

Member Policies and Procedures.

Any person or entity wishing to participate in the K Business System (KBS) as a Member. The Member is required to read through these Policies and Procedures and agree to abide by the Policies and Procedures as stated, prior to the Company accepting the Application.

1. Entire Agreement.

These Policies and Procedures incorporated into the 'Join Now' Application and Agreement, constitute the entire agreement between the company Potential Benefits International Pty Ltd (PBI) and the Member.

2. Member Status.

A person or entity may apply to participate in the KBS by completing online application forms, or signing and returning offline Application and Agreement Forms to the Company's Corporate Office. Method of delivery, by facsimile to +618 9463 6283 or by email to support@krching.com or 1st Floor Sanur Paradise Plaza Jl Hang Tuah 46 Sanur Bali Indonesia.

3. Obligation.

The Application becomes binding to both parties upon acceptance by the Company. The Company reserves the right to reject any application or order, or cancel the Member's Membership to operate for failure to follow the Member Policies and Procedures. The Member agrees that they will be bound by the Member Policies and Procedures as it now exists or as it may be amended from time to time at the discretion of the Company. The Company decision is final.

Please note -

- a.** An Application will not be deemed received or accepted unless the Company receives the appropriate Application Form submitted to the Company as outlined. No order will be processed for a Member until the correct payment has been received by the Company.
- b.** If two (2) previously existing Members marry, each may continue to maintain their separate organisation.
- c.** For a corporation, partnership or business wishing to nominate as a Member, the following requirement must be met:

Proof of incorporation and appropriate documents giving the nominated contact permission to act on the company's behalf. Copy of the Company registration details must be submitted with the Application. Copy of the business registration certificate and proof of ownership and/or right to operate under the business name. Letter, if a partnership, that the all partners are willing to enter into an agreement to operate as a Member.

- d.** Any change to an Application must be amended and duly notified to the Company by facsimile or mail. No alterations will be accepted by any other method of notification.

5. Restrictions on becoming Member.

An Applicant must have attained the age of 18 and be of legal age in their state/province of residence to enter into this contract.

6. Independent Member.

Members are independent Members and not the purchaser of an agency, franchise, or security. The relationship between the Company and its Members is not to be construed as a franchise or a partnership. Members may not represent, by implication or otherwise, that they are an officer, employee, agent, or owner of the KBS. The Member is fully responsible for any and all actions and statements they make, regarding KBS and/or its products, including being responsible for payment of their own taxes (Local, State and Federal), insurance, pension funds, workers compensation and the like. Members have no authority to bind the Company to any contractual obligation, explicit or inferred.

7. Indemnification

Members are fully responsible for all of their verbal or written statements regarding products, services, and Rebate Plan that are not expressly contained in official Company material. As such, Members agree to indemnify the Company, its Directors, officers, agents, and employees, and hold them harmless from any and all claims, damages, or liability, including but not limited to judgments, civil penalties, refunds, legal fees, court costs, damages or lost business incurred by the Company as a result of the Member's unauthorised representations or actions. This provision shall survive the termination of the Member Agreement.

9. Insurance Cover

A Member is responsible for all or any insurance cover required.

10. Compliance with Federal, State and Local Laws

Members shall comply with all federal, state, and local laws within their jurisdiction in the conduct of their business.

11. Referring Policy

Every Member must have a Referrer. That is, a current Member who will become their 'Referrer'. In the case where more than one person contacts the same prospect it is an unwritten courtesy that the prospective Member will generally be 'Referred' by the first Member who presented them with the complete business opportunity. Each new Member has the right to choose a Referrer. The Company will not mediate disputes between Members and prospects and will recognize as the Referrer, the individual whose name appears on the signed Application first received and accepted by the Corporate Office.

12. Referrer's Responsibilities

A Referrer is expected to provide information, assistance and basic training to their referred Members. Existing Members should assure the adequate training of Members they refer. "Adequate training" shall include (but not be limited to) education regarding Policies and Procedures, the Rebate Plan, product information, sound business practices, sales strategies, and ethical behaviour. A Referrer should maintain an ongoing, professional leadership association with Members in their organization and fulfil the obligation of performing as a bonafide sales supervisor and/or sales trainer in the sale or delivery of products and services to the consumer.

