

General Terms

Regulations of FM GROUP Club Member

1. Glossary

1.1. Distributor price – it is a Catalogue price decreased by possible concession discounts set and made public to the FM GROUP Members by respectively FM Cosmetics Malaysia or FM GROUP Branch. It is the price at which the FM GROUP Members buy FM GROUP Products from FM Cosmetics Malaysia or FM GROUP Branch.

1.2. Catalogue price – it is a price set and published by FM Cosmetics Malaysia or FM GROUP Branch in the FM GROUP Catalogue which is used when this entity sells FM GROUP Products not including possible promotions or discounts given by FM Cosmetics Malaysia or FM GROUP Branch to the purchasers.

1.3. FM GROUP Member (Distributor or Preferred Customer) – it is an entity that concluded the Agreement with FM Cosmetics Malaysia or FM GROUP Branch, authorizing this entity to operate in the FM GROUP Network.

1.4. FM Cosmetics Malaysia company located at: B-0-5 Megan Avenue 1, 189 Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia engaged in economic activity in the direct sales in the MLM system of FM GROUP Products and provisions of advertising services on the basis of the agreement signed with FM GROUP World.

1.5. FM GROUP World – FM GROUP World Artur Trawinski Sp. k. with the registered seat at 247, Żmigrodzka, Wrocław, Poland, entered into the register of entrepreneurs NCR run by the District Court for Wrocław-Fabryczna in Wrocław VIth Economic Division of the National Court Register under number KRS: 0000268185, NIP: 895-187-00-93, identification number REGON: 020411302.

1.6. FM GROUP Catalogue – a presentation of FM GROUP Products and their Catalogue prices; it is not an offer in the meaning of provisions of the Civil Code but it is only an invitation to place bids by parties interested in the purchase of the FM GROUP Products.

1.7. FM GROUP Club (FM GROUP Network) – all Members of FM GROUP Club (Distributors and Preferred Customers).

1.8. FM ID Number – a unique number consisting of digits or a sequence of digits which is given to a Distributor and Preferred Customer when they sign the Agreement.

1.9. FM GROUP Branch (Branch) – other than FM Cosmetics Malaysia entity running economic activity in the scope of direct sales of FM GROUP Products in the MLM system and rendering services in pursuant to agreements concluded with FM GROUP World.

1.10. Marketing Plan – a set of principles determining, among others, necessary conditions for the FM GROUP Club Members to reach a certain level of effectiveness and a set of principles used to determine the Commissions for the Distributors and Preferred Customers.

1.11. FM GROUP Products – the products occurring in the business trade under the FM GROUP Trade Mark.

1.12. Commission – an amount reserved for the Distributor or Preferred Customer by way of reaching a certain effectiveness level (understood pursuant to the Marketing Plan), calculated in compliance with the principles set in the Marketing Plan; the commission may be in the form of a concession discount or remuneration;

1.13. Regulations – the present Regulations of the FM GROUP Club Member constituting an integral part of the Agreement between FM Cosmetics Malaysia and the Distributor and Preferred Customer;

1.14. Sponsor – a Member of FM GROUP Club who subscribed (sponsored) a candidate for a future FM GROUP Club Member by signing an application to join the FM GROUP Club, who is at the same time a manager of the GROUP of FM GROUP Club Members formed as a result of the subscription sequence which he initiated;

1.15. FM GROUP Trade Mark – means FM GROUP World copyright to the word & figurative trademarks "FM GROUP" as well as the patterns protection law to the word & figurative trademark "FM GROUP" registered by FM GROUP World in the Patent Office of the Republic of Poland.

1.16. Starter Kit and Starter Package – a set of selected FM GROUP Products, packed in original packages together with

informational and promotional materials to be used at the direct sale or provision of promotional services of FM GROUP Products, Network and FM GROUP Trade Mark; however, the copyright to the presentation system is restricted and is the property of FM GROUP World.

