

1 Tax payment

- 1.1** The Teampartner performs the role of Sales Manager as defined by Act 173 of 17.08.2005 and Leg. D. 114 of 31.03.1998. The possibility of formulating an agency agreement or a subordinate agreement as an employee is excluded.
- 1.2** While performing materially and mainly, in terms of our organisation, the activity of home sales manager, you are given the possibility of coordinating a group of Sales Managers (Teampartners) recruited personally by you and approved by the PM company.
- 1.3** With regard to the provisions set out in Act 173/2005 and M.D. 18/E of 27.01.2006, when exceeding €5.000,00 of net annual commissions (equal to 78% of €6,410.00 of gross annual commissions) resulting from the activity of direct sales manager and casual independent work, received also from several purchasers, you should register with the appropriate VAT office with the code 46.19.02 and register with the INPS (Revenue Department) separate management as set out in Act 335/1998. The company shall take charge of payments relating to the sums deducted from your commissions, as tax substitute for the purposes of IRPEF and contribution substitute for INPS purposes.
- 1.4** By signing this application you authorise our company to issue, under the terms set out in current legislation and on your behalf the commission invoices or receipts relating to the activity of home sales manager. You will be responsible for reporting any irregularities of the document within 10 days from the date of receipt, after which time this document shall be considered valid for all purposes. By signing, you also exempt our company from any liability in administrative and tax terms and acknowledge that the above-mentioned service is provided to you free of charge.
- 1.5** In addition to the right to withdrawal set out in paragraph comma 2.2 below, for all other cases of termination of the agreement with our company and for any reason, you are given the right to return of all goods and demonstrating materials and subject to the returned items being intact and saleable, to refund of the price that may have been paid for them, to the extent of no less than 90% of the original cost.
- 1.6** With reference to performance of the home sales activity to the end consumer, as set out in art. 19, paragraph 6 of Leg. D. 114/1998 and Act 173/2005, you are obliged to display the identification card issued by our company at the time of acceptance of your application for membership. In the event it is mislaid, you should report it to the appropriate authorities and send of copy of it to our company. In the event you give up or cancel the assignment, the identification card should be returned within ten days from the date of termination of the agreement.
- 1.7** The commercial activity may not be carried out by the following, unless they have obtained requalification:
 - A** those who have been declared bankrupt;
 - B** those who have been given a conviction, with a final sentence passed, for a premeditated offence, for which punishment of no less than three yearsâ€™ imprisonment is stipulated, provided that specifically a punishment of more than the statutory minimum has been imposed;
 - C** those who have been given a conviction of imprisonment, confirmed with a final sentence passed, for one of the offences described in chapters II and VIII of book II of the criminal code, or that of receiving stolen goods, money laundering, issuing bad cheques, fraudulent insolvency, fraudulent bankruptcy, usury, kidnapping of a person for extortion purposes, and robbery;
 - D** those who have been given two or convictions of imprisonment or fine, in the five-year period prior to starting to exercise the activity, confirmed with a final sentence, for one of the offences set out in articles 442, 444, 513, 513-2, 515, 516 and 517 of the criminal code, or for offences of fraud in the preparation or trade of foodstuffs, set out in special legislation;
 - E** those who are subject to one of the prevention measures set out in Act no. 1423 of 27th December, 1956, or on whom one of the measures set out in Act no. 575 of 31st May, 1965, has been imposed, or who have been declared habitual or professional criminals, or with criminal tendencies.
- 1.8** The sales manager is informed, under the terms of Leg. D..196/2003 (Privacy), that:
 - A** the data provided for acceptance of the preliminary investigation of the application to start the activity may be processed by computer or manually by the company for managerial, statistical, credit protection, commercial and promotional purposes, by means of consultation, processing, comparison with preset criteria and any other appropriate operation.
 - B** the data themselves, in order to help agreements of communication and exchange of information within the sales force, may be disclosed to third parties, in particular to PM International S.p.A with registered office in Luxembourg, which manages them on behalf of the processing holder.
 - C** the personal data and photos, including the volumes of sales invoiced present at the company, may be disclosed through company journals, advertising publications, commercial ratings, within the scope of meetings and conferences organised to motivate and stimulate the commercial sector.
 - D** information on future commercial initiatives, innovations made to our products and/or services, offers, market analyses and statistics is processed for marketing and reference purposes.
 - E** In providing third parties with data for processing orders, purchases or other requests to companies outside the European Union, where some data are not comparable, protection provisions are applied. Therefore, personal and transactional data are transferred according to the standard contractual clauses of the European Commission.
 - F** the processing holder of the data collected on behalf of the company is the managing director.
 - G** with regard to the provisions defined in paragraph 1.10, the applicant has the right set out in article 7 of Leg. D. 196/2003, published in O.J. no. 174 of 29.07.2003.