13. Transfer of Placement

No Member will be able to request a transfer to a different placement position. Furthermore prospecting existing members to transfer is a serious breach of policy and will result in immediate termination of the offending Members, membership.

14. Cross Referring

Members may not introduce another network marketing, multi-level or direct sale opportunity to any of the Company's Members that the Member did not personally refer. A breach of this provision will result in the immediate cancellation of the offending Members membership.

15. Poaching.

Actual or attempted poaching is strictly prohibited. "Poaching" is defined as the enrolment or attempted enrolment of a current Member, or one who has been a Member within the preceding six calendar months, into a different line in the KBS. The use of a spouse or relative's name, trade names, business names, assumed names, corporations, partnerships, trusts, federal ID numbers, or fictitious ID numbers to circumvent this policy is prohibited. Members cannot demean, discredit, or otherwise speak ill of other Members in an attempt to entice others to become part of their organization. A Member cannot solicit nor intentionally interfere with other Members' customers to encourage them to join a different organization.

16. International Enrolling and Territories.

Members may only sponsor in countries in which the Company has its operations or as expressly allowed by the Company. There are no exclusive territory assignments. All Members have the right to function anywhere within the areas of operation prescribed by the Company. However, any attempt to market products offered by the Company or any of its affiliates, or to Referrer Members in states/countries outside the Company's prescribed areas of operation, will result in the immediate suspension or cancellation of the offending Member. If a Member relocates to a state/country outside the Company's prescribed areas of operation, they may continue to market the program, but only in those states/countries within the prescribed areas of operation. They may not retail products or Refer new Members in the new state/country of residence until the Company declares that state/country to be open for business. Members will be given advance notice of any Company plans to expand into other countries.

17. Rebates and Bonuses.

Members are entitled to Rebates and Bonuses as set out in the 'Compensation Plan' found in the Member area.

18. Rebate and Bonus Payments.

Members are paid Rebates or Bonuses by the Company on the sale of products. If a product is returned for a refund or is repurchased by the Company, the Rebates attributable to the returned or repurchased product(s) will be deducted, in the month in which the refund is given, and continue every pay period thereafter until the full Rebates have been recovered. The Company may also deduct from Rebates any monies that may be owed by the Member to the Company, including but not limited to, underpayment, postage due, and shipping charges. Rebates are based on the sales volume produced and paid for in full. To remain a Member and to continue receiving Rebates, Member must remain in good standing with the Company and comply with the Policies and Procedures.

19. Errors or Questions.

If a Member has questions about, or believes errors have been made regarding their Rebates or Bonuses, the Member must notify in writing within 14 days of the date of

the purported error or incident in question. The Company will not be responsible for any errors, omissions or problems not reported within 14 days.

20. Rebate and/or Bonus Payment Policy.

Rebates will be issued in AUD \$ and transferred to the Members E-Wallet account. A Member can then apply for a withdrawal request to their K Card for a fee of \$5.00 AUS. Transfers are completed once a month. Minimum withdrawal request is \$100.00 AUD.

21. Member Lists

Member genealogy lists are confidential and the property of the Company. The Company has compiled and currently maintains Member lists through the expenditure of considerable time, effort and monetary resources. Member lists, in past, present and future forms, constitute commercially advantageous proprietary assets and trade secrets of the Company, which the Company's employees have agreed to hold confidential. The Company will provide each Member with a genealogy list of their downline organisation via the Internet. The Member genealogy lists are provided for the exclusive and limited use of the recipient to facilitate the training, support, and servicing of the recipient's downline organisation for furtherance of related business only. Accordingly, each recipient agrees:

- a. To hold confidential and not disclose any Member list or portion thereof to any third person, including, but not limited to, other existing Members, competitors and/or the general public.
- b. To limit the use of the lists to their intended scope of furthering the Member's related business.
- c. That any intended or unintended use or disclosure of the lists outside of those authorised herein, or for the benefit of any third person, constitutes misuse and misappropriation.
- d. That, upon any violation under this Section, the Company will seek appropriate injunctive relief and damages against the offending Member.
- e. That the obligations under this section will survive the cancellation of the recipient's Member's Agreement. The Company reserves the right to pursue all appropriate remedies under applicable international or local laws to protect its rights to the above stated proprietary and trade secret Members' lists.