2. FM GROUP Club Membership

2.1. A physical entity of full legal age running an economic activity as well as legal entities which are recommended to the FM GROUP Club by its member – the Sponsor - may become the member of the FM GROUP Club.

2.2. A physical entity of full legal age interested in getting a status of the Distributor delivers to FM Cosmetics Malaysia or FM GROUP Branch one application form for the membership in the FM GROUP Club signed by him in his own hand or registers online. The application form can be obtained from FM Cosmetics Malaysia or FM GROUP Branch. The Candidate becomes the Member of the FM GROUP Club after the Candidate's details have been entered into the computer system of the FM GROUP database and having made a purchase of a Starter Kit or Starter Package, acquiring the right to order FM GROUP Products at Distributor price and to subscribe (sponsor) new Candidates for members of the FM GROUP Club.

2.3. A physical entity of full legal age may apply for the Preferred Customer status in the FM Cosmetics Malaysia by delivering a relevant application form which is available on the website of FM Cosmetics Malaysia or FM GROUP Branch, respectively, and by purchasing a set of FM Cosmetics Malaysia catalogues and pricelists. The moment the Candidate is entered into the computer system, the Candidate becomes a Preferred Customer of the FM Cosmetics Malaysia, acquiring the right to order FM GROUP Products at Distributor price, but not to subscribe (sponsor) new Candidates for members of the FM GROUP Club.

2.4. Each physical and legal entity may apply for the membership in the FM GROUP Club. FM Cosmetics Malaysia, as well as FM GROUP Branch may refuse making up the Agreement with the subscribed Candidate for the Member of the FM GROUP Club only when:

a) the period of 6 months since the membership termination, described in paragraph 5.9 of the Regulations has not elapsed;

b) the Candidate for the FM GROUP Club Member has already concluded the Agreement with FM Cosmetics Malaysia or FM GROUP Branch and the Agreement was dissolved with him as a result of the Candidate's breach of the Regulations provisions, Marketing Plan or other principles of operation in the FM GROUP Network.

c) the Candidate for the Member of the FM GROUP Club has already concluded the Agreement with FM Cosmetics Malaysia or FM GROUP Branch.

2.5. The Candidate may be the party of the Agreement only with FM Cosmetics Malaysia, or only with one FM GROUP Branch at one time. However the Member of the FM GROUP Club, who wants to start cooperation and sign the Agreement with other FM GROUP Branch, that the one he is already bound by the Agreement, may:

a) terminate the Agreement pursuant to paragraph 5.1., without the consequences described in paragraph 5.9. and may continue his activities making use of his existing FM ID Number, under the condition that he shows his intention in the notice to terminate the Agreement and under the condition that he shall submit the Application for making up the Agreement to other FM GROUP Branch and sign the Agreement with the other FM GROUP Branch pursuant to the provisions described in paragraphs 2.1. – 2.4. above, immediately after he dissolves the previously binding Agreement; however, not later than 14 days after the Agreement is dissolved;

b) apply to the New FM GROUP Branch, with which he intends to make up the Agreement, to take over liabilities of the FM GROUP Branch with which he has been bound by the Agreement by way of due but not paid Commission. Such a takeover shall occur only upon the consent of those two Branches.

2.6. The Member of the FM GROUP Club may possess only one FM ID Number in the FM GROUP Database with the restriction of paragraph 5.7. and paragraph 5.12. of the Regulations and the cases provided for in the Marketing Plan. In the case of an effective takeover of the rights and obligations of a certain Member of the FM GROUP Club by another entity (New Member of the FM GROUP Club), the New Member of the FM GROUP Club is given an FM ID Number, under which the Member of the FM GROUP Club operated and from which the New Member of the FM GROUP Club took over the rights and obligations.

