

TERMS

This Consultant Agreement between the Consultant and Oriflame Cosmetics Pakistan (Pvt) Ltd. ('Oriflame'), a company registered under the Companies Ordinance, 1984 with its Registered Office at Office No. 201, 2nd Floor, Saddiq Trade Center, 72 Main Boulevard Gulberg II, Lahore , entered into in consideration of the mutual promises and commitments contained herein witnesseth under:

Definitions

- A. 'Line of Sponsor' shall include the Consultant; his/her Sponsor; and so forth and shall end at Oriflame.
- B. 'Personal Group' shall refer to all Consultants sponsored directly and indirectly by a Consultant, but shall not include the 21% Consultants.
- C. 'Group' shall refer to the entire downline, including 21% Consultants and their downlines.
- D. 'The Oriflame Literature' shall mean the Success Plan (containing the Policy Manual), The Consultant Manual, the Product Catalogues, the Product Guides, the Newsletter Consultant's Guide and any other literature printed by Oriflame.
- E. Closet Relative shall refer to spouse of consultant, any lineal ascendant or descendant of consultant.
- F. Payments to Consultants: All Payments to Consultants shall be calculated as defined in the Success Plan.
- G. Oriflame Director: The word Director wherever used in relationship to Consultant Title will be construed to be defined as in the Success Plan.

1. The Consultant Agrees:

- A. To regularly create and promote sale of Oriflame products.
- B. i) To sell and deliver products to ultimate consumers only. Consultant recognizes the importance of providing the best possible service to customers. It is understood that Oriflame is a direct to Consumer Company whose marketing plans and success are based upon Consultant personally selling Oriflame products directly to consumers. For these reasons, Consultants agree to present and sell Oriflame products using direct-to-consumers methods only and not in any other manner whatsoever.
 - ii) Not to sell to, sell in, demonstrate or display Oriflame products in any retail outlet of any nature.
 - iii) Not to sell complimentary promotional material provided in the Starter Kit.
- C. To present Oriflame products and all facts concerning the business opportunity with Oriflame in a truthful and honest manner and to make only those product claims that are specifically stated for each product in printed material provided by Oriflame.
- D. As an independent contractor, Consultants shall comply with all Central, State and local laws applying to his/her Oriflame business.
- E. That all orders submitted are subject to acceptance by Oriflame.
- F. That the Consultant is not an employee or agent of Oriflame nor a partnership is created between the parties by this Agreement. The Consultant is not authorized to incur any debt or other obligation of commitment on behalf of Oriflame.
- G. To accept and comply with Oriflame's Success Plan (the "Plan"), and the Oriflame Rules of Conduct (the "Rules").
- It is understood that, with this reference, the plan and the Rules, become an integral part of this Agreement and may be revised from time to time by Oriflame at its sole discretion and without the need to consent the Consultant, as provided in the Rules.
- H. That every Consultant who is granted a commission under clause 2(A) below agrees and authorize Oriflame to reallocate a portion out of such commission to other consultants within the group according to the Oriflame system and the success plan to make or apply payment(s) accordingly, and hereby further assigns all rights, titles and interests in such commission to such other Consultant who may be so entitled.
- I. In the event that the sum due to a consultant is less than the limit specified by Oriflame from time to time, the Consultant hereby irrevocably authorizes Oriflame to apply or credit such sum towards any future purchase made by the Consultant.
- J. That at Oriflame's request, from time to time, to pay to Oriflame advances, security deposits, or other sums requested in respect of services rendered or goods delivered and such advances may be made at the same time as delivery of goods.
- K. To be bound by the valuation of all transactions as set out in the documents issued by Oriflame at each month end.
- L. To settle all accounts with Oriflame in a timely manner. Failure to do so will incur additional charges. An annual interest of 24% will be charged from due date of the goods supplied remaining unpaid. Every Consultant agree and authorizes Oriflame to write back amount in the account with Oriflame after 12 months from the date of last purchase.
- M. To furnish National Tax Number (NTN)/Computerized National Identity Card immediately on receipt of request from Oriflame & agree to accept a consolidated certificate towards Tax deducted at source by Oriflame for the period/year ending on 30th June. The consultant further agrees & authorizes Oriflame to debit its account with the Tax amount deducted & deposited by Oriflame on behalf of the consultant.
- N. To explain and inform about the general conditions of Oriflame to the Consultant introduced by her/him and shall ensure that the same has been understood by the Consultant introduced by her/him.