Any failure to pursue such remedies will not constitute a waiver of those rights.

22. Lead Distribution Policies

If a Member mails or distributes literature or product samples, they should always include their name, address and/or telephone number on the materials or samples. Should the Company receive inquiries from the public about its products and opportunity, the Company tries to ascertain whether the contact with the Company began with the efforts of an existing Member. If so, the inquiring party will be referred back to that Member. Leads involving people who have simply heard of the Company without any discoverable contact by an existing Member will be assigned, on a rotating basis, to an active Member, who has demonstrated leadership and

training capabilities and who lives in the same geographical area. The Company may use its sole discretion in making such assignments.

23. Contacts between Members and Employees

Company employees are trained to be courteous and professional in all contact with Members. Should a Member ever receive less than this from Company personnel, they should document the situation and forward it to the Office Manager for immediate review. Members will be notified of any action taken. Members are expected to extend these same courtesies when dealing with the Company staff, either on the telephone or in person. Company employees are not required to endure verbal abuse. Abusive behaviour towards Company employees or representatives could lead to the cancellation of the offending Member's Membership.

24. Sale, Assignment or Transfer of Ownership of a Member's Organisation

Memberships are non transferable without Company approval. To facilitate a Sale, Assignment or Transfer a 'Membership Transfer Application' must be completed and sent to the Company with the associated fee. If the Company does not receive and approve the 'Membership Application' with fee a member may not;

- a. Sell, assign or transfer their membership.
- b. The Company will void any attempted sale, assignment or delegation.

25. Inheritance

Notwithstanding any other provision of these Policies and Procedures, upon the death or incapacity of a Member, the Membership shall pass to the successors in interest as provided by law. The Company may require legal documentation before the transfer can become effective. The successor shall thereafter be entitled to all the rights and be subject to all the obligations of any other Member.

26. Voluntary Cancellation of a Membership

A Member shall be entitled to cancel their membership at any time and for any reason upon sending written notice to the Company without charge. The cancelling Member will be eligible to re-apply again after six (6) months, but must begin at the entry level and create a new organisation. Any involvement in the marketing of the Company's products before the new Application has been accepted will be cause for denying re-entry into the program.

27. Separation of a Business

Members sometimes operate their membership entities as husband-wife partnerships, regular partnerships, corporations, or trusts. At such time as an entity may dissolve, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other businesses. If the separating parties fail to provide for the best interests of other Members and the Company the offending Membership Agreement will be cancelled and the entire organisation will roll up. In the case of a pending divorce or entity dissolution, the parties must adopt one of the following methods of operation:

- a) One of the parties may, with the consent of the other(s), operate their Membership pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners, members or trustees authorise the Company to deal directly and solely with the other spouse or non-relinquishing shareholder, partner or trustee.

b) The parties may continue to operate their Membership jointly on a "business-as-usual" basis, whereupon all compensation paid by the Company will be paid in the joint names of the parties or in the name of the entity to be divided as the parties may independently agree between them selves. Under no circumstances will a Membership be divided. Similarly, the Company will only issue one Rebate per Membership. If the parties subject to a divorce or dissolution proceedings are unable to resolve their dispute over the ownership of the Membership, the Membership may be cancelled. If a Member has completely relinquished all rights to their original Membership, they are free to enrol under any Referrer of their choosing, as long as they meet the six (6) month waiting period requirement. In such cases, the former Member shall have no rights to any Member or retail customer in their former organisation. They must develop a new business in the same manner as any other new Member.

