



PM-International

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## PM Policies & Procedures

PM-International AG

# PM Policies & Procedures

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A PM-International India Distributor must have integrity. The Mission of - Insists on straight-forward, honest, and transparent business practices and the fulfillment of all personal commitments to customers and to Independent Distributors in your PM-International India Sales Organization.

One of the ways you demonstrate integrity as a Team partner (**hereinafter referred as “Independent Distributor” or “Distributor”**) of PM-International India Pvt. Ltd. (**hereinafter referred as “PM” or “PM-International India”**), is to understand and comply with all rules, regulations, policies and procedures published or disseminated by PM. PM reserves the right to amend these Policies & Procedures

by publishing or transmitting amendments as it deems appropriate, and you are required to comply with them in their currently published detail.

PM honors all federal, provincial, and municipal regulations governing direct selling and requires every Distributor to do the same. It is, therefore, very important that you read and understand the information in this section. If you have any questions regarding any rule or policy, seek an answer from your Sponsor, upline leader, or PM directly.

Review the Professional Ethics and the Policies & Procedures often. Make them a part of your PM planning and personal development.

## A. Professional Ethics

As an Independent Distributor of PM, I hereby promise and agree that:

- A-1 I will be honest and fair in all my dealings while acting as an Independent Distributor of PM.
- A-2 I will respect the time and privacy of the people I contact to become retail customers or Independent Distributors of PM. I will be courteous and respectful to every person contacted in the course of my PM business. I will make fair presentation of PM product and business opportunity and when and where appropriate, demonstrate products. I will not engage in any high-pressure selling and if customer desire to terminate the meeting I would immediately do so. I recognize that PM has strong personal convictions regarding the ethical conduct of all PM Independent Distributors.
- A-3 I will perform all my professional activities in a manner that will enhance my reputation and the reputation of PM. I will be in good standing and will meet all Distributor requirements as set forth in these Policies and Procedures.
- A-4 I will fulfill my leadership responsibilities as a Sponsor, including training and otherwise supporting the downline Distributors in my sales organization. I realize that PM strongly recommends its Distributors to take a leadership role and encourages its Distributors to provide training to downline Distributors, since the reputation of PM is founded on leadership and training. I will provide ongoing support to my organization, realizing that the people I sponsor will best succeed in PM when they have ongoing training and professional associations.
- A-5 I will not engage in any deceptive or illegal practice.
- A-6 I will not make any claims for PM programs, services, or products except as contained in official PM literature.

### A.01 Product Claims – Health Related

No claims (which include personal testimonials) as to therapeutic, curative or beneficial properties (“Health Claims”) of any products offered by PM may be made

except those specific claims contained in official PM literature, and consistent with the current labelling and licensing, as applicable, for such product. Such claims may only be repeated or republished in exactly the same format as that published by PM and the claim must be republished in its totality. “Health Claims” includes any claim that PM products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases, or that PM products are manufactured, sold or represented for use in (a) the diagnosis, treatment, mitigation or prevention of a disease, disorder or abnormal physical state or its symptoms in humans; (b) restoring or correcting organic functions in humans; or (c) modifying organic functions in humans, such as modifying those functions in a manner that maintains or promotes health. Such statements can be perceived (and may be) as medical, drug claims, or natural health product claims. Not only would Health Claims breach PM Policies and Procedures, but they could potentially violate federal and provincial laws and regulations, including the Food Safety and Standard Act 2006, and or the terms of applicable product licenses.

### A.02 Other Product Claims

Distributors may not make any other product claims or representations regarding PM products except those that are specifically contained in official PM literature or on the PM India website. Such claims or representations may only be repeated or republished in exactly the same format as that published by PM and the claim must be republished in its totality. In particular, no Distributor may make any claim or representation (“Product Claims”) regarding the following: (1) the performance, efficacy or life of PM products or services; (2) the testing of PM products or services; (3) testimonials or endorsements of PM products or services; and (4) any matter that would be false or misleading in a material respect. Not only would such Product Claims breach PM Policies and Procedures, but they could potentially violate federal and provincial laws and regulations, including the federal Competition Act.

- A-7 Prohibition Against Exaggerated Income Claims & Earnings or Lifestyle Representations

PM strictly prohibits Distributors from making representations relating to compensation or lifestyle (hereafter “Earnings Representations”) under the Compensation Plan, whether to a prospective Distributor or otherwise which are not approved or given by the Company. A Distributor, when presenting or discussing the Compensation Plan to a prospective Distributor, shall be strictly prohibited from, and shall not make or imply directly or indirectly, any verbal, physical, electronic or other claims that amount or could amount to Earnings Representations, and without limiting the generality of the foregoing, this prohibition shall include the making of income projections, improved lifestyle claims, hypothetical income examples or disclosures regarding a Distributor’s own business income (including the showing of cheques, copies of cheques, bank statements, tax records, or other similar demonstrative documents).

Furthermore, any Distributor that has the reason to believe that this general prohibition against Earnings Representations is being contravened by themselves or any other person, SHALL HAVE THE POSITIVE OBLIGATION to inform, and SHALL INFORM PM of the facts relevant to the contravention, such that PM could take steps to correct the same.

#### A.0.1 Limited Right to Make Income Claims, With Timely Disclosure

No false or misleading income projections, including those based solely on mathematical projections or “ideal projections” of the PM Compensation Plan, may be made to prospective Distributors. Without limiting the general prohibition against Earnings Representations, or the reporting obligations set out above, a Distributor shall have the following right(s):

- (a) To repeat to prospective Distributors, any Earnings Representations found in official PM literature or on the PM India website..
- (b) To make hypothetical income examples to prospective Distributors that are used to explain

the operation of the Compensation Plan, and which are based solely on mathematical projections of information set out in the Compensation Plan, provided that in using such hypothetical examples the Distributor also immediately provides fair, reasonable and timely disclosure of the typical distributors earnings as projected in the Official PM Business Presentation, and makes clear to the prospective Distributor(s) that such prior income examples are hypothetical.

- A-8 I understand and agree that I am solely responsible for all financial and/or legal obligations incurred by me in the course of my business as an Independent Distributor of PM programs, services, and products.
- A-9 I will always honor PM’s 100% satisfaction, money-back guarantee when dealing with my retail customers.
- A-10 I will compete fairly and I will respect the professionals of other Direct Selling Companies. I will not use sales materials or professional associations that may be regarded as proprietary by other companies. PM seeks to promote the reputation of all reputable Direct Selling companies that are furthering the cause of personal independence for their Independent Distributors.
- A-11 Distributors agree that during the term of this Agreement, and for one year after it ends, Distributors will not attempt to directly or indirectly, on their behalf, or on behalf of any other person or entity, recruit, solicit, encourage or influence any employees, customers, or Distributors of PM with whom the Distributor had any interactions while acting as a PM Distributor to (a) enter into any business relationship with any other direct selling company or individual, or (b) terminate or alter their business relationship with PM.

Distributors agree that because of the nature of PM business conducted through Distributors across India, any effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, Distributors and PM both agree that this non-solicitation provision shall apply throughout India.



## B. Distributor Status

### B-1 Becoming a Distributor.

To become a distributor, an applicant must be sponsored by an existing PM distributor in good standing. PM must receive duly completed application form along with Identification proof, proof of address, Permanent Account number (PAN), photograph and bank account details. Where application has been filled on-line the distributor must submit such proof within a period of 30 days, failing which his/her distributorship will be deleted. Please refer to Annexure A for detailed policy. Applicant become a distributor when PM accepts such application and conveys such acceptance by issuance of Distributor identification card up till then the distributorship will be under a provisional license to buy and sell PMI products. PM reserves the right to decline any Distributor Application Form.

### B-2 No Purchase Required.

No person is required to purchase any PM Products and services as a condition to join. Joining is free.

### B-3 Distributor Rights.

All Distributors are authorized to sell PM products, services and to participate in the PM Marketing Plan. All Distributors may sponsor new Distributors.

### B-4 Legal requirements.

Distributors must be 18 year of age, must be of sound mind and not disqualified from contracting by any law, must not be undergoing imprisonment or suspended from professional association/society/institution.

### B-5 First-grade relatives.

Spouses may have two Distributor numbers. It is important to note that in such cases, one or the other spouse must be registered as direct or primary line of the other spouse. Children of legal age also may (within the organization of their parents) only be registered as direct line of the first spouse.

### B-6 Married Couples.

Married couples can have two Distributor numbers. Distributors who marry must maintain separate Distributor status unless they want to share one number. In that case one distributor number will be cancelled and the organization will roll up to the sponsor of the cancelled distributor number. When a couple sharing a Distributor entity divorces or separates, PM will continue to pay commissions as before the divorce or separation until it receives written notice, signed by both parties or by a court decree specifying how future commissions should be paid.

