



START BUSINESS WITH ART LIFE

ARTLIFE WELLNESS PRODUCTS PVT. LTD

ETHICAL CODES FOR THE DISTRIBUTORS
RULES FOR COOPERATION WITH THE COMPANY
MARKETING PLAN
DICTIONARY OF TERMINOLOGIES



ETHIC CODE OF A PARTNER

As a partner of Art Life Company, I agree to conduct my business with the Company in compliance with the following ethic principles:

- To treat other Partners, Clients and employees of the Company in a way that I would prefer to be treated.
- To concern myself with the reputation of the Company, following high ethic principles meeting the line of close cooperation.
- To represent the possibilities of the Company, its mission, products and business with Art Life to the Clients and potential Partners honestly and truthfully.
- To be attentive towards and decide efficiently issues of Clients' complaints, following the procedures of return and exchange established by the Company.
- Not to promote other methods of gaining income except those officially established by the Marketing plan of the Company in partnership environment. Not to recruit for other MLM companies.
- To stave off unprofessional conduct to the extent of my abilities, in proper time informing the Company about any illegal enterprise taken by other Partners.
- To conduct business consistently to the law, not to aggrieve Partnership network of Art Life and MLM in whole.
- To injure honorary title of a sponsor and a leader of Art Life Company under no circumstances. To be an example for other Partners.
- To respect and follow present Ethic code and Rules of cooperation with the Company.

Present Rules contain key conditions regulating cooperation procedure of a Partner and Art Life Company. The rules are established to determine functions, obligations and rights of Partners towards each other and Clients, and relations between Partners and the Company. The goal of the present rules is to form a system of relationship respecting the rights of each Partner and at the same time not setting limits to the freedom of actions of each Partner in organizing his/her own business.



MAIN REGULATIONS

- 1. To become a Partner of the Company one should fill in the Form of the corporate card owner.
- 2. Partnership relations are put into effect from the day of registration of the Form in the Service centre (SC) of the Company and acquiring package of documents "First step of success" necessary for conducting business.
- 3. In case information given in the Form of the card owner is incomplete and/or wrong , the card is considered invalid.
- 4. To be identified in the common Database of the Company the Partner gets a unique identification number of the corporate card owner.
- 5. The Partner's activities and his/her information support is given in the SC domiciliary. The abovementioned support implies two operations: points transfer and goods receipt in compliance with the requirements of existing legislation of India concerning bonuses assignment system.
 - 6. Receiving products at bonuses assignment

system gives the possibility for corporate card owners to get products in the SC he/she is assigned to. Products are given in the amount of total bonuses sum for the preceding month. The bonus sum is calculated according to the Marketing plan of the Company and is converted into corporate units.

- 7. The Partner of the Company of any rank and status is not an employee of Art Life Company. He/she organizes his/her activities himself/herself. All the relations connected with buying and selling Art Life Company goods, the Partner builds himself. All the relations connected with legally significant activities in the result of which civil rights and obligations emerge, change and terminate, are the relations between the Partner and the Client (Customer) being formalized with civil agreements when necessary.
- 8. Any transfer of the corporate card of Art Life Company is forbidden except in that case the Company considers applications individually.



RIGHTS AND OBLIGATIONS OF A PARTNER

A Partner of Art Life Company has the right:

- 1. To acquire products in compliance with the civil law of India at a wholesale price after showing the corporate card in the SC. The Partner can get the information about the SC from his/her Sponsor, at the site of the Company or in the Company's Central Office.
- 2. To distribute products in compliance with the civil law of India at a retail price recommended by the Company.
- 3. To work with the products of Art Life Company in any cities, regions and countries where the products are certified.
- 4. To be served in any convenient SC of the Company.
- 5. To attract Partners interested in the products of Art Life Company and in the cooperation with it.
- 6. To use advertising and information support of the Company.

- 7. To organize mass events and promotions to motivate one's own structure, following the "Advertising and information support" without fail.
- 8. To transfer the corporate card of Art Life Company to a relative when it is impossible to cooperate with the Company because of the health level or other objective reasons. In that case the Partner should submit an application and copies of documents proving consanguinity. The relative who gets the card should also be a Partner of Art Life Company and be active during 12 months before the transfer. Present right may be realized only after a new owner's training according to the status of the former owner. In that case former corporate card and the Partner's number are abolished.
- 9. To terminate one's activities submitting an application to the central office of the Company. After personality check the corporate card is abolished.

