

APPLICATION FOR ADMISSION TO THE FM GROUP CLUB

Sponsor's Number

Recruiter (Referrer's) Number

Sponsor's Name

If you do not specify the Sponsor's Number you will assigned one

Recruiter's Name

1. Information about the Candidate for Business Partner

Starter Kit Code

Business Partner's FM ID Number

Mr. Mrs Ms

Name*

Identity card / Passport No. *

Personal Identity Number (PIN)

Address*

Phone number*

E-mail address*

 yes no I am of full legal age

2. I declare that I am joining the FM GROUP Club and I will participate in it under the terms and condition of the Marketing Plan, the FM GROUP Club Regulations and the Ethical Code, I have received a copy of the Marketing Plan, the FM GROUP Club Regulations, the Ethical Code, and I am familiar with their contents, which I accept in full.

3. I undertake to comply with the provisions of the FM GROUP Club Regulations, the Marketing Plan and the Ethical Code during the period of membership in the FM GROUP Club.

4. I agree to receive commercial information to the e-mail address or phone number provided by me, i.e. to receive advertisements and notifications related to marketing products and services placed on the market under the Trademarks of "FM GROUP" and "FM GROUP Club".

yes**

5. I agree to disclose my personal data on the FM COSMETICS E.A or FM GROUP Branch website by the FM COSMETICS E.A

yes**

6. I declare that I shall only have the status of a Preferred Customer (FM GROUP club member that can only order products and collect commission for personal purchases; cannot however build a sales structure and make profit out of it)

yes**

7. I agree to the processing of my personal data and the data necessary for billing and cooperation by FM Group World Artur Trawiński Sp. z o.o. Sp. k. with the registered office in Wrocław, ul. Żmigrodzka 247 (KRS: 0000268185, NIP: 895-187-00-93), hereinafter "FM GROUP World" and by FM COSMETICS E.A LTD, hereinafter "FM COSMETICS E.A Ltd" or FM GROUP Branch, in the Database of FM GROUP Business Partners, created within the organization of an international Network, the purposes of implementing the provisions of this Agreement and its annexes. I agree to the transfer of my personal data by FM GROUP World to a third country.

FM GROUP World is the administrator of the database, which includes personal data of all registered Business Partners and FM COSMETICS E.A is the administrator of the database, which includes personal data of the registered Business Partners of FM COSMETICS E.A LTD. The purpose of personal data collecting and processing is: registration in the FM GROUP Club, which enables purchasing and organisation of Networks, financial settlements and documentation of business transactions, calculating points, discounts and remunerations, as well as proper documentation, keeping in contact with other Business Partners and their Groups, to promote the most active Business Partners, the implementation of cooperation in providing Business Partners goods and services, in the sales of which respectively FM COSMETICS E.A or a Branch mediates, implementation of loyalty and incentive programmes. The recipients of the personal data may be: (a) other Business Partners, (b) the parties personally or financially associated with FM GROUP World, (c) potential customers of FM GROUP World, FM COSMETICS E.A or a Branch and third parties that wish to join FM GROUP Club, (d) courier companies used by FM COSMETICS E.A, FM GROUP Branch or Business Partners, (e) companies which organise events for Business Partners on behalf of FM GROUP World or FM COSMETICS E.A, (f) training companies, (g) advertising agencies, (h) PR companies. By filling this Application and concluding the Agreement the Business Partner voluntarily provides their personal data to FM GROUP World and FM COSMETICS E.A and/ or FM GROUP Branch. The Business Partner has the right to access their personal data and the right to request the update at any time. The lack of consent to the processing of personal data in accordance with the above provisions is equivalent to lack of consent to the conclusion of this Agreement.

8. I agree to receive correspondence via email to the address provided by me or through an individual panel available by logging on www.fmkenya.com

yes**

9. I agree to the publication of the data and image on the website and in publications, publications of FM COSMETICS E.A, FM GROUP Branch or FM GROUP World.

yes**

THIS APPLICATION FORM MUST BE COMPLETED AND SUBMITTED WITH COPY OF IDENTITY CARD

Date, signature of the FM COSMETICS E.A representative

Acting on behalf of the FM COSMETICS E.A I declare that I accept the Business Partner to the FM GROUP Club under the terms of this Agreement, the Marketing Plan, FM GROUP Club Regulations and the Ethical Code.

