

FM WORLD CLUB RULES

(of 3.10.09 amended on 01.10.2024)

1. Glossary

- 1.1. **FM FM WORLD DISTRIBUTION Business Partner (Distributor)** – a natural person, a legal person, an organisational unit without legal personality having a legal capacity under separate regulations, which has concluded with a **FM WORLD DISTRIBUTION** a **FM WORLD CLUB** membership agreement;
- 1.2. **Code of Ethics – (repealed)**
- 1.3. **FM WORLD Club (FM WORLD Network, Network)** – all Business Partners;
- 1.4.1 **FM WORLD** – **FM WORLD** spółka z ograniczoną odpowiedzialnością (limited liability company) with the registered seat in Wrocław, Poland, at 247 Żmigrodzka street, 51-129 Wrocław incorporated in the National Court Register of Entrepreneurs run for District Court for Wrocław-Fabryczna in Wrocław, 6th Economic Division of the National Court Register under number KRS: 0000411446, TIN: 8952010760, with share capital of company in amount of 182.900,00 złotych,
- 1.4.2 **FM (FM WORLD DISTRIBUTION)** – name and registered office of the **FM WORLD DISTRIBUTION** as well as its country, precise address of office of the Branch, in which official register is the Branch disclosed, number in this register, tax identification number, share capital of the company and its amount
- 1.4.3 **FM WORLD DISTRIBUTION**– **FM WORLD** Distribution spółka z ograniczoną odpowiedzialnością (limited liability company) with the registered seat in Wrocław, Poland, at 247 Żmigrodzka street, 51-129 Wrocław incorporated in the National Court Register of Entrepreneurs run for District Court for Wrocław-Fabryczna in Wrocław, 6th Economic Division of the National Court Register under number KRS: 0000632230, TIN: 8952089916, with share capital of company in amount of 498.500,00 złotych
- 1.5. **FM WORLD Branch (Branch)** – an entity other than **FM WORLD DISTRIBUTION** that runs a business which involves direct sales of **FM WORLD** Products in the MLM system and the provision of services under a franchise agreement with **FM WORLD**;
- 1.6. **Marketing Plan** – a set of principles specifying, among other things, conditions necessary for Business Partners to achieve a given Level of Effectiveness and calculate Remuneration or Trade Discount for achieving a given Level of Effectiveness;
- 1.7. **FM WORLD Products (Products)** – products traded under **FM WORLD** trademark;
- 1.8. **Recommending Entity** – a Business Partner who recommended the cooperation with **FM WORLD DISTRIBUTION** helped join the **FM WORLD Club**;
- 1.9. **Rules** – these Rules of the **FM WORLD Club**, which are an integral part of the Agreement;
- 1.10. **Sponsor** – a Business Partner who is directly above another Business Partner within a Group, indicated as a Sponsor in the **FM WORLD Club Admission Application** (in the Agreement); Business Partner’s Sponsor must not be subject of a change during the effective period of Distribution agreement unless the Rules state otherwise;
- 1.11. **FM WORLD Trademark** – rights to trademarks and designs: “FM”, “FM WORLD”, “FM GROUP”, “FM GROUP FOR HOME”, “FM FEDERICO MAHORA”, “FEDERICO MAHORA”, “MAHORA”, “FM GROUP WORLD”, “T” and “AURILE”, “NUTRICODE”, “UTIQUE”, “FIT6” owned by **FM WORLD**, as well as all copyrights to materials containing the **FM WORLD Trademark**, disseminated on all fields of exploitation;
- 1.12. **Starter Set** – a set of samples of selected **FM WORLD Products** including training and advertising materials.
- 1.13. **Application** – an application for the acceptance to **FM WORLD Club** on a form provided by **FM WORLD DISTRIBUTION** or an **FM WORLD Branch**;
- 1.14. **Agreement, Distribution agreement** – a **FM WORLD CLUB** membership agreement concluded between **FM WORLD DISTRIBUTION** Business Partner and **FM WORLD DISTRIBUTION** or Branch;
- 1.15. **Acquired Number** – a number which was transferred unto disposal of **FM WORLD DISTRIBUTION** or Branch, especially in order to entrust management of Acquired Number to other Business Partner jointly with Rules, which includes Business Partner’s Group who belong to the same Line under which Structure regarding this number was

built, whose Distribution agreement has expired, has been dissolved or temporarily terminated (suspended) or by any other circumstance indicated in Rules which results in transfer of this number unto disposal of **FM WORLD DISTRIBUTION** or Branch;

Other terms used in the Rules should be understood as defined in the Marketing Plan.

2. Membership in the FM WORLD Club

2.1 A Business Partner can be a natural person, aged 16 or older, legal entity or an organisational unit without legal personality having a legal capacity under separate regulations.

2.2.1. A candidate who wishes to join the FM WORLD Club (conclude an Agreement):

- 1) submits to **FM WORLD DISTRIBUTION** or to a Branch two copies of the Application signed by them, subject to point 2.2.2. of the Rules; or
- 2) submits to **FM WORLD DISTRIBUTION** or a Branch an offer to conclude an Agreement by completing an on-line registration form at (indicate precise **FM WORLD DISTRIBUTION** internet site address); or
- 3) submits to **FM WORLD DISTRIBUTION** or a Branch an offer to conclude an Agreement by sending via e-mail a completed Application together with the Rules signed by the Candidate subject to point 2.2.2. of the Rules – then point 2.4. of Rules shall apply.

2.2.2. The Agreement may be concluded with an underage provided that a written consent of the statutory representative to conclude the Agreement is submitted to **FM WORLD DISTRIBUTION** or Branch. The statement must be submitted within 30 days from the day of expressing the wish to join the FM World Club in the manner specified in point 2.2.1. of the Rules. Before the delivery of the statement to **FM WORLD DISTRIBUTION** or a Branch, underage will be deemed as a Conditional Partner and can purchase Products or receive Trade Discount amounting in total of 150 EURO gross.

2.3. A Conditional Partner acquires rights, subject to point 2.2.2. above, to order Products and to sponsor new candidates for Business Partners provided that the Recipient (the Customer) must not be a Sponsor. A Conditional Partner cannot become a Seller. Conditional Partner is also not entitled to receive Trade Discount, subject to point 2.2.2. above.

2.4. In situation regulated in point 2.2.1. point 3 of Rules, a candidate who wished to join the FM WORLD CLUB, after sending via e-mail documents indicated in this point, acquires status of Conditional Partner. Conditional Partner is obliged to deliver, within 30 days from sending documents indicated in point 2.2.1. point 3 of Rules, to registered office of **FM WORLD DISTRIBUTION**. Upon ineffective lapse of the aforementioned time limit the conditional membership in FM WORLD Club expires.

2.5. Both **FM WORLD DISTRIBUTION** and a Branch may refuse to conclude an Agreement if:

- a) the period of 6 months mentioned in point 5.8 of the Rules has not yet expired.
- b) A candidate for a Business Partner was already bounded with **FM WORLD DISTRIBUTION** or a Branch by an Agreement and it was terminated due to their violation of the provisions of the Rules, the Marketing Plan or other applicable principles of the operation within the Network or applicable law or a candidate for a Business Partner has participated in another entity as a partner, a member or a shareholder, exercised the owner supervision or actually controlled it as the owner, a partner, a member or a shareholder, was a member of the management board, the supervisory or control bodies or other bodies of the entity bound by an Agreement with **FM WORLD DISTRIBUTION** or a Branch and it was terminated with the entity as a result of their violation of the provisions of the Rules, the Marketing Plan or other applicable principles of the operation within the Network or applicable law.
- c) a candidate for a Business Partner is already bound by the Agreement with **FM WORLD DISTRIBUTION** or a Branch;
- d) a candidate for a Business Partner uses or processes false personal data;
- e) a candidate for a Business Partner has not submitted a written consent of a legal representative for the conclusion of an Agreement.