2.7. The Members of the FM GROUP Club who are the shareholders of the partnerships of the commercial law or partners of the civil partnership, may lodge a joint application in writing to grant them one joint FM ID Number. In this case these entities shall be regarded as one Member of the FM GROUP Club in the system of orders and settlements, which means in particular that in the scope of their liabilities they are joint and several debtors and in the scope of their claims they are joint and several creditors.

2.8. The rights and obligations of the Member of the FM GROUP Club may not be assigned to any other person and they are not assigned to third parties in other cases, except for the situation when:

(a) one of the shareholders of the partnership of the commercial law or civil partnership, who applied for one joint FM ID Number pursuant to paragraph 2.7 above, ceased to be the party of the Agreement or ceased to be the shareholder of this company. Then the remaining shareholders continue economic activities described in paragraph 2.7 above, using the FM ID Number reserved for all these shareholders.

(b) upon a prior consent in writing of FM Cosmetics Malaysia or FM GROUP Branch, respectively, the Member of the FM GROUP Club shall introduce any physical entity of age or legal entity for his own place as a FM GROUP Member - the party of the Agreement pursuant to a written agreement about the takeover of the rights and obligations of the withdrawing Member of the FM GROUP Club. Refusal of the consent shall occur in particular with regard to the entity who was previously deprived of the membership in the FM GROUP Club for the infringement of the Regulations provisions or other adopted and announced principles of operation in the FM GROUP Network known to the Members of The FM GROUP Club or in the situation when the period of 6 months from the cessation of the membership, described in paragraph 6.9 of the regulations has not elapsed yet or when the Candidate for the Member of the FM GROUP Club is already bound by the Agreement with FM Cosmetics Malaysia or FM GROUP Branch;

(c) a capital company shall be formed as a result of the merger or transformation of the legal entity that is the Member of the FM GROUP Club or the partnership in which all shareholders were given, upon their application, one FM ID Number, this capital company shall assume the rights and obligations of the Member (Members) of the FM GROUP Club undergoing the merger or transformation. In case capital companies or partnerships whose all the shareholders and partners were granted, upon their application, one FM ID Number, are transformed or merged and only one of them is the Member of the FM GROUP Club, the newly formed capital company shall continue its activities under the FM ID Number given to the Member of the FM GROUP Club undergoing the transformation or merger. In case of the merger of the capital companies or partnerships in which all the shareholders were given, upon their application, one FM ID Number, and more than one company is the Member of the FM GROUP Club, the new capital company, created as a result of the merger has the right to make a choice of the FM ID Number under which it shall continue its activities. Within 14 days the company should make a statement in writing informing what FM ID Number it shall use continuing its activities as the Member of the FM GROUP Club. In case of ineffective elapse of the time limit described above, FM Cosmetics Malaysia or FM GROUP Branch, respectively shall select the FM ID Number and notify the company about it;

(d) the capital company, that is the Member of the FM GROUP Club, undergoes the division. In this situation the rights and obligations of the Member of the FM GROUP Club are transferred to this taking over company or a new company created as a result of the division; the company on the day of the division or separation assumed the rights and obligations resulting from the Membership in the FM GROUP Club pursuant to the division plan, of the company which has been the Member of the FM GROUP Club. The company is obliged to notify FM Cosmetics Malaysia or FM GROUP Branch, respectively, about assumption of the rights and obligations within 14 days. In the case the rights and obligations are assigned to more than one company or rights and obligations are not assigned to any of the company in the division plan, the companies making a takeover or new companies created as a result of the division are obliged to appoint jointly in writing in the aforementioned time limit one company which shall execute the rights and obligations of the Member of the FM GROUP Club under the rigour of recognizing the declarations made by any of the companies to FM Cosmetics Malaysia or FM GROUP Branch as ineffective on the basis of the relations resulting from the Agreement and as described in paragraph 3.2.2. below. Ineffective elapse of the aforementioned time limits constitutes the grounds to terminate the Agreement by FM Cosmetics Malaysia or FM GROUP Branch respectively;

(e) in the Agreement, the Parties agreed, that the rights and obligations resulting from the Agreement pass to the heirs of the deceased FM GROUP Member.