### B-7 Simultaneous Interests.

Distributors and their spouses or dependents may not have simultaneous beneficial interests in more than

one Distributor entity. For example, a shareholder of a corporation that is a PM Distributor may not become a PM Distributor individually.

### B-8 Corporations, Partnerships, and Trusts.

Corporations, Partnerships and/or Trusts may be signed as independent Distributors of PM ONLY when the Distributor Application and Agreement is accompanied by notarized copies of:

- 1) Articles of incorporation, partnership agreement or trust documents as filed with the Registrar.
- 2) To ensure compliance with Policies & Procedures B-7, Distributors must disclose a complete list of all directors, officers, and shareholders involved in the corporation. Partnerships must disclose all general and limited partners. Trusts must disclose the trustee and beneficiary.
- 3) Proof must be provided of a Government issued ID number.
- 4) Shareholders, partners, beneficiaries and trustees, directors and officers, as applicable, agree to remain personally liable to PM and bound by policies and procedures.

### B-9 Fictitious and/or Assumed Names.

A person or entity shall not apply as a Distributor using a fictitious or assumed name.

### B-10 Left Blank for future use.

### B-11 Independent Contractor Status.

All Distributors are independent contractors with PM. They are not franchisees, joint ventures, partners, employees, or agents of PM. Distributors are strictly prohibited from stating or implying, whether orally or in writing, that they are franchisees, joint ventures, partners, employees, or agents of PM. Distributors have no authority to bind PM to any obligation.

The specifics of that legal relationship agreed to be as follows:

#### *Control –*

Subject to the terms of the Distributor Agreement, and other applicable laws, Distributors shall have complete control and discretion over the operation of their independent businesses including, without limiting the nature of the foregoing, how much or how little time they may devote to their businesses, and shall be entitled to establish their own business goals, business hours, and business methods, policies and procedures.

#### *Ownership of Tools –*

The Distributor shall be responsible for the ownership and acquisition of any business tools, equipment, assets, and expenses, and all business goods, services and intangibles that the Distributor, in his/her discretion, believes necessary for the operation of its independent business including, without limiting the generality of the foregoing, the location and appointment of his or her business office, business cards, letterhead, computer equipment, motor vehicle(s), and other tools and equipment (e.g., phone, office supplies etc.) which he/she alone deems necessary for operation of his/her business, all of which shall be established and/or acquired by the Distributor at his/her own expense. The Distributor shall also maintain such insurance, such as liability, fire and theft insurance, during the term of this Distributor Agreement for the benefit of his/her business, in amounts as he/she deems appropriate, and at his/her own expense.

#### *Chance of Profit/Risk of Loss –*

PM and the Distributor agree that all expenses incurred by the Distributor in the operation of his/her business shall be incurred on his/her own account, and be his/her own responsibility. PM and the Distributor also agree that the terms of the Distributor's compensation under the Compensation Plan is entirely set out in the Compensation Plan, and accordingly, the chance of profit and the risk of loss inherent in the Compensation Plan, and inherent in the operation of the Distributor's independent business, rests entirely with the Distributor, with no "expense reimbursement" or "minimum compensation" being offered or guaranteed by PM whatsoever.

#### *No Power to Bind –*

While a Distributor shall be entitled to inform others that he/she is an Distributor engaged by PM in an independent status, he/she shall at no time represent himself/herself to be an employee of PM, and shall clarify with others, where necessary, his/her status as an independent contractor of PM. The Distributor has no authority (expressed or implied), to bind PM to any obligation, and shall not be construed as purchasers of a franchise or a business opportunity.

#### *No Creation of Employment, Agency, Partnership, Franchise or Joint Venture Relationship–*

The legal relationship between PM and its Distributors is not intended to create, and does not create, an employer/employee relationship, agency, partnership, franchise or joint venture relationship between PM and the Distributor.

#### *Treatment as Independent Contractor for Tax and Other Purposes –*

Accordingly, the Distributor will not be treated as an employee of PM for any tax purposes and they shall abide and pay any tax liability that may arise in their conduct of independent business of selling PM products.

### **B-12 Indemnity Agreement.**

Each and every Distributor agrees to indemnify and hold harmless PM, its shareholders, employees, agents, general/limited partners, and successors in interest from and against any claim, demand, liability, loss, cost, or expense, including, but not limited to, legal fees, arising or alleged to arise in connection with that Distributor's PM business, its affiliates' activities as a PM Distributor, and any other matter related to Distributor's performance under the Distributor Agreement.

### **B-13 Taxation.**

Distributor will be treated as independent contractors for all federal or provincial tax purposes. As an independent contractor, Distributors are generally responsible for the compliance with federal, provincial and local taxing legislation, as that legislation affects the Distributors' independent business.

For greater certainty in this regard:

#### *Income Taxes -*

Distributors shall be responsible for payment and or withholding of all relevant federal, provincial and/or local income taxes, self-employment taxes and any and all other taxes required in respect of their business, or their purchases, under federal, provincial, or other applicable taxing laws. Distributors acknowledge that as independent contractors, they will be not be treated as employees for purposes of, employment standards rules, workers' compensation deductions and that PM is not responsible for tax liability of Distributors. Rather, all Distributors shall be responsible for paying local, provincial, and federal taxes due from all compensation earned as a PM Distributor, and for all other federal or provincial tax compliance obligations imposed on their business.

#### *Sales Taxes –*

Distributors shall also not be treated as an employee or agent for purposes of any Central or other like sales taxes (including any future harmonized sales taxes). If PM is required to charge any such taxes in respect of its supplies of goods or services to Distributors, PM will collect and remit these taxes in respect of its sales as appropriate. However, PM is not responsible for collecting or remitting any sales taxes on Distributors' behalf. Rather, all Distributors shall be responsible for collecting and remitting all applicable local, provincial, and federal sales taxes, and for all other federal or provincial tax compliance obligations imposed on their business. , although, as set out below, PM may at its discretion enter into sales tax collection agreements with the federal and provincial taxing authorities.

#### *Collection Agreements/Arrangements –*

Notwithstanding the foregoing, PM reserves the right to enter into sales tax collection agreements with the federal and provincial taxing authorities which could relieve



Distributors of the burdens of collecting and remitting goods and service taxes. Where applicable, PM will notify Distributors of the implementation of such agreements, and will charge and collect goods and services taxes accordingly. Where PM chooses to enter into a goods and services tax collection agreement Distributor agrees that PM may jointly elect on Distributor's behalf to have the applicable procedures, apply where approval has been granted by the applicable tax authority. Where PM has been approved to operate under any such agreements, Distributors shall follow the appropriate procedures.

## B-14 Legal Compliance.

Distributors shall comply with all laws, regulations and codes that apply to the operation of their PM business wherever said PM Business may be conducted within the Market, and they must not conduct any activity that could jeopardize the reputation of the Distributor and/or PM. Applicable laws, regulations and codes vary from one country to the next, and from state to state in India, and over time, and PM does not ensure or make representations with respect to the quantity or extent of effort or expense required to comply with such laws, regulations and/or code. All Distributor are responsible for their own managerial decisions and expenditures. No Distributor shall engage in any deceptive or unlawful trade practice. A deceptive or unlawful trade practice is one, which has been defined as such by any central, state, or local law or regulation.

## B-15 Independent Distributor Identification Number.

Distributors will be identified by a Distributor Number assigned to each Independent Distributor when the Distributor Application is accepted by PM and the Distributor is entered into the computer system. This Independent Distributor Identification Number must be indicated by the Independent Distributor on all correspondence with PM, including paperwork for sponsoring, product ordering, etc. Distributors must not use the Distributor identification card to create the impression that there is a subordinate relationship with PM. This identification card issued to a Distributor by PM is to be used exclusively when the Distributor wants to purchase products from PM or to establish their credential as authorized distributor of PM.

## B-16 No Exclusive Territories.

There are no exclusive territories for marketing or sponsoring purposes, nor shall any Distributor imply or state that he or she does have an exclusive territory. There are no geographical limitations on Distributor sponsoring.

## B-17 Line protection.

The principle of PM is the adherence to and protection of sponsor's line. A Distributor, who wants to cancel his/her Distributor number or has had his Distributor number deleted as a result of inactivity (24 months without personal sales), may only be re-accepted if (a) he/she reapplies and is being sponsored by his/her former sponsor or the latter's upline or (b) a minimum of 6 months have passed since cancellation or deletion of the previous Distributor number in the event of he/she wanting to join under any other sponsor.