2.6. The candidate may be a party to the Agreement only with **FM WORLD DISTRIBUTION** or with only one Branch at a time. However, a Business Partner who would like to conclude an Agreement with another Branch or being bound by an Agreement with a Branch would like to conclude an Agreement with **FM WORLD DISTRIBUTION** may terminate the Agreement and has the possibility to continue its activity with the use of the existing Partner Number, provided that such intention is indicated in the content of the termination notice and then submit an application to conclude an Agreement with a selected Branch or **FM WORLD DISTRIBUTION** and conclude an Agreement with it, not later than within 14 days from the date of submitting the termination notice. In the situation referred to in this point, point 2.5. of the Regulations of FM World Club shall apply. However, FM (...), the Branch or FM World are entitled to refuse to change the Branch referred to in this point of the FM World Club Regulations, if such change would aim or result in circumventing or violating the generally applicable law in force for **FM WORLD DISTRIBUTION** or the Branch with which the Business Partner had concluded or will conclude a new Agreement - in particular, it would aim or result in circumventing or violating the relevant tax law. In the situation referred to in the previous sentence, **FM WORLD**

DISTRIBUTION or the Branch shall inform the requesting Business Partner about the impossibility of making the change requested by the Business Partner; then the request submitted by the latter shall be treated as not submitted.

2.7.1 A Business Partner may hold only one Partner Number unless otherwise stated in the Rules or the Marketing Plan.

2.7.2.1. If a Business Partner is granted an Additional Number or Additional Numbers jointly with the Rules or the Marketing Plan, they can be sponsored in any place specified by a Business Partner within their Sales Group.

2.7.2.2. An Additional Number or Additional Numbers may be assigned to the Business Partner or **FM WORLD DISTRIBUTION** Business Partner on the basis of an application submitted by the Partner, in written or electronic form (including a scan signed by the Business Partner or **FM WORLD DISTRIBUTION** Business Partner, provided that the original application is delivered to the Branch or **FM WORLD DISTRIBUTION** Business Partner within 30 days from the date of submitting the application stated in electronic form); in case of failure to submit or defective submission of an application for a Number or Additional Numbers, point 2.4. of the FM World Club Regulations applies accordingly.

2.7.2.3. An Additional Number or Additional Numbers may be assigned to the **FM WORLD DISTRIBUTION** Business Partner also on the basis of an application submitted by the Partner through his Partner account. In such situation point 2.7.2.2. of the Rules does not apply.

2.7.3. The restriction mentioned in point 2.7.2. of the Rules does not apply to Numbers managed by a Business Partner pursuant to agreement concluded under point 5.10.2 of the Rules or Numbers acquired by a Business Partner as a result of the acquisition of a structure mentioned in point 5.10.1. of the Rules.

2.7.4.1/ If a Business Partner who is a Recommending entity of a new **FM WORLD DISTRIBUTION** Business Partner or a Branch remains at the same time its Sponsor, one is entitled to transfer the Partner Number of the new **FM WORLD DISTRIBUTION** Business Partner or a Branch elsewhere in his Group, regardless of the Point Turnover achieved. Section 3.1.3.3. of the Rules shall then apply accordingly.

2.7.4.2. A Recommending entity who is at the same time a Sponsor of a new **FM WORLD DISTRIBUTION** Business Partner or a Branch may exercise the right indicated in section 2.7.4.1. of the Rules and Regulations within 30 days after the new **FM WORLD DISTRIBUTION** Business Partner or Branch joins the FM World Club in the manner specified in section 2.2.1. of the Rules.

2.7.4.3. The entitlement indicated in section 2.7.4.1. of the Rules, a Recommending entity who is at the same time a Sponsor of a new **FM WORLD DISTRIBUTION** Business Partner shall exercise in the manner specified in clause 2.7.2.3. of the Regulations, which shall then apply accordingly.

2.8. Business Partners being partners in a commercial partnership or partners in a private partnership who submitted before 01.01.2014 a written application for being granted a joint Number are treated as a single Business Partner, which particularly means, that they are joint and several debtors with respect to their liabilities and are joint and several creditors with respect to their claims.

2.9.1. The rights and obligations of a Business Partner must not be transferred to another person and are non-transferable to third parties, subject to following stipulations of Rules.

2.9.2. The rights and obligations of a Business Partner can be transferred to another entity when one of the partners in a partnership or civil partnership who have applied for a joint number is no longer a party to the Agreement or a partner in this company. Then the other partners continue their activities using the Number of all partners, but they must inform **FM WORLD DISTRIBUTION** or the Branch in writing within 14 days from the moment of leave of a given Business Partner from the company, under the pain of suspension of the membership in the FM WORLD CLUB of a partnership or civil partnership to which a joint number has been assigned, until **FM WORLD DISTRIBUTION** or the Branch clarifies the issue, subject to point 3.1.7 of the Regulations.

2.9.3. The rights and obligations of a Business Partner may also be transferred to another entity in the event of transfer of rights and obligations under the law

2.9.4.1. The rights and obligations resulting from the Agreement can be inherited. The cumulative conditions for the acquisition by heirs of all the rights and obligation of a deceased Business Partner resulting from the Agreement are:

- a) conclusion by this Business Partner with **FM WORLD DISTRIBUTION** or a Branch of an agreement providing for such a circumstance, however, the possibility of conclusion of such an agreement and its specific criteria will be examined each time in terms of their compliance with the law applicable to a potential testator. In particular, the content of this agreement should indicate a person of the heir who will be entitled to act on the number of the deceased Business Partner on behalf of all heirs;

- b) the heirs will provide to **FM WORLD DISTRIBUTION** or a Branch a final and legally valid court decision regarding ascertainment of the acquisition of inheritance by the heir of the deceased Business Partner or an act of ascertainment of the inheritance by the heir of the deceased Business Partner or equivalent documents resulting from the law applicable to the testator. By the time the heirs deliver the required documents to **FM WORLD DISTRIBUTION** or the Branch, the Number of the deceased Business Partner will be treated as a temporarily suspended Business Partner, subject to point 3.1.7. of the Rules, unless law applicable to the testator provides with other legal effect,
- c) conclusion of a separate agreement, stated in writing under pain of nullity, between **FM WORLD DISTRIBUTION** or the Branch and the Business Partner, which intends to assume all rights and obligations after the deceased Business Partner; under this Agreement, its parties will indicate that:
 - i. Number that belonged to the deceased Business Partner shall become the Main Number of Business Partner who shall assume the rights and obligations concerning its numbers,
 - ii. Numbers previously belonging to the Business Partner ascending assuming rights and obligations will become Additional Numbers,
 - iii. if a person assuming rights and obligations concerning the number of the deceased Business Partner is not a Business Partner, as a result of an agreement, it will become a Business Partner and the number of the deceased Business Partner will become its Main Number,
 - iv. in particularly justified cases resulting, among others, from the need to maintain the balance of the Structure or Structures of FM World Club, **FM WORLD DISTRIBUTION** or Branch are entitled to accept conditions of the agreement other than those indicated above,
- d) submission by the Business Partner who is to acquire the rights to the deceased Business Partner's Number, of a statement in which the Partner acknowledges that in the event that any of the statements made by him within the framework of the agreement referred to in point (c) is not valid or proves to be untrue or inaccurate to the extent that it is impossible for the Business Partner to assume rights and obligations after deceased Business Partner to be legally binding, the concluded agreement will be invalid in its entirety with *ex tunc* effect, and the person making this statement will be obliged to return any amounts or other benefits he receives from **FM WORLD DISTRIBUTION** or the Branch due to his unjustified participation in FM World Club.