3. Principles and conditions of operation in the FM GROUP Club

3.1. General conditions

3.1.1. FM Cosmetics Malaysia or FM GROUP Branch sells FM GROUP Products exclusively to Members of the FM GROUP Club.

3.1.2. Distributor and Preferred Customer purchase FM GROUP Products from FM Cosmetics Malaysia or from FM GROUP Branch at the Distributor Prices, and the amount of potential Catalogue Price discounts shall be announced on the FM Cosmetics Malaysia or FM GROUP Branch website respectively, or communicated in some other accepted way.

3.1.3. Distributor and Preferred Customer receive points for the purchase of indicated FM GROUP Products made directly from FM Cosmetics Malaysia or Branch, depending on with who the Distributor or Preferred Customer have signed the Agreement - FM GROUP or Branch.

3.1.4. The list of FM GROUP Products that are granted with points as well as the number of points for the purchase from FM GROUP or Branch of the FM GROUP Products is communicated by the FM GROUP or Branch to the Members of the FM GROUP Club in such a way that at every moment of placing an order for FM GROUP Products the Members can get acquainted with the number of points received for their purchase.

3.1.5. Unless the Member of The FM GROUP Club makes purchase of FM GROUP Products within 12 months of the Accounting period, for which he receives at least 103,26 points, the Agreement expires on the day that follows the end of accounting period. The first 12-month accounting period is counted from the day of signing the Agreement, and each next 12-month accounting period – from the day 12 months after the signing of the Agreement.

3.1.6. Reaching the level of efficiency determined by the Marketing Plan entitles the Member of the FM GROUP Club to a Commission in the form of a discount or remuneration granted (paid) by FM Cosmetics Malaysia or Branch respectively, depending on which party the Member of the FM GROUP Club has signed the Agreement with, i.e. FM Cosmetics Malaysia or FM GROUP Branch. The format of commission in the case of Distributor can be total redemption against products, partial redemption against products or full payment in cash/cheque. Preferred Customers receive their commission in form of total redemption against products only.

3.1.7. The amount of Commission attributable to a Member of the FM GROUP Club shall be each time reduced by the amount of contribution (including contributions to social and health security, withholding tax), if in connection with the granting of discounts or remuneration the law provides the obligation to pay it.

3.1.8. FM Club Member is granted the right to a Commission for a given calendar month (accounting period) by purchasing FM GROUP Products equivalent to at least 34,42 points in total in this month.

3.1.9. FM GROUP Branch (or FM Cosmetics Malaysia respectively, depending on with whom the Member of the FM GROUP Club has signed the Agreement) can grant the abovementioned Commission to the FM GROUP Member also in the case of purchasing FM GROUP Products from this FM GROUP Branch (FM Cosmetics Malaysia) despite the fact that the FM GROUP Member has not signed with this FM GROUP Branch (FM Cosmetics Malaysia) any Agreement, under the condition of equal and fair treatment of all Members of the FM GROUP Club by this Branch (FM Cosmetics Malaysia). If within the above-referenced power, FM GROUP Branch (or FM Cosmetics Malaysia) grants to FM GROUP Member the points mentioned in paragraph 3.1.3. and the following of these Regulations, in accordance with the principles agreed between FM GROUP World and a given Branch (or FM Cosmetics Malaysia), they will constitute – at amount of not more than 550.80 points in the accounting period - the basis for calculating the FM GROUP Member's Commissions referred to in paragraph 3.1.8. and 3.1.10. of the Regulations, by FM Cosmetics Malaysia (or Branch) as if they were granted by FM Cosmetics Malaysia (or Branch). If the points were granted by FM GROUP Branch (or FM Cosmetics Malaysia) against the principles referred to in the preceding sentence, it is exclusively the Branch (or FM Cosmetics Malaysia) that awarded the points that is responsible for the payment of Commissions.

