

POLICIES AND PROCEDURES.

The KMI The Spray Vitamin Company, Professional Code

- I will be honest and fair in all my dealings while acting as an Independent Distributor of KMI.
- I will perform all my professional activities in a manner that will enhance my reputation and the positive reputation established by KMI.
- I will be courteous and respectful to every person contacted in the course of my KMI business.
- I will fulfil my leadership responsibilities as a sponsor, including training and supporting the Distributors in my sales organisation.
- I will not misrepresent the KMI products or Compensation Plan, nor will I engage in any other deceptive or illegal practice.
- I will make no claims for any KMI products that are not contained in official Company literature, nor will I misrepresent the income potential of the KMI Compensation Plan.
- I understand and agree that I am solely responsible for all financial and / or legal obligations incurred by me in the course of my business as an Independent Distributor of KMI products and/or services.
- I will conduct my independent KMI business in such a way as to respect the products and professionalism of other companies.
- I realise that network marketing is an exiting way of bringing a vast array of products and services to the marketplace, and that KareMor seeks to promote the reputation of all legitimate direct sales companies that are furthering the cause of personal independence and financial freedom for their Independent Distributors.

POLICIES & PROCEDURES

1. BASIC PRINCIPLES.

A Distributor is one who has completed a KMI The Spray Vitamin Company (hereinafter referred to as KMI, Karemor or the Company) Distributor Agreement Form and has been accepted by the Company as a Distributor.

The applicant has read and agrees to be bound by each term and condition of the KMI Independent Distributor Manual. Violation of said terms and/or conditions might result in the Distributor's termination.

Any Distributor who sponsors other Distributors must fulfil the obligation of performing a bona fide supervisory, distributing and selling function in the sale or delivery of product to the ultimate consumer and in the training of those sponsors. Distributors must have ongoing contact, communication, and management supervision which may include, but not limited to: newsletters, written correspondence, personal meetings, telephone contacts, voice mail, electronic mail, training sessions, accompanying individuals to company Bom's and trainings and sharing genealogy information with those sponsored. Failure to not fulfil this obligation may result in termination.

The Company reserves the right to decline any Distributor Agreement Form.

2. ELIGIBILITY TO BECOME A DISTRIBUTOR.

A. How: A new Applicant submits a Distributor Agreement Form along with the annual accounting/data-processing fee. Upon acceptance, the Company provides them their own Distributor Manual containing all the information to make their business a success!

Your renewal membership fee is renewable each year for a nominal amount.

B. Who: All Distributors must be of legal age in the state, country or area in which they distribute KMI products.

C. Distributor Identification:

All Distributors are required to have an ID number and have it on file with KMI. If the Distributor desires to use a number other than an ID number KMI must have his or her completed Privacy Request Application form on file. KMI will identify the Distributor by the number in all transactions with KMI.

D. Special Relationships

1. Within Families: Husbands, wives and dependant children desiring a distributorship, must be in the same distributorship entity, unless two previously existing distributors marry and each continues their own distributorship.

2. Corporation / Partnerships: A

partnership or corporation may become a Distributor. However, no individual may participate in more than one (1) distributorship in any form. A Distributor may change status under the same sponsor from individual to partnership or corporation or form a partnership to a corporation with proper and complete documentation.

To form a new Distributor position as a partnership or corporation or to change status to one of these forms of business, you must request a partnership/corporation form from KMI's Director of Distribution affairs. This form must be submitted detailing all partners' stockholders, officers, or directors in the partnership or corporation.

The partner or the officer who submits the form must be authorised to enter binding contracts on behalf of the partnership or corporation. In addition, by submitting the partnership/corporation form, you certify that no person with an interest in the business has had an interest in a distributorship within twelve (12) months of the submission of the form (unless it is the continuation of an existing distributorship changing its form of doing business)

E. Assumed Names: A person or entity may apply under a legally registered assumed name, provided the application includes the signatures of all persons acting under or holding an interest in the assumed name.