A Partner of Art Life Company is obliged:

- 1. To follow Ethic code, Marketing plan and present Rules.
- 2. To inform Partners of one's organization about all new products, technologies, directions of activities of the Company.
- 3. To form conditions for professional development for the Partners of one's organization in compliance with the Marketing plan of the Company.
- 4. To guarantee products quality according to the Company's quarantees.
- 5. To advertise products and business with Art Life Company using any legal possibilities and carriers, strictly following "Advertising and information support".
 - 6. To be polite and tactful in relations with Clients.
- 7. To inform the Company about any criticisms from the Clients, to submit copies of written requests if there are any.
- 8. When a Client discovers any inappropriate product including package integrity, expiration date,

- etc., to give a choice to the Client immediately: full compensation of all expenses, exchange of the product for an identical one or purchasing other product with regard for the sum paid. The return of inappropriate products to the Company is carried out according to the documented procedure "Inappropriate goods management" of the Quality management functioning in Art Life Company.
- 9. To build one's activities following the common system of corporate actions accepted by the Company. To comply with all procedures: performance schedule, obligatory registration, norms concerning number of participants.
- 10. To participate in all activities of the Company according to one's rank and status.
- 11. To solve all the problems emerging from the process of business being conducted with the higher Sponsors.
- 12. To follow the policy of nondisclosure and confidentiality of Partners' data.
- 13. To meet the image of the Company by one's appearance and behavior.
- 14. To keep positive or neutral attitude towards other MLM companies.
- 15. To inform the Company immediately about all cases of Ethic code and present Rules violation.

A Partner of Art Life Company is prohibited:

- 1. To change a Sponsor during the whole period of one's activities.
- 2. To make the following statements in the name of the Company:
- to give guarantees, overstate properties and characteristics of the products, perverting information stated in official accompanying documents;
- to distort the idea of business with Art Life Company, its system of business conducting, Marketing plan; to guarantee job placement in the name of the Company to potential Partners.

- 3. To make statements about bonuses and incentive volumes of the Company's Partners.
- 4. To deal with information about the volumes of goods bought and sold by other Partners of the Company.
- 5. To repack, change labels and marks of the Company's products.
- 6. To republish official accompanying documents for the products including catalogues and booklets, without Company's permission.
- 7. To misappropriate the TM of Art Life Company, brand names of products, other intellectual property and patented information.
- 8. To distribute through the Partnership network any information or learning aids of one's own making to gain

- profits without the permission of the Company.
- 9. To state that within the cooperation with the Company one has exclusive right of activity at certain territories.
- 10. To offer cooperation to Partners from other Partnership networks.
- 11. To fill in the second copy of the Form having the first valid copy, and moreover to sponsor other Partners with it.
- 12. To use one's structure to promote products and businesses of other companies.
- 13. To work in other MLM companies having the status of Silver Director and higher.
- 14. To conceal Ethic code and present Rules violation by other Partners.



CONFIDENTIALITY

- 1. A Partner bears full responsibility for the credibility of information and personal details submitted to the Company.
- 2. Information related to the Company and its Partners, notably, orders, correspondence, e-mails, addresses of residence and work places, telephone numbers, essential elements, passwords are confidential information. The information cannot be transferred to the third party directly or indirectly. This rule violation is a reason for the Company to abolish the corporate card unilaterally without any compensation and with a loss of all rights and privileges.
- 3. Information concerning parts of the Partnership with Art Life organization, including all lists of the Partner's structures; business information; sales volumes of the Partner and other financial information are considered confidential.
- 4. Information about all Partners and the Partnership network as a whole is considered confidential as well.
- 5. The Company is obligated not to disclose information about Partners except cases specified by the legislation.



ADVERTISING AND INFORMATION SUPPORT

1. A Partner should be able to position products and business with Art Life correctly. For that purpose the Company provides means of advertising and information support of sales and building business: corporate internet resource; printed materials including catalogues, booklets, corporate magazine "Almanac";

carries out information mailing, manufactures souvenir and video products; means of outdoor advertising (banners, advertising structures), etc.

2. A Partner wishing to use Company's symbols is obliged to submit it to the Company for approval, strictly following general rules of the Company's stylistics.

- 3. Any distortion of the corporate identity of Art Life is considered as a violation of legal rights of intellectual property, the amenability for which is fixed by the operating criminal and civil legislation of India.
- 4. A Partner wishing to carry out an advertising action or campaign is obligated to submit one's intentions and the form of the campaign to the Central office of Art Life for approval.
- 5. A Partner can represent the products of Art Life at regional fairs, if approved by the Company.
- 6. A Partner should be aware of and follow the advertising legislation operating in the country where he/she works.



SANCTIONS

In case of violation of present Rules by the Partner the Company has the right to take any of the following measures unilaterally:

- To demand an explanation from the Partner to discover the reason of the violation;
- To terminate collaboration for a time;
- To hold up awarding with the next rank or status:
- To lower the Partner's rank/status;
- To deprive the Partner of the next rank or status, demanding the return of differential signs;
- To terminate cooperation unilaterally;
- To resort to any other legal measures or actions.