28. Derogatory or unacceptable behaviour by a member.

A member may not be derogatory to the Company or any of the Company Directors or Management, in a public or private environment. The Company expects and will enforce loyalty to the company and its policy and appropriate respect being shown to the company, it's Directors and Management. Evidence of inappropriate behaviour will result in immediate suspension of the member, which will be permanent pending proof being provided to the contrary.

29. Member Violations.

The Company reserves the exclusive right to cancel or suspend the Membership of any Member who violates any provision of the Policies and Procedures immediately.

Members wishing to notify or report Member Breach of Policies and Procedures must do so in writing including but not limited to, the date(s), location(s), and nature of the violations, and the identity of the Member who has allegedly violated the Policies and Procedures. The Member will be notified in writing by the Company advising of the alleged violation. The Member shall have 14 days from the date of notice to respond to the allegation(s). Upon review of the response, if any, the Company shall notify the Member in writing of any disciplinary actions imposed. The Member will then have 14 days in which to appeal the disciplinary action in writing to the Company. If Member files a timely appeal, the Company will, at its sole discretion, review and reconsider its judgment and notify the Member of its decision within another 14 days. The final decision of the Company shall be final and subject to no further review. If the appeal is denied, the original judgment shall remain in effect as of the date of the Company's original notice.

Requirement to notify a Member of suspension is waived when the offence results in immediate termination. However the member is still granted right to provide information to the company which may reverse or influence the permanent nature of the suspension.

The Company can elect:

Disciplinary Action

(i) Probation-

Member may be placed on probation for a period of 30, 60 or 90 days. If the Company deems any further disciplinary action necessary by the end of the probationary period, the Membership could either be suspended or cancelled.

(ii) Suspension-

Member may be placed on suspension, which constitutes a loss of income and benefits normally accorded a Membership in good standing. The suspension period will be proportional to the nature of the violation(s). The right of a suspended Member to receive Rebates from the Company ceases immediately from the date of suspension through to the end of the suspension period. A suspended Member must cease selling the Company's products, referring, using the Company's promotional materials, representing himself or herself as Member or acting in any way that may jeopardize or harm the Company or its Members. A suspended Member will also lose access to the "Member Area" of the website.

(iii) Cancellation-

To protect its business and that of its Members, the Company reserves the right to immediately cancel its Agreement with any Member at any time, if the Member breaches any of the Policies and Procedures. The Company reserves the right to void the cancellation at any time, and set any terms or conditions for the reinstatement it considers appropriate.

BEHAVIOUR and CONDUCT

1. Obligations of Members:

- a.** To always conduct themselves in an ethical and professional manner.
- b.** Deal with customers, other Members and the Company, with the highest standards of honesty, integrity and fairness.
- c.** Present the Company's Rebate and Bonuses Plan realistically, without exaggeration, to prospective Members.
- d.** Sell the Company's products in accordance with the Company's Rebate and Bonuses Plan. The Member shall make it clear that the Company's marketing program is based on the sale of the Company's products, and that Members will not be successful merely by Referring other Members. That there is no income or rebate provided for simply referring members. Rebates and Bonuses are strictly limited to the sale of product.
- e.** Comply with applicable consumer protection laws and regulations concerning the sale of the Company's products.
- f.** Make no misleading sales claims or guarantees concerning the Company's products.
- g.** Take responsibility for the training of those Members in their downline organizations, whether personally referred or not.
- h.** Wear appropriate business attire (and encourage guests to do the same) when attending Company presentations, to further enhance the Company's and their own, professional public image.
- i.** Uphold the 100% Satisfaction Guarantee with Customers where applicable as promoted by the Company.

2. Obligations of the Company

- a.** To always conduct itself in an ethical and professional manner.
- b.** Deal with its Members, employees and suppliers with the highest standards of

honesty, integrity and fairness.

- c. Make available quality products and/or services to the Member in a timely manner.
- d. Make compensation payments to qualified Members in accordance with the Company's Rebate Plan.

