

## DISTRIBUTOR RULES OF PM-INTERNATIONAL AG (PM), AS OF FEBRUARY 2024

1. Position of the Distributor
  - 1.1 The distributor is an independent business operator who aims to generate entrepreneurial income through the distribution of PM products.
  - 1.2 In their distribution activities, the distributor may sell PM products directly to end consumers in their own name, as well as refer end consumers who directly purchase PM products through PM (Customer Direct Program), and sponsor new distributors to PM.
  - 1.3 The distributor is not obligated to perform specific tasks and determines the location, nature, time, and scope of their activities freely, autonomously, and without any directives. The distributor bears all costs associated with their business. As an entrepreneur, they are responsible for fulfilling all legal obligations arising from their activities (business registration, income tax, sales tax, social security law, competition law) themselves.
  - 1.4 The distributor carries out their distribution activities as a sideline; if they determine that this is no longer the case, they must inform PM accordingly.
2. Commencement and Termination of Distributor Partnership
  - 2.1 The distributor partnership requires a fully and legibly completed application from the distributor; it is legally binding once the corresponding application has been accepted by PM. Ordering PM products is not required. PM will promptly inform the distributor of the acceptance of their application.
  - 2.2 Within 30 days of being notified of the acceptance of their application, the distributor may withdraw from the contract without stating reasons by written declaration to PM. After withdrawal, they may return all PM products received as a distributor, and PM will refund the payments made in full.
  - 2.3 The distributor partnership runs indefinitely and can be terminated with statutory notice at any time. The right to terminate for cause remains unaffected. If the distributor violates their obligations under sections 4.1, 4.2, and 5.2 of the distributor rules, PM typically considers this as a significant reason for termination.
  - 2.4 In the event of death, the distributor partnership can be transferred to the spouse, a child, or one of the parents if the transfer is requested in writing and unanimously by all heirs, the beneficiary accepts the PM distributor rules in their current version, and PM approves in writing, with refusal of approval only possible for significant reasons.
3. Bonus Claims of the Distributor
  - 3.1 For referring end customers in the Customer Direct Program and for training and supporting newly referred distributors as sponsors, the distributor is entitled to a bonus. The requirements and amount of the bonus are determined by the PM Marketing Plan in its current version at the time of referral; PM has the right to determine this uniformly for all distributors, exercised by PM consistently in the current marketing plan.
  - 3.2 PM settles bonus payments monthly. Deviating from the regulation of § 87a (1) HBG, the distributor's commission entitlement arises with the payment for the goods. Otherwise, and to the extent not otherwise regulated in the distributor rules, the statutory provisions apply. Billing with VAT only occurs if the distributor has previously informed PM in writing and provided their tax number and the competent tax office that they are entitled to input tax deduction. The billing is deposited in the user account of the PM back office; if the distributor requests transmission by mail/check, an administration fee of €10.00 per invoice is charged. Bonus payments are made no later than the 20th of the following month. If the monthly bonus settlement amounts to less than €5.00 net, no payment will be made, and the claim will expire.
4. Other Distribution Activities of the Distributor
  - 4.1 Without prior written consent from PM, the distributor is not allowed to work for a competitor of PM. Competitors of PM include all companies that offer goods or services through personal direct sales or a network marketing system, as well as, regardless of the distribution channel, all companies whose products are wholly or partially in competition with PM products.
  - 4.2 The distributor is obligated to keep any permissible distribution activities for another company completely separate from their activity for PM and with PM products. They may not refer to their activity for PM and their status as a PM distributor, offer the goods and services of another company together with PM products, induce other distributors of PM in any form to obtain goods or services from this other company, or to work for this other company instead of or alongside their activity for PM, or attempt such action or instruct or attempt to instruct other PM distributors to stop or reduce their activity for PM.
5. Procurement and Distribution of PM Products
  - 5.1 The distributor orders and obtains PM products exclusively directly from PM. Obtaining PM products from another distributor is not permitted.
  - 5.2 The distributor sells PM products exclusively through personal direct sales to end customers. Sales through retail stores, markets, fairs, online auctions, and similar sales events are not permitted.
  - 5.3 The distributor is obliged to take back PM products sold to an end customer within 30 days of delivery; special reasons provided by the customer are not required, mere dissatisfaction suffices (PM satisfaction guarantee). After a return, the distributor allows the end customer to choose between exchange, credit note, or refund of the purchase price paid.
  - 5.4 The distributor freely decides whether and in what quantity to order from PM. There is no minimum purchase obligation. The return of PM products obtained from PM is possible in accordance with the PM return policy, which can be viewed in the internal partner area at [www.pm-international.de](http://www.pm-international.de).
  - 5.5 All orders by the distributor are made according to the current price list of PM at the time of ordering. Prices are regularly understood to be plus VAT and postage and shipping costs (shipping flat rate), if applicable. Payment for products must be ensured or made before each delivery. This can be done by SEPA direct debit, charging a credit card, PayPal, Google Pay, or Apple Pay. If picked up at an official DSC, Direct Selling Center of PM-International, payment can also be made in cash or by EC card.
6. Additional Duties of the Distributor / Contractual Penalty
  - 6.1 The distributor will always act as an independent and responsible business operator in their activities and avoid any appearance that they could be an employee of PM or authorized to make statements on behalf of PM.
  - 6.2 As far as PM is a member of national and international associations for direct sales, the distributor must strictly adhere to the behavior standards established by these associations for members and their sales representatives when conducting their business; PM will promptly notify the distributor of relevant and mandatory behavior standards.
  - 6.3 All statements by the distributor about PM and PM products must comply with PM's guidelines, especially the product catalog, product labels, and other product information. Under no circumstances may the distributor attribute therapeutic or healing effects to PM products or use unauthorized health claims.
  - 6.4 A distributor may not make any changes to the PM products or their packaging, nor allow third parties to make such changes. Affixing a sticker with the distributor's address data on packaging is permissible, as long as it does not cover any advertising statements or product information.
  - 6.5 The distributor will only use the product information, sales materials, and sales aids issued by PM for advertising PM and selling PM products, and, if advertising and sales are done over the internet, only use the internet shop provided by PM to distributors. In self-created advertising materials and a self-created website, the distributor may not establish a connection to PM or PM products or use PM's trademarks or other intellectual property rights. Furthermore, the PM internet guidelines apply, which can be viewed at [www.pm-international.de](http://www.pm-international.de).
  - 6.6 For each violation of their obligations under Nos. 4.1, 4.2, 5.1, 5.2, 6.3, 6.4, and 6.5 of the distributor rules, the distributor forfeits a contractual penalty to be paid to PM, the amount of which will be determined by PM on a case-by-case basis, taking into account the significance of the violation and the income of the distributor. Further claims, in particular for injunction and damages, are not affected by the assertion of the contractual penalty.
  - 6.7 Each distributor must acknowledge and comply with the relevant legal regulations and generally recognized behavior standards of direct sales in their general advertising measures as well as in the recruitment of new distributors. This includes an explicit prohibition on any form of spamming and systematic solicitation of distributors from other companies. Violations of this will be rigorously pursued by PM, up to termination. PM has established a general code of conduct for this purpose, which must be strictly adhered to at all times and can be viewed in the internal partner area at [www.pm-international.de](http://www.pm-international.de).
  - 6.8 PM will monitor compliance with the contractual and legal obligations by its distributors, especially in relation to online advertising measures, including social media marketing measures, also through external service providers and by random checks.
7. Line Protection
  - 7.1 The principle of PM-International is compliance with and protection of the sponsor line. A distributor who has terminated their distributor partnership can only be accepted as a distributor again if they submit a new application and a) are sponsored by their former sponsor or b) at least 12 months have passed since their termination. A distributor who is restructured due to deletion as an inactive distributor (12 months without own turnover) can be freely re-registered in connection with a new application, i.e., not only under their former sponsor, but in any line under any sponsor.
  - 7.2 Line protection also applies to customers in the Customer Direct Program. Line protection for customers is valid for 6 months.
  - 7.3 The registration of relatives/spouses is subject to regulations that can be downloaded in the FAQs in the TP-Room.
8. Obligation to Participate in Mediation Proceedings

