

## **Distributor's Code**

### **CHAPTER 1. Distributor status.**

#### **Section 1. The Distributor.**

This is the person who signed with the company the "Distribution Agreement" confirming its functions:

1. Advertising and information activities aimed at enhancing the company's image and distribution of brands of its products;
2. Trade and procurement and intermediary activities related to the sale of the products of the company.

#### **Section 2. Obligatory conditions for obtaining the status of a distributor.**

The status of a distributor is provided to the following citizens, namely:

1. Having reached the age of 18 years old and having full civil capacity;
2. Having a valid internal passport or a document replacing it in accordance with the laws of the country of residence of the distributor.

#### **Section 3. Prohibition of assignment of distributor status.**

The distributor status is not granted to the following citizens, namely:

1. Full-time employees of the company;
2. Persons who have been fined for the violation of the company's rules, or who have been prosecuted for economic crimes.
3. Persons who, in accordance with the legislation of the country of residence of the distributor, are prohibited by virtue of the nature of their core business from engaging or combining it with commercial activities.

#### **Section 4. Procedure for applying for the assignment of distributor status.**

1. Before signing the "Distributor Agreement", you should make sure that this person has carefully read this "Distributor's Code" and agreed to comply with it. The consent is confirmed at registration on the site of the company in the electronic version of the signature, in accordance with the rules of the public offer.

2. The "Distribution Agreement" is signed after the signing of the "Code", in the electronic version of the signature, with the provision of the data of the internal passport or the document replacing it, in accordance with the contract of the public offer.
3. The Company reserves the right to take a positive or negative decision with respect to any applicant for obtaining the status of a distributor.

#### **Section 5. Rules for assigning status and making necessary changes to it.**

1. Without the relevant decision of the company, the distributor can not in any form transfer its distribution status to third parties.
2. It is possible to transfer the distribution authority with the simultaneous transfer of the registration number with the corresponding status to a relative by inheritance, due to a prolonged illness, due to a sharp deterioration in the state of health or the death of the distributor.
3. Herewith, a notarized document on the transfer of rights or documents confirming the illness or death of the distributor should be provided to the company. The decision of the company should be delivered to the applicant in writing.
4. Re-signing of the Agreement and the Code in this case is not provided.
5. Cancellation of information on distributors in the company's database, the status of which has lost its validity, is made within 6 months after the decision to terminate the status.

#### **Section 6. Special rules regarding the applicants being in marital relations for the status of a distributor.**

1. If married persons have the intention to become distributors of the company, they can file a joint application. In this case, the Agreement and the Code are signed by both spouses, thereafter they are given a common registration number.
2. Both parties to a joint Agreement have all the rights and obligations under the Agreement and the execution of the Code. If one of the spouses violates the Agreement or this Code, its partner in joint business is jointly and severally liable for this.
3. If one of the spouses who is not a distributor of the company expresses a desire to become a distributor and meets all conditions for joining the company, it should apply addressed to the company to add its full name to the marriage partner's document. After that, both spouses become distributors who conduct business under the same registration number. Herewith, a new distributor does not need to file an application for status assignment.
4. If the spouses have decided to work under different registration numbers, then one should be a direct sponsor of the other.

#### **Section 7. Inheritance rights and the right to transfer.**

1. In case of death of a person, the right of distribution activities and its position in the network, along with all the rights and obligations of the distributor, should pass to the heirs of his property rights after receiving a notarized document or a court order confirming the heir's claims for distribution activities in the company.

## **CHAPTER 2. Rights and obligations of distributors.**

### **Section 1. Rights of distributors.**

1. The right to purchase the Company's products at reduced prices.
2. The right to organize events jointly with the Company.
3. Priority right to extend the "Distributor Agreement".
4. The right to inform the company of operational violations committed by other distributors.
5. The right to make rationalization proposals for the development of the company, to participate and independently organize conferences and training seminars for distributors of its structure.

