

## **Distributor Rules of the company PM-International AG (PM)**

### **1. Legal situation of the Team Partner**

- 1.1 The Team Partner will be autonomous and generates its gains by selling PM products.
- 1.2 The Team Partner's activity includes the sale of PM products on its own behalf, directly to the customer. It also includes the sale of those who acquire the product directly from PM.
- 1.3 The Team Partner freely determine their place of work, the organization of their activity and the time dedicated to it, and always on their own responsibility. The Team Partner supports all the expenses derived from the activity. Each Team Partner, as an autonomous, is responsible to comply with all legal and tax obligations resulting from the activity (commercial registration, payment of taxes, social security, competition law, etc).
- 1.4 The Team Partners carry out their part-time activity: Any modification should be notified to PM.

### **2. Start and finish of activity as Team Partner**

- 2.1 The start of the activity as a Team Partner will be from the moment of properly fulfilling the corresponding application. This will be a legal agreement after being accepted. It will not be necessary for the Team Partner to receive acceptance confirmation to begin its activity, but PM will inform acceptance as soon as possible.
- 2.2. In a 30-day period since receipt of acceptance of the application, the Team Partner may terminate the agreement in written to PM and without the need to explain any reasons. In case of termination, all PM products purchased as a Team Partner must be returned and PM will refund the payment made.
- 2.3. The Team Partner agreement is indefinite and may end in common understanding at any time within the established legal periods. PM reserves the right of the immediate termination of the agreement for reasons of force majeure. If the Team Partner does not comply with the obligations as set out in paragraphs 4.1, 4.2 and 5.2 of the T&C's of Team Partners, PM will send a notice of termination of the agreement.
- 2.4 In the event of death, collaboration may be transferred to a child or a parent, where the transfer is requested in writing with the consent of all heirs, the heir must accept the T&C's of Team Partner and must admit it in writing. PM can only refuse with justifiable grounds.

### **3. Team Partner's right of bonuses**

- 3.1 The Team Partner shall be entitled to receive bonuses for new customers captured according to the Direct Customers Program, as well as by introducing, training and supporting new Team Partner as a sponsor. The requirements and quantity to receive in the bonus concept can be obtained in the actual Marketing Plan of PM; PM reserves the right to its determination. The said Marketing Plan will apply at the same time to all Team Partners.
- 3.2 PM will pay the monthly bonuses. Payments will only include taxes if the Team Partner has expressly informed in writing and provided in a way for PM to declare taxes including his tax identification number. The written request will be sent by email. The payment of bonuses will be made no later than the 20th of the following month. If the monthly report indicates a sum of less than 5€ without VAT, no payment will be made, and the right will be lost.

### **4. Team Partner activity in other companies.**

- 4.1 Without prior written consent of PM you will not be able to exercise an activity that is a competitor to PM. Competition is understood to be those companies that offer goods or services through direct marketing or through an Internet marketing system, as well as, regardless of their distribution system, all companies with products similar to PM products.
- 4.2 The Team Partner may exercise an activity for other companies, whenever it does not compete with the activities of the PM and its products.  
It's not allowed to advertise this activity, nor to inform about your status as a member of that company with

your PM team. Nor is it allowed to offer goods and services of the same together with its PM team, or to encourage the purchase of these products or services among PM Team Partners or to be active with PM or in place of PM.

## **5. Purchase and distribution of PM products**

5.1 The Team Partner must place the orders and receive the goods exclusively and directly from PM. It is not allowed to buy PM products at other Team Partners.

5.2 The Team Partner sells the PM products exclusively of an personal and direct way. Sales in outlets, markets, fairs, Internet auctions or similar are not allowed.

5.3 The Team Partner will be obliged to accept returns of PM products sold to customers within 30 days after delivery without the need for reasons; it is sufficient that the client do not like the products (PM satisfaction guarantee). After returning the products, the customer chooses between replacing the product, get a voucher or refund the amount paid.

5.4 The Team Partner decides on its own whether to purchase products and in what quantities. It is not mandatory to purchase a minimum amount.

5.5 All Team Partner orders are processed according to the PM valid price list at the time of purchase. Generally, prices indicate no taxes and packaging and shipping costs whenever they apply. Before shipping products, payment must be made. This is possible through cash, credit card or payments through the multibanco system.

## **6. Other Team Partner obligations / Contractual penalties**

6.1 The Team Partner must always act responsibly and independently and will not appear as an employee of PM, nor make statements in the name of PM.

6.2 PM is part of national and international direct sales association and Team Partner must strictly adhere to the standards of behavior set by them for their members and representatives.

6.3 Everything the Team Partner says about PM and its products must be consistent with the of PM provided information's, especially with those that appear in catalogs, product labels and other product information. Under no circumstances is the Team Partner allowed to grant therapeutic or curable properties to PM products or make any other health claims related to it.

6.4 The Team Partner is not authorized to modify the packaging of PM products, nor to allow third parties to do so. It is allowed to include a label with the contact details of the Team Partner, whenever it does not include any advertising or information about the product on it.

6.5 The Team Partner will be able to use product information, sales and sales help materials issued by PM in campaigns and distribution of products. When campaigns and advertising are made over the Internet, you can only use the online PM-Office that PM facilitates to Team Partners. In those personal product advertising and/or on personal web pages, Team Partner may not refer to PM or its products, nor use registered trademarks or other commercial patents protected by PM.

6.6 In the event of non-compliance with any of the obligations referred to in 4.1, 4.2, 5.1, 5.2, 6.3, 6.4 and 6.5 of this Team Partner Regulation, PM may claim payment of a penalty for a minimum amount of 500€ and a maximum of €10,000 (or the equivalent in the currency of the Team Partner's country). The payment of the sanction does not exempt the course from other possible claims.

6.7 Every Team Partner must know and respect the binding statutory regulations and the general rules of behavior in direct sales, both in general advertising matters and in sponsoring new Team Partner. This has the purpose of expressly avoiding any form of spam and the search for Team Partner of other companies. Violation of this may be reported by PM and would lead to the termination of the agreement. PM details general rules that must be complied with at all times. You will find them at [www.pm-international.com](http://www.pm-international.com)

## **7. Protection of the chain of Team Partners**

7.1 It is a principle of PM-International, to maintain and protect the Team Partner chain at all times. A Team Partner who has finalized his business relationship can only be reinstated if (a) is sponsored by his previous sponsor or (b) at least 12 months have passed since the termination. A business partner whose agreement has

been terminated and has been deleted from the database (12 months without personal purchase) may be readmitted when filling out a new application.

7.2 Chain protection also applies to customers in the Direct Customer Program. (see point 7.1).

7.3 In marriages, each member can have a distributor number. One of the spouses must be registered exclusively on the other's direct line. Children of legal age may (within their parents' organization) also be registered exclusively in their parents' or one of their parents' organizations. Brothers, parents, grandparents and grandchildren can still be registered exclusively on the first line of the chain.

## **8. Final provisions / Modifications**

8.1 For the relationship in this agreement between the parties, Spanish legislation will apply.

8.2 In the event of litigation, the Courts of Denia (Alicante) will be referred to; if the Team Partner does not reside in the judicial party of Denia (Alicante), PM reserves the right to execute judicial claims in these Courts.

8.3 A complaint regarding a written agreement will also be valid if you send it by fax or e-mail.

8.4 PM will notify you of changes to these Rules in writing. Changes are deemed accepted when the distributor does not object to them in writing within three weeks of making the changes. The firmness of the changes will be made public by PM.

8.5 I accept that PM carries out an investigation into my reputation. I accept that PM collects, files, processes and uses personal information about our business relationship.