As a distributor, you are obliged to resolve any differences of opinion arising from an online contractual relationship amicably. If the problem cannot be resolved to the customer's satisfaction, please refer them to the Bundesverband Direktvertrieb Deutschland e.V. (BDD) (<https://www.direktvertrieb.de/>). The BDD will attempt to mediate between you and your customer. If an amicable solution cannot be reached in this way either, you are ready to participate in an out-of-court mediation procedure at the Universalschlichtungsstelle des Bundes at the Zentrum für Schlichtung e.V., Straßburger Straße 8, 77694 Kehl ([www.verbraucher-schlichter.de](http://www.verbraucher-schlichter.de)). Subsequently, the procedure follows the procedural and cost regulations of this body (<https://www.verbraucher-schlichter.de/schlichtungsverfahren/verfahrensordnung/verfahrensregelung>).
9. Final Provisions / Amendments / Consent to Data Processing
  - 9.1 The contractual relations of the parties are subject to the law of the Federal Republic of Germany.
  - 9.2 The place of jurisdiction for all disputes between the parties is Speyer if the distributor does not have a domicile or habitual residence in the Federal Republic of Germany at the time of concluding this contract or initiating legal proceedings; the right of a contracting party to bring the other party before its general place of jurisdiction remains unaffected.
  - 9.3 Contractually agreed written form is also maintained by fax or email.
  - 9.4 Any changes to the distributor rules will be notified to the distributor in writing by PM. The changes are considered approved if the distributor does not object in writing within three weeks of notification of the change. PM will specifically draw the distributor's attention to this consequence when notifying the change.
  - 9.5 I agree that my personal data concerning business cooperation and contract fulfillment will be collected, stored, processed, and used by PM using automated procedures. This data may also be passed on to my sponsor line and to PM International AG, Luxembourg for the aforementioned purpose. I consent to PM obtaining credit information about me. I am aware that I can revoke my consent to the storage, processing, and use of data as described above at any time in the future.
  - 9.6 The protection of your personal data and your privacy are important to us. The European General Data Protection Regulation imposes new requirements on the processing of personal data, which we have been complying with since May 25, 2018 in accordance with Article 14 of the European General Data Protection Regulation ("EU GDPR"), i.e., information on the purpose of the business, purposes of data storage, data recipients, our data protection officer, your right to self-disclosure, the right to deletion or correction, etc. can be found in our data protection declaration at the following link (Data Protection | PM-International).