### **Section 2. Obligations of the distributor.**

1. During distribution activities, clearly position its relationship with the company in accordance with the "Distributor Agreement" and this Code.
2. Describe the company's goals, its corporate culture and ethics.
3. Be a user of the company's products.
4. In good faith, inform consumers about the purpose and properties of the products.
5. Ensure the reliability and legality of the materials provided by the company.
6. Distributors who have reached the qualification rank should understand, be able and in every way contribute to the implementation of the main functions of the distributor of the company: recruiting new distributors, training distributors of their structure, managing their distribution network.
7. Distributors who have reached the qualification rank should be aware and behave like public people in the company with observance of all the requirements to a person that follow from this concept.
8. In accordance with the laws of the country of residence of the distributor, use the appropriate distributor structures and the necessary resources to develop activities aimed at promoting brands of the products and enhancing the company's image.
9. Participate in training events organized by the company, acquire special skills, improve their skills and professionalism, comply with professional ethics standards and this Code.

10. Acquaint other partners with the reward system, business rules and corporate conduct standards established for distributors.

### **CHAPTER 3. Rules to be strictly observed by distributors.**

#### **Section 1. Distributors should strictly follow the following rules.**

1. When doing business, you should clearly declare that you are authorized for this type of activity by the company, and do not hide your status as an authorized distributor. Do not mislead consumers by openly stating or hinting that you are the founder or employee of the company.

2. You should respect the right to choose of customers and not show excessive obsession with the sale of the products. When doing business, it is unacceptable to attack other trade brands, to diminish their quality, slanderous statements that are detrimental to the image of other companies.

3. **Advertising of the products by the distributor, their familiarization with the customers and step-by-step exposition should be strictly carried out in accordance with the materials provided by the company. It is forbidden to exaggerate the useful properties of the products, while retreating from real facts, mislead people with unreliable advertising - otherwise the distributor itself is legally responsible for possible consequences. The company reserves the right to impose fines for such violations of the code.**

4. **It is forbidden to damage the prestige of other distributors and employees of the company, invite the APL distributors to other network projects or encourage the transfer to the other network structure within the company by any methods (personal meeting, email, phone, Skype, etc.).**

5. **The distributor should not without the permission of the company and, without being authorized by the company, directly or through intermediaries to create, replicate and distribute any printed, video or audio materials about the company and its products that do not conform to the official materials of the company.**

6. It is inadmissible on behalf of the company, on behalf of other distributors or on behalf of other persons to sign contracts, agreements or obligations to other persons.

7. It is inadmissible, simultaneously with the work in the company, to advertise and sell products of other companies to the distributors **who have reached the qualification levels of the National Director and above.**

**8. Unfair competition, interference and hindrance to the business activities of others are prohibited.**

**9. It is forbidden to advise and persuade distributors or customers of the company to move from one structure to the other.**

10. During distribution activities, one should strictly adhere to a single price for the products established by the company, one should not engage in dumping sales of the products or, conversely, inflate the price, one can not arbitrarily charge compensation for additional expenses.

11. Publication of advertising messages about the company and the products in print media, placement in TV and radio broadcasting is allowed only after agreement with the company. It is forbidden to arbitrarily give interviews to media representatives on topics about the company's products and the scheme for its implementation through such mass media as mail, television, the Internet.

12. Materials about the company and the products posted on the sites of distributors **should strictly correspond to the official materials of the company, published or disseminated through the media and company sites.**

**13. Legal liability in all situations associated with the misuse of illegally produced printed, audio and video materials with the placement of materials discrediting the name of the company and the quality of its products is borne by the distributor.**

14. It is forbidden to violate the company's rights to the registered name (name), encroach on its business reputation, copyright, it is prohibited to use its trade brand and logo.

**Chapter 4. Other conditions.**

### **Section 1. Interpretation of the Code.**

1.1. The company has the right to interpret this Code within the framework of the current legislation of the Russian Federation.

### **Section 2. Amendments to the Code.**

2.1. The Company may amend this Code, with notification of such through the publication in its and other printed matters, via the Internet – BackOffice site or in other ways.

### **Section 3. Entry into force of the Code.**

3.1. This Code comes into force from the date of its public announcement through the publication on the company's website and in BackOffice.