TRANSFER RULE

- No one has the authority to save PVs OR to transfer pv to other distributors in any case.
- Note- only those distributors who have already achieved the rank of Director and above can transfer his pv to someone in his group provided he has done his personal 50 pv for that particular month and his group volume is more than 400 pv.
- The last date of a particular calendar month will be the closing date for the month
- For Service Centers-- It is strictly prohibited for any service center to save pvs of any distributors. The service centers must send to the head office all the pvs whatever done on a particular month at the end of the month before closing date.
- **Note 1:** As per Company Rule & regulation it's compulsory for all Top leaders Like Ruby, Diamond, President to participle in all Big event like Golden Academy, Anniversary and Festival of Success.



1. Any bonuses are assigned on conditions that Personal Volume (PV) is not less than 50 points.

2. Group bonuses.

Director	35%			
Manager	25%			10%
Master	15%		10%	20%
Consultant	10%	5%	15%	25%

2.1. Personal Sales Bonus (PSB)

Assigned to the Partner for PV fulfilled.

2.2. Group Development Bonus (GDB)

Assigned to the Partner for the work of Group Leader (GL).

2.3. Equal ranks bonus (ERB)

Assigned to the Partner under the rank of Director, if there is a Partner of equal rank in his/her first generation, and makes 5% of PV of such Partner.

2.4. Group Volume Development Bonus (GVDB)

Assigned to the Partner for GV gained in the settlement month.

Director	GV %
700	1
900	3
1100	5
1500	7

The bonus is awarded to the Partner in the rank of the Director for the GV gained in the settlement month according to the table

2.5. Sponsor's Bonus (SB)

Assigned to the Partner for sponsoring. First three months from filling out a Form of a Partner, immediate Sponsor in the rank of Consultant, Master and Manager gets additional 5% for PV of his/her new Partner in the rank of Consultant at the expense of Director.

2.6. The Effective Sponsorship Bonus (ESB)

The bonus is counted to the Sponsors of the **New Director** for the period of 6 months after the qualification of new Director with condition of his continues activeness every month. The accrual is carried out within the three higher levels and is **7**, **5**, **3%**, respectively, from its GV.

In the event the new Director Achieves to be a Silver Director within six months of the qualification of Director with condition of his continues activeness every month, his immediate Sponsor retains the right to receive a ESB for more **6 months** at a rate of **7%** of the GV of this Silver Director

3. DIRECTOR'S BONUSES

All Director's bonuses are assigned when Director fulfills norms of Minimum Group Volume (MGV).

3.1. Organization Development Bonus (ODB)

Assigned to the Partner of the Company in the rank of Director. Calculated from GV of Directors being members of the Partner's organization.

Status	Number of	Minimum GV			
Status	Generations	50	300	400	500
President	6	7%			
Diamond Director	5	-	7%		
Ruby Director	4	-	-	7%	
Golden Director	3	-	-	5%	7%
Silver Director	2	-	-	5%	7%
Director	1		-	5%	7%

3.2. Silver Bonus (SB)

Assigned to the Partner having the status of Silver Director and higher. The Partner gets plus 1% of SB for each active Director in his/her first generation, from the third to the tenth generation (i.e. maximum +8%).

Numbers of Directors in the 1st generations							
3	4	5	6	7	8	9	10
1%	2%	3%	4%	5%	6%	7%	8%

From GV of Directors of your first generation you get your SB in full.

SB percent that you get from each Director of your organization below the first generation is calculated by the formula: (% of GV) = (Your SB %) (SMax % SB), where % of GV is a calculated SB percent of GV of Director below the first generation.

Your SB% is SB calculated by the table, depending on the number of active Directors in your first generation in the current settlement month, SMax % SB is a maximum SB % assigned to any Sponsor of a Director being the member of your organization.

3.3. Golden Bonus or "Auto/House"

Assigned to the partner having the status of silver director and higher on conditions that if in previous three months and in calculation month sum of main bonuses he got every month, **For Silver Director**: not less than **300 C.U**, **For Golden Directors** & Above **500 C.U**, The Bonus Makes 5% of OV not More than **1500 C.U**.

Attention! Bonuses are assigned in the fourth month from the beginning of qualification. If the Partner's status falls lower than Silver Director, the "Auto/House" Bonus is not paid. To restore the bonus the Partner should fulfill the conditions of the qualification. once c.u is maintained, lesser will not be eligible for Auto/House Bonus on any status.

3.4. Holiday fund

Assigned to the Partner in the rank of Director & Above. To get the Holiday fund the Partner should fulfill GV making it possible to get maximum ODB volume. Holiday fund charges are assigned each month and make 6% of the sum of Main bonuses. Holiday fund is paid after 11 months of its accumulation or previous payment. If the Partner does not fulfill MGV in one of the 11 months, the accumulated fund is lost. Maximum sum of payment should not exceed 1000 c. u.

