

January 1, 2004

TO ALL OUR VALUED DXN DISTRIBUTORS:

In order to cope with the huge number of DXN distributors, and to achieve accurate and faster computation of bonuses and incentives, the company finds it necessary to update its procedure on DXN Distributors Membership. Henceforth, the following procedure will **SUPERSEDE POLICY & PROCEDURE SECTION TWENTY-TWO “ANNUAL RENEWAL FEE”**:

“Membership with DXN is lifetime – no yearly renewal of membership is necessary. However, members are required to have one (1) personal purchase transaction every year following his/her registration and every year thereafter. Failure to do so will render the concerned distributor to be withdrawn from the list of distributors and lose his/her rights to her network. A distributor whose name is withdrawn from the list of distributors may be re-registered as a new distributor.

NOTE : PERSONAL PURCHASE TRANSACTION refers to a purchase of DXN product(s), regardless of amount and point value, made in a distributor’s own name.

Effective January 1, 2004 Distributors are **required to transact business under the updated procedure on DXN Distributor Membership** It applies to all registered distributors as of January 1, 2004 and all new distributors joining in thereafter.

However, all Distributors who were registered in 1999, 2000, 2001, and 2002 and who have not made any product purchase from the date of registration or in the past twelve (12) months or more as of January 1, 2004 will be given the chance to **reactivate** their membership by making a product purchase on or before June 30, 2004. If they fail to do so, their membership will be withdrawn effective July 1, 2004.

For those who were registered starting 2003 and thereafter who failed to make a single product purchase within ONE YEAR (OR JUNE 30, 2004 WHICH APPLIES LATER) from their respective dates of registration, their membership will be withdrawn effective the day immediately after they have completed one year.

RE-REGISTRATION OF DISTRIBUTORS

Distributors whose names are eventually withdrawn from the list of members may register again under the same sponsor or under another sponsor. However, they are considered as new members and therefore, not entitled to recover their former networks.

All network leaders are enjoined to exert every reasonable effort to inform their inactive business partners of this updated policy and persuade them to activate their membership within the prescribed grace period.

Thank you very much for your cooperation.

THE DXN MANAGEMENT



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