Date and signature of the Business Partner

FM GROUP CLUB REGULATIONS

1. GLOSSARY

- 1.1. Business Partner (Distributor/Preferred customer)** – entity bound with FM COSMETICS E.A or a Branch by the Agreement for FM GROUP Club Membership (Agreement, Business Partnership Agreement);
- 1.2. FM COSMETICS E.A Business Partner (Distributor)** - entity bound with FM COSMETICS E.A by the Agreement;
- 1.3. Ethical Code** – a document, which aim is to define standards of Business Partners' ethical behavior;
- 1.4. FM GROUP Club (FM GROUP Network, Network)** – all Business Partners;
- 1.5. FM GROUP Branch (Branch)** – an entity, running economic activity in the scope of direct sales of FM GROUP Products in the MLM system and rendering services pursuant to a distribution franchise agreement with FM GROUP World;
- 1.6. Marketing Plan** – a set of principles defining, among others, conditions necessary to achieve an Effectiveness Level by Business Partners and calculate the Commission for reaching this Level;
- 1.7. FM GROUP Products (Products)** – products present in business transactions under the FM GROUP Trademark;
- 1.8. Referrer** – a Business Partner, who actually recommended cooperation with FM COSMETICS E.A, helped others join the FM GROUP Club;
- 1.9. Regulations** – these FM GROUP Club Regulations, an integral part of the Agreement;
- 1.10. Sponsor** – a Business Partner, located directly above another Business Partner in the Group, indicated on the Application for the FM GROUP Club as sponsor;
- 1.11. FM GROUP Trademark** – all rights to the mark owned by FM GROUP World: "FM GROUP", "FM GROUP FOR HOME", "FM GROUP MAKE UP", "FM FEDERICO MAHORA", "FEDERICO MAHORA", "MAHORA", "FM", "FM GROUP World" and "AURILE" design, as well as all copyrights to the works used in materials with FM GROUP Trademark, distributed in all fields of operation;
- 1.12. Starter Kit** – a set of samples of selected FM GROUP Products, training and advertising materials.
- Other terms used in these Regulations shall have the meaning given to them in the Marketing Plan and the Ethical Code.

2. FM GROUP CLUB MEMBERSHIP

- 2.1.** The Business Partner can be a natural person who is over 16 years, a legal person, as well as an organizational entity with legal capacity.
- 2.2.** Candidate interested in joining the FM GROUP Club (the conclusion of the Agreement):
- 1) submits to the FM COSMETICS E.A two signed copies of the Application for the FM GROUP Club on a form made available by FM COSMETICS E.A (Application); or
 - 2) submits to the FM COSMETICS E.A an offer for the conclusion of the Agreement by sending an e-mail or posting a filled out Application and the Regulations (until the Agreement conclusion the Candidate receives the Conditional Partner Status) and, with the exception of the Preferred Customer, purchases the Starter Kit, and indicates the attached Starter Kit's number in the Application form.
- Conclusion of the Agreement with a minor is possible provided the minor provides FM COSMETICS E.A a written consent to conclude the Agreement signed by the minor's legal representative. The deadline for delivery of the statement is 30 days. Until the delivery of the statement a minor is treated as a Conditional Partner, with the provision that they can make a purchase or benefit from the Commission in the form of a discount on the total amount do not exceeding Kes 20,000
- 2.3.** The Conditional Business Partner acquires the right to order the Products and to sponsor new candidates for Business Partners, except that the Recipient may not be the Sponsor. A Conditional Partner may not be the Seller or an Advertising Agent. They are not entitled to Commission either in the form of a discount or a remuneration.
- 2.4.** The Conditional Business Partner is obliged to deliver to FM COSMETICS E.A, within 30 days from the date of sending the Application by e-mail, two signed copies of the Application. In case of an ineffective expiry of the above period the Conditional Membership in the FM GROUP Club terminates.
- 2.5.** Both FM COSMETICS E.A, and the Branch, may refuse to conclude the Agreement if:
- a) 6 months period from membership termination, referred to in the provisions of point 5.8, has not expired yet;
 - b) the candidate for a Business Partner has already been bound to FM COSMETICS E.A or a Branch by an Agreement which was terminated due to the violation of the provisions of Regulations, Marketing Plan, Ethical Code or other applicable rules of operation within the Network;
 - c) the candidate for a Business Partner is already bound by Contract with FM COSMETICS E.A or a Branch;
 - d) the candidate for a Business Partner uses false personal data;
 - e) the candidate for a Business Partner has not provided the written consent of the legal representative for the conclusion of the Agreement.
- 2.6.** The candidate may be a party to the Agreement only with FM COSMETICS E.A or only one Branch at a time. However, the Business Partner who would like to conclude an Agreement with another Branch, may terminate the Agreement and is able to continue their operations using the existing Business Partner's Number, provided:
- a) the indication of such intention was made in the notification, b) application for the conclusion of the Agreement to another Branch and the conclusion of the Agreement not later than within 14 days.
- 2.7.** The Business Partner may have only one Business Partner Number unless stated otherwise in the Regulations or the Marketing Plan.
- 2.8.** The Business Partners who are partners of a partnership or a civil company, who made a written application to grant them one Business Partner's Number before 01.01.2014, are treated as such, 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.
- 2.9.** The rights and obligations of the FM GROUP Club Member cannot be assigned to any other person and they will not be 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 mutual Business Partner's Number, ceased to be the party of the Agreement ceased to be the shareholder of this company. Then the remaining shareholders continue economic activity, using the Business Partner's Number reserved for all these shareholders,
 - b) the transmission of rights and obligations occurs by virtue of the law, c) the Parties agreed, that the rights and obligations transmit to the heirs.