Attention! Holiday fund is paid if the Partner works only with Art Life Company!

4. President's Bonuses

4.1. President Bonus (PB)

Assigned to the Director having the status of President. Makes 1% of GV of Directors being lower than 6th generation and endlessly.

4.2. President Productivity Bonus

Assigned to the Director having the status of President from GV of seventh generation of his/her Directors when the following conditions are fulfilled.

Qualifying Volume	% of 7th generation
50 000	1 %
100 000	2 %
150 000	3 %

5. Main Bonuses Group

Main Bonuses Group includes:

- Personal Sales Bonus (see 2.1),
- Group Development Bonus (see 2.2),
- Equal ranks bonus (see 2.3),
- Group Volume Development Bonus (see 2.4),
- Sponsor's Bonus (see 2.5),
- Organization Development Bonus (see 3.1),
- President Bonus (see 4.1).
 Golden Bonus ("Auto/House") and Holiday fund are calculated from the sum of Main Bonuses.

6. Status Gift

In order to receive status gift, Partner Achieving status of Silver Director, Golden Director, Ruby Director, Diamond Director and President need to maintain standard qualification volume for status in any three months in continuation. Table of Standard qualification volume for Status Gift.

Status	Standard Qualification Volume	Number of Generations
Silver Director	1000	1
Golden Director	3000	2
Ruby Director	7000	3
Diamond Director	15000	4
President	31000	5



RANKS AND STATUSES DESCRIPTION

Rank "Consultant" is given to the Partner of the Company fulfilling MPV. From the rank of Consultant the Partner of Art Life gets the right to use a virtual office at the site of the Company a tool for business-planning and analysis of structure work efficiency.

Rank "Master" is given to the Partner of the Company gaining AGV not less than 400 points in the settlement month.

Rank "Manager" is given to the Partner of the Company gaining AGV not less than 2000 points in the settlement month.

Rank "Director" is given to the Partner of the Company gaining AGV not less than 4000 points during all time of work or 2000 points in any three months in succession with GV not less than 500 points in the settlement month.

Status "Silver Director" is given to the Partner having the rank of Director and not less than two Directors in the first generation.

Status "Golden Director" is given to the Silver Director having not less than six Directors within two generations.

Status "Ruby Director" is given to the Golden Director having not less than fourteen Directors within three generations.

Status "Diamond Director" is given to the Ruby Director having not less than thirty Directors within four generations.

Status "President" is given to the Diamond Director having not less than sixty two Directors within five generations and not less than two Ruby Directors in the first generation.



DIFFERENTIAL SIGNS

- 1. All Partners when joining the business are given differential signs of Partners of Art Life Company which are included in the folders: Product Catalog, Start Business with Artlife Book & Welcome to Artlife Book.
- 2. The Partner in the rank of Director gets a Certificate of rank and a present from the Company at a regional meeting. Only those Directors who go through a course and get Certificates have the right to make further career.
- 3. When achieving each status the Partner gets the appropriate present from the Company that is given at a proper event: Silver and Golden Directors get their presents at Regional Business Forums; Ruby and Diamond Directors and Presidents at the Festival of Success.



CHANGING RANKS

The rules of compression

- 1. For all the Partners of the Company If Sponsor does not fulfill MPV, his/her Partners of the first generation whose PV is more than 0 in the settlement month move under the higher Sponsor (relatively, to calculate volumes, ranks and bonuses in the settlement month), fulfilling MPV and having the rank not lower than those of moved Partners.
- **2.** For Partners of the Company in the rank of Director

Director who does not fulfill MGV in the settlement month does not get Director's Bonuses. Director from his/her organization moves under the higher Director fulfilling MGV (relatively, to calculate volumes, ranks and bonuses in the settlement month).

Rank demotion

- **1.** If the Partner below the rank of Director does not fulfill MPV during three months including the settlement month, his/her rank is lowered at one step from the beginning of the following month.
- **2.** If the Partner in the rank of Director and higher does not fulfill MPV or MGV during three months including the settlement month, his/her rank is lowered to the Manager from the beginning of the following month.
- **3.** If the Partner in the rank of Consultant does not fulfill MPV during three months including the settlement month, his/her rank is lowered to the Privileged Client.

PRIVILEGE PROGRAMMES

1.Programme

"Missing rank"

If the Partner having the rank of Consultant or Master in the settlement month fulfills the qualification for the rank missing one or more next higher ranks, he/she gets the bonus of the rank preceding the one he/she was qualified at.

Rank restoration

- **1.** Rank restoration takes place in compliance with the conditions of qualification.
- **2.** To restore the rank of Consultant, the Partner should gain monthly MPV during three months or 150 points during a month or two in succession.

