

General Terms and Conditions of Sales, Delivery, Business, Payment of PM-International AG (hereafter named PM-International)

PM-International decides on acceptance or rejection of the application. In case of rejection you will be informed in writing within 14 days.

1. Terms and Conditions for sales, delivery, payment and shipping

a. Every business partner orders directly at PM-International resp. at a National Headquarter or an authorized Direct Sales Center (DSC) of PM-International by stating his Teampartner number.

Delivery is carried out according to request by either mail or UPS (or collection in a DSC). The business partner can only apply for payment via the credit transfer method by sending a credit transfer instruction (filled out by the business partner and stamped by his/her bank). Payment in the DSC Centers is usually made cash or credit cards. For cancellation of orders, an administration fee of \$20.00, chargeable to the business partner, is imposed. PM-International reserves the right to deliver to individual business partners only against cash in advance.

b. There is no minimum purchasing quantity

Shipping costs: Effective are the handling and shipping costs according to the price list valid at a time.

The costs for c.o.d. are in general carried by the consignee.

c. Queries can be handed in within 30 days from date of invoice for nutritional supplementation products with written statement explaining reasons and a copy of the PM-International invoice (from PM-International to the business partner) which belongs to the product. An exchange or return of a product without justified query is possible against a fee in height of 5% of the invoiced valued goods within the periods mentioned above.

Queries for commissions can only be taken into account within 90 days after the date of commission accounting.

Information material and promotion articles are excluded from return. For all Manager Advantage Qualification-Packages, on extended, unrestricted period of return of 30 days from date of invoice is effective for all products still suitable for sales.

Return shipments for which no sufficient postage is paid cannot be accepted by PM-International.

In case of justified queries, the postage costs for return are refunded. A refund up to \$200.00 is paid by cheque, for amounts higher than \$200.00 a credit note for products is made that can be balanced with an order within one year. A settlement with promotion articles is not possible.

If the business relationship is terminated and a credit note for products is still not balanced, the amount will be paid on request. Bonus or commission payments paid on the invoice value of goods and a processing fee of 10% will be deducted.

2. Legal position

a. Every business partner runs his PM-International business as a self-employed businessman on his own account; he is not an employee and does not act on behalf of PM-International. Thus he is responsible for the taxation of his income. The business partner has no exclusive rights whatsoever, neither with regard to his field of activity nor with regard to the products distributed or the customers. The sales of the PM-International products is carried out solely through network marketing, i.e. excluding stationary trade, markets, and fairs. The business partner probably has to sell at least 70% of the products to end consumers. Any sales to other business partners outside of his group are excluded. In selling PM-International products, the comparison to products of competitors is not allowed as this is unlawful.

b. Only the official PM-International material is allowed to be used as sales material. The use of own material requires written consent by PM-International.

c. Contracts, arrangements, and agreements, which rely – even in parts – to the PM-International products or the PM-International distribution system, require written consent by PM-International.

d. Publications resp. advertisement showing the PM-International products, the use of the names "PM Cosmetics", "PM-International", "Pierre Marten®", "Liv Nilsson", "FitLine®", "Skin Relax", LAURENT CRISTANEL® Paris" etc. for print, visual or audio media as well as for any other existing of future media, the duplication, translation or use even in excerpts for seminars or lecture material and electronical systems or similar media published by PM-International in print, visual or audio media as well as for any other existing or future media also require written consent by PM-International

e. Spouses can only be listed with one business partner number. If two numbers existed before the marriage, only one number will exist in the records, the other number will be deactivated from this date on. f. Every business partner can register only once. A renewed registration, with regard to point 4, is only possible after termination or deletion.

3. Competition

If the business partner wants to distribute additional competition products, a written approval by PM-International is required. In any case, the business partner obliges himself not to distribute products or services of other companies to other PM-International business partners; at the same time he obliges himself not to recruit PM-International business partners for the distribution of other products.

4. Line Protection

a) Principle of PM-International is to keep and protect the sponsor line. A business partner who has terminated his business partnership or who was deleted from records as an inactive business partner (6 months without personal and without group volume) can only be enlisted again as a business partner if he makes a new application and a) is sponsored by his former sponsor or the former upline or b) if since termination or deletion at least 6 months have passed.

b) The line protection applies as well to customers of the customer subscription program (see point 4)

5. General validity

Aim and object of the PM-International distribution system is to sell PM-International products to end consumers. It is thus expected from every business partner to look after his customers actively and regularly. If a customer wants to claim the satisfaction guarantee justifiably, the business partner is, according to the customer's request, obliged to a) either refund the full sale price, b) or to replace the product, c) or to offer credit note for the purchase of another product after he has taken down the query in written form (see also 1.c.)

Every business partner has the duty to train, to give instructions and to motivate continually the business partners sponsored by him. This is done by its own work resp. with the aid of course offered by PM-International in cooperation with executives of PM-International's business partnership. From this point of view, every business partner is entitled to commission payments as described in the marketing plan, provided that it is not under \$10.00. The billing of a participation fee to business partners of their own and other downlines for seminars, trainings, etc. is permissible as long as this fee only serves to clear own costs. Carrying out seminars, trainings, etc. to achieve a profit is against the PM-International company ethics and not permissible. Payment of provisions on all paid volume is carried out at the end of the following month (actual volume). Because of existing tax laws, PM-International is required to pay GST amounts in our commission distribution only to those business partners who prove their right on to deduct GST taxes with a copy of their trade certificate. The business partner agrees that his personal data and the data given is stored by PM-International's electronic data processing system and can be transmitted within the distribution system. The German legal guidelines for data protection are always followed and applied.

6. Termination

In case the General Terms and Conditions are offended or if the business partner acts to the detriment of PM International, then PM-International, then PM-International has the right to terminate the contract without notice. Court of jurisdiction is the company's legal domicile.

7. Prolonged reservation of ownership

Until full payment of purchase price is done, the goods remain in the ownership of the PM-International AG.

8. Subsidiary agreements

No subsidiary agreements are made to this contract. Changes or additions require written form to take effect. The same applies to the abandonment of the drawing in writing. In case of nullity of one or several provisions of this contract, the contractual parties will set up legally effective provisions that come in economic terms as close as possible to the void provisions.