

Regulations for PM-International AG (PM) Distributors

1. Distributor's legal situation

1.1 The distributor shall be independent and shall generate his/her income with the sale of PM products.

1.2 The distributor's activity includes the sale of PM products on his/her own behalf, directly to the customer. It also includes the sale to those who purchase the product directly from PM. He/she should inform PM of the new customers (Direct Customers' Programme) and the new distributors he/she has recruited as a distributor.

1.3 Distributors shall be free to determine their work place, the organisation of their activity and the time spent on it, and always under their own responsibility. Distributors shall incur all the costs resulting from the activity. Each distributor, as a freelance worker, is responsible for fulfilment of all the legal and tax obligations resulting from the activity (companies' register, tax payment, social security, competition act, etc.).

1.4 Distributors perform their activity on a part-time basis: PM should be notified of any change.

2. Start and end of activity as a distributor

2.1 The start of the activity as a distributor shall be from the time when the appropriate application form is duly completed. It shall become a legal agreement after it has been accepted. It shall not be necessary for the distributor to receive confirmation of acceptance to begin his/her activity, although PM shall send notice of acceptance as soon as possible.

2.2. In a period of 30 days from receipt of acceptance of the application, the distributor may cancel the contract by means of a statement in writing to PM and without needing to give a reason. After cancellation, all the PM products he/she purchased as a distributor should be returned and PM shall refund the payment made for them.

2.3. The status of the distributor is for an indefinite period and may be terminated in an ordinary way at any time within the legal periods set out. PM reserves the right to immediate cancellation of the contract for reasons of Act of God. If the distributor does not fulfil his/her obligations, as set out in paragraphs 4.1, 4.2 and 5.2 of the Regulations for Distributors, PM shall give notice of cancellation of the contract.

2.4 In the event of death, the collaboration may be transferred to a son, daughter or one of the parents, provided that the transfer is requested in writing with the consent of all the heirs, and the heir should accept the Regulations for Distributors and PM should accept it in writing. PM may only refuse for justified reasons.

3. Distributor's right to bonuses

3.1 The distributor shall be entitled to receive bonuses for the new customers attracted and according to the Direct Customers' Programme, and also for introducing, training and supporting new distributors as a sponsor. The requirements and amounts to be received by way of bonuses can be obtained in the current PM Marketing Plan; PM reserves the right to determine them. This Marketing Plan shall be applicable at the same time for all distributors.

3.2 PM shall pay the bonuses every month. The payments shall only include the taxes if the distributor has expressly notified PM in advance of its obligation to declare taxes for sales, including his/her tax reference number. Notice should be sent by e-mail. If the distributor wishes to receive the bonuses by post, an administrative tax of € 5 shall be charged. Payment of the bonuses shall be made no later than the 20th of the following month. If the monthly report shows a net sum of less than € 5, there shall be no payment and the right thereto shall be forfeited.

4. Distributor's activity in other companies.

4.1 Without prior consent in writing from PM, no activity may be performed for any competitor of PM. Competitors of PM are understood to be those companies offering goods and services by means of direct marketing or through an online marketing system, and also, regardless of their distribution system, all companies with products similar to PM products.

4.2 The distributor may perform a distribution activity for other companies, provided that the latter are not in competition with PM's activities and its products. It is not permitted to advertise this activity or disclose one's status as a PM team member to the said company. Nor is it permitted to offer goods and services thereof together with those of PM, or promote the purchase of these products or services among PM distributors or to be in service together with PM or instead of in PM.

5. Purchase and distribution of PM products

5.1 The distributor should place the orders and receive the goods exclusively and directly from PM. It is not permitted to purchase PM products from other distributors.

5.2 The distributor only sells the PM products personally and directly. No sales are permitted in retail outlets, markets, fairs, online auctions or similar sales sites.

5.3 The distributor shall be obliged to accept returns of PM products sold to customers within 30 days following delivery, without need for reasons; it is enough that the customer does not like the product (PM satisfaction guarantee). After the products have been returned, the customer chooses whether to change the product, obtain a voucher or be refunded the price paid.

5.4 The distributor alone decided whether to purchase products and in what quantities. There is no obligation to purchase a minimum quantity.