No Distributor must, directly or indirectly, induce/entice other PM distributors to change their Line of Sponsorship. E.g. Inducing a PM Distributor to start a new business in their parents name under a different sponsor and then advising them to resign their existing Distributorship and build their parents PM business without complying with 6 month inactivity rule

### *Inactivity*

For purposes of this Rule shall mean that during the period of inactivity, the Distributor shall not have purchased any PM product as a Distributor for further sale (although he may do so as a consumer, shall not have engaged in any phase of a product sale/purchase (e.g., taking an order, making a delivery, or accepting payment), shall not have presented the PM business opportunity to any prospect, and shall not have attended meeting conducted by any PM Distributor or any Company sponsored meetings. During the inactive period, the former Distributor must not participate in any PM activity under another Distributorship in the name of his parents, siblings, or others or he shall not be determined as "inactive" for the purposes of this Rule. When either a husband or wife is a Distributor, both must fulfill the six-month inactivity requirements before one or both can be registered as a Distributor.

## B-18 Other Services and Products.

If a Distributors wishes to sell competitor's products in addition to selling PM products, he or she requires written authorization from PM. He/she may under no circumstances ever distribute or sell competitor's products or services to other PM Distributors. Moreover he/she never procures new PM Distributors for the distribution or sale of third-party products. Any Distributor found in violation of this rule risks the loss of buying privileges, possible suspension/termination from participation in PM Compensation plan, termination of Distributor status, and the imposition of other remedies to which PM may be entitled.

## B-19 Head-Hunting Fees Prohibited.

PM strictly prohibits Distributors from giving consideration for the right to receive compensation by reason of the recruitment into the Compensation Plan of another Distributor, who then gives consideration for the same right. Without limiting the generality of the foregoing, and while allowing Distributors the right to sponsor/enroll other Distributors into the Compensation Plan, PM does not pay any bonuses, commissions or other remuneration, or allow Distributors to make similar payments, for mere sponsoring/enrolling.

To the contrary, Distributors acknowledge that there is only one revenue earning event for a Distributor, namely the sale of PM products and services to retail customers, and that payment of all bonuses, commissions and other remuneration to Distributors under the Compensation Plan is properly to be construed as either payment for the inherent mark-up associated with the resale of PM products and services to retail customers, or as payments in respect of the resale or volume of sales of products or services to others by the Distributor or other Distributors.

Accordingly, Distributors' remuneration shall be ultimately based on the reselling of PM products and services to retail customers, and no commissions, bonuses, or other business revenues shall be earned from the mere sponsorship or enrollment of any other Distributor.

Distributors are also strictly prohibited from making or representing that compensation is payable for anything other than sale of product or services.

## B-20 Exporting PM Products:

No Distributor may export, or knowingly sell to others who exports, PM Products from India, or from any other country in which PM has established operations, into any country regardless of whether or not PM is doing business in that country. For important legal reasons, including trade names and trademark protections; local laws on product registration, packaging, labeling, ingredient content and formulation, product liability; customs and tax laws; and literature content or language requirements. PM must limit the resale of PM Products by Distributors to only other Distributors or retail customers located within country in which the Distributor legitimately buys the PM Products and is authorized to do business. The term "products" includes, without limitation, all literature, sales aids, and any other items obtained by a Distributor from PM or from his sponsor or other distributor.

# C. Sponsorship & Training; Terms of Termination

## C-1 Sponsoring.

PM Distributors are entitled to sponsor other Distributors into the PM business.

## C-2 Multiple Applications.

If one applicant submits multiple Application and Agreement Forms listing multiple sponsors, only the first completed form to be received by PM will be accepted. PM reserves the right to be the final arbiter of all disputes. The decision of PM is final.

## C-3 Training and Support.

Distributors are encouraged to assure that adequate training is provided to Distributors they sponsor. "Adequate training" shall include (but not be limited to) education regarding PM Policies and Procedures, Compensation Plan, product information, sound business practices, sales strategies, and ethical behavior. A sponsor is encouraged to maintain an

ongoing, professional leadership association with Distributors in his/her organization and must fulfill the obligation of performing as a bona fide sales supervisor and/or sales trainer in the sale or delivery of products to the ultimate consumer. Examples of such regular training and support may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, training sessions, accompanying individuals to PM training, and sharing genealogy information with those sponsored. Distributors should be able to provide evidence to PM semiannually of their regular training and support provided to their downline Distributors.

All Distributor should truthfully and accurately present PM Products and business opportunity. Both aspect of PM Business opportunity i.e retail selling and building sales organization should be presented in a balanced manner. Product demonstration is a MUST for any meeting organized to promote PM business.

Distributors shall not:-

- C.3.1 Make exaggerated product claims or non-guaranteed claims with regard to PM Products.
- C.3.2 In any way, whatsoever, represent incorrectly with regard to price, quality, standard, content, place of origin etc. of the Products.
- C.3.3 Suggest to any prospect or a distributor that it is quick way to earn money or to make it sound easier to earn than what it actually is or talk about any “guaranteed earning” etc.
- C.3.4 Suggest or promote PM business as “self-consume” and get other to do it, as a means of earning money or in any way suggest that there is no requirement to retail or that one can earn money from recruiting more distributors alone.
- C.3.5 Should not suggest or promote the business by representing that buying of certain minimum product or attending of meeting/ seminar organized by any other distributor are mandatory.
- C.3.6 Make any statement that ridicule or demean any other distributor.
- C.3.7 Promote or disparage any religious or political beliefs at the meeting organized to promote PM Business.
- C.3.8 No distributor shall engage in the business of production and selling of material used to promote PM business without explicit written consent from PM. Such authorized Distributors shall not make abnormal profits while doing so, endeavor should be to sell such Business Promotion material on cost to cost basis, as such a distributor will earn from the enhances sales generated by his/her sales organisation. PM reserves the right to ask for books of account of any such sale of business promotion material or details of meeting held. If PM comes to conclusion that the permission given to any Distributor to produce Business Promotion Material or right to organize the meeting is being misused, then PM reserves the right to withdraw such a permission and also take action under this Code of suspending or terminating such a distributorship.
- C.3.9 Present the Plan or solicit participation in the Plan through mass mailings, telemarketing, national advertising, computer communications, or any other means by which person-to-person contact with the prospect is not present.

#### C-4 Transferring Sponsorship.

A transfer request will be considered with the signatures of consent from the six immediate uplines (If within 14 days without signature of upline). All transfers of sponsorship require the final approval of PM, whose decision will take into account the overall good of PM. An administrative fee may be charged for changing the corporate records.

#### C-5 Acquisition of Business.

Any Distributor desiring to acquire an interest in another Distributor’s business must do so only in terms of clause C11. All such transactions must be fully disclosed to PM and must be approved by PM in advance.

#### C-6 Voluntary Termination.

A Distributor may voluntarily terminate his/her Distributor Application and Agreement with PM by sending a written notice to PM that he/she is terminating his/her Independent Distributor Application and Agreement. Voluntary termination is effective upon receipt of such notice by PM. Notification of the voluntary termination may be forwarded to affected parties. A Distributor who VOLUNTARILY terminates his/her Independent Distributor Agreement may reapply after waiting six (6) months before application.

#### C-7 Involuntary Termination.

An Independent Distributor Application and Agreement may be terminated for material violation of the terms of the Application and Agreement, for failing to meet or maintain the PM Code of Professional Ethics, or for violating any of the Policies & Procedures. PM may suspend the Independent Distributor status of a violating Distributor while serving notice of cause, citing instance(s) of the violation(s). Should satisfactory explanation, defense, or remedy not be provided by the Distributor within 15 days, termination of the Independent Distributor Application and Agreement will become effective upon final decision of PM. Notice of the decision will be sent by registered mail to the violating Distributor’s address of record. A distributor whose distributorship has been terminated under this clause can only re-apply for distributorship after waiting for a period of twelve (12) months disclosing fact of his involuntary termination and upon satisfying PM of his good faith and subject to PM explicit approval.

#### C-8 Appeal.

A Distributor may appeal an involuntarily termination of the Independent Distributor Application and Agreement by submitting a letter of appeal, stating the grounds of the appeal. This letter must be sent by REGISTERED MAIL and must be received by PM within fifteen (15) days of the date of mailing of PM’s termination notice. If PM has not received a letter of appeal by that deadline, the involuntary termination shall automatically become final.

If a Distributor files a timely appeal, PM will, in its sole discretion, review and reconsider the termination and notify the Distributor of its decision. The decision of PM shall be final and subject to no further review.

If the appeal is denied, the termination shall remain in effect as of the date of PM’s original termination notice.