3. CHANGES IN DISTRIBUTORSHIP STATUS

A. Death: Upon death or incapacity of the Distributor, his or her rights to bonuses and marketing position, together with Distributor responsibilities, shall surpass to his successor's interest upon written application and approval by KMI. The successor Distributor must fulfil all responsibilities of the Distributorship. The successor shall thereafter be entitled to all rights and subject to all obligations of any other Distributor.

B. Divorce: Should a married couple become divorced, they must notify KMI as to who will assume responsibility for the distributorship? Furthermore, a certified copy of the appropriate divorce document must be delivered to KMI.

C. Sale or Transfer: No Distributor may sell, assign, or otherwise transfer his or her Distributor entry (or rights) except as follows:

C.1 The Distributor's sponsor (or, if the sponsor is not active, the first active distributorship in the Distributor's upline) shall have a right of first refusal. Thus a Distributor who is contemplating the transfer of a Distributor entity must first offer that Distributor entity to his or her sponsor in writing, on the same terms. The Sponsor shall have ten (10) business days to match those terms. If he or she fails to do so within ten (10) business days, the distributor may complete the

contemplated sale. A Sponsor who matches the specific terms shall be entitled to purchase the Distributor's entity. An active distributorship is defined as any distributorship that has placed an order or sponsored a new Distributor within the preceding six (6) week period.

C.2 No sale, assignment, or transfer of any Distributor entity (or rights) shall be effective without the prior written approval of KMI. The Distributor must submit to KMI a notarised notification of denial from his or her first active upline Sponsor. KMI reserves the right to review any documents of sale or transfer and to verify that the sponsor's right of first refusal has been honoured.

D. Changing Sponsors: Changing sponsors are rarely permitted and are actively discouraged. Maintaining the integrity of sponsorship is absolutely mandatory for the success of the overall organisation.

D.1 Transfers of this type will generally be approved under three (3) circumstances only:

- In the case of unethical sponsoring by the original Sponsor. In such cases, the Company will be the final authority.
- With the written approval of the immediate six (6) upline Sponsors.
- Resigning from the Company entirely and waiting six (6)

months to reapply under the new Sponsor.

D.2 In cases of unethical sponsoring, the individual may be transferred with any downline intact: in all other events, the individual alone is transferred without any downline distributors being removed from the original line of sponsorship. A service fee will be levied for each assessed sponsorship change.

E. Adding/Deleting A Distributor. A distributor must request and submit a letter to KMI's Distributor affairs Department requesting the addition or deletion. This letter must be signed and notarised.

4. RIGHTS GRANTED

KMI hereby grants to the Distributor a non-exclusive right upon the terms and conditions contained in the Agreement to purchase KMI's products.

5. RENEWAL OF DISTRIBUTORSHIP

The term of this agreement is one year. A nominal renewal fee will be due on your anniversary date each year. All Distributors who do not renew their KMI Distributorship entities by the required deadline thereby voluntarily terminate their Distributor relationship with KMI and will consequently forfeit all sponsorship rights, position earned, and corresponding compensation.

6. INDEPENDENT BUSINESS RELATIONSHIP

A. All Distributors are Independent Distributors with KMI. They are not franchisees, joint ventures, partners, or employees of KMI. Distributors are strictly prohibited from stating or implying, either verbally or in writing, that they are franchisees, joint ventures, partners or employees of KMI. Distributors have no authority to bind KMI to any obligation.

B. Each and every Distributor agrees to indemnify and hold harmless KMI, its officers, agents and directors against any claim, demand, liability, loss, cost, or expense, including but not limited to attorney's fees, arising or alleged to arise in connection with the Distributor or any other Distributor's KMI business. KMI and its affiliated companies agree to hold Distributors harmless from any liabilities as to questions of product quality.

C. Each Distributor is encouraged to set up his or her own hours and to determine his/her own methods of sale, so long as he/she complies with KMI Policies and Procedures.

7. REPRESENTATIONS MADE BY DISTRIBUTOR

No false or misleading income projections, including those based solely on mathematical projections without regard to probable sales success, may be made to prospective Distributors. The KMI

Compensation Plan and its potential income are highly attractive in reality without resorting to artificial or unrealistic projections.

