



Phone: 58 676 20 27
Fax: 58 676 04 78
colway@colway.net.pl

DISTRIBUTOR FOR POTENTIAL MANAGER STATUS

PERSONAL
ID

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Personal Identification Number (like POLISH RESIDENT IDENTIFICATION No PESEL – 11 numbers)

COLWAY Spółka Jawna

The Partners of Colway Sp.J. with registered office in:
84-207 Koleczkowo, ul. Hippiiczna 2,
National Court Register No KRS 401587
National Business registry No Regon: 221563060,
accepting full responsibility for the completion of
the obligations under this Agreement extended to
its operations in other partnerships, represented
by Jarosław Zych

First name Last name
Street No
Town/City Post code
(current address of residence and correspondence)
Phone: Mobile:
e-mail address:
Personal account no:
Business account no:

and hereinafter referred to as: COLWAY

hereinafter referred to as Distributor

unanimously state that on the day and in the place specified underneath, they concluded as parties a

DISTRIBUTION AGREEMENT

- §1. COLWAY hereby declares that it is its intention to:
1. Establish a Polish, and in the future an international direct distribution network based solely on Polish capital and Polish scientific and technological thought.
 2. Offer an opportunity of earnings to the largest possible number of persons by promoting distribution methods for the first domestic products able to gain a substantial consumer market through multilevel marketing of cosmetic products and dietary supplements.
- §2. With this agreement COLWAY shall grant the Distributor the rights to purchase and resell COLWAY products on their own behalf at COLWAY recommended prices with a system of discounts specified in this agreement.
- §3. 1. The Distributor shall not be a COLWAY employee, agent or representative. They shall resell COLWAY products on their own behalf, respecting any laws superior to this Agreement.
2. They may, however, become a COLWAY representative after obtaining a Manager's status.
- §4. COLWAY products shall become the Distributor's property after they have been paid for.
- §5. The Distributor purchasing products from COLWAY or its representatives shall each time receive a VAT invoice or a purchase receipt.
- §6. The Distributor hereby declares that they will aim at achieving a Manager's status being aware that it will involve an input of work, ingenuity and risk which accompanies any kind of commercial activity.
- §7. COLWAY shall guarantee the Distributor a right to receive purchase discounts from recommended gross prices of its products, not lower than:
- 30% – from the moment this agreement has been entered into and advertising materials have been received
 - 34% – from the moment the purchase level has reached at any time PLN 2600.00
 - 38% – from the moment the purchase level has reached at any time PLN 5200.00
 - 42% – from the moment the purchase level has reached at any time PLN 7800.00
- §8. COLWAY shall guarantee the Distributor a nomination for a Manager, authorized to accept Distribution Agreements on behalf of COLWAY and entitled to a commission reaching 26% of a monthly turnover, calculated from recommended retail prices of products purchased by the members of the entire sale structure, to the seventh generation of the recruited Distributors inclusive – starting from the moment they have reached at any time the purchase level of PLN 10,400.00.
- §9. Detailed rules of privileges under §8 will be specified in an annex to this Agreement called Managerial Agreement.
- §10. The Distributor's rights to the specified discount levels and to a managerial nomination shall remain undisputed, after they have presented at any time the product purchase proofs. The nomination is made by COLWAY at the request of the Manager.
- §11. COLWAY, as the first network in the history of multilevel direct marketing in Poland, shall guarantee the Distributors and the Managers at the same time:
- 1) nonforfeitable discount purchase levels,
 - 2) nonforfeitable rights to commission on the turnover of an established structure, under terms and conditions specified in the Managerial Agreement,
 - 3) transferability and bequeathment of the above rights,
 - 4) possibility to purchase managerial privileges immediately,
 - 5) the right to joint purchases,
 - 6) noninterference in the Distributor's activity not settled in this Agreement, including respecting their activities in competing networks,
 - 7) the right to export their products and establish sale structures abroad on individually negotiated terms and conditions,
 - 8) the right to sell products at retail sale points, on condition that the provisions of this Agreement shall be met,
 - 9) that future recommended product retail prices shall not increase and applicable discounts shall not change by an amount higher than the inflation rate published by the Central Statistical Office in Poland,
 - 10) the right to view the complete distribution structure under them, to the seventh generation inclusive,
 - 11) absolute respect for provisions of the Personal Data Protection Act
 - 12) that COLWAY will never demand loyalty declarations, blank bills of exchange etc. or to apply retail prices in actual transactions,
 - 13) the right to trade secrets, including the database of customers at any distribution level.
 - 14) the right to free choice of contractors by the principles set out in a clear and unambiguous.
- §12. 1. COLWAY is a Registered Partnership [Spółka Jawna] and according to Polish law, the partners are liable without limitation to the extent of their entire property for all obligations, including those under this Agreement.
2. Change of legal form shall not release COLWAY partners from obligations under this Agreement.
- §13. COLWAY shall not be held liable for any statements, declarations or promises made by the Distributor to their clients and persons with whom they entered into a Distribution Agreement on behalf of COLWAY should they not be consistent with the truth.
- §14. Only a nominated Manager who conducts registered business activity and is a VAT payer shall be entitled to obtain commission and purchase products directly from COLWAY.
- §15. 1. This Agreement shall be binding for the parties from the moment it has been signed by the Distributor, the introducing person and person authorized by COLWAY to approve Distribution Agreements, subject to provisions of clause 2.
2. This Agreement will not be accepted by COLWAY should it not contain confirmed personal ID numbers (PESEL) of the Distributor and the introducing person.
- §16. 1. This Agreement has not been concluded for an indefinite period of time.
2. The Distributor has a right to terminate this agreement with a month's notice.
3. COLWAY may terminate this Declaration solely in the following cases:
- a) providing of false information by the Distributor,
 - b) presenting a false proof of payment for the products purchased by the Distributor,
 - c) the Distributor's undertaking activities towards persons registered in the COLWAY system that may be considered unfair competition,
 - d) attempts to recruit persons registered with the COLWAY system to a different network,
 - e) other material violation of this Agreement by the Distributor.
- §17. The Parties hereby agree that any possible disputes resulting out of this Agreement shall be settled by negotiation, by the body representing the Distributors before COLWAY called the Board of Leaders or, as a last resort, by a District Court in Gdynia.
- §18. This Agreement has been made in triplicate.
- §19. Supply of products and sales outside Polish borders leads Colway Distributions Sp.J.
- §20. If this Agreement is at any point inconsistent with local law can not be signed and form the basis of the claim (as is the case for example in the UK).
Translation into Polish: Jeżeli niniejsza umowa jest w którymkolwiek punkcie niezgodna z lokalnym prawem – nie może być podpisana i stanowić podstawy do jakichkolwiek roszczeń (przykładem takiej sytuacji jest m.in. Wielka Brytania).

Date: Place:

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Personal ID No (PESEL) of introducing person

Distributor's signature
(first and last name)

Legible signature of introducing person
(first and last name)

COLWAY Spółka Jawna
84-207 Koleczkowo, ul. Hippiiczna
tel. 58 676 20 27, 58 676 22 62, fax 58 676 04 78
e-mail: colway@colway.net.pl

Signature of person authorized
by COLWAY

Business stamp

I hereby give COLWAY Sp.J. my consent to issue VAT invoices with the business data entered at the beginning of this agreement without my signature, as well as to administer the personal data provided.

Original Declaration for COLWAY, first copy for the Distributor, second copy for the introducing person