#### C-9 Effect of Suspension.

Should PM deem it necessary to suspend an Independent Distributor, such suspension could mean that the Distributor may not have the right to represent him/herself as a Distributor of PM and that any commissions, overrides or bonuses due will be held in abeyance by PM pending resolution and would be forfeited at the sole discretion of

PM. Programs, services, and product may be purchased by a suspended Distributor at wholesale. However, should termination result, product may be purchased only at retail from another PM Independent Distributor.

## C-10 Effect of Termination.

In the event an Independent Distributor Application and Agreement is terminated, effective with such termination the Distributor can no longer sell PM products and services, and/or sponsor other Distributors. The Distributor also loses all rights to his/her Distributor entity, to sales commissions, overrides, and all other benefits associated with the activities of a Distributor and his/her sales organization.

## C-11 Limits on Transferability or Sale.

A Distributor may not sell, assign, or otherwise transfer his/her Distributor entity (or Distributor rights) to another PM Distributor.

A Distributor at the level of International Marketing Level and above may sell, assign, or transfer his/her Distributor entity in the following manner

- C.11.1 First by offering to his/her immediate upline, if they do not wish to purchase than any other up line distributor in the line of sponsorship.
- C.11.2 In the event no one in his/her upline in line of sponsorship is willing to buy he/ she can then offer to sell the same to any other person in his sponsored group.
- C.11.3 And in the last resort to sell to any other distributor of PMI.

In no event sale or transfer of distributorship (except by way of inheritance) will be allowed to person who is not a distributor of PMI. Price for such sales shall be determine between the buyer and seller.

No sale, assignment, or transfer of any Distributor entity (or Distributor rights) shall be effective without the prior written approval of PM whose approval will not be unreasonably withheld. Prior to approval, PM requires that all documents of sale or transfer must first be signed by all interested parties of the sale, transfer, or assignment, and then submitted to PM for review and approval. If it is determined in PM's sole discretion that the Distributor entity was transferred in an effort to circumvent compliance with the Agreement, the Policies & Procedures, or the Compensation Plan, the

transfer shall be declared null and void, and the Distributor entity shall revert back to the transferring Distributor, who shall be treated as if the transfer had never occurred from the reversion day forward. If necessary, and in PM's sole discretion, appropriate action, including without limitation, termination may be taken against the transferring Distributor to ensure compliance with the Agreement and the Policies & Procedures.

## C-12 Succession.

Notwithstanding any other provision of this Section, upon the death of a Distributor, the Distributor entity shall pass to his/her successors in interest as provided by law. However, PM will not recognize such a transfer until the successor in interest has submitted a PM Application and Agreement Form together with certified copies of the death certificate and will, trust, or other instrument. The successor shall thereafter be entitled to all the rights and subject to all the obligations as any other PM Distributor.

## C-13 Confidentiality

Information contained in any genealogical or downline report provided to a Distributor by PM is proprietary and confidential to PM, and is transmitted to the Distributor in strictest confidence. The Distributor agrees that he or she will not disclose any such information to any third party directly or indirectly, nor use the information to compete with PM or for any purpose other than promoting the PM business . The Distributor and PM agree that, but for this agreement of confidentiality and non-disclosure, PM would not provide the information to the Distributor. Any Distributor who is found, or reported to be, in violation of this rule may not only risk loss of buying privileges, possible suspension/termination from participation in PM compensation plan and termination of Independent Distributor status, but PM may seek remedy for damages to the fullest extent that the law makes available.

## C-14 Vendor Confidentiality.

PM's business relationships with its vendors and manufacturers and suppliers are confidential. A Distributor shall not contact, directly or indirectly, or speak to or communicate with any Distributor of any supplier or manufacturer of PM except at a PM-sponsored event at which the Distributor is present at the request of PM. Violation of this regulation may result in termination of Distributor benefits and possible claims for damages if the vendor/manufacturer association is compromised by the Distributor contact.

## D. Trademarks, Internet & Social Media Policy

- D-1 Guideline of Use of Trademarks, Logos, Brand Names policy document. (Annexure B)
- D-2 Guideline of Use for Internet and social Media policy. (Annexure C)

# 1. Common shortened forms

Shortened Form	Extended Form
CODE	Code of Business Conduct and Ethics
HQ	Headquarter
IPR	Intellectual Property Rights
LRC	Legal, Regulatory Affairs and Compliance Department
PM	PM-International
PRO	Policy Responsibility Officer
TR	Team Partners

## 2. Introduction

These guidelines will show you the Dos and Don'ts of the use of any PM-International (PM) Trademark, Logos, Brands and/ or Names also referred to as Intellectual Property Rights – (IPR) –.

By using any of PM Trademarks, team partners – from hereon called (“TP” or “you”) – accept these terms and conditions in full. If you disagree with these terms and

conditions or any part of these guidelines, you may not use of any of the above.

You should be at least 18 years of age to use any of PM's IPR. We also allow minors above 16 years who have signed up as a Team Partner with proper written authorization from parents or legal guardians.

As a general rule, third parties may not use PM's IPR.



### 3. License to use PM-International trademarks, logos, brands and names

- PM's IPRs are the exclusive property of PM. As such, PM owns all rights, titles and interests in the IPR, including but not limited to, copyright, trademark, service mark, trade dress, moral rights, rights under any statutory protection, and otherwise, as applicable.
- You may not obtain, through use or filing for a trademark or copyright application, any right, interest or title to PM's IPR and its products.
- PM owns the IPR in any websites and social medias where they can be found. Subject to the license below, all IPR are reserved.
- You may use PM's IPR for building your business with PM only or for your personal use. These are subject to the restrictions set out below and elsewhere in these guidelines.
- It is not allowed to:
  - republish material (including republication on another website);
  - sell, rent or sub-license material from the website or social medias;
  - reproduce, duplicate, copy or otherwise exploit material on PM-International official website and/ or Social Media pages for a commercial purpose other than the one for our Team Partners;
- edit or otherwise modify any material on the website; or
- redistribute material—except for content specifically and expressly made available for redistribution – for example: catalogues, flyers, team partner application and PM official promotions;<sup>1</sup>
- use PM's IPR in products, product packaging or other business services for which formal license is required;
- use PM's IPR in any way that causes, or may cause, damage to the reputation and good name of PM; or in any way which is unlawful, illegal, fraudulent or harmful, or in connection with any unlawful, illegal, fraudulent or harmful purpose or activity;
- conduct any systematic or automated data collection activities (including without limitation scraping, data mining, data extraction and data harvesting) without PM's express written consent;
- use PM's IPR to transmit or send unsolicited commercial spam / junk emails

### 4. User content

- In these guidelines, "our user content" means material (for example: text, images, photos, audio material, video material and audio-visual material) that we submit for whatever purpose.
- Each use should be accompanied by: "Courtesy of PM-International"
- You grant PM a worldwide, irrevocable, non-exclusive, royalty-free license to use, reproduce, adapt, publish, translate and distribute your user content in any existing or future media. You also grant PM the right to sub-license these rights, and the right to bring an action for infringement of these rights.
- The PM IPR should not be changed or altered in any way. They should always be shown consistently and in accordance to the guidelines provided.
- Your user content should not be illegal or unlawful, must not infringe any third party's legal rights, and should not be capable of giving rise to legal action whether against you or PM or a third party (in each case under any applicable law).
- You may not use the company's name or IPR on any documents (for example stationery, bank accounts, business signs) without stating "Independent Team Partner" and with prior approval by PM.

<sup>1</sup> Where content is specifically made available for redistribution, it may only be redistributed within your organisation.

## 5. Approved PM Logos and Brands

- If you have any new idea or want to use and/or create an image using PM IPR please ask permission from Marketing Department in International HQ.
- Please do not:
  - stretch or condense logos
  - redraw the logo or create your own variation
  - enclose the logo within another graphic or add a graphic to the logo because it creates a new mark
  - use the logo as text
  - add elements to the logo
  - alter approved colours
  - use elements separately
  - use logo over a background that renders it unreadable
  - use the logos on an angle
  - alter the proportions of the elements
  - combine logos with another logo
- Please do not use any Trademark Logos and Brands to create and upload/post videos that have not been approved by PM-International.