8. TAXES

Distributors will not be treated as employees, franchisees, joint ventures, or partners with respect to the Internal Revenue Code or any other local statute, ordinance, rule, or regulation. All Distributors are responsible for paying local, state and provincial taxes due on earnings from commissions generated as a Distributor of Company Products.

9. VAT

Distributors are reminded that if their turnover exceeds the set limit, in any financial year, they are obliged according to the Receiver of Revenue, to register as VAT vendors.

10. SPONSORING POLICY

A. A Distributor is compensated only for the generation of business volume, not for sponsoring new Distributors into the program.

B. All active Distributors have the right to sponsor new Distributors. In addition, every person has the ultimate right to choose his/her Sponsor. If two Distributors should claim to be the Sponsor of the new Distributor, the Company shall regard the first application received by KMI's Corporate Home Office

as controlling.

C. Distributors who sponsor new Distributors are required to ensure they are properly trained with respect to KMI's product lines. Policies and procedures, Compensation Plan, sound business practices and sales strategies. Specifically, a Sponsor's training responsibilities include;

1. Spending as much time with a new Distributor as required to introduce him or her to the KMI product lines, Compensation Plan and Policies and Procedures.
2. Training new Distributors to correctly complete a sale, including how to fill out the order form.
3. Initiating periodic contacts for the purpose of training and motivating new Distributors. New Distributors outside the Sponsor's area should be supported by frequent mail and telephone contact.

11. INVENTORY

KMI encourages each Independent Distributor to keep accurate sales records. The program is based upon retail sales to the ultimate consumers; therefore, all forms of stockpiling or inventory and or front-end loading are prohibited. KMI recognises that Distributors may wish to purchase products in reasonable amounts for their own personal use. However, KMI

strictly prohibits the purchase of products in unreasonable amounts solely for the purpose of qualification or advancement in the Compensation Plan.

A Distributor's initial order cannot exceed 100 units without prior approval by KMI.

12. SEVENTY PERCENT (70%) RULE

With each order, whether in writing, by telephone or facsimile (fax), every Distributor certifies that he or she has sold at least 70% of all prior orders. A sale for purposes of this rule may include a purchase for personal or family use that is not made for purposes of qualification or advancement. From time to time, the Company will require from its Distributors (in writing), a statement of Compliance with the 70% inventory rule and/or copies of all retail sales receipts for a period of time not to exceed 18 months in duration.

13. SALES RECEIPTS

Every Distributor is responsible for ensuring that copies of retail sales receipts are collected and maintained. Evidence of fulfilment of this requirement must be sent to the Company upon request, or as required in the Compensation Plan.

14. PAYMENT OF BONUSES

A. Commissions, bonuses, override and achievement levels are calculated on a calendar month basis. However, where the last day of the calendar month falls on

a weekend or legal holiday, the next regular business day shall be considered the last day of that calendar month. The first day of a calendar month is the next day from the preceding calendar month.

B. Commission, bonus and override cheques are paid on the 30th of the month following the month in which those commissions and overrides were earned. For example, commissions and overrides earned during the month of August are paid on September 30th. An adjusted rebate run is conducted on the 10th of the following month to account for discrepancies which still may be pending from the previous month.

C. The Downline Printout Report should be reviewed immediately by the Distributor and any discrepancies must be reported, in writing, within thirty (30) days. In the event you fail to do so, it will be presumed that you agree with the corrected, accuracy and fairness of the statement rendered to you.

15. DISPLAY AND USE OF NAME

A. Advertising: The name of KMI and the name of all KMI products are the trademark of KMI International, Inc. and Mayor Pharmaceutical Laboratories. Only KMI is authorised to produce and market products and literature under these trademarks. Use of the KMI name on any item not produced by KMI is prohibited, except in the manner described below:

- Distributor's Name

- Independent Distributor of KMI International, Inc. of South Africa

B. Literature and Sales Aids:

Independent Distributors may use only the official Company literature in promoting KMI products and/or the KMI Compensation Plan. Distributors shall not reproduce KMI literature and/or sales aids without prior written consent from KareMor.