Advertising and Promotion

1. Regulatory Approval

No Government agency, body or authority approves or endorses any marketing program. No Member may ever imply that the promotion, operation or organisation of the Company has been approved, sanctioned or endorsed by any regulatory authority or Government agency. Such statement or implication constitutes grounds for cancelling the offending Membership.

2. Claims or Representations by Members

Members must represent the products and opportunity ethically and fairly. Members shall not make any claims regarding the Company's products or the Rebate Plan, which have not been made in official Company literature. Members are expressly forbidden from implying that additional products or services will be added to the program or that enhancements to the Rebate Plan are forthcoming or that specific states/countries are about to be added to the area of operation. No unreasonable, misleading or unrealistic earning claims may be made. No income guarantees of any kind may be made.

3. Trademarks and other intellectual Property of the Company

Members are allowed to use and or sub-Membership for use in conjunction with their business, Company name or trademark, in those materials generated by the Company, pursuant to the Policies and Procedures. In the event that a Member misuses the name Krching, or its products, services and/or marketing materials, the said Member shall be deemed to have violated the Policies and Procedures and is subject to disciplinary action, including but not limited to, immediate cancellation of their Membership and any and all other remedies provided under the law, including recovery of legal fees for trademark infringement.

4. Copyrights

The Company printed material, DVD/CD-recorded materials, such as manuals, brochures, sales aids audio and videotapes, video training, Internet material, etc as protected under copyright law, are the exclusive property of the Company. Any copyright infringement shall result in the Company seeking any and all remedies under the law to protect its copyrights. To protect the Company's valuable proprietary rights, the Member agrees to abide by the following Terms and Conditions, as well as all others included in the Policies and Procedures and the Member Agreement:

- a. Members must have prior written consent from the Company to use copyrighted and/or trademarked material, designs, logos, trade names, and or marks that are the property of the Company.
- b. Members must have written permission to reproduce any copyrighted material, without exception, prior to reproducing said materials.

5. Use of any Authorised Promotional Materials

Only those materials that have been made available directly by the Company are allowed for promotional purposes. The Company will produce and offer for sale at a reasonable price the materials necessary to build Member's business. No reproduction, personalisation or modification of any of these Company materials is allowed in any form. Members may not develop, publish, sell or distribute any promotional materials they create. This prohibition also applies to sales aids and brochures promoting a specific downline or organisation. Any violation of this rule may lead to the cancellation of the offending Membership.

6. Labelling and Display

Members shall not re-label, re-package or modify any of the Company's products.

7. Sales in Retail Establishment

Members are authorised to sell product to retail customers, professional health practitioners or other businesses.

8. Trade Shows

Members must contact the Company in writing to get permission to sell any of the Company products or to promote the Company's opportunity at conventions, and trade shows.

9. Signage

Company logos, names or those of its products/services may not be used or displayed on any apartment, house, office, store front or other physical premises.

10. Advertising

Members shall not advertise the Company's products in any way other than by the use of advertising or promotional materials made available to the Members by the Company with the exception of "blind advertisements" where no reference is made to the Company name or product names, unless prior written approval has been received from the Company. Members are prohibited from using the Company trade names or logos in advertising, in a manner that would suggest or imply that they are employed by or are agents of the Company. All advertisements must provide the name of a qualified Member only.

a. Prior Approval

Advertising includes but is not limited to websites, flyers, press releases, statements made on telephone answering machines, TV, infomercials, radio or any other form of advertising in any medium that can construed to be a means of advertising or for promotional purposes. The use of Company name, trademark, trading names or logo/s, or any of its products, services or sales aids for advertising, must be approved by the Company in writing before the dissemination, broadcast or distribution of advertising or promotional material. Any approval granted for said advertising shall be specifically applicable to the Member that originated the request and then only exclusively for the same Member's Business. Verbal approval is not transferable. Except as provided in this section, Members may not use or transmit unsolicited faxes, mass email distribution, unsolicited email, banner ads, or "spamming" relative to the operation of their Business. The terms "unsolicited faxes" and "unsolicited email" mean the transmission via telephone facsimile or electronic mail, respectively,

of any material or information advertising or promoting the Company, its products, its Rebate Plan or any other aspect of the Company which is transmitted to any person, except that these terms do not include a fax or email: (a) to any person with that person's prior express invitation or permission; or (b) to any person with whom the Member has an established business or personal relationship. The term "established business or personal relationship" means a prior or existing relationship formed by a voluntary two-way communication between the Member and a person, on the basis of: (a) an inquiry, application, purchase or transaction by the person regarding products offered by such Member; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party. If a Member desires to utilise an Internet web page to promote their business, they may only do so through the Company's official website or their personal self-replicating website.