2.9.4.2. The transfer of all rights and obligations referred to in clause 2.9.4.1. may be made only if such transfer does not conflict with generally applicable provisions of law, including in particular the testator's ability to make a disposition of property upon death (will). By agreeing to join FM World Club, **FM WORLD DISTRIBUTION** Business Partner or Branch, acknowledges that each case will be recognized on an individual basis, taking into account the specific factual state of a given case and the law applicable to the testator and possible heirs, as a consequence of which possible inheritance of rights and obligations resulting from the Agreement may not be possible. In such a situation, FM World, **FM WORLD DISTRIBUTION** or the Branch will not be obliged to repair any damage, direct or indirect, both incurred and in the form of unreceived benefits. **FM WORLD DISTRIBUTION** Business Partner and Business Partner acknowledge that in case of their death, commissions or discounts not collected before the death of the bequeather due, subject to other provisions of FM World Club Regulations, including in particular point 3.3, are not subject to payment, refund or compensation in another form.

2.9.5.1. In particularly justified cases, at the prior request of the Business Partner or **FM WORLD DISTRIBUTION** Business Partners, it is allowed to transfer all rights and obligations resulting from the conclusion by that Business Partner or **FM WORLD DISTRIBUTION** Business Partners Agreement or other agreements concluded by this Business Partner or **FM WORLD DISTRIBUTION** Business Partners. in connection with his or their participation in FM World Club and concluded on his or their Partner Number or Partner Numbers, to a limited liability company. The transfer of all rights and obligations referred to in the previous sentence may be made taking into account the following rules:

- a. the limited liability company to which the transfer of all rights and obligations is to be made must exist at the time the request for transfer of all rights and obligations is made,
- b. the maximum number of shareholders of a limited liability company may not exceed 4 natural persons (both **FM WORLD DISTRIBUTION** Business Partners and third parties)
- c. each of the shareholders of the limited liability company to which all rights and obligations are to be transferred must conclude an Agreement with **FM WORLD DISTRIBUTION** at least on the status of the User - however, the new Partner Numbers assigned to **FM WORLD DISTRIBUTION** Business Partners as a result of performing the obligation under this letter will not be subject to the transfer of all rights and obligations referred to in this point,
- d. the Business Partner or **FM WORLD DISTRIBUTION** Business Partners wishing to transfer their Partner Number or Numbers must submit a written application to **FM WORLD DISTRIBUTION** in which they indicate their willingness to transfer all their rights and obligations to the limited liability company; such an application may be submitted in an electronic form (including a scan of the application signed by the Business Partner or Business Partners of **FM WORLD DISTRIBUTION** on condition that the original application is delivered to **FM WORLD DISTRIBUTION** within 30 days from the date of submitting the application stated in an electronic form, under pain of acknowledging that the application to transfer all rights and obligations was not submitted;
- e. in the application referred to in letter (d) above, **FM WORLD DISTRIBUTION** Business Partners should indicate which of their Partner Numbers transferred to the limited liability company will constitute the main

- Partner Number assigned to the limited liability company; the remaining numbers assigned to other **FM WORLD DISTRIBUTION** Business Partners, which have not been indicated as the main Partner Number assigned to the company, will become Additional Numbers of the indicated Partnership Number of the company; on pain of choosing the Partner Number for the limited liability company by **FM WORLD DISTRIBUTION**
- f. to the application referred to in letter (d) above, **FM WORLD DISTRIBUTION** Partner or Business Partners, are obliged or required to attach an excerpt from the relevant register (.....) regarding his or their business activity and limited liability company, valid as at the date of submitting the application, as well as provide a limited liability company agreement to which the Affiliate Number is to be transferred of a Business Partner or Business Partners of **FM WORLD DISTRIBUTION**.

2.9.5.2. The transfer of all rights and obligations referred to in point 2.9.5.1. may take place only within the scope of all agreements, including the Partnership Agreement, concluded by this **FM WORLD DISTRIBUTION** Business Partner or Business Partners on a given Partner number with **FM WORLD DISTRIBUTION** in connection with the participation of the **FM WORLD DISTRIBUTION** Business Partner or Business Partners in FM World Club. Partial cession is not allowed. The obligation resulting from this point includes, in particular, contracts for direct sales and provision of advertising services for FM World Network and Products, order agreements and any agreements concerning participation in incentive schemes. In order to be valid, the transfer of all rights and obligations concerning the agreements referred to in this point shall require the conclusion of a separate agreement, stated in writing under pain of nullity. In case more than one **FM WORLD DISTRIBUTION** Business Partner concludes the agreements referred to in the third sentence of this point by FM Business Partners **FM WORLD DISTRIBUTION**, in the content of the agreement referred to in the previous sentence **FM WORLD DISTRIBUTION** Business Partners and **FM WORLD DISTRIBUTION** will indicate that the limited liability company appointed by them may be bound only by one agreement referred to in the third sentence of this point with **FM WORLD DISTRIBUTION** and the other agreements concluded by **FM WORLD DISTRIBUTION** Business Partners will expire as a result of concluding the agreement referred to in the previous sentence of this point. However, if the **FM WORLD DISTRIBUTION** Business Partner or Business Partners, prior to the transfer of all rights and obligations referred to in point 2.9.5.1. concluded a separate agreement on the management of structures referred to in point 5.10.1. of the Regulations, then such an agreement shall not be transferred to the limited liability company referred to in point 2.9.5.1., but shall expire at the moment of concluding the agreement referred to in point 2.9.5.3. without the need for any additional declarations of intent by any of the Parties in any form.

2.9.5.3. The transfer of all rights and obligations referred to in point 2.9.5.1. shall take place exclusively on the basis of the previously concluded agreement, stated in a previously concluded letter under pain of nullity, in which the requesting **FM WORLD DISTRIBUTION** Business Partner or Business Partners, as well as the limited liability company and **FM WORLD DISTRIBUTION**:

- a) will unconditionally transfer all rights and obligations resulting from the Partnership Agreement and other agreements concluded by this **FM WORLD DISTRIBUTION** Business Partner or Business Partners on a given **FM WORLD DISTRIBUTION** Partner number in connection with the participation of the Business Partner or Business Partners of **FM WORLD DISTRIBUTION** in FM World Club to the limited liability company referred to in point 2.9.5.1,
- b) The **FM WORLD DISTRIBUTION** Business Partner or Business Partners, who are at the same time shareholders in a limited liability company indicated by him or them, shall undertake not to sell, encumber under any legal title, not to pledge, not to assign by way of security, not to lease, sublease, rent, sublease, use or exploit or otherwise limit the possibility of using or exercising his or their rights in connection with his or their shares in the limited liability company referred to in point 2.9.5.1. for at least 10 years,
- c) The **FM WORLD DISTRIBUTION** Business Partner or Business Partners shall undertake to inform **FM WORLD DISTRIBUTION** immediately in case of any changes concerning the limited liability company in which they are or are shareholders, including in particular in case of changes in the persons representing and supervising these entities, changes in ownership - also in case of actual performance of these activities by other persons not indicated in the relevant registers (e.g. as a silent partner),
- d) FM Business Partner or Business Partners **FM WORLD DISTRIBUTION**, who are at the same time shareholders of a limited liability company indicated by him or them, shall undertake not to use information which constitutes a secret of the enterprise of FM WORLD, **FM WORLD DISTRIBUTION** Branch or other entities related to them personally or financially,
- e) a limited liability company established by the **FM WORLD DISTRIBUTION** Business Partner or Business Partners will undertake to comply with the provisions of the Regulations, Marketing Plan as well as other documents regulating the Business Partner's participation in the FM World Club.