2 Start and end of the assignment

- 2.1** The assignment requires completion of all parts of the "Registration Form" and becomes an effective contract after acceptance by PM and after consent by the appropriate authorities on the result of the registration procedure and shall be sent a letter of assignment with the final identification card within 30 days after acceptance.
- 2.2** In your capacity as direct home sales manager, you have the right to withdraw from the assignment, without having to give a reason, by sending our company a recorded delivery letter with acknowledgement of receipt, within 30 days from signing this document. In this case, you shall be responsible for returning the goods and demonstration materials, the company shall arrange to refund you any sums paid, subject to the items returned being intact. You are, however, permitted to test all the products delivered and to use the right of satisfaction or refund within 30 days from the delivery date (invoice date) and to request refund of the amounts paid for the products returned only.
- 2.3** The assignment, if approved, shall be for an indefinite period and may be terminated at any time without the need for prior notice, without giving a reason and without right to compensation, payments or penalties of any kind. The right to terminate for an important reason is not excluded from this. If the Teampartner breaches the conditions according to paragraphs 4.1, 4.2 and 5.2, PM is entitled to terminate immediately.
- 2.4** In the event of death of the sales manager, the assignment with all the resultant rights may be transferred to the spouse, a child or to the parents after application in writing confirmed and accepted by all the heirs, after the beneficiary has accepted in writing the general conditions for Sales Managers. The transfer may be refused only with good reason.

3 Economic payment

- 3.1** For deals successfully executed stated by you (direct commissions) and for deals successfully executed initiated by sellers recruited by you (indirect commissions) and for training activities, we will pay you the amount of commission stipulated in the "marketing plan" in force and in the related circulars. No commission is due for orders which, for any reason, have not been successfully executed!
- 3.2** The calculation of commissions is made monthly. The payment of commissions including VAT requires notice of VAT registration number. Commissions due are paid by 20th of the month following the month in question. Payment is made by bank transfer to a current account in the name of the applicant (fixed charge of €1.70 for each transaction). The commissions statement and the receipt/invoice issued for the Sales Manager is also sent by e-mail to the address stated on the registration form. There is no plan to send them in hard copy format. If the amount of the net commissions is less than €5, no commission is due and lapses.

4 Other activities for companies with direct and/or multilevel sales

- 4.1** Without prior consent in writing from PM no activity for companies in competition with PM is permitted. All companies supplying goods and services through direct sales or through a marketing network system are considered to be competitors of PM, as well as all companies, apart from the distribution channel, offering products wholly or in part in competition with the products made available to PM-International AG.
- 4.2** The Sales Manager is obliged to separate completely any commercial activity permitted for another company from his/her activities within the scope of promotion for PM products or PM activity. Nor can he/she refer to his/her activity or his/her status in PM, or offer or make reference to PM products together with other products, or offer the possibility to other PM Sales Managers to purchase other products and offer them the possibility of taking part in the sales organisation of another company.