2. Oriflame Agrees:

- A. That as an incentive to promote purchases of Oriflame products, Oriflame shall give each consultant who qualifies (under Oriflame rules set out in the success plan) a commission based on the volume of purchases from Oriflame in each month or another period as may be decided by Oriflame.
- B. This commission will normally be calculated and accounted for in respect of purchases in a respective month or another period, at the monthly/ period end. However, Oriflame may withhold the commission which is otherwise payable to any consultant if there is any outstanding in the group in respect of any period beyond the credit period (if any) or Oriflame suspect that payment may not be received against the sales made during any period or for any other good reason at the sole discretion and judgement of Oriflame and may additionally forfeit the same in appropriate cases at the sole discretion and judgement of Oriflame.
- C. That it does not reserve any right to direction or control concerning the Consultant's Oriflame business and that Consultant is non-exclusive and is subject to no geographic restrictions.
- D. To provide a Starter Kit containing promotional material after acknowledging your acceptance as a Consultant of Oriflame.
- E. To provide Cash Award/Commission as per eligibility criteria communicated subject to full compliance with Oriflame's Code of ethics. Other rules and policies and responsibilities of Oriflame's Director as mentioned below.

3. Validity :

This Agreement shall become effective on the date Oriflame acknowledges acceptance of Consultant by allotting the membership number and shall remain in effect for 12 months. It may be renewed for successive periods of one year at Oriflame's sole discretion.

4. The Oriflame Code of Ethics and Rules of conduct

The Oriflame Code of Ethics (the Code) and the Rules of Conduct (the Rules) below, as they form an integral part of the terms of the Consultant Application Form. A Consultant must comply with the Code and Rules and any amendments to them that have been published in the Newsletter or otherwise communicated to the Consultant. These Code and the Rules are there for Consultants protection, to ensure that all fellow Consultants maintain the same high standards.

4.1 The Oriflame Code of Ethics

As an Oriflame Consultant, I agree to conduct my Oriflame business according to the following principles:

- A. I will uphold and follow the Rules of Conduct as laid out in this official Oriflame Policy Manual and other Oriflame literature. I will observe not only 'the letter' but also 'the spirit' of the Rules.
- B. My guiding principle for doing business with anyone met in my capacity as an Oriflame Consultant is to treat them as fairly as I would like to be treated myself.
- C. I will present Oriflame's products and the Oriflame Business Opportunity to my customers and Consultants in an honest and truthful manner. I will make only such claims that are mentioned in the official Oriflame literature.
- D. I will be courteous and prompt in servicing and taking orders from my customers, as well as in the handling of complaints. I will follow the procedures outlined in the official Oriflame literature for replacement of products.
- E. I will accept and carry out the different prescribed responsibilities of an Oriflame Consultant (and those of a Sponsor and Director when I progress to those levels of responsibility) as laid out in the official Oriflame Literature.
- F. I will conduct myself in such a manner as to reflect only the highest standards of integrity, honesty and responsibility.
- G. I shall not in any circumstances use the Oriflame network for marketing other products than those approved by Oriflame. I shall respect the direct to-consumer method of distribution and therefore not sell through any retail outlets of any nature.

4.2 Rules of conduct

4.2.1 Membership

- A. To become an Oriflame Consultant, a candidate should as a general rule, be sponsored by an existing registered Consultant; under certain circumstances, Oriflame can assign a prospective Consultant to any network.
- B. Oriflame reserves the right to refuse any application or re-application without providing any reasons.
- C. An applicant must be at least 18 years of age to be a Consultant.
- D. A Consultant's membership will expire on the anniversary of registration.
- E. Membership can be renewed by means of a subscription fee included in the first invoice after the anniversary of registration.
- F. Consultants may resign their membership at any time by giving written notice to Oriflame.
- G. Former Consultants (or spouse of a former Consultant) may apply for new membership under the following conditions:
 - i) At least six months have elapsed since the previous Consultantship has been terminated by resignation (unless otherwise agreed by Oriflame).
 - ii) The new application must specify that it is being made under this rule.
- H. Membership may be granted to individuals, limited liability companies and partnerships * of no more than two persons. A legal entity must provide the name of the person authorized to act on its behalf, as well as any limitations in his/her authorization. Partners are mutually responsible and Oriflame can reclaim all dues from either or both in case of non-payment. A husband and wife wishing to become Consultant should be sponsored together under one membership. If a spouse is already a Consultant, the other must join under the same membership.
- I. Oriflame reserves the right to suspend a Consultant's membership upto to 12 months with immediate effect, pending investigation of violation of rules.