3.1.10. The rules for determination of the efficiency level of points collected by the Member the FM GROUP Club and the rules for assessment of the Commission to which this Member is entitled due to attainment of the efficiency level are set in the Marketing Plan.

3.1.11. The Member of the FM GROUP Club is obliged to collect timely delivery of the FM GROUP Products ordered by him and settle the amount due for it, and, in case the delivery is not collected, to reimburse the shipment costs and the costs of returning the package to the sender. Failure to receive the package containing FM GROUP Products ordered, and as a consequence their returning to FM Cosmetics Malaysia, shall be treated as a withdrawal from the Sales Agreement with regard to the returned FM GROUP Products. FM Cosmetics Malaysia or Branch of FM GROUP has the right to refuse to complete the order of Member of The FM GROUP Club, who breached the obligations described in the first sentence above, as well as, it has the right to deduct the costs of shipment and returning the package to the sender, including the Commission that this Member of the FM GROUP Club is entitled to.

3.1.12. The Member of the FM GROUP Club is not an employee, agent or commission agent of FM GROUP World, FM Cosmetics Malaysia or Branch of FM GROUP; as a Member of the FM GROUP Club he is neither the representative of these parties by any other virtue, unless these parties have explicitly stated otherwise in writing. Therefore, he has no right to undertake any activities, in particular to agree on any obligations, on behalf of and for FM GROUP World, FM Cosmetics Malaysia or the FM GROUP Branch.

3.1.13. However, in case of direct sales of FM GROUP Products and providing advertising services of FM GROUP Network and Trademark as well as promotion of FM GROUP Products, the Member of the FM GROUP Club can use the FM GROUP Trade Mark and advertising, promotional and informational materials published by FM GROUP World or FM Cosmetics Malaysia or Branch respectively. The use of other materials, which are not explicitly accepted by FM GROUP World or FM Cosmetics Malaysia or Branch respectively, is admissible unless it violates the obligations of FM GROUP Member, in particular those indicated in paragraph 3.1.14

and 3.1.15 below. The FM GROUP Member bears exclusive responsibility and whole risk related to the use of such materials.

3.1.14. The FM GROUP Member is required to give information about the FM GROUP Network to the clients, as well as about availability, prices and properties of FM GROUP Products in a reliable way and in concordance with the data received from FM Cosmetics Malaysia or Branch respectively, which are included in the current information, advertising and promotional materials prepared by FM Cosmetics Malaysia or Branch, bearing in mind that FM GROUP Products are original products of FM GROUP World. Under no circumstances the Member of the FM GROUP Club can mislead the purchasers of FM GROUP Products.

3.1.15. The Member of the FM GROUP is obliged to refrain from actions which may harm the reputation of GROUP World, FM Cosmetics Malaysia or FM GROUP Branch as well as the FM GROUP Products, in particular from disseminating information which might be harmful to FM GROUP World, FM Cosmetics Malaysia or FM GROUP Branch as well as other entities, in particular as a result of illegal use of the names of their products.

3.1.16. The FM GROUP Member can present the FM GROUP Products during festive parties, flea markets or fairs, also for advertising purposes or, in the case of FM Distributor only, for subscription of new Candidates.

3.1.17. The FM GROUP Member is obliged to inform in writing FM Cosmetics Malaysia or FM GROUP respectively, about any change with regard to details included in the Agreement or other agreements concluded by him with FM GROUP World, FM Cosmetics Malaysia or FM GROUP Branch, as well as other data made public by him to FM GROUP World, FM Cosmetics Malaysia or FM GROUP Branch. In the case of failure to respect this provision all the actions made by FM GROUP World, FM Cosmetics Malaysia or FM GROUP Branch on the basis of the obtained data and information shall be regarded as performed correctly and being legally effective.