3. PRINCIPLES AND CONDITIONS OF OPERATION IN THE FM GROUP CLUB

- 3.1.** General conditions:
- 3.1.1.** FM COSMETICS E.A or a Branch sells FM GROUP Products exclusively to Members of the FM GROUP Club.
- 3.1.2.** Business Partner purchases FM GROUP Products from FM COSMETICS E.A or from a Branch at the Distributor's Prices.
- 3.1.3.** The Business Partner receives points for the purchase of indicated FM GROUP Products made directly from FM COSMETICS E.A or Branch.
- 3.1.4.** For the Agreement not to terminate, each year of being the FM COSMETICS E.A Business Partner (that is the 12 following months from the Agreement conclusion date, and each 12 months following the anniversary of its conclusion) one has to purchase the Products granted with points to at least 150 points.
- 3.1.5.** 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, respectively, FM COSMETICS E.A or a Branch depending on whether the Business Partner signed the Agreement with FM COSMETICS E.A or a Branch.
- 3.1.6.** The Business Partner is entitled to Commission on a given Number for a given Month, by making the purchase of Products granted with points in the amount specified in the Marketing Plan.
- 3.1.7.** If the Branch grants the Business Partner points, within the principles agreed between FM GROUP World and the Branch, these will (at amount not exceeding 550,80 points a Month) provide the basis for calculating Commission to the FM COSMETICS E.A Business Partner, as if they were granted by FM COSMETICS E.A. If the points were granted by the Branch against the principles referred to in the preceding sentence, it is exclusively the Branch which awarded the points that is responsible for the payment of Commissions.
- 3.1.8.** The Business Partner is obliged to collect timely delivery of the Products ordered by them and pay the amount due for same, and, in case the delivery is not collected, to reimburse the real costs to the FM COSMETICS E.A which have arisen due to the ordered and uncollected Products. FM COSMETICS E.A has the right to deduct the above mentioned costs with the Commission due to the Business Partner from FM COSMETICS E.A. Failure to receive the package containing the ordered Products, and as a consequence their returning to FM COSMETICS E.A, shall be treated as a withdrawal from the Sales Agreement with regard to the returned Products. FM COSMETICS E.A or a Branch has the right to refuse to complete the order of a Business Partner, who breached the obligations described in the first sentence above.
- 3.1.9.** The Business Partner is not an employee, agent or commission agent of FM GROUP World, FM COSMETICS E.A or a Branch; they are neither the representative of these parties by any other virtue, unless these parties have explicitly stated otherwise in writing. Therefore, the Business Partner has no right to undertake any activities, in particular to incur any obligations, on behalf of and for FM GROUP World, FM COSMETICS E.A or the Branch. The Business Partners cannot use the terms or names indicating or implying that they are an employee, attorney, managing person or a person acting on behalf of or for the benefit of FM COSMETICS E.A, FM GROUP World or Branch.
- 3.1.10.** In case of direct sales of Products, and providing advertising services of FM GROUP Network and Products, a Business Partner can use the FM GROUP Trademark only in accordance with the rules agreed with FM COSMETICS E.A.
- 3.1.11.** The Business Partner is required to give to the clients information about the FM GROUP Network, 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 E.A or a Branch, respectively, which are included in the current information, advertising and promotional materials prepared by FM COSMETICS E.A or a Branch, bearing in mind that FM GROUP Products are original products of FM GROUP World. Under no circumstances the Business Partner can mislead the purchasers of FM GROUP Products.
- 3.1.12.** The Business Partner is obliged to refrain from actions which may harm the reputation of FM GROUP World, FM COSMETICS E.A or a Branch as well as the Products, in particular from disseminating information which might be harmful for FM GROUP World, FM COSMETICS E.A or FM GROUP Branch as well as other entities, in particular as a result of illegal use of the names of their products. The Business Partner may not use the Network and the business as well as the participation in FM GROUP Club to promote, market, advertise, sell any other third parties products or services of, as well as any other entities, organisations (regardless whether they operate in a formalized or non formalized way).
- 3.1.13.** The Business Partner who sells FM GROUP Products cannot do it in shops, news stands, stalls, or any other fixed, organized points of retail sale, or any other way that is against the rules of direct selling.
- 3.1.14.** The Business Partner shall be responsible for filling of all necessary tax returns and paying all applicable taxes due in relation to his or her business