C. Print Advertising: KMI Distributors shall not advertise KMI products and/or compensation plans except as specifically approved by KMI. Distributors agree to make no false or fraudulent representation about KMI, the products, the Compensation Plan or income potential. No claims as to therapeutic or curative properties about the products may be made except those officially approved in writing by KMI or as contained in the official KMI literature. No changes are allowed to Company provided advertising copy or design. No person shall use the KMI name, logos, trademarks or copyrighted materials in any advertising not produced by KMI without the permission from KMI. However, a Distributor may list in the phone directory his or her name preceded by "KMI Independent Distributor". Any independent advertising a Distributor wishes to promote must be received by mail or fax in the Home Office at least two weeks prior to media's deadline. Distributors shall not print or

have printed promotion materials pertaining to KMI or KMI products without prior approval and on condition that the Distributor grants back to KMI the sole licensing under any copyright which the Distributor may have in such works. The Distributor will not disseminate or furnish any such materials to any other person or firm, normal KMI Distributor activities excluded.

D. Business Cards and Stationary: Any printed materials, including business cards and stationary, must be approved by the Company in advance. Criteria for approving these materials will include a judgement regarding the quality of materials as well as properly setting forth the independent status of the Distributor.

E. Media: With increasing public awareness about KMI, distributors may be contacted by the media. When this happens, contact the KMI Marketing Department immediately. Distributors are prohibited from using radio, television, cable television advertising or public appearances to publicise KMI or its products except with the express written approval of KMI.

No Distributor is authorised to make any statements or comments to the media with reference to any or all of KMI's officers, products or procedures beyond, that which is approved by KMI. This policy is to assure accuracy and a consistent public image. Any variation of this policy or violation thereof is grounds for

immediate termination. No media advertising is authorised without prior written approval from KMI, with the exception of blind ads (ads discussed in the next section). This policy is to assure accuracy and a consistent public image.

F. Blind Ads: As Independent Distributors of KMI, you are allowed to promote your business in any legal manner, and may advertise without approval of KMI by using "blind ads." Blind ads are any written, video or audio advertisements that do not use KMI's names, trademarks or display KMI's products.

G. Telephone Solicitation: The use of the KMI name or copyrights may not be made with automatic calling devices or "boiler room" operations either to solicit Distributors or retail customers.

H. Telephone Answering: A Distributor shall not answer the telephone "KMI International Inc." or initially respond to the caller in any manner that gives the impression that the caller has reached the KMI's corporate office.

I. Telephone Listing: The approved telephone listing for all telephone publications are as follows: "KMI Independent Distributor" or "Independent Distributor" followed by the Distributor's name address and telephone number.

J. Labelling and Packaging: Distributors may not repackage KMI products in any way. Federal and state laws expressly forbid this practice.

K. Trade Shows: Distributors can

promote KMI products at fairs and Trade Shows on condition the products are not shown or displayed with any other nutritional products, which are sold via multilevel marketing.

L. Retail Outlets: KMI's products and promotional items may not be sold, inventoried or displayed for public (casual foot traffic) view in any retail outlet. However, "appointment only" businesses may display KMI products and promotional items only in a manner, which is visible exclusively to clientele inside the place of business. For clarity, here are some examples of retail outlets which KMI products and promotional items definitely may not be displayed or sold:

- Supermarkets
- Drug stores
- Department stores
- Swap meets or flea markets
- Shopping mall booths or kiosks (temporary or permanent)

This policy, however, does not prevent a retail storeowner from being a KMI Distributor.

16. CHANGES IN DISTRIBUTION POLICY

KMI expressly reserves the right to alter or amend product prices, Distributor Policies and Procedures and the Compensation Plan. Upon notification, any such amendments are automatically incorporated as part of the agreement between KMI and its Distributors.

17. CONFLICT OF INTEREST

Distributors are not restricted from selling other company's products. However, promotion of other networking programs among KareMor Distributors beyond one's personally sponsored Distributors is strictly prohibited and may result in termination.

18. CANCELLATION, RESIGNATION & TERMINATION.

A. Voluntary Cancellation: A Distributor may voluntarily terminate his or her Distributor status at any time by sending written notice to KMI (no faxes accepted). Voluntary termination is effective upon receipt of such notice by KMI corporate office. Notification of the termination may be forwarded to affected parties. A voluntarily terminated Distributor may not reapply to KMI for a period of twelve (12) months, and must resubmit the application form with fee.