5.5 All the distributor's orders are processed according to the PM price list in force at the time of the purchase. In general, the prices are stated pre-taxes and packing and shipping costs, whenever these apply. Before products are shipped, payment should be made. This is possible through the charge to a bank account or credit card, payment in cash or payment on delivery.

6. Other obligations of the distributor / Contractual penalties

6.1 The distributor should always act responsibly and independently, and should not introduce himself/herself as a PM employee, or make declarations in the name of PM.

6.2 PM forms part of national and international direct marketing associations, and distributors must strictly follow the standards of behaviour set by them for their members and distribution representatives. PM shall summarise the appropriate standards that must be observed.

6.3 Everything the distributor says about PM or its products must be consistent with the provisions set out by PM, especially with those appearing in catalogues, on product labels and in other information brochures about the product. Under no circumstances is the distributor permitted to give PM products therapeutic or healing properties.

6.4 The distributor is not authorised to change the PM product packs, or to allow third parties to do so. A label with the distributor's address may be included, provided that it does not include thereon any advertising or information on the product.

6.5 The distributor may use information on the product, sales material and sales support issued by PM in campaigns for PM and in the distribution of its products. When campaigns and distributions are carried out online, only the online shop that PM provides for the distributors may be used. In those personal production advertising materials and/or on personal websites, distributors may not refer to PM or to its products, or use PM trademarks or other protected commercial patents.

6.6 In the event of breach of any of the obligations referred to in paragraphs 4.1, 4.2, 5.1, 5.2, 6.3, 6.4 and 6.5, of these Regulations for Distributors, the distributor may be required to pay a penalty amounting to a minimum sum of € 500 (or the equivalent in the currency of the distributor's country) and a maximum of € 10,000. Payment of the penalty does not discount the possibility of other claims being lodged.

6.7 Each distributor must be familiar with and observe the binding statutory regulations and the general rules of conduct in direct marketing, both in general advertising matters and in recruiting new distributors. The purpose of this is expressly to avoid any form of spam and the search for distribution partners in other companies. Infringement of this may be reported by PM and would involve cancellation of the distributor's contract. PM lists general rules which should be followed at all times. They can be found at www.pm-international.com.

6.8 When information is given to third parties for processing their orders, purchases or other requests, countries outside the European Union may be involved, where provisions regarding data protection are not the same as those in the European Union. Therefore, personal and business information shall be transferred in accordance with the standard European clauses of the European Commission.

7. Protection of the distributors' chain

7.1 It is a principle of PM-International to keep and protect the distributors' chain at all times. A partner who has terminated his/her business relationship may only be readmitted if he/she completes the application form again and (a) is sponsored by his/her previous sponsor or (b) at least 12 months have elapsed since the termination. A business partner whose contract has been cancelled and is deleted from the database (12 months with no personal volume) may be readmitted after completing a new application form, not only under the sponsorship of their previous sponsor, but under that of any other sponsor.

7.2 Protection of the chain also applies to the customers in the Direct Customers' Programme (see paragraph 7.1).

7.3 In marriages, each member may have a distributor number. One of the spouses should be registered exclusively in the direct line of the other. Children who are of age may (within their parents'

organisation) also be registered exclusively in their parents' organisation or in that of one of them. Brothers, sisters, parents, grandparents and grandchildren may also be registered exclusively in the first line of the chain.

8. Final provisions / Amendments

8.1 For the contract relationship between the parties, German legislation shall be applicable.

8.2 In the event of dispute, the Law Courts of Speyer (Germany) shall have jurisdiction; if the distributor does not live in the judicial district, PM reserves the right to file legal claims in the said Law Courts.

8.3 A claim in relation to a contract in writing shall also be valid if sent by fax or e-mail.

8.4 PM shall give notice of changes to these Regulations in writing. Changes are understood to be accepted when the distributor does not challenge them in writing in a period of three weeks from the date whereon the amendments were made. The firm nature of the amendments shall be made public by PM.

8.5 I agree to allow PM to investigate my reputation. I agree to allow PM to collect, file, process and use the personal information on our business relationship.