4.2.2 Maintaining Lines of sponsorship

- A. Consultant(s), whose membership(s) are active, are not allowed to register again under a different line of sponsorship. If they do, they are liable to lose their entire network to their Sponsor. They are only allowed to register again after termination.
- B. The transfer of membership from one Sponsor to another is only possible in special cases and at the sole discretion of Oriflame.
- C. Transfer of a personal group is not allowed.
- D. In case of a Consultant's death a Consultantship may be inherited by the next of kin of the deceased. Written claim for the Consultantship must be made within three months. In the absence of any such claims, the Consultantship will be terminated automatically.
- E. Consultants who wish to transfer their membership may be allowed to do so, but only to their spouse or one of their children (at the discretion of Oriflame). A letter requesting such a transfer must be sent to Oriflame. Consultants who have transferred their membership under this rule may apply for membership again if at least six months have elapsed since their last Consultantship was transferred.

4.2.3 Responsibilities of a Consultant

- A. No Consultant shall use the Oriflame network for marketing products or schemes which are not officially approved by Oriflame.
- B. Consultants must not in any way misrepresent the quality, performance or availability of any Oriflame product(s). They should not make any claims for products other than those on the product labels or in the official Oriflame Literature. Consultants shall indemnify Oriflame for any costs or damages arising from such misrepresentations.
- The Consultant shall not misrepresent in any way the business opportunity provided by Oriflame, such misrepresentation being any exaggerated income or career opportunity statement, wrong time span for reaching of levels under the Oriflame system and generally any statement that may reasonably create a wrong impression of the amounts, the ways, the timing and the hardship of the Oriflame business opportunity.
- C. No Consultant is allowed to steal an applicant from another Consultant, nor interfere by soliciting Consultants in the line of sponsorship of another Consultant.
- D. A Consultant should not represent that they have any employment or agency relationship with Oriflame. When presenting the Oriflame Business Opportunity to others, he/she must emphasize that it involves running an independent business and is not an offer of employment. Furthermore, a Consultant has no authority to bind or assume obligations on behalf of Oriflame. They shall indemnify Oriflame in respect of any costs or damages arising from any non-compliance of these rules and such misrepresentations.
- E. A Consultant shall not compel or force those he/she sponsors to order through him/her, order any minimum order size or maintain stocks. All Consultants may order any quantities directly from Oriflame but handling and courier fees may apply depending on order size. It is up to the individual Consultant's judgement to determine if he/she should keep any stock.
- F. A Consultant may not place orders in the name of another Consultant, without that Consultant's prior written approval.
- G. Whenever a customer requests the Oriflame Guarantee of Excellence to be honored, the Consultant shall offer the customer the choice of a full refund of the purchase price or full credit for exchange with the same or another Oriflame product.
- H. Consultants shall comply with all laws, regulations and codes of practice applying to the operation of their membership, including any tax laws, and shall not engage in any activity which may bring either them or Oriflame into disrepute.
- I. In building their personal group. Consultants shall ensure that all new Consultants will follow the credit terms if any allowed to them in writing by Oriflame.
- J. In becoming a Sponsor; Consultants shall ensure that they train and motivate their personally sponsored Consultants. They shall also ensure that all Consultants whom they sponsor are supplied with a Oriflame Starter Kit.
- K. A Consultant may not be involved in interviews with any media, whether by television, radio, magazines etc, nor utilize any advertising media (including the internet) without Oriflame's prior written consent. Promotional material provided by Oriflame for specific advertising use could be used as specified without further approval.

5. Responsibilities of an Oriflame Director

In addition to the general rules for all Consultants, the following rules apply to Directors. Violation of any of these special rules will result in immediate loss of Director status and privileges - including Performance Discounts, Bonuses and Cash Awards/Commissions and may even result in termination of membership.

