

PM-International AG (PM) Distributor Policy

1. Legal status of the Distributor

1.1 The Distributor is a self-employed person who earns entrepreneurial income by distributing PM products.

1.2 The Distributors' distribution activities include the sale of PM products on their own behalf directly to the end user and to end users who purchase their PM products directly from PM (Customer Direct Program) and refer to the PM Distributor as Sponsor.

1.3 The PM Distributors are not obliged to be active and are free to determine the location, type, time and extent of their activities at their own risk and without instructions. The Forglamazors shall bear all costs associated with their business activities. Each is responsible as an entrepreneur for meeting all legal obligations arising from the business (company registration, income tax, sales tax, social security, competition law).

1.4 The Forglamazors run their business on a part-time basis; anyone who notices that this is not the case should notify the PM of this fact._

2. Start and end of Distributor status

2.1 Distributor status requires a complete, legibly completed application from the Distributor; it becomes a legal agreement once the application has been accepted by the PM. The Distributor is not legally required to receive the acceptance, but the PM will promptly notify the Distributor of the acceptance of the application.

2.2 Within 30 days of receipt of the information on the acceptance of the application, the Distributor may, without giving any reason, withdraw its contract with the PM by written declaration. Following the withdrawal, all PM products purchased by the Distributor may be returned and PM will refund the full amount.

2.3 The status of Distributor shall be for an indefinite period, normally terminable at any time subject to the legal notice period. For important reasons, the right to extraordinary notice is not affected. If the Distributor breaches its obligations under Clauses 4.1, 4.2 and 5.2 of the Distributor Rules, the PM will consider this to be good cause for termination.

2.4 In the event of death, the status of Distributor may be transferred to a child or parent if the transfer is requested in writing with the consent of all heirs, the heir submits the relevant version of the PM Distributor Rules and the PM agrees._

3. The Distributor's rights to the bonus

3.1 The Distributor is entitled to a bonus for referring end-users participating in the "Customer Direct Program" and for introducing, training and supporting new Distributors as a Sponsor. Bonus requirements and amounts are set forth in the then-current PM Marketing Plan; PM reserves the right to apply the then-current Marketing Plan in the same manner to all Distributors.

3.2 PM will pay the bonuses on a monthly basis. Sales tax will be paid only if Distributor has previously expressly informed PM of its right to pre-file sales tax, including written information from its tax identification number and applicable taxing authority. The bonus will be paid no later than the 20th day of the following month. If the monthly statement is less than €5 net, no payment will be made and the right to one will be lost.

4. Distributor's distribution activities elsewhere

4.1 The Distributor is not allowed to carry out activities for the PM's competitors without prior written declaration by the PM. A competitor of PM is any company that offers products or services through personal direct marketing or through a network marketing system, and any company, regardless of the method of distribution, whose products are wholly or partly in competition with PM products.

4.2 Distributor shall keep all other permitted distribution activities separate from PM and the activities of PM Products. It is not permitted to draw attention to PM's activities or status as a Distributor, or to offer the other company's products and services in conjunction with PM's products, or in any way to induce other Distributors of PM to purchase goods or services from the other company or to become active members of the other company in addition to or instead of PM._

5. Buying and selling PM products

5.1 The Distributor orders and receives PM Products exclusively and directly from PM. It is not permitted to purchase PM Products from other Distributors.

5.2 The Distributor shall only sell PM Products to end users through personal direct distribution. Sales through retail outlets, markets, fairs, internet auctions and similar sales events are not permitted.

5.3 The Distributor is obliged to take back PM products sold to end users within 30 days of delivery; the buyer does not need to give a specific reason, it is sufficient if he simply does not like the products (PM satisfaction guarantee). After taking back the goods, the Distributor will allow the buyer to choose between exchange, credit or credit of the purchase price paid.

5.4 The Distributor is free to decide whether and how much to purchase from PM. There is no minimum purchase obligation.

5.5 All orders placed by the Distributor will be processed according to the PM price list valid at the time of ordering. Prices are generally understood to be exclusive of sales tax, shipping and handling charges, if applicable. Payment must be verified prior to shipment of the Products. This can be done by direct debit from a bank account, payment by credit card, cash on delivery.