B. Involuntary Cancellation: KMI reserves the right to terminate any Distributor who violates the terms of the Distributor Application and agreement, KMI's Policies and Procedures or for any other just cause. Involuntary termination is effective when mailed by certified mail to the Distributor's current address as shown on KMI corporate records, or when the Distributor receives actual notice, whichever occurs first. An involuntarily terminated Distributor may not reapply to

KMI for a period of (1) one-year.

C. Appeal: A terminated Distributor may appeal the termination by submitting a letter of appeal. This states the grounds of the appeal. The Company must receive this letter within (15) days of the date of the mailing of the Company's termination notice. If the Company has not received a letter of appeal by that deadline, the termination shall automatically become final. If the Distributor files a timely appeal, the appeal will be reviewed and the termination will be reconsidered by an impartial appeals panel and the Distributor will be notified of the panel's decision. The decision of the panel shall be final and subject to no further review. The Distributor must appeal to the panel prior to taking legal action regarding the termination. If the appeal is denied, the termination shall remain in effect as of the date of the Company's original termination notice.

D. Effect Of Termination: Voluntary or involuntary termination results in the Distributor's loss of the rights to his or her downline organisation and his or her status. The downline organisation then moves up to the next active Sponsor in the terminating Distributor's downline and remains there whether or not the terminated or terminating Distributor subsequently renders the Compensation Plan, unless he or she has successfully appealed an involuntary termination. The

terminated Distributor agrees to immediately cease representing him or herself as a Distributor. Any remaining commissions will be held for six (6) months in anticipation of charge backs.

19. COMPANY RETURN POLICY

A. KMI Distributors are required to offer a seven (7) day 100 percent unconditional money-back guarantee to all retail customers, excluding shipping charges. Every KMI Distributor is responsible for honouring this guarantee.

If a retail customer is dissatisfied with any KMI product for any reason he or she may return that product to the distributor from whom it was purchased within thirty (30) days for either a replacement or a full refund of the purchase price, excluding shipping charges.

20. COMPANY BUY BACK POLICY

A Distributor who terminates his or her participation in the Compensation Plan may return all unopened marketable inventory which was purchased during the seven (7) day period prior to the termination (other regulations may apply). KMI will refund to the Distributor 80% of the wholesale price, less any appropriate set-offs and legal claims.

A. A written request must be submitted, stating the reason for the termination, the reason for the return of the product and accompanied by the proof of payment and a copy of the Product Order Form or

packing slip. Products returned without prior authorisation will be returned to the distributor.

B. KMI will instruct the Distributor where to ship the product for inventory and verification, and provide the Distributor with returned goods authorisation packing slip and shipping labels. Upon receipt and inspection of the product, KMI will make refund payments; if the product is not in resalable condition, they will be returned to the Distributor, with shipment C.O.D.

C. KMI will not accept returns of any product previously certified as sold under the 70% rule.

D. No refunds will be allowed on sales material or on annual accounting /data processing fee.

21. LEAD ASSIGNMENT POLICY

KMI's staff is available to speak with all prospects who contact the Corporate Office and attempts to connect each prospect with a Distributor as soon as possible. If the prospect is familiar with a Distributor in his/her area or is currently being serviced by a KMI Distributor, the Corporate Office will recommend that the prospect continue contacting this Distributor for product or as a sponsor. However, if the prospect is not familiar with a Distributor, KMI refers to them as "unsolicited". Unsolicited leads are dispersed to Distributors only after an investigation of the lead origination has been conducted.

A. The official KMI Lead Distribution System is fair and is structured to reward the active Distributor. A Distributor shall be considered for leads on these qualifications:

1. Leadership position as well as Personal Sales Volume within the past 60 days.
2. Sponsored one or more new distributors within the past 60 days.
3. Lives within 2 hours of the prospect by car. When several Distributors qualify equally under the above requirements, then leads will be rotated and /or divided equally. If there is not a qualified Distributor within 2 hours of the prospect, the search will expand to adjoining states and regions.