2.9.5.4. The agreement indicated in point 2.9.5.3. of the FM World Club Regulations may contain other conditions or criteria for the conclusion of the assignment, not resulting from the content of points 2.9.5.1.- 2.9.5.7. **FM WORLD DISTRIBUTION** is not responsible for the obligations of the **FM WORLD DISTRIBUTION** Business Partner or Business Partners who have transferred all their rights and obligations to a limited liability company in accordance with points 2.9.5.1.-2.9.5.7 of the Regulations, with respect to third parties with whom the Business Partner or Business Partners have concluded separate agreements, and which as a result of the transfer of all their rights and obligations may be terminated, which have been waived or whose performance will become partially or totally impossible (in particular,

this applies to lease agreements concluded by the Business Partner or Business Partners in connection with their participation in relevant incentive schemes).

2.9.5.5. FM WORLD DISTRIBUTION reserves the right to refuse to conclude the agreement indicated in point 2.9.5.3 on the terms resulting from points 2.9.5.1.- 2.9.5.7 of the Regulations of the FM World Club, including in particular if:

- a) the **FM WORLD DISTRIBUTION** Business Partner or Business Partners, partner or partners forming part of the limited liability company to which the assignment is to be made, the person or persons forming part of the body authorized to represent or supervise the limited liability company to which the assignment is to be made was or were already bound by the Agreement with **FM WORLD DISTRIBUTION** or the Branch and was dissolved with it as a result of its or their breach of the provisions of the Regulations, Marketing Plan, other applicable rules of operation in the Network or applicable law or the above mentioned persons participated or participate in another entity as their partners, shareholders, shareholders, have exercised or actually controlled the owner's supervision as owners, partners, shareholders or stockholders, were or are part of the management, supervisory or controlling bodies or other bodies of the entity bound by the Agreement with **FM WORLD DISTRIBUTION** or the Branch and it was terminated with this entity as a result of its breach of the provisions of the Regulations, Marketing Plan, other applicable rules of operation in the Network or applicable law,
- b) persons referred to in point (a) use or transmit false personal data,
- c) persons referred to in point (a) promote, use, advertise, sell or otherwise encourage or enable the sale or use of other products or services of third parties, as well as of any other entity, organisation (whether formalised or informal), including in particular entities competing with **FM WORLD**, **FM WORLD DISTRIBUTION** or Branches (conducting business activities in the form of direct sales - in the form of MLM (Multi-Level Marketing)),
- d) the conclusion of an agreement by the given **FM WORLD DISTRIBUTION** Business Partners could pose a threat to the balance or cohesion of the Structure or Structures of **FM WORLD Club**.

2.9.5.6. In case of a possible liquidation of a limited liability company established by a Business Partner or **FM WORLD DISTRIBUTION** Business Partners Partner Numbers or Additional Numbers that will be transferred to this company will become Acquired Numbers within the meaning of the Regulations and, in particular, cannot be assigned to any of the partners as a result of the division of the company's assets as a result of its liquidation or in case the company is liquidated by the court. In the case referred to in the previous sentence, as well as in the case of bankruptcy, restructuring or other similar proceedings as a result of which the partners of a limited liability company formed by an **FM WORLD DISTRIBUTION** Business Partner or Business Partners or a third party would acquire or would acquire rights to Partner Numbers or Additional Numbers, which would be transferred to that company, **FM WORLD DISTRIBUTION** shall have the right to terminate distributor agreements concerning these Partner Numbers or Additional Numbers with immediate effect, or to make the possibility of taking over these Partner Numbers or Additional Numbers subject to the conclusion by the above-mentioned shareholders of a limited liability company established by the **FM WORLD DISTRIBUTION** Business Partner or Business Partners or a third party of a distributor agreement on the terms resulting from the Rules.

2.9.5.7. If the Agreement concluded by **FM WORLD DISTRIBUTION** with any of the **FM WORLD DISTRIBUTION** Business Partners being partners in a limited liability company to which all rights and obligations referred to in point 2.9.5.1. letter (c) of the Rules, will expire, be terminated or be temporarily terminated (suspended) for a period not longer than 6 months, **FM (...)** will be entitled to temporarily terminate (suspend) the Agreement linking **FM WORLD DISTRIBUTION** with the limited liability company to which all rights and obligations have been transferred, until the partner of that company obtains the status of User. If the 6-month period referred to in point 4.1.2.1. of the Regulations expires, **FM WORLD DISTRIBUTION** shall be entitled to terminate the Agreement linking **FM WORLD DISTRIBUTION** with the limited liability company to which all rights and obligations have been transferred, and the Partner Numbers and Additional Numbers transferred to that company shall become Acquired Numbers.

2.10. By joining **FM WORLD CLUB**, Business Partner or **FM WORLD DISTRIBUTION** Business Partner agrees to receive from **FM WORLD DISTRIBUTION** or Branch only benefits resulting from the Regulations, Marketing Plan or agreements binding Business Partner or **FM WORLD DISTRIBUTION** Business Partner with **FM WORLD DISTRIBUTION** or Branch. **FM WORLD DISTRIBUTION** or Branch do not guarantee the achievement of any concrete income, profits or successes for Business Partners or **FM WORLD DISTRIBUTION** Business Partners. Business Partners or **FM WORLD DISTRIBUTION** Business Partners, by accepting the provisions of these Regulations, acknowledge that the benefits of participation in the **FM WORLD CLUB** depends in particular on the involvement and activity of a given Business Partner or **FM WORLD DISTRIBUTION** Business Partner.

2.11. By joining the **FM WORLD CLUB** Business Partner or **FM WORLD DISTRIBUTION** Business Partner, the **FM WORLD DISTRIBUTION** Business Partner acknowledges that:

- a. The relationship between the Business Partner and **FM WORLD DISTRIBUTION** is based on cooperation, trust, honesty, respect, loyalty and caring for the good name of **FM WORLD**,
- b. The Business Partner should refrain from taking actions detrimental to the good name of **FM WORLD**,
- c. is not allowed to disseminate untrue or unreliable information about **FM WORLD**,

- d. Business Partner is obliged to keep confidential information about internal relations between Business Partner and FM WORLD, including information made available in the Partner Zone,
- e. It is forbidden to transfer to third parties, including Business Partners, personal data to which the Business Partner has gained access in connection with membership in the FM WORLD Club,
- f. Login and password to the Partner Zone are confidential,
- g. shall act honestly, lawfully and with respect to other FM WORLD Club members,
- h. practices aimed at fictitious increase of the Point Turnover, thus aiming at receiving an undue Remuneration or Trade Discount are forbidden,
- i. should not increase the Point Turnover in such a way that it does not receive the ordered Products,
- j. shall not engage in misleading, fraudulent or dishonest practices in recruiting and sponsoring new Business Partners.
- k. should not directly or indirectly take any action to induce a Business Partner operating in a particular Group to start or cease operations in another Group,
- l. the information provided by a Business Partner to persons it wishes to attract to its Group should be true, accurate and comprehensive, and provided in a fair and honest manner.