Losing and restoration of an organization

1. In case a Partner of your organization gets a rank higher than yours (and your rank is lower than Director), the Partner and his/her organization moves under your Sponsor.

Attention! The restoration of the lost Partner and his/her organization is possible in the only case. You should achieve the rank not lower than the Rank of the lost Partner at the moment of restoration in 3 months. In case of non-compliance with this requirement the lost Partner and the organization are not restored.

2. Privilege month for Directors

In the month following the qualifying month of Director in the first generation, the Partner in the rank of Director and having the status not higher than Golden director has MGV twice reduced when calculating ODB (see 2.2.1.).

3. Lowering of the GV requirements

For Directors having the statuses of Ruby Director, Diamond Director and President MGV is 400 points, 300 points and 50 points respectively, taking into consideration PV.

4. Programme "Leadership start"

4.1. A Partner gaining not less than 400 points of PV in the month of registration or the following settlement month, has the right to get bonuses from the Company

without fulfilling MPV till he/she achieves the Director rank or till 12 Month which ever is earlier.

- 4.2. A Partner gaining not less than 400 points of PV in the month of registration or the following settlement month, partner, gets the Manager rank.
- 4.3. An immediate Sponsor of the Partner gaining not less than 500 points in this settlement month gets the Manager rank as well.



LOWERING ODB

The rule of proportion

If the Partner has the status of Ruby Director or higher, and the organization volume of his/her first generation Director in the limit of his/her qualification levels makes 75% and more of the qualification volume, he/she gets 5% ODB from that organization.



TERMINATION ID & JOINING RULE

- 1. As per company rule anyone who Become client & after that coming 12 months has done 0 PV. His/her ID will terminate automatically & thereafter he/she can get new Joining.
- 2. Any distributor in any rank who has Join Company & in upcoming 12 month has not done in any particular month 50 PV or more, can take new joining under any one.
- 3. **New Joining:** after joining if in upcoming 6 months has not done in any particular month 50 PV or more, can take new joining under any one.
- 4. If due to any certain reason any distributor wants discontinue working with the company, he should write an application and after 1 year from the acceptance of his termination, he/she can get a new joining.

The Company "Art of Life" holds all the rights to take any decision at an individual level.

Joining Rule: business with company art life can be a family business. (i.e you are allowed to sign your family members as well). this condition is permissible only under one clause that the distributors family and relatives should be signed under him.

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Agreement Form For A Distributor - A document, which gives the possibilities of buying and reselling the products of Art Life in the wholesale rate, to create won distributors structure, to receive gifts and premiums as per the marketing plan of Art Life.

Agreement Form For A Privileged Client - A document, which gives the possibility of buying the products of Art Life in the wholesale rate, to invite other clients.

Point Value (P.V.) - A unit to measure the volume of distribution of products. Each product of the company has a PV, which is mentioned in the price list. When a distributor buys products from the company on his computerized number, he/she gets respective corporate units (cheques) from the company as per the PVs bought by him/her.

REWARDS - Extra non-monetary form of promotion of the distributors, along with gifts, symbols etc.

Internal Rate Of The Company - Rate, as per which the corporate units are calculated by the company for a month and are converted into monetary units to get the products as per the system of premium payout.

Group Volume (g.v.) - It is the sum of Personal Volume (P.V.s) of all the distributors below the holders of corporate card for the particular month, including his/her own personal volume.

Corporate ID Card - A plastic card with a electronic identification number, which gives the possibility to its owner to cooperate with the company Art Life as a Partner / Distributor of the company.

Electronic Identification Number - This is the unique individual number, written on the plastic corporate card, given to the owner as soon as he/she is registered in the database of the company. There are

the following types of plastic cards Distributor & Client.

Informative Service Centre (ISC) - Service centre in which the company offers informative service to the distributors. After signing the agreement form, the owner of the corporate card willing to cooperate with the company automatically gets attached to the ISC, to which his/her sponsor is attached.

Qualificational Quantity Of The Directors (KQD) - Quantity of Directors in the structure of a distributor, which is necessary for him to get the status of a Silver Director or above.

Qualifying Volume (QV) - The minimum volume necessary for a distributor to get the status of a Ruby Director and above. Qualifying Volume is calculated according to the rule of compression.

Client - The tail-end (retail) user of the products of the company Art Life.

Corporate Unit (C.U.) - A conditional unit, as per which the premium for a particular month is paid to the holders of the corporate card.

Personal Group (P.G.) - Part of your organization, except the distributors, who have already achieved the rank of Directors and above.

Personal Volume (P.V.) - Quantity of point value (PVs), counted for particular month on the computer number of a corporate card holder in compliance with procedure of translation of Pvs.

Marketing Plan Of The Company

Plan for calculating premium amounts - is the basic document, which shows the exact levels of rewards and premiums to be achieved by a distributor.