B. KMI reserves the right to make a final judgement with respect to distribution or retention of leads.

22. GENERAL PROVISIONS

A. Record Keeping: KMI encourages all its Distributors to keep complete and accurate records of all their business dealings.

B. Governmental Endorsements: Federal and state regulatory agencies do not approve or endorse direct selling programs. Therefore, Distributors may not represent or imply, directly or indirectly, that KMI the program has been

approved or endorsed by any governmental agency.

C. Amendments: KMI reserves the right to amend the Policies and Procedures set forth herein, its wholesale or suggested retail prices, product availability and Compensation Plan as it deems appropriate. Amendments will be communicated directly to all Distributors through the appropriate KMI publications. Amendments are effective and binding on all Distributors as of the date of issuance.

D. Non-waiver Provisions: No failure of KMI to exercise the power under the Policies and Procedures or to insist upon strict compliance by a Distributor with any obligation or provision herein, and no custom or practice or the parties at variance with these Policies and Procedures, shall constitute a waiver of the Company's right to demand exact compliance with these Policies and Procedures. The authorised officer of the Company can affect waiver by the Company only in writing. The Company's waiver or any particular default by a Distributor shall not affect or impair the Company's rights with respect to any subsequent defaults, nor shall it affect in any way the rights or omissions by the Company to exercise any right arising from default affect or impair the Company's rights as to that or any subsequent default.

E. Jurisdiction and Venue: The laws of the Republic of South Africa shall govern

this agreement, its interpretation, construction and enforcement. Any controversy, dispute or claim relating to this Agreement, between parties shall be resolved by binding arbitration in Johannesburg S.A. Binding Arbitration will be in accordance with the rules of the South African Arbitration Association and any judgement of the Arbitrator shall be entitled to enforcement by any court having jurisdiction over the parties.

F. Entire Agreement: This statement of Policies and Procedures and the Compensation Plan is incorporated into the Distributor Application and Agreement and constitutes the entire agreement of the parties regarding their business relationship.

23. BONUSES, COMMISSIONS AND INCENTIVES

A. Application and Agreement: Bonuses and commissions cannot be paid until KMI has received and accepted a KMI Enrolment Application Form from both the Distributor and his or her Sponsor.

B. Keeping Track Of Wholesale Volume: Distributors are responsible for keeping track of their actual personal volume during any given month, and should not rely on subtotals provided by KMI as a courtesy to all Distributors.

C. Accounts Receivable Balance: KMI reserves the right to deduct any account receivable balances owed to KMI from the Distributor's bonus and/ or commission cheques including but not limited to yearly Distributor renewal fees.

24. PURCHASE AND SALE OF PRODUCTS:

A. Retail Sales: KMI's program is built upon retail sales to the ultimate consumer. KMI will recognise as a retail sale purchases by non-participants and/or purchases by Distributors for personal or family use in reasonable volume which are not made for purpose of qualification or advancement.

B. Direct Purchases: all Distributors buy the product directly from KMI. Purchases made between Distributors in the field and not processed by the home office will not be eligible or form part of the commissions, bonuses or overrides.

C. Payment Options: Purchases may be prepaid by money order, cashiers cheque, bank transfer, pre-approved personal cheque, Master Card or Visa. Please ask your order taker about the restrictions.

D. Receipts and Retail Pricing: KMI Distributors are required to provide all retail purchasers of products with written receipts. Although KMI provides a suggested retail price as a guideline for setting retail prices, Distributors may sell KMI products at whatever retail price they and their customers agree upon. Sales tax and or VAT collected by KMI will be at the full-suggested retail price and no rebates will be made.

F. Price Changes: All KMI product prices are subject to change without prior notice.

E. Product Sales in Wholesale Quantities to Non-Distributors: KMI supplies products to its Distributors for resale to ultimate retail customers and, if necessary to supply in wholesale quantities to other KMI Distributors. Distributors are prohibited from selling in wholesale quantities to non-Distributors, who either are end-consumers or who sell to end-consumers. Since KMI has no contractual relationship with non-Distributors it is not possible to enforce KMI's high standards for services and the quality of their representation. Non-Distributors are not familiar with or bound by the Company's Distributor Agreement, and not Policies and Procedures. As such, the Company does not wish to have

its products offered to the general public by unauthorised sellers. Selling wholesale quantities to non-Distributors for resale purposes shall result in termination.