3. Terms and conditions of the operation within the FM WORLD Club

3.1. General terms:

3.1.1. FM WORLD DISTRIBUTION or a Branch sells Products exclusively to Business Partners or **FM WORLD DISTRIBUTION** Business Partners. Sale of products for entities who are not Business Partners is subject to a separate set of rules.

3.1.2. A Business Partner buys product from **FM WORLD DISTRIBUTION** and a Branch at Partner Prices.

3.1.3.1 A Business Partner receives points for the purchase of specific Products from **FM WORLD DISTRIBUTION** or a Branch, respectively.

3.1.3.2. If no payment for purchased Products was made, **FM WORLD DISTRIBUTION** Business Partner or Business Partner will not receive Points.

3.1.3.3. Should Business Partner or **FM WORLD DISTRIBUTION** Business Partner be awarded Points despite of circumstance indicated in point 3.1.3.2. above, **FM WORLD DISTRIBUTION** or Branch will be entitled to correct amount of Points awarded to Business Partner or **FM WORLD DISTRIBUTION** Business Partner by decreasing amount of Points awarded to such Business Partner. If Business Partner will be wrongly awarded Point in a manner specified in this point and in result will receive Remuneration or Trade Discount, **FM WORLD DISTRIBUTION** or Branch will be entitled to demand from such Business Partner return of undue Remuneration or undue Trade Discount.

3.1.4.1. The Points shall be added after the amount due for the purchase of the Products is credited on the bank account provided on a VAT invoice for purchase of Products in the event indicated in point 3.1.3.1. of Rules. In particularly justified cases, in cash-on-delivery, Points will be awarded when payment will be made to carrier, forwarder or other entity by means of which **FM WORLD DISTRIBUTION** or Branch send Products, as well as other entities who were entrusted with delivery of Products to Business Partner. For orders with the cash on delivery payment option, points will be added only when the order status is "delivered".

3.1.4.2. If the ordered Products are not delivered within the deadline specified in the agreement concluded between a Business Partner and **FM WORLD DISTRIBUTION** or a Branch for reasons attributable to **FM WORLD DISTRIBUTION** a Branch or a carrier, a forwarder or other entity by means of which **FM WORLD DISTRIBUTION** or Branch send Products as well as entities entrusted with the delivery of the Products to a Business Partner, **FM WORLD DISTRIBUTION** or a Branch shall add Points to the Business Partner in the month in which they should be awarded to the Business Partner if the ordered Products were delivered to the Business Partner in a timely fashion.

3.1.5. A Business Partner receives Points for the purchase of FM WORLD Products if:

- a) pay, within a specified period of time, however, not shorter than 7 days, the entire sales price for the **FM WORLD DISTRIBUTION** and the Branch Products,
- b) the ordered FM WORLD products with the cash on delivery payment option have been paid for and the order status is "delivered.", subject to point 3.1.4.1 of the Regulations,
- c) make, on a prepayment basis for the goods sent, payment of the entire sale price for the Products purchased from **FM WORLD DISTRIBUTION** and the Branch, subject to point 3.1.4.1 of the Regulations.

3.1.6. **FM WORLD DISTRIBUTION** or Branch will be entitled to send to **FM WORLD DISTRIBUTION** Business Partner an electronic invoice after receiving from Business Partner a prior consent for such activity.

3.1.7. In every year of being a **FM WORLD DISTRIBUTION** Business Partner or a Business Partner (i.e. the following 12 months from the conclusion of the Agreement, and then each subsequent 12 months from the anniversary of the conclusion thereof) at least one purchase of Products for which points are granted must be made. No purchase of

Products for which points are granted within the above-mentioned period results in expiration of Distribution agreement binding Business Partner or **FM WORLD DISTRIBUTION** Business Partner with **FM WORLD DISTRIBUTION** or Branch in scope of this Number and Additional Numbers (if they were awarded), without need of submitting a separate statement be either of the parties, in whatever form. Agreement expires in the day following the day in which 12 months mentioned in first sentence of this point elapses. Business Partner's Number which expired jointly with this point of Rules, on which Business Partner attained Effectiveness Level lower than 12%, at the day of expiration of Distribution agreement, will automatically be deleted from the informatic system, whereas branches placed below this number will automatically be placed under closest active Sponsor in the Line above of Business Partner's Number which expired jointly with this point of Rules. Business Partner Number, which expired jointly with this point of Rules, on which Business Partner attained Effectiveness Level at least 12% becomes an Acquired Number to which points 5.10.1 and 5.10.2 of Rules shall apply.

3.1.8. The attainment of Effectiveness Level specified in the Marketing Plan causes that the Business Partner is entitled to a Discount (User or Recipient) or Remuneration (Seller) granted (paid), respectively, by **FM WORLD DISTRIBUTION** or a Branch, depending on whether a Business Partner has concluded an Agreement with **FM WORLD DISTRIBUTION** or a Branch.

3.1.9. Depending on the status, a Business Partner acquires the right to a Discount or Remuneration related to a given Partner Number for a given Month if they purchase in this Month Products in quantity for which points are awarded in the amount specified in the Marketing Plan.

3.1.10. If Branch awards **FM WORLD DISTRIBUTION** Business Partner Points, jointly with terms agreed between **FM WORLD DISTRIBUTION** and the Branch, they will be included in total amount of Points awarded to **FM WORLD DISTRIBUTION** Business Partner resulting in entitlement for this Business Partner to receive Remuneration or Trade Discount, as if they were awarded directly by **FM WORLD DISTRIBUTION**. If Branch will award Points, mentioned in the previous sentence, against these Rules, such Branch will be solely liable for eventually granting Remuneration or Trade Discount.

3.1.11.1. A Business Partner is obliged to collect consignments with ordered Products in a timely manner and to pay, within the set deadline, the entire sales price for the Products purchased from **FM WORLD DISTRIBUTION** and a Branch, to pay the amounts due for them and, if ordered Products are not collected – to return the actual costs incurred by **FM WORLD DISTRIBUTION** in relation to the Products ordered but not collected, or, in the case of a consumer, to cover the direct costs of returning the Products. If Business Partner who is consumer has expressly opted for a type of delivery other than the least expensive type of standard delivery offered by **FM WORLD DISTRIBUTION** or a Branch, **FM WORLD DISTRIBUTION** or Branch are not required to reimburse supplementary costs. Described list of these costs are indicated in separate regulation. **FM WORLD DISTRIBUTION** is entitled to deduct these costs with due to this this Business Partner from **FM WORLD DISTRIBUTION** Remuneration or to reduce due Trade discount.