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To receive products as per the system of payout of the premiums - this possibility is given to receive products by a corporate card holder from the service centre, to which he/she is attached with. Products are given with respect to the total sum of premium for the earlier month. The amount of the premium is calculated as per the marketing plan of the company and is converted into corporate units.

Qualifying Month - Estimated month in which distributors fulfill the conditions to qualify for a definite rank. A new rank is given to a distributor on the 1st date of the month next to the month of qualification

Minimal Group Volume (MGV) - The minimum volume necessary for a distributor in the rank of a Director in order to get the Director's Premium.

Minimal Personal Volume (MPV) - The minimum personal volume required is 50 PV (in a estimated calender month). This minimal volume is necessary in order to receive the premiums and to grow up in the career ladder. If these minimal volumes are not done (MGV and MPV), then only Personal Volume (PV) is counted.

Accumulated Group Volume (AGV) - This is the sum of group volume (GV) of the distributor from the moment of signing the agreement form of a corporate card holder till the estimated month inclusive.

Wholesale Rate - The Price, in which the holder of a corporate card buys the products of Art Life. It has no relation with the rank or status of the distributor.

Organization - Distributors of all the generations/levels of which you are a direct or indirect sponsor.

Organization Volume (OV) - This is the sum of the Personal Volume (PVs) of all the distributors of a

corporate card holder, of the organization for the estimated month

Distributor's Structure - A group of distributors having a common sponsor.

Transfer of Point Values (PVs) - A procedure which allows the holder of a corporate card to transfer PVs against products, which are purchased from him by other distributors on their respective computer number.

Confirmation of Status - Conservation of activeness execution of minimal Personal Volume (PV) and Group Volume (GV) and estimated rank, if not passed then achieved, for 3 months continuously, including the qualifying month.

Generation (Level) - All the partners / distributors sponsored directly by you will be counted as distributors of your 1st generation/level. Accordingly, your 2nd generation will be formed by the distributors, whose sponsor will be any one from your 1st generation and so on.

Rule of Compression - The rule of conditional rebuilding of the distributor's structure by the company for calculating premiums and ranks in the current estimating month.

Privileged Client - Owner of the Client corporate card of Art Life.

Premium - Individual discount from the actual price of the products in accordance to the marketing plan.

Promotion - Motivational action, announced by a leader of the distributors network or by the company in order to attract the interest of the distributors to increase the volume of selling and also for the growth of the network.

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Rank - Index, showing the career growth of a distributor. In the company Art Life there are 4 ranks : Consultant, Master, Manager and Director.

Current (Estimating) Month - Period (calender month), for which the company summarizes the activities of the distributors.

Retail Price - Maximum price of the products fixed by the company for retail selling to the clients. Difference between the wholesale price and the retail price may go upto 25%.

Service Center - A place where a corporate card holder of Art Life can resale the products of the company after purchasing them from the company. In this case, the purchase and selling should follow all the rules, laws and taxation applicable for the particular city, state or country.

Privilege Card of Art Life - A plastic card with identificational electronic identification number, which confirms the possibility of its owner to cooperate with the company Art Life as a privileged client.

Sponsor (Informative Sponsor) - A Distributor of the company, who provides to his new partners the rights to exercise their capabilities to organize business with Art Life. He oversees the work, informs them about the products of the company, organizes interactions of a potential partner with the company regarding all his questions of business development with Art Life.

Status - Index, showing the career growth of a distributor. In the company Art Life, there are 5 Statuses: Silver Director, Golden Director, Ruby Director, Diamond Director and President.

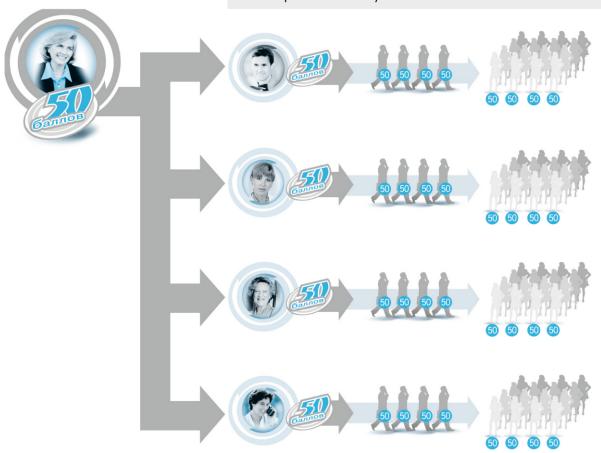
Transfer - Process in which a owner of the corporate card of Art Life states a definite quantity of PVs in his own personal Volume (PV) for granting his premium for the work done by him during the last calender month. Information of the transfer must be given to the Service Center in order to count the PVs in his/her Personal Volume not later than the dates fixed in each Informative Service Center individually.