- Examples of what NOT to do:



## 6. Domains and personal websites

- You should always have PM's written approval for the use of any domain name and/or register of a personal website. Ask your Subsidiary what domains can you use and if they comply with our guidelines.
- The use of internet addresses (domain names) for your personal pages or linking to PM's official websites or social media pages shall be regulated as follows:
  - Trademarks may not be used as your own domain names (for example: [www.activize.de](http://www.activize.de), [www.activize.com](http://www.activize.com), [www.fitline.eu](http://www.fitline.eu), [www.fitline.info](http://www.fitline.info), [www.restorate.net](http://www.restorate.net), [www.pm.info](http://www.pm.info), etc.).
  - Use of the PM-International brands in word and image is not permissible.
  - It is not permissible to entrench the official PM sites in a frame in your own Website.
- Use of PM-International brands is permissible in a limited way with an addition, for example if many other words are additionally used as a complement ([www.fitline-seite.de](http://www.fitline-seite.de), [www.fitline-einkaufen.com](http://www.fitline-einkaufen.com), [www.fitline-nutrition.net](http://www.fitline-nutrition.net), [www.peters-activize-seite.de](http://www.peters-activize-seite.de), etc.) and the domain links to an official PM Website.
- Product names are not permissible as a complement (for example: [www.fitline-zellschutz.com](http://www.fitline-zellschutz.com)).
- In general, the domain should comply with all legal requirements.
- In your personal website, the content may not use any income or product testimonials that are not contained in PM official literature and/or website.

## 7. E-mail addresses

- You may not use or attempt to register any or PM's IPR or any derivative thereof, for any electronic mail address.

## 8. Sales online

- For the selling of PM’s products via the Internet, our PM Online Shop is available to you as part of the PM Office.
- You may not sell or advertise PM products on Ebay, Taobao or similar online market platforms, Internet auction sites, Craig’s List or any other online classified listings site.
- Sales and advertisement using brand names (in word or image) outside of these sites is not permissible.

## 9. Other advertisements and claims

- Use in social networks – Facebook, Twitter, Instagram, etc. — address portals — yellow pages, etc. — and Google-Maps are permissible as long as you are merely described as a distribution partner with registered contact data. For example: terminology used “*Independent Team Partner of PM*”
  - Additions such as for example logos, images, other brands or statements about healing or effective properties are not permissible.
  - **Do not state or imply that any of PM products is useful in the diagnosis, treatment, cure or prevention of any disease, illness, injury, or other medical condition.**
  - **You should not make claims about PM products or services that are not found in official PM literature or posted on PM’s official websites.**
    - **A health claim is any statement about a relationship between food and health.**
    - **Claims related to these functions are not allowed<sup>2</sup>:**
      - **growth, development and functions of the body;**
      - **psychological and behavioural functions;**
      - **reducing a risk factor in the development of a disease, or**
      - **referring to children’s development.**
    - **Additions, for example logos, images, other brands or statements about healing or effective properties are strictly forbidden.**
  - **We recommend you only to use claims and information found on our official websites, our product catalogue, our product labels and/or in other official PM product information.**
  - It is your responsibility to make sure all contents are legal.
    - The contents should be legally above reproach (Competition Law, Health Claims, Patent Law, Trademark Law etc.).
- \* Exemptions may apply in certain countries. Please contact the LRC Department in International HQ.*

## 10. www.pm-international.com

- PM Rights are reserved for each website design, every text, all graphics, every design of this and every PM-International Copyright © 1999-2017. ALL RIGHTS RESERVED.
- The copying or reproduction (including printing on paper) of the website in parts or as a whole will only be expressly authorized by PM or to use as a means of selling.
- Any other use of this website or information-including reproduction, redistribution, change and publication for other purpose than the above is forbidden, unless written authorization of PM is given.

<sup>2</sup> Exemptions may apply in certain countries. Please contact the LRC Department in International HQ.

## 11. The use of banners and other promotional material

- Products and services promoted in the banners and advertisements shall match those promoted by PM-International.
- Banners should not imply a PM-International or any of its brands endorsement or partnership of any kind, or an endorsement by any other PM-International Company.
- You may not use the company's name or IPR without stating "Independent Team Partner".
- All other banners and landing pages cannot use our copyrights, Trademarks, or any confusingly similar marks, except as expressly permitted by this Guideline and the Guidelines of Use for Internet and Social Media Policy or with our prior written permission.

## 12. The use of other Trademark logos, brands and names

- Please do not use these symbols:
- Olympic symbols and "Olympic properties"
  - Publishing, reproducing and managing pictures of athletes wearing Olympic medals or emblems on their clothing, bibs, armbands for commercial purposes could be an infringement of the exclusive rights the International Olympic Committee – from hereon called ("IOC") –has to its Trademarks and "Olympic properties"
  - Unauthorized Publishing, reproducing and managing pictures of athletes wearing Olympic medals or emblems could also constitute infringement of the obligations defined by the IOC to the Athletes and Press Agencies.
- NO person, name, picture or sports performance of an athlete, team or any other participant in the Olympic Games as well as any Olympic medals, emblems and properties can be used or shown for advertising purposes during the Olympic Games.
- Unauthorized Reproduction for Commercial Purposes can be seen as "ambush marketing" which is a behaviour whereby a company or someone takes advantage of the coverage of an event (the Summer Olympics for example) to sell or promote products without being an official sponsor of the event.
- Copyright infringement of IOC Trademarks could lead to civil and criminal penalties.
- Other laws as the law of the country where the Trademark was registered might also be applicable

## 13. Requests of removal and / or others

- PM reserves the right to edit or remove any material submitted to its official websites and social media pages.
- PM reserves the right to request you to immediately stop and remove of any material that is against the good uses of these terms and conditions or for any other reason. Upon such request, you shall immediately comply to fulfil the request and destroy all non-published copies if any.
- PM further reserves the right to object to unfair uses or misuses of its trademarks or other violations of applicable law.

## 14. Limitations of liability

- You are liable for your own actions, your content or use of, or in connection with, any personal use.
- If PM expressly advised of the potential danger and you do not correct your action, you are still liable for any damage or prejudice as a result from these actions.
- You accept that, as a limited liability entity, PM has an interest in limiting the personal liability of its officers and employees. You agree that you will not bring any claim personally against PM's officers or employees in respect of any losses you suffer in connection with the use of PM's IPR.

## 15. Breaches of these terms and conditions

- Without prejudice to PM's other rights under these terms and conditions, if you breach these guidelines in any way, PM may take such action as PM deems appropriate to deal with the breach:
  - prohibiting you from using PM's IPR,
  - blocking computers using your IP address from accessing official PM website and social media pages,
  - contacting your internet service provider to request the removal of any use of PM Trademark Logos, Brands and Names,
  - sending you warning letters and/or
  - termination of your Team Partner contract and/or
  - bringing court proceedings for damages against you.

## 16. Termination

- If a TP's business is cancelled for any reason, the TP must discontinue using PM's IPR in postings on all Social Media, websites, or other promotional material.
- We reserve the right to recover any damages occurred to PM or to our reputation.
- If PM should decide to change or abandon any of its names or trademarks, you must also change or abandon such name or trademark.

## 17. Copyrights and Trademarks

- PM-International, Fitline, BeautyLine, NTC, Activize, Restorate, The Wellness Company, FitLine "L" and PM logo are registered trademarks of PM-International AG.

## 18. Waiver

- These guidelines are incorporated into, and form integral part of, PM-International Team Partner Agreement worldwide.
- By using PM's IPR you agree that the exclusions and limitations of liability set out in this disclaimer are reasonable.
- If you do not think they are reasonable, you should not use any of PM's IPR
- If any provision of this disclaimer is, or is found to be, unenforceable under applicable law, that will not affect the enforceability of the other provisions of this guideline.
- PM has the right to revise these guidelines. from time-to-time without prior notice. It is your responsibility to read, understand, adhere to, and ensure the awareness and compliance under the most updated version of these documents.

## 19. Inquiries

- Should you have any queries please contact your local Subsidiary or Sponsor.

# 1. Common shortened forms

Shortened Form	Extended Form
CODE	Code of Business Conduct and Ethics
HQ	Headquarter
IPR	Intellectual Property Rights
LRC	Legal, Regulatory Affairs and Compliance Department
PM	PM-International
PRO	Policy Responsibility Officer
TR	Team Partners

## 2. Introduction

This policy governs your use of any but not limited to: platforms such as Facebook, Twitter, Instagram and any other form of social media, websites, any other use of trademark, logos, brands and names — IPR. This policy is for all team partners – from hereon called (“you” / “TP”) – that are part of PM-International – from hereon called (“us” / “PM”)

This policy is intended to help protect our TP as well as the PM itself. There is nothing more valuable to us than our customers and values.

Deceptive conduct is always prohibited. You must ensure that your statements are truthful, fair, accurate, and are not misleading in any fashion. You may not make postings or link to or from any postings or other material that is in violation of any or PM’s IPR.