3.1.11.2. Should delivery containing ordered **FM WORLD** Products not be collected, which will result in return of such shipment to **FM WORLD DISTRIBUTION**, **FM WORLD DISTRIBUTION** will summon **FM WORLD DISTRIBUTION** Business Partner to comply with its obligation, i.e. to receipt ordered goods in due time of 7 days of the date in which **FM WORLD DISTRIBUTION** will receive returned from **FM WORLD DISTRIBUTION** Business Partner ordered shipment, with indication that upon ineffective receipt or upon refusal of receipt **FM WORLD DISTRIBUTION** will be entitled to withdraw from an agreement in scope of ordered and not collected Products. Upon ineffective lapse of the time limit mentioned in first sentence **FM WORLD DISTRIBUTION** will make a declaration regarding withdrawal from sales agreement in scope of returned Products. However, if delivery containing ordered **FM WORLD** Products will not be collected, which will result in return of such shipment to **FM WORLD DISTRIBUTION** if sales agreement is concluded with a consumer, **FM WORLD DISTRIBUTION** will summon **FM WORLD DISTRIBUTION** Business Partner to indicate whether refusal of receipt of ordered Products **FM WORLD DISTRIBUTION** should deem as **FM WORLD DISTRIBUTION** Business Partner's declaration of withdrawal from sales agreement, regulated in art. 30 of Consumer Law act issued on 30th of May of 2014 (Dz.U. z 2014 r. poz. 827, tj. from 9th of March 2017, Dz. U. from 2017 pos. 683) in scope of returned Products, as well as summon **FM WORLD DISTRIBUTION** Business Partner to comply with its obligation, i.e. to receipt ordered goods in due time of 7 days of the date in which **FM WORLD DISTRIBUTION** will receive returned from **FM WORLD DISTRIBUTION** Business Partner ordered shipment, with indication that upon ineffective receipt or upon refusal of receipt **FM WORLD DISTRIBUTION** will be entitled to withdraw from an agreement in scope of ordered and not collected Products. Upon ineffective lapse of the time limit mentioned in first sentence **FM WORLD DISTRIBUTION** will make a declaration regarding withdrawal from sales agreement in scope of returned Products. **FM WORLD DISTRIBUTION** or a Branch has a right to refuse the processing of an order placed by a Business Partner who violated the obligations specified in the first sentence of point 3.1.11.1 of this Rules.

3.1.12. A Business Partner is not an employee, an agent or a consignee of **FM WORLD**, **FM WORLD DISTRIBUTION** or a Branch or a representative of these entities based on any other arrangement unless the parties explicitly agreed otherwise in writing. Therefore, they are not entitled to undertake any actions, in particular to incur any liabilities, on behalf and for **FM WORLD**, **FM WORLD DISTRIBUTION** or a Branch. A Business Partner cannot use

expressions or names implying or suggesting that they are an employee, plenipotentiary, a manager or a person acting on behalf or for **FM WORLD DISTRIBUTION**, **FM WORLD** or a Branch.

3.1.13. Selling Products directly or providing advertising services with respect to FM WORLD Network and Products as well as promoting Products, a Business Partner can use FM WORLD Trademarks only under terms agreed with **FM WORLD DISTRIBUTION**. Use of FM WORLD Trademarks without such an agreement is forbidden.

3.1.14. The Business Partner is obliged to provide the clients with information about FM WORLD Network and about availability, prices, properties of FM WORLD Products in a reliable manner and in accordance with the data received from, respectively, **FM WORLD DISTRIBUTION** or the Branch contained in current information, advertising and promotional materials prepared by, respectively, **FM WORLD DISTRIBUTION** or the Branch, bearing in mind that Products are original FM WORLD products. The Business Partner must not mislead buyers of the Products.

3.1.15. A Business Partner is obliged to abstain from any actions that could negatively affect the good image of FM WORLD, **FM WORLD DISTRIBUTION** or a Branch, as well as the Products or Services, in particular – from disseminating information that could be harmful for FM WORLD, **FM WORLD DISTRIBUTION** or a Branch as well as other entities, especially as a result of the unlawful use of product names or disseminating false information concerning FM WORLD, **FM WORLD DISTRIBUTION** or a Branch as well as other entities. A Business Partner cannot use the Network as well as its operation and participation in FM WORLD Club to promote, market, advertise or sell any products or services of third parties or any other entities or organisations (whether operating in a formal or informal way).

3.1.16. A Business Partner selling FM WORLD Products cannot do it in a manner contrary to the principles of direct sales, especially at shops, newsagents, stalls or any other fixed, organised points of retail sales, through Internet auctions. The detailed scope of rights and obligations regarding the conduct of direct sales and provision of services by Business Partners is regulated in a separate document, which is an integral part of the Rules.

3.2. Principles concerning business Partner of different statuses:

3.2.1. The Business Partner may operate in the FM WORLD Network, unless the law applicable to **FM WORLD DISTRIBUTION** provides otherwise, as:

- a) **Seller**, i.e. a Business Partner who conducts a business activity that involves direct sales of Products and the provision of advertising services related to the FM WORLD Network and Products who agreed with **FM WORLD DISTRIBUTION** or Branch an agreement regarding direct sales and advertising services agreement. The agreement cannot be concluded with a Conditional Partner; a Seller is only entitled to receive Remuneration for the provided advertising services related to FM WORLD Network and Products.
- b) *(repealed)*
- c) **Receiver (client)** .e. a Business Partner who will submit with the Application a declaration that he will purchase the Products only for his own needs (or those of his relatives). A necessary condition for the Recipient (Customer) to obtain the status of a Seller or a User is to conclude an appropriate agreement or make an appropriate declaration. The Recipient (Customer) is entitled only to Commercial Discount.
- d) **User**, i.e. a Business Partner who is a natural person not conducting business activity and who concludes the Agreement. This means, in particular, that the Application shall at the same time be deemed to be a declaration that the candidate will purchase the Products for his/her own needs, as well as for family members or friends. The User is entitled only to a Commercial Discount.

3.2.2. A Business Partner who is a natural person, purchasing Products at a distance, not directly related to his business or professional activity, may - within 14 days from the date of receiving the package with the ordered Products, Starter Sets or other materials - withdraw from the sales contract. The withdrawal statement should be made in writing and sent before the expiry of the 14-day period referred to in the previous sentence or be sent to the e-mail address of **FM WORLD DISTRIBUTION** or the Branch. The Business Partner shall return to **FM WORLD DISTRIBUTION** the goods covered by the withdrawal within 14 days and shall bear the direct costs of returning the goods. All Points credited to the Business Partner and all other participants of the FM WORLD Network for the sale of Products subject to withdrawal from the sales agreement referred to in this point will be deducted from the number of Points accumulated by them. Adjustment of the Remuneration or Commercial Discount of those Business Partners in connection with withdrawal from the sales agreement and return of goods by the Business Partner shall be made in the month in which **FM WORLD DISTRIBUTION** receives a statement on withdrawal from the sales agreement. If, as a result of the adjustment of Points, the Business Partner is charged with negative points, **FM WORLD DISTRIBUTION** shall be entitled to settle the unduly charged Remuneration or Commercial Discount. The right to withdraw from the agreement referred to above applies only to Products purchased by the Business Partner from **FM WORLD DISTRIBUTION**.

3.3. In each calendar year (by the end of January), **FM WORLD DISTRIBUTION** or Branch will reset all accrued and not withdrew by Business Partners Remuneration or Trade Discount which were awarded jointly with Marketing Plan stipulations. The reset covers within its scope accrued by Business Partners Remuneration or Trade Discount for period from January until December of the year preceding the year in which reset occurs. Remuneration or Trade Discount not

withdrew by Business Partners before this deadline time limit will be subject of no payment, reimbursement or compensation in any other form.