If you have decided to become the Partner of the Company, you have a Membership Card that enables you to receive the unlimited income which depends only on your desire to work.

Art life offers you effective system of work; precise plan, following which you will definitely reach your desired goal. The first necessary thing is to make a decision and choose one of three options to start:

Smooth start

50 points: as the practice shows its monthly average volume of consumption for a family of two.



Purpose: Getting additional income without special time and financial investments

Registration of cooperation: Fill the agreement form with the owner of Gold corporate card. Purchase products of 50 points (provisional volume of consumption of a family of two people).

Actions: To carry out personal volume of 50 points every month. To involve not less than four Partners in the first month, further by one every month. To help Partners to repeat your actions.

Result: Creation of a steady consumer organization guaranteeing stable growth on career ladder of Art life

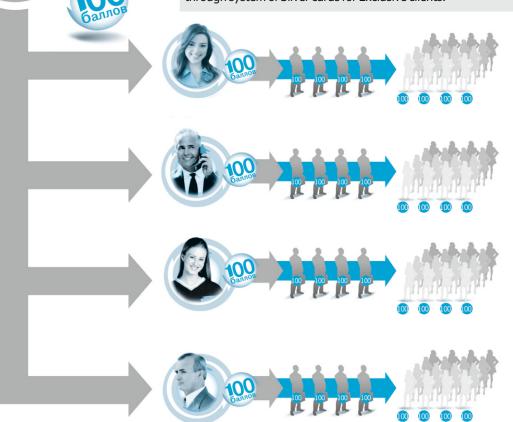
Your advantages:

- 1. With each month of work your rank and accordingly your remuneration increases: 1-st month you are a "Consultant", 2-nd month a "Master" and as per result of the 3rd month you qualify for the first leader's rank of the company i.e. "Director".
- 2. Your general bonus accordingly increases up to 10 000. A.U.
- 3. Now you have a right to receive basic premiums from Company Art life. Also you acquire the right of participation in promotions and offers of the Company.
- 4. In the fourth month of cooperation you can participate in business-seminars, get trained and receive the special diploma of Company Art Life. 5. You acquire the right to use your personal section virtual office of the
- Partner in the website of Company Art life!



100 points: This is the personal volume for all the active Partners who are focused on business. Except for personal consumption, the Partner can suggest products of the Company to other people also. The retail income accordingly will increase.

The volume in 100 points can be made by personal consumption, retails, through system of Silver cards for Exclusive clients.



Purpose: Fast increase in the income without essential financial investments, creation of own business

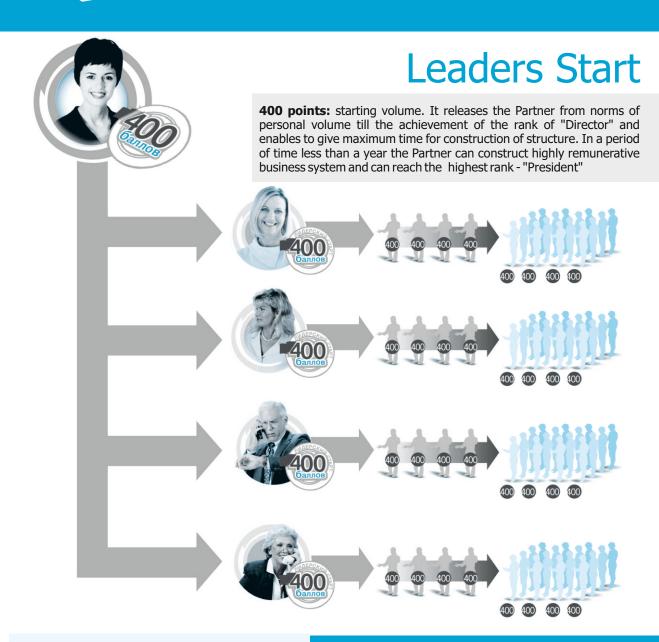
Registration of cooperation: Fill the agreement form with an owner of Gold corporate card. Purchase products of 100 points.

Actions: To execute personal volume of 100 points (it is the personal volume for all the active Partners focused on business). To involve not less than four Partners in the first month, further by 1every month. To help Partners to repeat your actions.

Result: Construction of an active consumer organization guaranteeing a fast growth on the career ladder of Art life.

Your advantages:

- 1. Fast promotion on career leader of Art life. In the 2-nd month you are "Director", and in the 3-rd "Silver Director".
- 2. Your general bonus increases up to 13 000 A.U.
- 3. To the basic premiums one more premium is added essential and very significant "Silver premium"!
- 4. You acquire the right to participate in seminars and trainings, to be trained on Business-forum, to use your personal section virtual office of the distributors in the web site of Company ArtLife.
- 5. You become a proud owner of a corporate badge which corresponds to your new status and you start receiving valuable status gifts.