If you violate this policy, we may require you to correct, edit or remove a post or statement. In addition, violations of this policy by you can result in disciplinary action, including termination of membership.



## Important Guidelines

As part of the PM family you are empowered; PM supports you in doing the right thing and conducting business with integrity and respect. Please follow these important guidelines:

### 1 Follow our company values.

Respect, tolerance, honesty and sincerity, as well as treating colleagues and clients with integrity, are policies laid down in our *Code of Business Conduct and Ethics (CODE)* – available on our website – and naturally they also apply to everything you do online.

### 2 Copyright

Respect existing laws, they apply online too. Upholding copyright is strictly monitored.

- PM-International IPR are the exclusive property of PM
- Each use of information that PM disclosed in any official communication, social media or websites, should be accompanied by the following credit line: *“Courtesy of PM-International”*
- IPR must not be changed or altered in any way.
  - Please do not:
    - stretch or condense logos
    - redraw the logo or create your own variation
    - enclose the logo within another graphic or add a graphic to the logo because it creates a new mark
    - use the logo as text
    - add elements to the logo
    - alter approved colours
    - use elements separately
    - use logo over a background that renders it unreadable
    - use the logos on an angle
    - alter the proportions of the elements
    - combine logos with another logo

### 3 Always follow the established policy of use of PM-International Trademark Logos, Brands and Names – available on our website

### 4 Avoid giving the impression to be representing PM

You do not have authorization to speak on behalf of PM or represent PM in any way other than as an independent distributor. You should always mark yourself as an *“Independent Team Partner”* or *“Independent distributor”*.

### 5 Social Media profiles and accounts

Do not use company trademarked logos for profile pictures.

Do not use company trade names or trademarks when naming your pages or groups.

### 6 Your personal opinion counts.

When commenting in any PM, TP or any other page related to the company, please be sure to write in the first person and make it clear that what is being said is your personal opinion and not that of the company.

#### Claims and Testimonial

On no account may you attribute therapeutic or healing properties to PM products. Avoid making any health claims at all times.

Do not make claims or testimonials about PM products or services that are not found in official PM literature or posted on PM’s official websites.

Do not state or imply that any of PM products is useful in the diagnosis, treatment, cure or prevention of any disease, illness, injury, or other medical condition.

#### Posting and Sharing

Only post and share company approved photos, promotional videos and marketing materials.

#### Don’t overshare

Only authorized personnel of PM may publish official statements, announcements and publications.

Do not post anyone’s identification documents, confidential PM information or sensitive financial information on any social media.

#### Don’t tell secrets

Internal matters must remain internal. Protect all confidential information and business secrets PM.

#### Act responsibly

You are responsible for what you disclose.

#### Special promotions, prices and terms of delivery.

All promotions, discounts or any other special terms you want to disclose as marketing for your business must be clearly accepted by PM.

No product sales or enrolments may occur on or through any social media site.

Do not post unauthorized PM commercial communications (such as spam).

Do not contact your friends’ friends for commercial communications (such as spam).

#### Be respectful

Protect and respect the privacy and opinion of others. Always be fair and courteous to everyone on behalf of PM.

#### Ask permission

Ask permission to your customer before using their photos, testimonials or any other information that does not belong to you personally.

## Be sensible

When posting, avoid using statements, photos, video or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating, that disparage customers, co-workers or suppliers, or that might constitute harassment or bullying.

## Respect other people's opinion

Don't delete a comment just because you disagree with the commenter's point of view. You may delete any comments that are abusive, obscene, obviously spam or have links to irrelevant or inappropriate blogs or websites.

Avoid personal attacks, online fights, and hostile personalities.

## Evaluate accuracy and truthfulness

Always make sure what you are posting is accurate. If you find that you've made a mistake, admit it, apologize, correct it and move on.

## Show good judgment

Show good judgment when "friending" someone, "liking" something within a social network, or "checking in" with a location-based service. **Remember that you are part of PM** in your posts and content.

Your personal use of social media use shouldn't interfere with your loyalty to PM.

## Obey the law

Don't post any information or have any online activity that may violate applicable local, state, or federal laws and regulations.

Do not post content or take any action on any social media that infringes or violates someone else's rights or otherwise violates the law.

## Reposting Social Content

Don't pass content off as your own work or hide the fact that someone else created it. The general rule is that you can't use a copyrighted work without express authorization from the owner

Please tag, mention or hashtag when reposting any of our social media content.

By posting on our official Social Media pages or tagging us, you acknowledge and give your consent to PM that your photo(s), your name and likeness may be used and shared by us.

Posting, hash tagging, and sharing images on social media does not give up our copyright but it gives you permission to share and add your contact information for your followers to contact you for further information of our company and products.

If we do not agree with what you reposted or shared, we still have the right to ask you to take it down.

## Slogans

Do not copy, transform or use any slogan, expression or short phrase from other companies and use it as part of PM.

The use of common idioms is allowed as long as no copyrights are infringed.

Do not compare PM with other companies.

Be yourself.

Being professional doesn't mean you can't also speak in a human voice.

## YouTube and other video platforms

View, share and comment on company approved videos.

Do not create and upload/post videos that have not been approved by PM-International.

## Support us

If you come across criticism or funny content about our brand and services, please don't hesitate to contact your Subsidiary. Do not engage in the conversation without prior approval from PM or its subsidiaries.

Comply with Facebook, Instagram, Twitter and other Social Media pages and applications Terms of Service.

This policy does not intend to replace any existing Policy or Terms and Conditions of the social media's where our TP interact.

## Domains and personal websites

You should always have PM's written approval for the use of any domain name and/or register of a personal website.

Trademarks may not be used as your own domain names.

Use of the PM-International brands in word and image is not permissible.

The domain should comply with all legal requirements.

We recommend that you like and share our official social media pages and photos as much as possible.

PM-International supports and will continue to support active participation in social medias.

Important Bylaws as stated in our Team Partner's application form

Please bear in mind that a TP always has to act as an independent and responsible business entrepreneur and has to avoid any possible appearance of acting as an employee of PM or of being entitled to make declarations in the name of PM or on behalf of PM.

Everything a TP says about PM and PM's products must be in accordance with PM's stipulations, especially those in the product catalogue, on the product labels and in other official product information. On no account may a TP attribute therapeutic or healing properties to PM products. PM products are not intended to prevent or cure any disease, illness, or other medical condition.

No income is guaranteed or implied as a Team Partner. No wealth or "lifestyle" claims must be made.

Without the prior written agreement of PM, it is not permissible for a TP to undertake activities for a competitor of PM. A competitor of PM is taken to be any company which

offers goods or services through personal direct marketing or via a network marketing system as well as, independent of the means of distribution, all companies with products partially or fully in a position of competition to PM products.

A TP is obliged to keep every permissible marketing and promotion activity for another company completely separate from marketing and promotion activity for PM and with PM products.

It is not permissible to draw attention to activity for PM or the status as a TP, or to offer goods and services of the other company together with PM products, or to cause other TP of PM in any way whatsoever to purchase goods or services

from the other company or to become active for the other company in addition to or instead of their activity for PM.

A TP sells PM products exclusively by personal direct distribution to end consumers. Distribution via retail outlets, at markets, trade fairs, internet auctions and similar sales events is not permissible.

This policy will be administered in accordance with applicable laws, rules and regulations.

For any questions please do not hesitate to contact your local PM-International Subsidiary

## E. Payment of Commissions and Overrides

### E-1 Independent Distributor Application and Agreement Form.

Commissions and Overrides cannot be paid until a completed Independent Distributor Application Form and Agreement has been received and accepted by PM. Commissions are paid ONLY on the sale of PM products..

### E-2 Calendar Period.

Commissions, overrides, and achievement levels are calculated on a calendar period basis. A calendar period runs from the 1st through the last day of the month.

### E-3 Commission and Override Payment Date.

Commission are paid on the 15th of the month following the preceding calendar period.

NOTE: Should the payment day fall on a legal holiday or weekend, commissions and overrides will then be paid the next regularly scheduled business day. Commissions are paid once a month. Only the Pool Bonus will be paid on a weekly basis.

### E-4 Retail Sales Rule.

To be eligible for monthly override commissions and bonuses, the Distributor are encouraged to provide training and support to their downline Distributors outlined herein (see C-3 and D-13).

### E-5 Commission Payments.

Consult Compensation Plan Graphic and Explanation Brochure.

## F. Purchase and Sale of Products

### F-1 No Purchase Requirements to Become a Distributor.

There is no financial or purchase requirement to become a Distributor.