4. System of measures related to a breach of Business Partner's obligations

4.1. FM WORLD DISTRIBUTION or a Branch has the following rights in relation to **FM WORLD DISTRIBUTION** Business Partners or Business Partners breaching the principles of the Rules, Marketing Plan or other applicable principles of operation in the Network set by **FM WORLD DISTRIBUTION** or a Branch, announced and known to Business Partners, or failing to meet undertaken obligations:

4.1.1. depriving the Business Partners of right to sponsor and recommend new Business Partners permanently or for a specified time, which shall be specified in the termination notice;

4.1.2.1. temporary termination (suspension) of the legal relationship with the Business Partner for a period of up to 6 months. The above termination results, in particular, in the inability to purchase from **FM WORLD DISTRIBUTION** or a Branch Products as well as the suspension of advertising services related to **FM WORLD DISTRIBUTION** Network or Products provided to **FM WORLD DISTRIBUTION** or a Branch; as a result, a Business Partner will not be entitled to Remuneration or Trade Discount during the suspension;

4.1.2.2. in particularly justified cases, when **FM WORLD DISTRIBUTION** or Branch will take reliable information regarding Business Partners breach of Rules, Marketing Plan or generally applicable law, **FM WORLD DISTRIBUTION** or Branch are entitled to perform an immediate temporary termination (suspension) of the legal relationship with the Business Partner for a period of up to 6 months, mentioned in point 4.1.2.1. above, – in such case **FM WORLD DISTRIBUTION** or a Branch will summon, in writing or by e-mail, Business Partner to provide an explanation regarding disclosed irregularities in its conduct; if Business Partner will not provide **FM WORLD DISTRIBUTION** or a Branch such explanation or when disclosed irregularities regarding conducts of such Business Partner will be confirmed, **FM WORLD DISTRIBUTION** or Branch will be entitled to perform further actions jointly with this Rules. The above termination results, in particular, in the inability to purchase from **FM WORLD DISTRIBUTION** or a Branch Products as well as the suspension of advertising services related to **FM WORLD DISTRIBUTION** Network or Products provided to **FM WORLD DISTRIBUTION** or a Branch; as a result, a Business Partner will not be entitled to Remuneration or Trade Discount during the suspension;

4.1.3. termination of the Agreement and other agreements between the Business Partner and **FM WORLD DISTRIBUTION** without notice and deletion the Business Partner from the Base if the Business Partner breached the provisions of points 3.1.11.-3.1.16 of the Rules, 4.2. of the Rules;

4.1.4. depriving the right to participate in training, courses and meetings organised by **FM WORLD DISTRIBUTION** a Branch or **FM WORLD** and depriving the right to participate in motivational programs announced by **FM WORLD DISTRIBUTION** a Branch or **FM WORLD**;

4.2. The rights described in point 4.1.-4.1.4. above may be exercised with regard to a Business Partner who undertakes actions aimed to convince another Business partner to terminate the agreement between them and **FM WORLD DISTRIBUTION** or a Branch, to cease their operations within their Group or undertake operations in another Group, and performs other unfair competition acts within the meaning of the act on combating unfair competitions or the act on combating unfair commercial practices.

5. Cessation of membership in FM WORLD Club

5.1 A Business Partner can terminate the Agreement with one week's notice in a form stipulated by the provisions of law, with effect at the end of the calendar month.

5.2. **FM WORLD DISTRIBUTION** can terminate the Agreement with a Business Partner for important reasons with a one week's notice, effective at the end of the month. Important reasons are understood as the default or violation by a Business Partner of principles set out in points 2.11, 3.1.11.-3.1.16. of the Rules, 4.2. of the Rules as well as set out in in separate supplement to this Rules. If the other party to the Agreement concluded such Agreement in connection with conducted business activity, the above-mentioned important reason does not have to be provided.

5.3. The Business Partner who has concluded an Agreement with **FM WORLD DISTRIBUTION** may withdraw from it in cases provided for by law. With regard to specific Products purchased by the Business Partner from **FM WORLD DISTRIBUTION** it may withdraw from the Sales Agreement covering these Products on the terms indicated in these Regulations. A person resigning from the Sales Network has the right to resell **FM WORLD DISTRIBUTION** or the Branch for at least 90% of the purchase price of all **FM World** Products and Starter Sets suitable for sale purchased from **FM WORLD DISTRIBUTION** or the Branch as well as any other informational and instructional materials, advertisements, samples, presentation and promotional kits on the condition that they are returned in a condition suitable for further sale or used in accordance with their intended use - purchased within 6 months preceding the date of submitting the resignation of **FM WORLD DISTRIBUTION** or the Branch. The exercise of the right referred to in the previous sentence shall not be connected with the return of the Discount or Remuneration. In case of concluding an Agreement

with a Branch of FM WORLD, the above agreement may be concluded in case when it is provided for by the law of the country of the Branch seat.

5.4. If a Business Partner withdraws its consent for the processing of their personal data, the Agreement expires.

5.5. The Agreement expires also in relation to a partner of a partnership or a civil law partnership whose all members filed an application for being granted a joint Number once they cease being a partner of such a partnership or a civil law partnership.

5.6. The Agreement expires once a Business Partner being a legal person or an organisational unit without legal personality having a legal capacity under separate regulations is removed from the register. The Agreement expires upon the death of a Business Partner unless the parties to the Agreement have arranged that the rights and obligations hereunder are transferred to heirs, subject to point 2.9.4. of the Rules. Business Partner or **FM WORLD DISTRIBUTION** Business Partner who runs a one-man business activity in connection to which an Agreement or other agreements were concluded with **FM WORLD DISTRIBUTION** or Branch ceases to run a business activity, which will result in removal from the proper register, point 5.7 of Rules shall apply provided that all other agreements concluded between **FM WORLD DISTRIBUTION** Business Partner and **FM WORLD DISTRIBUTION** will automatically be terminated, whereas Partners status will automatically be changed to User, which will not exclude Partner's possibility to change its status by concluding new agreements.

5.7. Termination or expiration of the Agreement causes automatic termination of all other agreements concluded between the Business Partner and **FM WORLD DISTRIBUTION** or a Branch.

5.8. A person who ceased being a Business partner due to the termination of the Agreement can rejoin FM WORLD Club after 6 months from the cessation of membership, subject to point 5.9 below.

5.9. In exceptional circumstances, **FM WORLD DISTRIBUTION** or a Branch can conclude an Agreement with a person whose Agreement has been terminated prior to the lapse of the period of 6 months mentioned in the previous point.

5.10.1 **FM WORLD DISTRIBUTION** shall assign the Acquired Number, by prior conclusion of a separate written agreement under pain of nullity, to the closest active Sponsor remaining in the Line over the Business Partner Number, whose Agreement expired, was terminated or was temporarily terminated (suspended) for a period not longer than 6 months, who is entitled and obliged to conduct business activity involving management over that Business Partner Group using the Acquired Number. The condition for the possibility of taking over such a structure is obtaining by the Sponsor taking over the Business Partner's structure, in each of the 6 months preceding the expiration, termination or temporary termination of the Business Partner's Agreement, whose structure is to be managed, of the Performance Level - in accordance with the Marketing Plan - of at least 12%.

5.10.2 **FM WORLD DISTRIBUTION** reserves the right to transfer for management, on the basis of a separate written agreement concluded previously, under pain of nullity, the Acquired Number referred to in point 5.10.1 of the Regulations, to another Business Partner or **FM WORLD DISTRIBUTION** Business Partner, if in each of the 6 months preceding the expiry, termination or temporary termination of the Business Partner Agreement whose structure is to be managed, the **FM WORLD DISTRIBUTION** Business Partner or Business Partner obtains the Effectiveness Level - according to the Marketing Plan - of at least 12%. A Business Partner or **FM WORLD DISTRIBUTION** Business Partner managing the acquired structure is not authorised to conduct business activity using the Business Partner Number whose membership has ceased, but only to manage this structure. He is also not authorised to use the Conditional Partner Number whose membership has ceased as a result of failure to provide the documents referred to in point 2.4. above and therefore no Agreement is concluded.