Purpose: Construction of profitable business-system **Registration of cooperation:** Fill the application form with the owner of a Gold corporate card. Purchase products of 400 points (the starting volume which releases the Partner from norms of personal volume before achievement of rank of "Director" and enables to give maximum time for construction of structure). To enter into business under the program Leaders start.

Actions: To involve not less than 4 Partners in the first month, and further join one Partner every month. To help Partners to repeat your actions.

Result: Creation of effective leaders' organization guaranteeing fast achievement to the top of career ladder of Art Life

Your advantages:

- 1. Within the shortest possible time, you reach one of the highest levels of career ladder of ArtLife i.e. the status of "Ruby Director".
- 2. Your bonus increases to 50 000.
- 3. Along with "Silver Award", you get one additional prize "Car \slash Home"!
- 4. You have all chances to become a member of the Golden Academy. Your efforts will be reflected in your virtual office!
- 5. The company encourages your activeness! Therefore, in the annual corporate festival Festival of Success you become the proud owner of all the status gifts, which you achieve while climbing up the career ladder of ArtLife.

CAREER PLAN

The marketing-plan offered by Company Art Life is balanced and perhaps the most effective as it considers interests of Partners at all stages of a career ladder.

First stage

Let us call it nominally a "Beginner", is accumulative. His purpose is to achieve the rank of a "Director". At this stage you can choose any rate of development of business: either quick construction of organization, by making a group volume (G.V) of 2000 points for any 3 months consecutively and to become a "Director", or to move on the career ladder smoothly and conveniently and to reach the same position, accumulating gradually 4000 points G.V.

At this stage you have the opportunity to receive the following types of income:

- Trading extra charge up to 25 % from personal selling;
- Premium of group developments (PGD);
- Premium of developments of group volume (PGDV);
- Premium of personal selling's (PPS);
 - Premium of equal ranks (PER);
- Premium of the sponsor (PS).

Second stage

Let us call it nominally a "Manager", allow you to gain compensation from the sales of the groups of the managers who have reached the same level as yours. At this stage it is necessary for you to create "Directors" as many as possible in the organization. For this purpose it is necessary to spread your knowledge to them and to help them to involve new partners into the business. Thus, you accelerate the growth rate of your organization and help your partners to increase their income, which leads to the growth of your income too.

At this stage you have possibility to receive following types of income:

- Trading extra charge up to 25 % from personal selling;
- Premium of group developments (PGD);
- Premium of developments of group volume (PDGV);
- Premium of organization developments (POD);
- Golden award Premium "Car/house";

- Premium of personal selling's (PPS);
 - Premium of equal ranks (PER);
- Premium of the sponsor (PS);
- Silver Premium (SP);
- Vacation fund.

Third stage

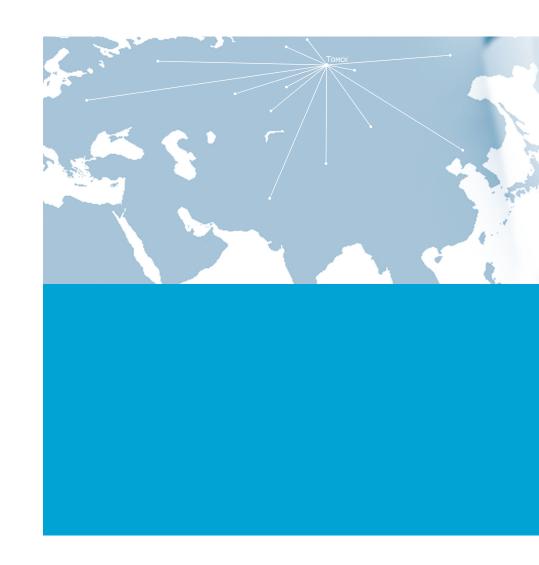
"Leader". The quality of your efforts has changed. You have formed a solid team of successful entrepreneurs, the people you can rely on without hesitation. This stage does not require your constant involvement. Your further growth depends only on the growth of your organization. You hold educational seminars, trainings, share the secrets of your success with the beginners with the help of such media resources such as corporate magazine "Art life Planet" and Internet site. Now you have more free time, more freedom of movement, and a considerable income. This stage does not require your constant involvement. Your further growth depends only on the growth of your organization. Your income at this stage includes:

- Trading extra charge up to 25 % from personal selling;
- Premium of personal selling's (PPS);
- Premium of group developments (PGD);
- Premium of equal ranks (PER);
- Premium of developments of group volume (PDGV);
- Premium of the sponsor (PS);
- Premium of organization developments (POD);
- Silver Premium (SP);
- Golden Premium "Car/house";
- Vacation fund:
- President's award (PA);
- Premium of efficiency of the President



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PRESIDENT



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