b. Telephone Listing

Members may only list their Krching business in a telephone directory white pages or yellow pages with expressed permission of the Company. No Members may contract for a display type ad in any telephone directory for their Krching business. Members may not list their telephone number (including toll-free numbers) with the Telephone Company as Krching or in any way cause the local directory assistance operators to refer callers searching for the business or Company to them. In the event a Member receives a call meant for the Corporate Office, the Member must refer the caller to the Corporate Office.

c. Receiving Telephone calls

All Members are independent contractors and prohibited from answering the telephone and/or using any answering message device that would in any way mislead a caller into assuming that they have reached a Corporate Office.

d. Pre-recorded Telephone Solicitation Devices

The Company name or copyrighted materials may not be used with automatic calling devices or "boiler room" operations whether to solicit Members or customers.

e. Business Cards and Stationary

Member may order business cards and stationary from any printer provided they use the words "Independent Member" under their name so as not to imply they are a Corporate Representative..

11. Media Inquiries

Members may not solicit coverage or publicity from the media regarding their Krching business, nor may they appear on radio television talk shows to promote their activities. If the media contacts a Member, the contact should be referred to the Company Corporate Office to ensure accuracy and a consistent Company image.

12. Business Names

No Member may use the words Krching within a business name. An example of an unauthorised use of the trademarked name is "Krching of Perth".

13. Conduct at Business Presentations and Training Sessions.

All business presentation and training sessions shall be conducted in strict conformity with Company-produced guidelines, scripts, slides and printed material. They have been developed and refined to make sure that prospects have accurate information

upon which to base their decisions, and to assist new Members in learning proven techniques for achieving success.

14. Product Claims

Members shall not make any claim for any Company product that is not expressed in official promotional literature, CDs, DVDs or videos.

15. Income Representations

Members shall not make any false or misleading statements about their own or any other Members Rebate or income. The following disclaimer should at all time be used; "Please be aware that your rewards in this or any other program are dependent on the effort you put in and will vary from person to person". Members shall avoid any suggestion that it is easy to attain high-income levels, and shall always explain that each individual's success depends solely upon the level of effort expended and their personal commitment to the Company's program. Member shall make it clear that the Rebate Plan is based upon sale of the Company's products, and that no compensation is available from the Rebate Plan or otherwise merely from the sponsorship of other Members. Retail sales should be emphasised in all presentations.

16. Inducement to Prospects

All Members are equal in the eyes of the Company. No organisation, team or group may imply that it has a "special relationship" or that it can offer a prospect preferred treatment by virtue of their "special relationship" with the Company. At open/public meetings, podium and/or wall banners are permissible. Signage displaying the name of the Company and/or its products is also permitted.

17. Materials or Products Not Endorsed

During the term of the Member Agreement, Members shall not sell or promote directly or indirectly the products, services or opportunities of any other Company while attending any Company meeting. Additionally, only products and/or authorised promotional materials may be sold or displayed at any meeting. Violation of this provision is justifiable cause for the cancellation of the offending Membership.

18 Inventory-loading

The Company does not require its Members to maintain an inventory of the Company's products.

18. Company Replacement Policy

The Company will only accept product for replacement if it is damaged in shipping, or the product is proven to be faulty. Verification is required of goods damaged in shipping such as photographic evidence. Upon receipt of verification by the Company, the product will be replaced by means of a credit to the members' e wallet, including an appropriate proportion of freight paid; the member may spend the credit at any time. In the case of the wrong product being shipped, the cost of the return postage will be credited to the Members' account with the Company.