4. Systems of measures applicable in case of breach of the obligations of the FM GROUP Club Member

4.1. If the Member of the FM GROUP Club infringes the principles of the Regulations, Marketing Plan or other operation principles binding in the FM GROUP Network, set by FM Cosmetics Malaysia or FM GROUP Branch respectively, announced and familiar to the Members of the FM GROUP Club who made up the Agreement with FM Cosmetics Malaysia or FM GROUP Branch or if the Member does not acquit himself from his obligations, FM Cosmetics Malaysia or FM GROUP Branch respectively, are entitled to:

4.1.1. terminate their legal relations with the FM GROUP Member with regard to subscription (sponsoring) of Candidates to the FM GROUP Club. The termination results in deprivation of the rights of the Distributor to subscribe (sponsor) new Members of the FM GROUP Club definitely or temporarily, which shall be determined in the termination document;

4.1.2. terminate temporarily (suspend) legal relations with the FM GROUP Member for the period not longer than 6 months. The terminations results, in particular, in the deprivation of the suspended Member of the FM GROUP Club of the possibility to purchase FM GROUP Products from FM Cosmetics Malaysia or FM GROUP Branch which are sold to the Members of the FM GROUP Club and the suspension of advertising services of the Network and FM GROUP Trade Mark rendered in favour of FM Cosmetics Malaysia or FM GROUP Branch (pursuant to the agreement concerning direct sale and rendering advertising services or a Contract of mandate the subject of which is rendering services advertising the Network and FM GROUP Trade Mark); therefore, the suspended Member of the FM GROUP Club shall not be entitled to the Commission while he is suspended;

4.1.3. terminate the Agreement and other agreements binding a given FM GROUP Member with FM Cosmetics Malaysia or FM GROUP Branch without notice, and remove the Member from the FM GROUP Club Database.

4.2. The rights described in paragraph 4.1. above may also be executed with regard to the Member of the FM GROUP Club who:

4.2.1. takes action leading to persuade a FM GROUP Member to terminate the Agreement binding him with FM Cosmetics Malaysia or FM GROUP Branch in order to take over FM GROUP Members operating in another GROUP of Members of the FM GROUP Club to his own GROUP of Members of the FM GROUP Club, or action resulting in the takeover of the Members;

4.2.2. takes action leading to persuade a FM GROUP Member to terminate the Agreement with FM Cosmetics Malaysia or FM GROUP respectively, in order to transfer the whole GROUP of Members of the FM GROUP Club of another FM GROUP Member to his own GROUP of Members of the FM GROUP Club or actions leading to the transfer.

5. Membership termination in the FM GROUP CLUB

5.1. Any Member of the FM GROUP Club may terminate the Agreement at any time with a week notice by sending a written notice to the address of FM Cosmetics Malaysia or FM GROUP Branch respectively with the effect at the end of the calendar month.

5.2. FM Cosmetics Malaysia or FM GROUP Branch may dissolve the Agreement with the Member of the FM GROUP Club for essential reasons with a week notice with the effect at the end of the month. Essential reasons include significant change of factual or legal circumstances.

5.3. The Agreement may be dissolved pursuant to the agreement of the parties with the effect at the end of the calendar month.