5.10.3.1. In particularly justified cases (such as illness, an accident, rehabilitation, old age, incapacitation or any other circumstance which may affect Business Partner of **FM WORLD DISTRIBUTION** Business Partner capacity to enter into legal transactions), Business Partner of **FM WORLD DISTRIBUTION** Business Partner may submit a written motion to **FM WORLD DISTRIBUTION** or Branch regarding transferring into management of Business Partner's or **FM WORLD DISTRIBUTION** Business Partner's Number (as well as theirs Additional Number, if they were granted) to the close person of this Partner. Together with this motion Partner may submit another motion regarding conclusion of an agreement indicated in point 2.9.4. of Rules.

5.10.3.2. Together with motion mentioned in 5.10.3.1. of Rules, Business Partner or **FM WORLD DISTRIBUTION** Business Partner should submit:

- a. documents, from contents of which circumstances of submitting such motion basing on this point of Rules will result,
- b. justification of submitted motion,
- c. indication of the person, who will be transferred onto Numbers of this Partner into management,

d. documents (applicable by law – especially public registry records, final and legally valid court decisions) from contents of which consanguinity, adoption, guardianship or legal supervision or other legal binds of person indicated in letter c. with Partner will result.

5.10.3.3. A close person is spouse, ascendant, descendant, sibling, adopted people, people remaining under guardianship or legal supervision (only during adoption, guardianship or legal supervision).

5.10.3.4. FM WORLD DISTRIBUTION or Branch will summon Partner submitting motion mentioned in 5.10.3.1. of Rules to provide additional explanation or to supplement missing documents, if submitted motion will be incomplete, unclear or will be impossible to be included, as well as to provide additional explanations or documents mentioned in point 5.10.3.2. of Rules, if they will be incomplete, unclear, raising concerns regarding their content – within a month from receiving a motion by **FM WORLD DISTRIBUTION** or Branch.

5.10.3.5. If the motion will be supplemented contrary to manner indicated in 5.10.3.4. of Rules or will be supplemented in a wrong manner or a manner which deems impossible proper consideration of Partner's motion mentioned in 5.10.3.1. of Rules, such motion will remain unprocessed, which will be ground for payment to the Partner of no remuneration, trade discount or compensation in any other form.

5.10.3.6. If the motion mentioned in 5.10.3.1. of Rules will be accepted, **FM WORLD DISTRIBUTION** or Branch will conclude with person indicated by the Partner in a motion a prior, written, under pain of nullity, agreement regarding management of this Partner's Numbers. Point 5.10.1. of Rules shall apply accordingly, whereby to the person indicated in Partner's motion no restrictions indicated in this point of Rules shall apply. If the person indicated by the Partner in the motion is not a Business Partner or **FM WORLD DISTRIBUTION** Business Partner, agreement will be concluded on condition that this person will join FM WORLD Club jointly with this Rules.

5.10.3.7. Agreement regarding entrusting the management of Numbers of Partner who submitted the motion may be concluded for the period of one calendar year, without possibility of its extension for further periods. After expiration of agreement parties must conclude another prior, written, under pain of nullity, agreement regarding management of this Partners who submitted motion Numbers.

5.11.1 In the event of expiration of the franchise agreement linking FM WORLD with **FM WORLD DISTRIBUTION** or the Branch, the Business Partner who concluded the Agreement may - within 7 days from the date of learning about the fact of expiration of the franchise agreement, but not later than within 30 days from the date of expiration of this agreement - conclude the Agreement with another Branch.

5.11.2. In order to meet the above deadline, it is sufficient to submit to the Branch selected by the Business Partner a hand-signed, or in the manner referred to in 2.2.1. points 2 and 3 of the Regulations, application to conclude the Agreement, unless there are grounds referred to in point 2.2.1. 2.5. above and the Branch refuses to conclude the Agreement. In the event of concluding the Agreement, the Business Partner retains the current Number. The provisions of point 2.1. 5.8. above do not apply in cases referred to in this point or point 5.11.1 of the Regulations.

5.11.3. If agreement mentioned in point 5.11.1 of this Rules will not be concluded by Business Partner, Number of this Business Partner will be transferred to FM WORLD DISTRIBUTION. Its Numbers will however remain inactive until Business Partner will not conclude an Agreement with FM WORLD DISTRIBUTION jointly with rules specifying form of activity of this entity. If Business Partner will fail to conclude an Agreement with FM WORLD DISTRIBUTION within 12 months following 30 days from the expiry of franchisee agreement, point 3.1.7. of this Rules shall apply accordingly. Upon ineffective lapse of time limit mentioned in previous sentence Business Partner will be entitled to join FM WORLD CLUB exclusively according to rules mentioned in point 2.1. and 2.2.1. of this Rules, unless conditions mentioned in point 2.5. shall apply.

6. Final provisions

6.1 These Rules regulate the legal relationship between **FM WORLD DISTRIBUTION** and **FM WORLD DISTRIBUTION** Business Partner. The provisions of the rules of other Branches may regulate some issues regulated by the provisions of these Rules differently.

6.2. (repealed)

6.3. Matters not regulated by the provisions of these Rules are governed by the provisions of the generally applicable provisions (indicate law applicable to **FM WORLD DISTRIBUTION**)

6.3. In matters not regulated by the provisions of these Rules and Regulations, generally applicable provisions will apply (indicate the law applicable to the Branch).

6.4. **FM WORLD DISTRIBUTION** applies in its legal relations with its Business Partners a standard which takes into account the protection resulting from the law in force in the European Union. However, if the law applicable to **FM**

WORLD DISTRIBUTION provides for a higher standard for legal relations with consumers than that resulting from the law in force in the European Union, **FM WORLD DISTRIBUTION** shall apply the law applicable to **FM WORLD DISTRIBUTION**

6.5. If **FM WORLD DISTRIBUTION** is not located in the European Union or if **FM WORLD DISTRIBUTION** is not obliged to process and protect personal data under the Regulation of the European Parliament and of the Council (EU) 2016/679 of 27 April 2016 on protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46 / EC (General Data Protection Regulation) (Text with EEA relevance) (hereinafter referred to as **GDPR**) on the basis of separate contractual provisions, **FM WORLD DISTRIBUTION** collects and processes data in a standard no lower than that resulting from the **GDPR**.

6.6. **FM WORLD DISTRIBUTION** may, for important reasons, amend the Regulations, the Marketing Plan, as well as other documents defining the mutual relations between the Business Partner and **FM WORLD DISTRIBUTION**. Important reasons are considered to be the introduction of different from the current levels, introduction of new products for sale in the Network, acquisition of rights to use the trade mark, the need to introduce changes in the rules of calculating the Discount or Remuneration, the need to adapt the provisions of the Regulations to the existing legal regulations, the need to regulate the rules of FM WORLD Club membership not covered by the Regulations so far, which raise disputes or doubts in the application by Business Partners, introduction by **FM WORLD DISTRIBUTION** of new functional, organisational or technical solutions, modification or change of the IT system by means of which **FM WORLD DISTRIBUTION** performs its obligations towards Business Partners.

6.7. Within 14 days from receiving the notification, the **FM WORLD DISTRIBUTION** Business Partner will have the right to refuse to agree to the proposed change of the Regulations. Lack of statement submitted in the form provided for by the regulations within the above deadline will be tantamount to acceptance of the proposed change. A refusal to give consent to the proposed change of the Regulations submitted within the above mentioned period shall be tantamount to termination of the Agreement.