Refund Policy

a. Retail Customers

The Company is committed to retail customer satisfaction on all of its products, and backs them with a 7-day, 100% money back guarantee. To be eligible for the refund

each Member is expected to honour the Retail Customer Refund Policy in a prompt and courteous manner. Failure to do so is a serious violation of Company Policy, and may result in the cancellation of the Membership. In the event that a retail customer wants to return a product within 7 days of purchase, the Member who sold the product must first refund the full price. Upon receipt from the Member of the returned unused product or empty containers, the original sales receipt and the completed Retail Customer Refund Form, the Company will promptly issue a Credit to the members' e wallet. If it is determined that the product was returned because of misrepresentation of the product, the product will not be replaced by the Company.

Outstanding Accounts by Members

The Company has the right to set off any monies owed by the Member against Rebates. If more than one person is listed on the Agreement, all persons will be held jointly and severally liable for the outstanding amount. Interest of 2% per month may be charged on all overdue accounts.

Cheques

Cheques paid to the Company must be cleared before any goods can be supplied.

Ordering Methods

The Company will accept orders from Members via the Internet or by fax or mail if they are accompanied by full payment in an acceptable form.

Ordering Procedures

Correct orders will accumulate Rebates immediately the order has been paid for in full.

Forms of Payment

The Company will accept the following forms of payment: International Money Order, Cash Deposit, International or Local Bank Cheque, K Card, Credit Card, Telegraphic Transfer, or from E-Wallet balance (unless E Wallet restricted purchase).

Shipping and Handling Policy

The Company reserves the right to ship via the shipping company of its choice. Shipping companies do not guarantee delivery of all packages at the same time or on the same day. There will be no deliveries on Saturday, Sunday, or public holidays.

Missing Items

All packages are accurately weighed and contents are recorded. However, in the unlikely event an item is missing from a package, contact the Company within 72 hours of receipt otherwise it will be assumed that the complete order was received.

Damaged Packages

Do not accept damaged packages from the delivery company. Request the package be returned to the Company and report the damage to the Company. Please include the order number and EE or freight number, if applicable, so the shipment may be replaced.

Change of Information

It is the Member's responsibility to maintain their personal details in the "Member Area" of the website. Information changed after an order is placed will NOT result in

update of information on that order, only future orders will be affected. A Member must contact support@krching.com if an existing order is affected by a change of information.

General Provisions

1. Relationships between the Company and its Members

All Members are independent members and are responsible for the payment of any expenses resulting from the operation of their business. The Agreement between the Company and its Members does not create an employer/employee relationship, agency, and partnership or joint venture between the Company and the Members. Members have no authority to bind the Company to any obligation or contract.

2. Expenses

Any and all expenses arising from the Members business operations are the sole responsibility of the Member, including, but not limited to legal costs, telephone expenses, advertising, etc.

3. Indemnity

Each Member shall hold the Company harmless from any claims, damages, or liabilities arising from the Member's misrepresentation, negligence or failure to follow these Policies and Procedures.

4. Unemployment Insurance

The Company makes no contributions to any of the various provincial, state or federal employment funds because of the Members independent contractor status. Since payments are not made, Member is not eligible to claim unemployment compensation as a result of having been Member with the Company.

5. Pricing and Range of Products

The Company has the exclusive right to set and change prices of any of its products. The Company may add, delete or modify any price or products it deems appropriate at any time.

6. Vendor Confidentiality

The Company's business relationships with its vendors and suppliers are confidential. Member shall not contact, directly or indirectly, or speak to or communicate with any representative of any supplier of the Company, except at a Company sponsored event at which the representative is present at the request of the Company. Violation of this regulation may result in cancellation of the Member's benefits and possible claims for damages if the vendor/manufacture association is compromised by the Member's contact.

7. Non-disparagement

Members must not disparage the Company, Company Directors, officers, and employees, other Members, products or Rebate Plan. This constitutes a material breach of the Policies and Procedures.