5.4. Any Member of the FM GROUP Club, who made up the Agreement with FM Cosmetics Malaysia may withdraw from the Agreement at any time with the immediate effect submitting one-sided declaration of will to the address of FM Cosmetics Malaysia within 14 days from the date of submitting the declaration about the withdrawal from the Agreement. The withdrawing party may conclude an agreement about the resale of the FM GROUP Products and/or Starter Kits as well as all informational, training and advertising materials, samples, souvenirs and promotional sets that he has bought in the period of 6 months preceding the withdrawal from the Agreement to FM Cosmetics Malaysia for 90% of the purchase sale (the price actually paid by the FM GROUP Member) under the condition that they are in the state which makes it possible to sell them or use them in line with their purpose. The withdrawing party shall also return the Commissions that he has received with regard to the purchase of the Products he returns to FM Cosmetics Malaysia as result of the withdrawal. At the same time the Commissions or points obtained by the members of the FM GROUP Network shall be respectively corrected according to the purchase of the Products connected with the withdrawal of the Member of the FM GROUP Club. The right to withdraw from the Agreement and to conclude a resale agreement, described above, is applicable only for the FM GROUP Products purchased by the Member of the FM GROUP Club from FM Cosmetics Malaysia. In the case the Agreement is concluded with FM GROUP Branch, the right described above is applicable in the case when it is provided for by the legal regulations binding in the country of the registered office of the FM GROUP Branch and in the scope provided for by these regulations.

5.5. In the case a Member of the FM GROUP Club withdraws his consent to process his personal data pursuant to the provisions of paragraph 5 above, the Agreement expires on the day FM Cosmetics Malaysia or FM GROUP Branch respectively receives a written declaration about the withdrawal of the consent.

5.6. The Agreement expires also with regard to the partner of a partnership or civil company where all partners made an application to grant them one FM ID Number when he loses the status of the partner of this partnership or civil company.

5.7. The Agreement shall expire upon removal from the relevant register of FM GROUP Member being a legal person. The Agreement shall expire upon the death of a FM GROUP Member, unless the Parties of the Agreement provided that the rights and obligations under the Agreement pass to the heirs of the deceased FM GROUP Member.

5.8. Termination of the Agreement automatically results in the dissolution of other agreements concluded between the Member of the FM GROUP Club as one of the parties of the Agreement and FM Cosmetics Malaysia or FM GROUP Branch respectively as the other party of the Agreement.

5.9. An entity, who ceased to be the Member of the FM GROUP Club as a result of the termination of the Agreement, including the dissolution either by the notice to terminate or upon mutual agreement of the parties as well as withdrawal of the consent to process personal data or by the notice to terminate the Agreement and removal of the Member of the FM GROUP Club from the FM GROUP Database due to the breach of the provisions on these Regulations, Marketing Plan or other operation principles binding in the FM GROUP Network, may re-join the FM GROUP Club or conclude an agreement to take over the rights and obligations of the Member of the FM GROUP Club, only 6 months after the day the entity terminated to be the member with the restriction of paragraph 5.10 below.

5.10. In special circumstances, FM Cosmetics Malaysia or FM GROUP Branch respectively may conclude the Agreement with an entity with whom such an Agreement was terminated before the period of 6 months, as described above.

5.11. In the case the Agreement terminates, the remuneration due to the FM GROUP Member with whom the Agreement terminated, shall be paid for the period until the termination date. The FM GROUP Member is obliged to settle all Commissions he may have obtained and which he is not entitled to with FM Cosmetics Malaysia or FM GROUP Branch respectively. In this situation FM Cosmetics Malaysia or FM GROUP Branch reserves the right to deduct all their claims with regard to the FM GROUP Member with the claims with regard to FM Cosmetics Malaysia or FM GROUP Branch up to the lower claim.

5.12. Management over the FM Members GROUP, created by the Member of the FM GROUP Club who ceased to be the Member of the FM GROUP Club as a result of the Agreement termination (also as a result of his death or discontinuation of the activities by other partners pursuant to paragraph 2.8a above, or of his liquidation), is transferred to the Sponsor directly the closest to the FM GROUP Member whose membership terminated. In this case the Sponsor is entitled and obliged to run the activities using the FM ID Number of the FM GROUP Club Member whose membership terminated, unless the FM GROUP Member, with whom the Agreement ceased, did not obtain in any of the six months preceding its termination the level of efficiency - in accordance with the Marketing Plan - of at least 12% (twelve per cent). In this case, the Sponsor is not entitled to run the activities making use of the FM

ID Number of the Member of the FM GROUP Club whose membership terminated. The Sponsor is also not entitled to use the FM ID Number of the Candidate who failed to submit documents, described in paragraphs 2.2 and 2.3 above in due time.

