |
| | | ✓ <i>Step Commission</i> | <i>VND 5,993,000 per Step*</i> | |
| | | ✓ <i>Repeat Sales Commission</i> | <i>Calculating RSP based on 9 Levels Of Downline Counted For RSP</i> | |
| | | ✓ <i>Rank Advancement</i> | <i>Promotion to higher Rank</i> | |
| 8 | BLUE DIAMOND STAR | ✓ <i>Retail Profits</i> | <i>Up to 23%</i> | 24.93% |
| | | ✓ <i>Step Commission</i> | <i>VND 6,482,000 per Step*</i> | |
| | | ✓ <i>Repeat Sales Commission</i> | <i>Calculating RSP based on 10 Levels Of Downline Counted For RSP</i> | |

**Flush-out rule is applied.*