8. Amendments

The Company reserves the right to amend the Policies and Procedures set forth herein, its prices, product availability, formulation, and/or Rebate and Bonuses Plan, as it

deems appropriate. Amendments will be posted online and any other means that the Company deems appropriate. Amendments are effective and binding on all Members as of the date of issuance. In the event of any conflict between the Agreement, the Policies and Procedures and any such amendment, the amendment shall control.

9. Non-Waiver Provision

No failure of the Company to exercise any power under these Policies and Procedures or to insist upon strict compliance by Member with any obligation or provision herein, and no custom or practice of 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.

10. Jurisdiction

All disputes and claims relating to the Agreement, Rebate Plan or its products and services, the rights and obligations of an Independent Member, or any other claims or causes of action relating to the performance of either Member or the Company under the Agreement or the Policies and Procedures and/or Member's purchase of products or services shall be adjudicated totally and finally in Western Australia or such other location as the Company prescribes.

11. Arbitration

Except as specifically provided otherwise, all unresolved disputes and claims relating to or arising from this Agreement shall be completely and finally settled by arbitration in Western Australia or such other location as the Company prescribes. The decision of an arbitrator shall be final and binding and may not be appealed or tried anew in any court. This agreement to submit unresolved disputes and claims to binding arbitration shall survive the voluntary or involuntary cancellation of the Membership. Each party shall be solely responsible for their own legal costs.

12. Severability

If under any applicable and binding law or rule of any applicable jurisdiction, any provision of the Agreement, including these Policies and Procedures, or any specification, standard or operating procedure which the Company has prescribed is held to be invalid or unenforceable, the Company shall have the right to modify the invalid or unenforceable provision, specification, standard or operating procedure or any portion thereof to the extent required to be valid and enforceable. The Member shall be bound by any such modification. The modification will be effective only in the jurisdiction in which it is required.

13. Limitation of Damages

To the extent permitted by law, the Company and its affiliates, officers, directors, shareholders, employees, attorneys, accountants, servants and other representatives shall not be liable for, and the Member hereby releases the foregoing from, and waives any claim for loss of profit, incidental, special consequential or exemplary damages which may arise out of any claim whatsoever relating to the Company's performance, non-performance, act or omission with respect to the business relationship or other matters between the Member and the Company whether sounding in contract, tort or strict liability. Furthermore, it is agreed that any damage to the Member shall not exceed, and is hereby expressly limited to, the amount of unsold products and/or services, owned by the Member and Rebates owing.

14. Notice

All notices to be given pursuant to the Agreement shall be deemed to have been properly given by:

- a. Depositing the notice in the mail, addressed to either party at the last address on file, post paid and registered or certified; or
- b. Delivery by hand or by a recognized overnight courier service; or
- c. Fax transmission followed by confirmation copy sent by mail or email.

All Notices shall be deemed delivered:

- a. Seven business days from the date of posting, if sent by mail; or
- b. Two days after collection by a courier; or
- c. Same day if delivered by hand or upon transmission by fax or email.

15. Excuse for Non-Performance (Force Majeure)

The failure or delay of either party to this Agreement to perform any obligations under this Agreement solely by reason of acts of God, acts of civil or military authority, civil disturbance, war, strikes or other labour disputes or disturbances, fire, transportation contingencies, shortage of regulations, acts or orders of any government agency or official thereof or court order, other catastrophes, or any other circumstance beyond its reasonable control ("Force Majeure") will be deemed not to be a breach of this Agreement so long as the party so prevented from complying with this Agreement has not contributed to such Force Majeure, has used reasonable efforts to avoid such Force Majeure or to ameliorate its effects, and continues to take all actions within its power to comply as fully as any such Force Majeure, performances of the obligations will be deferred until the Force Majeure ceases.

This section will not apply as an excuse for a failure to make any payment when due. If the Company is prevented from delivering part of the goods by reason of any of the causes specified in this section, then the Company will deliver the goods it is able to and the Member will take and pay for such goods as the Company is able to deliver.