

PM-International AG (PM) General Distributor Terms and Conditions

1. Distributor Legal Status

- 1.1 The distributor is an independent contractor, who wants to generate income through the distribution of PM products.
- 1.2 As part of his/her sales activity, the distributor may sell PM products to end consumers under his/her own name, recruit customers who directly receive the products from PM (Customer Direct Program), as well as recruit new distributors for PM.
- 1.3 The distributor has no commitment to the company and personally determines place, type, time, and extent of his/her activity, has personal responsibility for it, and receives no instruction. The distributor is personally responsible for all costs associated with his/her own business. As a business owner, he/she is personally responsible for observing and complying with all laws and regulations that result from the business activity (business registration, income tax, sales tax, social security tax, competition rules).
- 1.4 The distributor performs his/her business activity as a part-time job; should he/she notice that this is no longer the case, he/she must notify PM.

2. Start and end of distributorship

- 2.1 The distributorship requires a completely and legibly filled out application from the distributor. It becomes legally valid upon acceptance of the application by PM. An order of PM products is not required. PM will inform the distributor about the acceptance of the application without delay.
- 2.2 The distributor may cancel the contract by written declaration within 30 days of being notified of the acceptance of his/her application without stating a reason. After cancellation, he/she may return all PM products acquired as a PM distributor and PM will refund the payment rendered in its entirety.
- 2.3 The distributorship is valid indefinitely; it may be cancelled at any time in observance of the legally required cancellation period. The right to extraordinary cancellation for important reasons is not affected. Should the distributor violate his/her obligations per 4.1, 4.2, and 5.2 of these terms and conditions, PM will consider this an important reason for cancellation as a matter of course.

3. Distributor Bonus Entitlement

- 3.1 The distributor is entitled to bonuses resulting from recruiting end customer through the customer direct program, as well as the induction, training, and support of newly recruited distributors as sponsor. Requirement for and extent of the bonus result from the PM Marketing Plan in its effective form at the time. As a result, PM has a right of determination, which is executed through the effective marketing plan at the time uniformly for all distributors.
- 3.2 PM reconciles the bonus monthly. Notwithstanding § 87a par. 1 HBG the distributors entitlement emerges from the payment of the products. Other than that, and as long as there are no other regulations within the distributor terms and conditions, the reconciliation takes place according to § 13b of the German UStG (Sales Tax Law) without sales tax disclosure (Reverse Charge Reconciliation). Accordingly, a distributor who resides within the EU must disclose his/her sales tax identification number. Payment of bonuses take place no later than the 20th day of the following month. If a monthly bonus reconciliation results in a bonus amount of less than €5.00 net, the bonus is not paid and the claim is forfeited.
- 3.3 The distributor expressly agrees that the reconciliation is done via electronic bank transfer and all related calculations are performed by PM-International AG Germany.

4. Other Sales Activity by Distributors

- 4.1 The distributor is prohibited from working for a competitor of PM without prior, written permission from PM. Competitors of PM include all companies that distribute goods or services through personal direct sales or through a network marketing system, as well as, notwithstanding the distribution channel, all companies whose products wholly or partly compete with PM products.
- 4.2 The distributor is obligated to keep any permissible sales activity on behalf of another company separate from his/her activity for PM and with PM products. He/she may not refer to his/her activity for PM or his/her status as a PM distributor, nor offer the goods and services of another company in conjunction with PM products. He/she is further prohibited from inducing other PM distributors to purchase goods or services from

the other company or inducing them to begin working for the other company in addition to PM.

5. Purchase and Sale of PM Products

5.1 The distributor orders and purchases the PM products directly from the PM-International GmbH or one of the authorized DSCs in Austria. The purchase of PM products from another distributor is not permitted.

5.2 The distributor sells PM products exclusively through personal direct sales to end consumers. Sales through retail businesses, at markets, trade shows, internet auctions, or similar sales events is not permitted.

5.3 The distributor is obligated to accept returns of PM products he/she sold to an end consumer within 30 days of the date of delivery; the statement of special reasons by the customer is not required, not liking the products is sufficient (PM Satisfaction Guarantee). After return, the distributor offers the customer the choice of exchange, credit, or refund of the sales price paid.

5.4 The distributor is free to decide if and what quantity to order from PM. There is no minimum order requirement.

5.5 All orders by the distributor are processed according to the effective PM pricelist at the time the order is placed. Prices exclude sales tax and shipping costs, as incurred. Prior to any delivery of products, payment must be secured or processed. This may take place through direct debit, credit card charge, cash on delivery, or cash payment upon pickup.