5.13. However, in the case of conclusion of the agreement concerning the transfer of the rights and obligations of the Member of the FM GROUP Club, the management over the Group of FM GROUP Members created by the withdrawing FM GROUP Member is transferred to the joining member pursuant to the agreement concerning the transfer of the rights and obligations of the Member of the FM GROUP Club, who operates as a FM GROUP Member using the FM ID Number of the withdrawing Member of the FM GROUP Club.

5.14. In the case the Agreement between FM GROUP World and FM Cosmetics Malaysia or FM GROUP Branch respectively terminates, in particular as a result of the liquidation of the FM GROUP Branch, the FM GROUP Member who concluded the Agreement with this FM GROUP Branch, may conclude the Agreement with another FM GROUP Branch or FM Cosmetics Malaysia within 7 days from the day he learned about the termination of the Agreement but not later than one month after the Agreement terminated. To respect the aforementioned time limit, the Member of the FM GROUP Club should submit an Application for concluding the Agreement signed by his own hand to the FM GROUP Branch or FM Cosmetics Malaysia, unless the circumstances described in paragraph 2.5. above occur, and as a result FM GROUP Branch or FM Cosmetics Malaysia refuse to conclude the Agreement with this Member. In the case the aforementioned time limit is respected and the agreement is concluded, the Member of the FM GROUP Club retains his own FM ID Number, otherwise the membership in the FM GROUP Club is terminated. FM GROUP Branch (FM Cosmetics Malaysia) with which the FM GROUP Member concluded the Agreement retaining his FM ID Number is responsible for the obligations of the previous partner of such FM GROUP Member only when both Branches agreed on the takeover of the obligations. The provision of the paragraph 5.9. above is not applicable in cases described in this paragraph.

6. Final provisions

6.1 These Regulations govern the legal relationship between FM Cosmetics Malaysia and the FM GROUP Member who concluded the Agreement with FM Cosmetics Malaysia. The provisions of the regulations of other FM GROUP Branches may differently regulate certain matters governed by the provisions of these Regulations due to differences in legal regulations in force in the territory of different countries.

6.2 In cases not provided for by provisions of these Regulations, the provisions of applicable law binding in Malaysia shall apply.

6.3 In the case of invalidity or ineffectiveness of any provision of these Regulations, the remaining provisions shall be valid and remain in force. It is assumed that the invalid or unenforceable provisions shall be replaced by valid and enforceable provisions which, to the fullest possible extent, carry out the objectives expressed in the provisions which proved to be invalid or unenforceable.

6.4 FM Cosmetics Malaysia may change the Regulations due to essential reasons and each FM GROUP Member of FM Cosmetics Malaysia shall be notified in writing about it. Essential reasons include in particular: the necessity to adapt the provisions of the Regulations to the binding legal regulations, and/or a significant change of factual or legal circumstances.

6.5 The FM GROUP Member shall have the right to refuse the acceptance of the proposed change of Regulations within 14 days from the day he receives the notification about the change of the Regulations. Failure to submit the declaration in writing refusing the acceptance within 14 days shall be regarded as the acceptance of the proposed change. The refusal to accept the proposed change of the Regulations submitted in the aforementioned time limit shall result in the notice to terminate the Agreement pursuant to paragraph 5.1. of the Regulations.

I declare I have read the General Terms of Regulations of FM GROUP Club Member and agree to abide by them under FM GROUP Agreement

The Agreement and your FM GROUP Identification Number have been sent to your e-mail address.

Please send a photocopy of your IC (both sides, "for FM only") to FM Cosmetics Malaysia Office. Failing to do so will render impossible the reception of your monthly commission from FM Cosmetics Malaysia.