3.2. Principles applicable to the FM GROUP Club Members of a different status:

- 3.2.1.** The Business Partner may operate in the FM GROUP Network as:
- a) A Distributor, i.e. a Business Partner running economic activity in the scope of direct sale of Products and provision of promotional services of FM GROUP Network and Products, provided they conclude with FM COSMETICS E.A the agreement for direct sales and advertising services with FM GROUP. The agreement cannot be concluded with a Conditional Business Partner;
 - b) A Preferred customer, i.e. a Business Partner who will purchase Products for their personal needs (or their close ones) or will run economic activity based in direct selling of purchased Products. A business partner willing to apply for the preferred customer status does not have to purchase the starter kit. A preferred customer cannot be a sponsor, so cannot build a sales team.

4. MEASURES APPLICABLE IN CASE OF BREACH OF THE OBLIGATIONS OF THE BUSINESS PARTNER

- 4.1.** If FM COSMETICS E.A Business Partner infringes the principles of the Regulations, Marketing Plan, Ethical Code or other operation principles binding in the Network, set by FM COSMETICS E.A, announced and known to Business Partners, or the Business Partner does not fulfill their obligations, FM COSMETICS E.A is entitled to:
- 4.1.1.** deprive the Business Partner of the right to sponsor and recommend new Business Partners definitely or temporarily, which shall be determined in the termination document;
 - 4.1.2.** terminate temporarily (suspend) the legal relations with the Business Partner for the period not longer than 6 months. The termination results, in particular, the deprivation the suspended Business Partner of the possibility to purchase at FM COSMETICS E.A or the Branch, as well as the suspension of advertising services of the FM GROUP Network and Products rendered in favour of FM COSMETICS E.A or the Branch, therefore the suspended Business Partner shall not be entitled to the Commission while they are suspended;
 - 4.1.3.** terminate the Agreement and other contracts binding a given Business Partner with FM COSMETICS E.A without notice and remove the Business Partner from the Database, if the Business Partner violates the provisions of points 3.1.8.-3.1.13. of the Regulations, 4.2. of the

Regulations and the provisions of points II-IV of the Ethical Code;

- 4.1.4.** deprive the Business Partner of the right to participate in trainings, courses and meetings organized by FM COSMETICS E.A, Branch or FM GROUP World, as well as of the right to participate in the Incentive Programs announced by FM COSMETICS E.A, Branch or FM GROUP World.
- 4.2.** The rights described in the point 4.1. above may also be executed with regard to the Business Partner who takes actions leading to persuade a Business Partner to terminate the agreement binding them with FM COSMETICS E.A or Branch, to cease operation in its current Group or to act in any other Group.