### F-2 Inventory Loading Prohibited.

The success of PM depends on retail sales to the ultimate consumers. PM strictly prohibits the supply of a product or services to Distributors or prospective Distributors of the Compensation Plan in amounts that are commercially unreasonable. Distributors are not required to carry inventory of products or services or sales aids. PM recognizes that Distributors may wish to purchase certain products in reasonable amounts to enable them to quickly service their customers. However, PM strictly prohibits the purchase of products in unreasonable amounts solely in an attempt to qualify for commissions, bonuses or advancement in the Compensation Plan. Distributors may not purchase more inventory than they can reasonably resell or consume in a month nor may they encourage others to do so. The Independent Distributor Application and Agreement of a Distributor who breaches this prohibition may be terminated.

### F-3 Active Manager .

In order to qualify for being an Active Manager, a Distributor must certify that he/she has made retail sales in the calendar period in which commissions were earned. PM's program is built upon retail sales to the ultimate consumer. PM also recognizes that Distributors may wish to purchase product in reasonable amounts for their own personal or family use. For this reason, a retail sale for bonus purposes shall include sales to nonparticipants as well as sales to Distributors for personal or family use, which are not made for purposes of qualification or advancement. It is PM policy, however, to strictly prohibit the purchase of product or large quantities of inventory in unreasonable amounts solely for the purpose of qualifying for bonuses or advancement in the marketing program. Distributors may not inventory load nor encourage others in the program to load up on inventory. Distributors must fulfill published personal and downline retail sales requirements as well as supervisory responsibilities, to qualify for bonuses, overrides or advancements.

### F-4 Direct Purchase.

All PM Distributors may purchase his/her product and services needs directly from PM. Should an Independent Distributor obtain product from his/her sponsor or upline

Distributor's personal inventory and a replacement product order is not placed and processed through PM, no commissions or overrides will be paid by PM on such transactions.

### F-5 Payment Options.

Purchases may be paid by Cash, Credit card net banking, debit card or any other recognized payment channels.

### F-6 Shipping Costs.

It is the ordering Distributor's sole responsibility to indicate (a) method and means of shipping and (b) destination address. The methods available are stated on each order form and the prepaid costs, if selected, can be calculated by the shipping and handling cost information also provided. If ordering via the internet, shipping costs are figured automatically.

NOTE: Should the receiving party of any order shipped from PM refuse delivery and the shipment be returned to PM, the ordering Independent Distributor's Distributor status will be made "inactive" pending resolution of the delivery refusal. Non-accepted delivery charges will not be refunded.

### F-7 Timely Product and Materials Delivery.

Upon clearance of payment, PM processes for shipment of the products and materials ordered. If an item is temporarily not available (TNA), the consignee is notified by way of the packing list included with the shipment. Should a TNA occur, the item(s) will be shipped as soon as available and usually within ten (10) days of the date the original order and payment was received.

### F-8 Damaged Goods.

PM is not responsible for any damage that occurs after distributor takes physical custody of the goods, without informing about the same by way of endorsement in the delivery receipt. A Distributor who receives damaged goods should follow this procedure:

- a) Accept delivery.
- b) Save the damaged products or boxes for inspection by the shipping agent.
- c) Call the PM office to make arrangements to have the damaged goods inspected.

## F-9 Price Changes.

All PM product and literature prices are subject to change without prior notice.

## F-10 Receipts.

PM Distributors will provide all retail purchasers of PM products with written receipts. Distributor shall also inform the customer about the return policy of the company.

## F-11 Good & Services Tax.

Please refer to B-14 re GST.

## F-12 Retail Outlets.

PM products are not to be sold to or in, or be displayed by any retail outlet, including, but not limited to, flea markets or swap meets, shopping mall booths, or restaurants.

## F-13 Service Oriented Establishments.

It is permissible to take orders for PM products and services in businesses such as professional services offices or similar non-retail establishments.

## F-14 Prohibition on display for sale/ sales through online market places/ website

No distributor will engage in any retail activity using online platforms/market places nor shall

the products of PM be displayed on any such website, whether of third party or the one created by distributor him/herself for offering product for sale, without explicit consent of the company.



## G. Retail Guarantee, Buy-Back Guarantee and Refund Policy

### G-1 Retail Customer Returns.

PM offers a 100% money-back guarantee to all retail customers. Every PM Distributor is bound by their Independent Distributor Application and Agreement and the Policies & Procedures to honor this guarantee. If a retail customer is dissatisfied with any PM product for any reason, then that retail customer may return that product to the Distributor from whom it was purchased, within 30 days, for a full refund of the purchase price.

PM will replace the returned product providing the following steps and conditions are met:

- a) The product is returned to PM by the Distributor through whom the purchase was made.
- b) The product must be received by PM within ten (10) days of the return date to the Distributor.
- c) The return is accompanied by a completed and signed statement including:
  1. A signed statement from the retail customer identifying the reason for the return, if known;
  2. a copy of the original retail sales receipt, and
  3. the unused portion of the product in its original container should not be less than 70%.
  4. The name, address, telephone number, and email address of the retail customer.
- d) Proper shipping carton(s) and packing materials are to be used in packaging the product(s) being returned for replacement, and the best and most economical means of shipping is suggested.

PM will not refund, to any Distributor, the purchase price of any retail customer returns and no replacement of product will be made if the conditions of this Rule are not met.

### G-2 Distributor Returns.

If a Distributor is dissatisfied with any PM products or services for any reason, then he may return that product or service to PM on the following terms.

Distributors may return unsold inventory to PM as follows.

#### *Physical Items Held in Inventory –*

All Distributors may return any physical products held in inventory, for a refund at any time and for any reason, provided such return is made within THIRTY DAYS of original purchase and the returned physical product is in resalable, currently re-marketable, condition. Upon receipt of a returned physical product, the Distributor shall be reimbursed 100% of the amount paid for the same less a 10% re-stocking fee. Shipping charges incurred by a Distributor on the original purchase of the physical item will not be refunded, and the Distributor shall bear all shipping charges necessary to return the physical products for refund to PM.

Original purchases made through a credit card will be refunded by crediting the refund amount back to the same credit card. Where a Distributor was paid a commission, bonus, or other incentive based on the purchase and resale of a returned product or cancelled service, and such product is subsequently returned or cancelled under this provision, all commissions, bonuses, and other remuneration paid to the Distributor shall be set off against the applicable refund amount.

PM will refund the returned product providing the following steps and conditions are met:

- a) The return is accompanied by a completed and signed statement including:
  1. A signed statement from the retail customer identifying the reason for the return, if known;
  2. a copy of the invoice from PM to the Distributor.
- b) Nutritional supplements and cosmetics may be returned within 30 days of the date of the invoice. In case of customer return maximum of 30% of the consumption is permitted, however in case of return from distributor of unsold inventory the product should be in resalable condition.
- c) Proper shipping carton(s) and packing materials are to be used in packaging the product(s) being returned for replacement, and the best and most economical means of shipping is suggested.
- d) Sales aids and promotional items are non-returnable.

PM will not refund the purchase price of any Distributor returns and no replacement of product will be made if the above conditions are not met.

### G-3 Quality Control.

PM will replace, within 30 days of purchase, any product found to be defective. In order to assure that replacement of product will be issued, strict compliance to the following procedures is required:

- a) A written replacement request must be submitted, stating the reason for the request and accompanied by proof of payment and a copy of the packing slip.
- b) PM will instruct the Distributor where to ship the product for inventory and verification. Upon receipt and verification of the product, PM will ship out replacement product as appropriate.

### G-4 Buyer's Right to Cancel.

As mentioned in section F-10, the sale receipt should sets out, among other things, the Buyer's Cancellation Right afforded to the customer. In addition, the Distributor must orally inform the buyer of the ten-day right to cancel at the time the buyer signs the contract of sale or purchases the goods.

### G-5 Distributor's Responsibility.

If a retail customer mails or delivers to a Distributor a valid notice of cancellation prior to midnight on the ten business day after ordering or purchasing the program, service, and/or product, it must be honored by the Distributor. If the buyer has taken delivery of any goods, they must be returned with the notice in substantially as good condition as when delivered. Within 10 business days after receiving the notice, the Distributor must refund all payments made under the contract of sale.

## H. General Provisions

### H-1 Liability.

To the extent permitted by law, PM shall not be liable for and Distributor releases PM from, and waives all claims for any loss of profits, indirect, direct, special or consequential damages or any other loss incurred or suffered by Distributor as a result of (a) the breach by Distributor of the Agreement and/or the terms and conditions of the Agreement, Policies and Procedures, (b) the operation of Distributor's business, (c) any incorrect or wrong data or information provided by Distributor, or (d) the failure to provide any information or data necessary for PM to operate its business, including without limitation, the enrollment and acceptance of Distributor into the Compensation Plan or the payment of Commissions and Bonuses.