5 Purchase and distribution of PM products

- 5.1** The Teampartner may be supplied exclusively by PM International Italia srl.; it is forbidden to be supplied through other Teampartners.
- 5.2** The sale of our products may be proposed by you exclusively to private consumers according to the methods and rules applied by our organisation. You are therefore forbidden to take orders from retailers, wholesalers or in any way from anyone exercising a retail activity. It is strictly forbidden to sell online in any way (ebay, etc.) with the exception of promoting the website [well24.com](http://www.well24.com) made available to Independent Distributors with due qualification or confirmation as a Manager! It is not permitted to sell at markets, street markets, shopping centres and fairs or sports events.
- 5.3** PM gives end customers/users the guarantee of satisfaction or refund for 30 days. The Manager is obliged to observe this guarantee.
- 5.4** The Teampartner freely decides if and what amounts of PM products he/she wishes to order for personal consumption and for carrying out promotions within the scope of his/her activity. There is no obligation of minimum purchase. It is possible to return products purchased following the return conditions described on the website www.pm-international.it
- 5.5** Orders by Teampartners shall be carried out by applying the current price list in force at the time the order is transmitted. Prices on the invoice are given + VAT. Transport and packing costs are not included and shall be applied separately. Payment must be guaranteed or made before delivery/shipment. This may be done through payment with credit card, bank transfer in advance or payment in cash/bancomat if withdrawn directly at a DSC, PM Service Center or in Desio (MB).

6 Other obligations for Teampartners / penalties

- 6.1** The Teampartner performs his/her activity independently and under his/her own responsibility. He/she must never create the image of being an employee of PM and/or be able to declarations in the name of PM!
- 6.2** The Teampartner undertakes to observe the "Direct Sales Code of Conduct" set out by the national and international direct sales associations, in particular by AVEDISCO (<http://www.avedisco.it/Codice-etico.aspx>).
- 6.3** All the declarations on PM and on PM products must relate to the declarations made by PM in a particular way through the product catalogue, the labels and other documents published. It is not permitted to proclaim therapeutic or curative effects for food supplements.
- 6.4** General conditions for independent distributors 2016/1 - Art.No. 0209004IT © 2016 by PM-International Italia s.r.l. - 0209004IT0413P2 The Teampartner is not authorised to make alterations or to allow third parties to alter products or packs/labels of PM. The application of labels with personal data and contact details of the Teampartner is permitted in the stipulated areas, but must not conceal parts of wording on the label
- 6.5** For publication of PM products, the Teampartner shall use exclusively documents published by PM and by the sales tools made available by PM. If advertising or sale is carried out via the Internet, the Teampartner shall use exclusively the site made available to PM through PM OFFICE. Apart from these tools, the Teampartner is not permitted to use brands of PM or to refer directly to products and services of PM. If the Teampartner uses personal promotional materials or a personal website, he/she may not refer to PM or to PM products, or use brands and company logos of PM. The conditions which can be seen on the website: www.pm-international.it are also valid.
- 6.6** For any breach of the obligations under the terms of paragraph 4.1, 4.2, 5.1, 5.2, 6.3, 6.4 and 6.5 of the above-mentioned general conditions, PM may impose a penalty, taking into account the extent of the offence and the income of the Teampartner. Further claims, in particular for an injunction and damages are not affected by the imposition of the penalty.
- 6.7** The Teampartner observes, in his/her advertising strategies and for recruiting new partners, the relevant legal provisions and standards generally accepted for conduct in the sphere of direct sales. In particular, this converts into an express ban of any form of "spamming" and systematic poaching of distributors by other companies. Breach by PM is pursued consistently, until the assignment is terminated.

7 Line protection

- 7.1** Sponsorship line protection is a principle of PM-International. A Teampartner, who has resigned from the assignment, may return to form part of the sales organisation only if he/she completes the registration application again and
 - A** if he/she is sponsored by the previous sponsor or by his/her Upline, and
 - B** at least 12 months have elapsed since his/her resignation. If the Teampartner has been deactivated due to inactivity (12 months without any personal consumption), he/she may be sponsored by any Teampartner, even outside the previous sponsor line.
- 7.2** Sponsorship line protection is also valid for direct customers for a period of 6 months after the last successfully executed purchase.
- 7.3** Spouses may have two different positions; in the case where they work on the same line they must, however, be aligned in direct line. Adult children may be registered exclusively in direct line with parties of the parents. This is valid, however, also between first and second degree relations.

8 Conclusive considerations / variations

- 8.1** The contract agreements are defined by current national legislation.
- 8.2** The law court of Milan has jurisdiction.
- 8.3** The form in writing is kept, even with fax or e-mail transmission.
- 8.4** Notice of variations of the contract rules is given in writing and they are understood to be accepted unless the Teampartner opposes them in writing within three weeks.
- 8.5** I agree to PM International Italia being able to ask me for information within the scope of assessment of my good standing.