5.6 The distributor will receive updates regarding the product portfolio from PM via e-mail on a regular basis to ensure he/she is aware of the current state and can inform and advise the customers accordingly.

6. Additional Distributor Duties / Contract Penalties

6.1 The distributor will always behave as independent and self-dependent business owner and will avoid any appearance that he/she is an employee of PM or is authorized to make statements on behalf of PM.

6.2 Insofar as PM is a member of national and international associations for direct sales, the distributor must strictly follow their respective rules and codes of conduct while executing his/her business activities. PM will inform the distributor without delay of relevant codes of conduct that must be followed.

6.3 All statements by the distributor about PM and the PM products must be made in concert with PM guidelines, in particular the product catalog, the product labels, and other product information. Under no circumstances may the distributor attribute therapeutic or healing properties to the PM products.

6.4 A distributor may not alter the PM products or their packaging and may not permit third parties to make such alterations. The attachment of a sticker with the distributor's address information is permissible, if no marketing statements or product information is being covered up.

6.5 The distributor will only use product information, sales materials, and sales aids published by PM while marketing and selling PM products. In case of Internet marketing, only the PM-provided Internet Shop is permissible for use. The distributor is prohibited from making reference to PM or PM products and from using brands or otherwise protected rights of PM on personally created marketing materials or personally created websites.

6.6 The distributor incurs a contract penalty payable to PM for each violation of his/her obligations as set forth in 4.1, 4.2, 5.1, 5.2, 6.3, 6.4 and 6.5. The amount of each penalty is determined by PM in consideration of the significance of the violation and the distributor's income. Additional claims, in particular forbearance and damages are not affected by the contract penalties.

6.7 Every distributor must recognize and follow the relevant legal regulations as well as generally accepted codes of conducts in direct sales when conducting his/her marketing activities. In particular, this results in an express prohibition of any kind of "spamming" and the systematic poaching of distributors of other companies. A violation of this rule will be rigorously tracked by PM, up to and including termination. For these cases, PM has created a general code of conduct that must always be strictly adhered to and may be viewed at www.pm-international.de.

7. Line Protection

7.1 The basic principle of PM-International is the adherence to and protection of the up- and downline. A distributor who has cancelled his/her distributorship may only be accepted back as a distributor if he/she submits a new application and a) is being sponsored by his/her previous sponsor or b) at least 12 months from the date of cancellation have passed. A distributor that has been removed because of inactivity (12 months

without personal volume) may be re-registered without restriction with a new application, not only underneath his/her previous sponsor but in any downline under any sponsor.

7.2 Line protection also applies to customers in the customer direct program (as in 7.1). Line protection for customers is valid for 6 months.

7.3 Spouses may each maintain their own distributor number. However, it must be ensured that one spouse is expressly registered underneath the other as a first line! Children of legal age (within their parents' organization) must exclusively be registered as first line to one of their parents! Siblings, parents, grandparents, and grandchildren may only be sponsored as first lines.

8. Final Provision / Amendments

8.1 Jurisdiction for all disputes under this contract is the domicile of PM-International AG Germany.

8.2 Contractually agreed upon written form is also met by telefax or email.

8.3 PM will notify the distributor in writing of amendments to the distributor terms and conditions. The amendment is considered accepted if the distributor does not dispute it in writing within three weeks of notification. PM will specifically notify the distributor of this fact as part of the amendment notification.

8.4 I authorize PM to obtain my credit record. I agree that PM obtains, stores, processes, and uses my personal data as required for the distributorship.

9. Ordering, Delivery, Payment, Shipping Conditions of PM-International GmbH in Austria

9.1 Every Austrian distributor orders directly from our contractual partner PM-International GmbH in Vienna or from one of the authorized PM-International Direct Sales Centers (DSC) by providing his/her distributor number. Delivery takes place via mail (pickup at DSC). The distributor may make payment by submitting a direct debit form (filled out by the distributor and validated by the bank). In case of return debit, for example in case of insufficient funds, the processing costs of € 12 will be invoiced to the distributor. PM-International reserves the right to require pre-payment prior to delivery on a case by case basis. The distributor agrees to a credit check.

9.2 There is no minimum order requirement. Shipping and handling fees and payment methods are specified in the effective PM-International GmbH Vienna price list for distributors, which forms an integral part of the agreement. Cash on delivery fees are paid by the recipient. For ticket purchases and registrations for trainings, the respective cancellation fees apply. The product remains the property of PM-International GmbH until payment has been rendered in full.