G. Ordering: Your KMI support team knows how important it is to fill your orders quickly and accurately. Please help us do this by following the ordering and shipping policies and procedures outlined herein.

H. Mail Orders: To receive your actual personal volume on mail orders in a given month, your mail order must be received by KMI no later than the last day of the month (see definition under Calendar Month). Due to variable postal service delivery times, you should mail your order far enough in advance of the monthly cut-off date to ensure that they arrive in time. You may also use guaranteed overnight service. Be warned that the Post Office Speed mail service does not operate in every city.

1. **Order Form:** To eliminate confusion and expedite shipments, products should be ordered only on the 'KMI Order Form' If an order has a different ID number and/or ship to address, then two separate payments must be attached to the orders and the payment must include shipping costs for each order.
2. **Form of Payment:** Always staple your payment to the order form

when mailing orders. Acceptable forms of payment for mail order are Visa, MasterCard, money order, cashier's cheque, certified cheque and personal cheques (ask order taker for restrictions).

I. Fax Orders: If you fax an order, using a credit card payment, DO NOT send a hard copy of the same order. If you do, that will result in 2 orders being processed and charged against your credit card. If you wish to order and pay by cheque you must send the cheque with the order in the mail. Copies of cheques will not be accepted on faxed orders. We will not process the order.

J. Telephone Orders: KMI will accept telephonic orders only from Distributors whose applications have been received and entered into our database.

Necessary Information:

1. Name and KMI ID number
2. "Ordered by" name
3. "Ship to" address (if different from the address on your application). We do not accept general delivery destinations, or caller services.
4. The order in its entirety with product number and quantities of each item.
5. Your form of payment (if credit card, please have card number, expiration date and name on the card.)
6. Do not forget to record your invoice number. *When all this information is ready, call KMI and the first*

available agent will take your order.

K. C.O.D.: The Company will not ship goods on a C.O.D. basis

L. Back Orders: Back orders will be shipped as soon as the products become available. Bonuses on backorders are credited to you in the calendar month in which payment for the original order was received by KMI - not when the products were shipped or received.

M. Errors in Orders Shipped: If individual products are missing from an order, please contact the KMI Distributor Affairs Department immediately. If you received an order in which an error has been made, you must advise KMI by telephone or in writing of the errors within five (5) working days of receipt of the order.

N. Change of Address: You must report all changes of address and personal information, by sending written notice with original signatures to the KMI office.

O. Standing Orders: Standing orders will be shipped to Distributors if or when they have failed to purchase their minimum PV quantities for the month. The products that will be sent will correspond to the last standing order as on the KMI computer system. The products will be sent in the month following the failure to purchase the required number of units. All parcels will be registered. The cost of the units plus shipping will be debited against the account of the Distributor.

25. OUT-OF-STOCK SITUATIONS

When KMI does not have an item you ordered in stock, but expect it to be received within 30 days, it is automatically placed on back order. The back ordered item is then either shipped automatically when available or automatically cancelled if not available within 30 days. KMI will add backordered items to PV and GV on date of payment and is entitled to keep the funds paid by the Distributors, interest-free, until the back-order is filled or cancelled. If your back-order is cancelled, your account will be credited, and the PV and GV will be reduced.

26. SHIPPING:

A. Method of Shipping: KMI ships their products by common carrier. Deliveries will be either Registered or Recorded Mail. These will be delivered to the nearest Post Office of the Distributor. General delivery destinations are not accepted.

B. Cost of Shipping: Will be at the prevailing rate as shown on the purchase order.

C. Damaged Shipment: KMI uses the finest packaging materials available and every effort is made to prevent damage. In the event that damaged merchandise is received, please contact the shipper and file a claim to collect damages. Some helpful hints:

1. Document the delivery note and the receipt, the number and the description of damaged boxes.

2. Save the damaged product and boxes.

3. Please contact the KMI Home Office

Tel: 0861 007 335

Fax: 0866 908 103

E-mail: jo@kmihome.com