5. TERMINATION OF FM GROUP CLUB MEMBERSHIP

- 5.1.** The Business Partner may terminate the Agreement within a week notice by submitting a notice in the form prescribed by the provisions of law, with effect at the end of a calendar month.
 - 5.2.** FM COSMETICS E.A may terminate the Agreement with the Business Partner for material reasons with a week notice with the effect at the end of the month. Essential reasons include the breach by Business Partner of the provisions specified in points 3.1.8.-3.1.13 of the Regulations, 4.2. of the Regulations and provisions of points II-IV of the Ethical Code. If the other party to the Agreement is an entrepreneur, indication of a material reason referred to above is not required.
 - 5.3.** The Business Partner who concluded the Agreement with FM COSMETICS E.A, may withdraw from the Agreement at any time with an immediate effect by submission of the unilateral declaration of will; within 14 days from the date of submitting the declaration on the withdrawal from the Agreement.
 - 5.4.** In case the Business Partner withdraws their consent to processing of their personal data, the Agreement expires.
 - 5.5.** The Agreement expires also with regard to the partner of the partnership or civil company, where all partners made an application to grant them one Business Partner Number when they lose the status of the partner of this partnership or civil company.
 - 5.6.** The Agreement shall expire upon the removal from the register, of the Business Partner being a legal person or an organizational unit with the legal capacity. The Agreement shall expire upon the death of the Business Partner, unless the parties of the Agreement provided that the rights and obligations under the Distribution Agreement transmit to the heirs of the deceased Business Partner.
 - 5.7.** Termination of the Agreement automatically results in the termination of other agreements concluded between the Business Partner and FM COSMETICS E.A or the Branch.
 - 5.8.** Re-entering the FM GROUP Club by a person who has ceased to be a Business Partner due to the termination of the Agreement, is possible after 6 months from the date of termination of membership, subject to point 5.9 below.
 - 5.9.** In exceptional circumstances respectively FM COSMETICS E.A or Branch may conclude an Agreement with the person with whom such contract has ceased, before the 6 month period referred to in the preceding paragraph.
 - 5.10.** Management over the Group of Business Partners created by a Business Partner, whose Agreement expired, passes to the Sponsor directly next to the Business Partner, whose membership terminated, with the provision that, in exceptional circumstances, FM COSMETICS E.A may grant the management over the Group to another entity than the direct Sponsor.
- The Sponsor is entitled and obliged to conduct business using the Number of the Business Partner, whose membership was terminated, unless they have not reached an Effectiveness Level of minimum 12%, in accordance with the Marketing Plan, within the six months preceding the termination of the Agreement. In the latter case, the Sponsor is not authorized to conduct business using the Business Partner's Number, whose membership ceased. The Sponsor is also not entitled to use the Number of the Conditional Business Partner, whose membership terminated as a result of failure to submit documents, described in paragraph 2.4. above, in the due time and in consequence failure to and make up the Business Partnership Agreement.
- 5.11.** Business Partner agrees to transfer rights and obligations under this Agreement to a FM GROUP Branch in the event of the expiry of the franchise agreement binding FM GROUP World with FM COSMETICS E.A Statement on the transfer of rights and obligations to the FM GROUP Branch on behalf of FM COSMETICS E.A may be also submitted by FM GROUP World, Business Partner, in the case of transfer of rights and obligations under this Agreement to the Branch, retains the existing Number. The provision of the point 5.8. above is not applicable in cases described in this paragraph.

6. FINAL PROVISIONS

- 6.1.** These Regulations govern the legal relationship between FM COSMETICS E.A and the FM COSMETICS E.A Business Partner. The provisions of the regulations of other FM GROUP Branches may regulate certain matters governed by the provisions of these Regulations in a different way.
- 6.2.** In its activity FM COSMETICS E.A uses the Ethical Code, which is available after logging in on the website www.fmkenya.com as well as at FM COSMETICS E.A at 204 Reliance Centre, Woodvale Grove, Westlands, Nairobi, Kenya.
- 6.3.** In cases not provided for by provisions of these Regulations, the provisions of applicable law binding in the country where FM GROUP branch is situated shall apply
- 6.4.** FM COSMETICS E.A may, due to material reasons, change the Regulations, Marketing Plan, Ethical Code, as well as other documents determining the relations between a Business Partner and FM COSMETICS E.A. The material reasons include the introduction of a different level, introduction of new products to the sales in the Network, the acquisition of rights to use the trademark, the need for changes in the rules for calculating Commission, the need to adapt the provisions of the Regulations to the existing legislation, the need to regulate the rules regarding membership in the FM GROUP Club hitherto not covered by the Regulations and raising dispute or doubt as to the application of the Business Partners, the introduction of the FM COSMETICS E.A new functional, organizational or technical solutions, modification or change of the IT system by which the FM COSMETICS E.A performs its obligations to its Business Partners.
- 6.5.** The Business Partner shall have the right to refuse the acceptance of the proposed change of Regulations within 14 days from the day they receive the notification about the change of the Regulations. Failure to submit the declaration, in the form prescribed by the provisions of law, shall be regarded as an acceptance of the proposed change. The refusal to accept the proposed change of the Regulations submitted in the aforementioned time limit shall be equivalent to the termination of the Agreement.
- 6.6.** The terms and provisions of the agreement and any dispute arising there under shall be governed by Kenyan law and the parties thereby submit to the exclusive jurisdiction of the Kenyan courts.