

## Marketing Development Fund (MDF) Program

### Program Outline

#### Objectives

Under the MDF Program, we cover part of the cost of partners' marketing activities in an effort to increase sales of our own products on a broader basis.

#### Development funds

- We will cover part of the cost of activities eligible under MDF.
- We will determine our contribution as a percentage of the partner's total costs based on their application, and notify the partner of the development funding to be provided. Our contribution will be capped at a maximum of 50% (or USD 4,500; whichever is lower).
- The maximum in funding payable per application is equivalent of USD4,500.
- Development funding is paid in the local currency of the country in which the partner is located.

#### Eligible Partners

- Accredited HULFT Sales Partners – Certified Level

#### Activities and costs eligible for MDF

The following activities are eligible, providing that they are carried out by partners with the aim of promoting our products and brand to their market. Funding is provided on the basis that payments will be made by the partner to an external party.

- Seminars or similar events organized by the partner (for customers or distributors)
  - Venue fees
  - Facility/equipment charges
  - Producing novelty items for distribution at events
- Lead generation activities
  - Posting online or in other media
  - Telemarketing
  - Sending direct mail
  - Exhibiting at events other than those organized by the partner
- Other activities deemed suitable for MDF (eligibility will be determined based on the contents of the partner's application)

#### Activities and costs not eligible for MDF

- Costs relating to the participation of or co-sponsorship with SISCO as part of

events organized by the partner

- Rewards or incentives for distributors working with the partner
- Incentives for the partner's employees
- Personnel costs for the partner's employees (work costs, etc.)
- Entertainment/hospitality expenses
- Food and drinks expenses
- Vouchers
- Travel expenses (travel, transport, accommodation)
- Other activities deemed unsuitable for MDF

## MDF Procedure

We work with partners to provide MDF in accordance with the following procedure.

### 1. MDF application (partner)

The partner should provide full details of the activities subject to development funding in the designated application form (Excel file), and submit it along with all required documents.

Required documents: MDF Application, quotations from outside service providers or equivalent documents clearly specifying the required costs

Application deadline: Tenth working day of the third month in the quarter prior to the quarter in which the activity is due to take place

### 2. Application screening, authorization and notification

We will screen the contents of the partner's application submitted in accordance with step 1., and notify the partner regarding our decision and the amount of funding (\*1) to be provided.

Notification deadline: Fifteenth working day of the third month of the quarter prior to the quarter in which the activity is due to take place

(\*1) USD conversion of development funding:

- 1) Development funding is converted into USD at the TTS rate on the authorization date.
- 2) The development funding converted in 1) has an upper limit of USD4,500.
- 3) If the funding exceeds the equivalent of USD4,500, development funding of USD4,500 will be provided.
- 4) We will notify the partner of the authorized amount in the local currency.
- 5) The authorized development funding in the local currency will not be affected by subsequent exchange rate fluctuations.

3. Report (partner)

After the activity has taken place, the partner should submit a report detailing the results of the activity using the designed report form (Excel file).

Required documents: MDF Report, copies of invoices issued to the partner by outside service providers

Report deadline: Within two weeks of the activity taking place

4. Report screening, authorization and notification

We will check the contents of the report submitted in accordance with step 3., and issue the partner with a final notification regarding payment of development funding.

Notification deadline: Within one week of receipt of the report

5. Invoice (partner)

The partner should issue us with an invoice for the amount authorized in accordance with step 4.

6. Payment

We will pay the invoice in accordance with step 5. by the end of the month after the month in which it is received.

If you have any questions regarding this program, please contact a member of our sales staff or send us an inquiry to the following email address.

[hppa@hulft.com](mailto:hppa@hulft.com)