### H-2 Record-keeping.

PM encourages all its Distributors to keep complete and accurate records of all their business dealings.

### H-3 Press Inquiries.

Independent Distributors may not solicit media attention or respond to media inquiry on behalf of PM. Nor are any Independent Distributors authorized to give personal testimonials or product information to the media, except as authorized by PM. All media inquiries should be immediately referred to the attention of PM. The prompt response of PM to all media inquiries will assure us of accurate reporting of the success of PM.

### H-4 Intentionally left blank for future use.

### H-5 Amendments.

PM reserves the right to amend the Policies & Procedures set forth herein, its wholesale or suggested retail prices, product availability and formulation, Distributor Application and Agreement and Compensation Plan at its sole discretion. Amendments will be communicated to all Distributors by posting on PM's website or other means. Amendments are effective and binding 30 days after the date of issuance. The Distributor's continuation of his/her PM business or his/her acceptance of commissions after the effective day of any amendment will constitute the Distributor's acceptance of any and all amendments. In the event of any conflict between the Agreement, or the Policies & Procedures and any such amendment, the amendment shall govern.

### H-6 Non-Waiver Provision.

No failure of PM to exercise any power under these Policies & Procedures or to insist upon strict compliance by a Distributor with any obligation or provision herein, and no custom or practice of the parties at variance with these Policies & Procedures, shall constitute a waiver of PM's right to demand exact compliance with these Policies & Procedures. Waiver by PM can be effected only in writing by an authorized officer of PM.

PM's waiver of any particular default by a Distributor shall not affect or impair PM's rights with respect to any subsequent default, nor shall it affect in any way the rights or obligations of any other Distributor. Nor shall any delay or omission by PM to exercise any right arising from default affect or impair PM's rights as to that or any subsequent default.

### H-7 Arbitration.

If any dispute or controversy occurs between the parties relating to the interpretation or implementation of any of the provisions of this Agreement, the dispute will be resolved by arbitration.

Any party may serve notice of its desire to arbitration. The arbitration shall be conducted by a single arbitrator to be appointed by PM. The decision arrived at by the arbitrator shall be final and binding and no appeal shall lie therefrom. The arbitration shall be held in Delhi. The language of the arbitration will be English. The arbitration shall proceed in accordance with the provisions of the Arbitration and Conciliation Act. The costs of the arbitrator shall be divided equally between the parties.

PM, the Distributor and the arbitrator shall maintain the confidentiality of the entire arbitration process and may not disclose to any other person not directly involved in the arbitration process: (i) the substance of, or basis for, the controversy, dispute, or claim; (ii) the content of any testimony or other evidence presented at an arbitration or hearing or obtained through discovery in the arbitration; or (iii) the terms or amount of any arbitration award.

### H-8 Governing Law.

Both PM and the Distributor explicitly agree that in the case of arbitration, the Arbitration and Conciliation Act 1996 shall govern the conduct of the arbitration.

All disputes and claims relating to PM, the Agreement, PM Compensation Plan or its products, the rights and obligations of an Independent Distributor and PM, or any other claims or causes of action relating to the performance of either an Independent Distributor or PM under the Agreement or the Policies & Procedures, and/or an Independent Distributor's purchase of products shall be governed by and/or construed exclusively in accordance with the laws of India without regard to principles of conflicts of laws.

### H-9 Entire Agreement.

This statement of Policies & Procedures (along with the Compensation Plan) is incorporated into the Distributor Application and Agreement and constitutes the entire agreement of the parties regarding their business relationship.

### H-10 Severability.

If under any applicable and binding law or rule of any applicable jurisdiction, any provision of the Agreement, including these Policies & Procedures, or any specification, standard or operating procedure which PM has prescribed is

held to be invalid or unenforceable, PM shall have the right to modify the invalid or unenforceable provision, specification, standard or operating procedure or any portion thereof to the extent required to be valid and enforceable. The Independent Distributor shall be bound by any such modification. The modification will be effective only in the jurisdiction in which it is required.

## H-11 Limitation of Damages.

To the extent permitted by law, PM and its affiliates, officers, directors, employees and other Distributors shall not be liable for, and the Independent Distributor hereby releases the foregoing from, and waives any claim for loss of profit, incidental, special, consequential or exemplary damages which may arise out of any claim whatsoever relating to PM's performance, non-performance, act or omission with respect to the business relationship or other matters between the Independent Distributor and PM whether sounding in contract, tort or strict liability. Furthermore, it is agreed that any damage to the Independent Distributor shall not exceed, and is hereby expressly limited to, the amount of unsold PM services, and/or products owned by the Independent Distributor and commissions owing.

## H-12 Left Blank for future use

## H-13 Privacy Policy & Consent.

Distributors understand and agree that certain personal information relating to the Distributors and the Distributors' business will be collected, used and retained by PM in accordance with PM's Privacy Policy, as amended from time to time, and otherwise in accordance with Indian federal and provincial privacy laws, and the Distributor hereby consents to the same. PM hereby reserves the right to amend or revise the terms of its Privacy Policy without express notice to the Distributor, and the Distributor hereby consents to the same amendments, provided not unreasonably made.

In operating their independent business, a Distributor also agrees to adopt, implement and disseminate a privacy policy that complies with all Indian federal or provincial privacy laws that its business may be subject to, of which you are solely responsible, and which compliance shall be undertaken at your sole expense.

The Distributor acknowledges that its failure to comply with these terms may result in immediate termination of the Distributor Agreement, with no further notice requirement.

Without limiting the Distributor's obligation to comply with federal and provincial privacy laws affecting its own business, at its own expense, PM hereby grants the Distributor, at no additional charge, for the term of the Distributor Agreement, the right to copy and use in its business the PM Privacy Policy, and related privacy policy consents.

Success is as much in the journey as in the goal, and how we reach our goals will determine how worthy we are of achieving them.

# I. Annexure A.

## I-1 PM-International India (PMI) – Distributor Joining Guidelines

The purpose of this document is to provide guidance on various scenarios that may emerge during the distributor joining process, the documentary and other requirements needed to continue to enjoy the benefits of PMI distributorship:

1. A person must himself/herself fill up the distributor application form with true and accurate information and submit the following documents within 30 days from the date of submission of the form i.e a) Original signed Distributor Application form b) valid Government issued ID c) verifiable address proof d) copy of PAN card e) cancelled cheque.  
  
(Valid Government ID/verifiable proof of address can be provided by either of the following Aadhar Card, Voter's ID card, Ration Card, PAN Card, Driving License, Passport).
2. A person who fails to submit the above documents within 30 days will cease to remain a distributor at the expiry of 30 days.
  - If such a person has not purchased any product, the distributorship will cease upon the expiry of such 30 days without any further intimation.
  - If such a person has purchased any product during this period, PMI will immediately suspend operation of such distributor account and inform such person that they have the right to return such product in marketable condition and seek refund of money paid and if they fail to submit the documents within 30 days from the date of purchase of the said products they will cease to remain distributor of PMI without any further intimation.
  - As such person did not fulfil the requirement of Direct Selling Law and contract their distributorship will be considered null and void and they would not be able to claim any benefit of PMI distributorship.
  - Upon cession of distributorship for non-submission of documents – such person will be considered "Free agent" i.e they can re-join the PMI business under any sponsor without any waiting/inactivity period as applicable to PMI distributor.
3. A person who submits the required documents within 30 days of submission of application or purchase of products, whichever is latter, will be considered regular distributor of PMI and will be eligible to avail all benefits of PMI marketing plan. His/her distributorship will be valid for indefinite period subject to his activity within two years from the date of joining and from the date of last purchase i.e in the event distributor fails to make any sale for a period of two years from the date of joining or from the period of last sale of company product, PMI shall be entitled to terminate the contract by giving him/her 7 days notice of the same.
4. A person who becomes a regular distributor by submitting all the required documents will continue to remain a distributor unless he/she resigns or the distributorship is terminated by PMI for inactivity, as stated above, or for violation of terms and conditions and other policies of PMI.
5. A person who resigns or whose distributorship has been terminated by PMI for any reason will not be able to re-join PMI business again without serving an in-activity period of six months from the date of deletion of distributorship. Six months in-activity means that during this period such a person will not attend any PMI meeting, show business plan, sell products or undertake any activity that can be considered to be a business building activity. Such a person is however free to buy products from another distributor for self-consumption.

For any clarification on these guidelines please contact distributor customer service at 011- 41241405 or write at [contact@pm-international.co.in](mailto:contact@pm-international.co.in)