6. Additional obligations of the Distributor / Contractual penalties

6.1 The Distributor shall always act as an independent and responsible contractor and shall avoid any appearance of being an employee of PM or the right to make statements on behalf of PM.

6.2 As PM is a member of national and international direct marketing associations, Distributors must strictly adhere to the standards of conduct applicable to members of these associations and to Distributor representatives; PM will promptly inform Distributors of the appropriate standards of conduct to be observed.

6.3 Everything that Distributors say about PM and PM Products must comply with PM's standards, particularly in the product catalogue, product labels and other product information. Under no circumstances shall Distributor attribute therapeutic or curative properties to PM Products.

6.4 The Distributor shall not make any changes to the PM Products or their packaging, nor shall any third party be permitted to make such changes. A label bearing the Distributor's address is permitted, provided that it does not obscure any advertising or product information. 6.5 The Distributor shall use only product information, sales materials and sales aids published by PM for the advertising and distribution of PM and, where advertising and distribution is via the Internet, only

PM Distributors' online store may be used for this purpose. Distributor shall not refer to PM or PM Products or use PM's trademarks or other commercially protected patents in its own promotional materials or on its own web interfaces.

6.6 For any breach of the obligations set out in clauses 4.1, 4.2, 5.1, 5.2, 6.3, 6.4 and 6.5 of the Distributor Rules, the Distributor shall pay a contractual penalty, the amount of which shall be determined by PM in each individual case, taking into account the importance of the legal value and the income of the Distributor, with a minimum contractual penalty of €500 (or equivalent currency in use in the country of the Teampartner) and a maximum of €10,000. Claims for contractual penalties are without prejudice to further claims, in particular for warrants and damages.

6.7 All Distributors must acknowledge and comply with binding legislation and the generally accepted rules of conduct for direct marketing, both in general advertising measures and when acquiring new Distributors. This leads in particular to an explicit prohibition of any form of "spam" and of systematic bounty hunting of other companies' distribution partners. Violations of this will be strictly pursued by PM, up to and including termination of the partnership. PM also lays down general rules of conduct which must be strictly observed at all times. This is available at www.pm-international.com.

7. Protecting lines

7.1 PM-International's policy is to preserve and protect the sponsor line. A Distributor who has terminated its Distributor membership may only re-register as a Distributor if it submits a new application and is (a) sponsored by both it and its former sponsor or (b) at least 12 months have elapsed since the termination. A Distributor who has been removed as an inactive Business Partner is free to re-register (without 12 months of personal volume) with a new application, i.e. not only under the former sponsor but under any other sponsor. 7.2 The same line protection applies to customers participating in the Customer Direct Program (see 7.1).

7.3 Spouses may each have a Distributor number. Ensure that one spouse is registered only on the other spouse's front line (first line). Also, children of business age (within the parents' organization) may only be registered in their parents' or one parent's organization. Siblings, parents, grandparents and grandchildren can also be registered in the front line.

8. Connections / Changes

8.1 The contractual relationship between the parties is governed by the law of the Federal Republic of Germany.

8.2 The court of Speyer (Germany) shall have jurisdiction in disputes if the Vendor is neither domiciled nor normally resident in Germany at the time of the conclusion of the contract or the commencement of legal proceedings; the right

of one contracting party to bring a claim against another party under its jurisdiction shall remain unaffected.

8.3 A written demand as specified in the contract may also be fulfilled by fax or e-mail.

8.4 The PM shall notify the Distributor in writing of any change to the Distributor's Rules. Amendments shall be deemed accepted if the Distributor does not contest them in writing within three weeks of notification of the amendment. The PM shall explicitly state this in the notification.

8.5 I agree that the PM will conduct a credit assessment on me. I agree that personal data affecting our business cooperation may be collected, stored, processed and used by PM through PM's automated and other procedures.