A Director must service his/her personal group Consultants monthly by:

- a) Recruiting and continuously developing your personal group.
- b) Assisting, guiding and motivating
- c) Conducting periodic meetings to train and motivate
- d) Maintaining frequent communication, informing about meeting dates, venues, product news, training sessions etc.
- e) Participating in all seminars and meetings
- f) Enforce the Code of Ethics and the Rules and lead by example
- g) Training the Consultants in your downline in Business School I and II
- h) Attending business meetings with Oriflame that you are called upon to by your key Account Manager.
- i) A Director/Director's spouse may not represent any other direct selling company without Oriflame's written consent.
- J. A Director must follow any additional rules or instructions communicated in writing by Oriflame.

6. Other rules and policies

- A. There are no exclusive territories or franchises available under the Oriflame policy. No Consultant has the authority to grant, sell, assign or transfer such a territory or franchise. Any Consultant is free to conduct his/her business in any area of the country.
- B. An Oriflame Consultant is independent from Oriflame. The only title which may be used on business cards and other printed material of Consultants is 'Independent Oriflame Consultant' or 'Oriflame-Independent Consultant'.
- C. Oriflame trademarks, logos and name may not be used by the Consultant without prior written consent from Oriflame. If consent is obtained, trademarks and logos must be used exactly as stated in Oriflame guidelines.
- D. All Oriflame printed material, videos, photographs, design, music and lyrics are protected by copyright and may not be reproduced in whole or in part by anyone without prior written approval from Oriflame.
- E. Under no circumstances is any person authorized to repackage or in any way alter the packaging or labeling of the products. Oriflame products are to be sold in their original packaging only.
- F. No Consultant may produce or procure from any source other than Oriflame any item upon which the trademark or logos are printed, unless approved by Oriflame in writing.
- G. No Consultant shall sell to sell in, demonstrate, or display Oriflame products in any retail outlet. No Oriflame literature may be sold or displayed in such retail outlets. Establishments, which technically are not retail outlets, such as beauty parlors, may be used as venues to display, but not to sell the products.
- H. Oriflame products should not cause damage or injury if they are used for their intended purpose and in accordance with instructions provided. Oriflame carries product liability insurance on its products, which protects both the company and its Consultants. The insurance covers injury or damage where a faulty product is involved, but does not cover careless or negligent application or improper use of a product. It may not protect a Consultant where the injury or damage is the result of changing an Oriflame label, misrepresenting the product, or from making claims other than those listed on the product or printed in the Oriflame literature.
- I. Oriflame reserves the right to deduct at any time any overdue invoices from any Performance Discount or Bonus due for payment to the Consultant. In order to get entitled for Performance Discount or Bonuses consultant must make a minimum purchase as prescribed by Oriflame.
- J. If a Consultant in any way is involved, legally or otherwise, in any dispute or activity that may involve or negatively affect Oriflame or its reputation, such Consultant must immediately inform Oriflame.
- K. Oriflame has the right to change its prices and range without prior notice. Oriflame will not give Performance Discount, Bonus or any other compensation for any losses suffered due to price changes, range changes or products being out of stock.
- L. Oriflame reserves the right to expand or revise the Oriflame Success Plan, qualification criteria, re-qualification criteria or the Codes and Rules with immediate effect.

7. Termination :

- A. Oriflame may terminate the Agreement by Seven days prior written notice at its discretion and without assigning any reasons for such terminations.
- B. Terminated Consultants lose all rights and privileges that accompany the membership, including their network.

8. Jurisdiction:

Its agreed by and between Oriflame and Consultant that the Lahore Courts shall have exclusive jurisdiction in respect of any matter, claim or dispute arising out of or in any way relating to this agreement.

9. Important

- A) In case of any inconsistency between these terms and the Plan and the Rules , the above terms shall prevail.
- B) If you have any questions about your Oriflame business consult your Sponsor or Director in the first instance. If you still need clarification, call the Oriflame office for assistance.
- C) No Oriflame products/literature may be sold through or displayed in shops!
- D) Whenever Oriflame products are sold to customers , in such an event it should be sold at the price shown in the Oriflame Catalogue by Oriflame Consultant.

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