

## MANAGERIAL AGREEMENT

Concluded on ..... 20..... in. .... between the partners of COLWAY Spółka Jawna with its registered office in Koleczkowo at 2 Hippična Street Poland, entered into the National Court Register maintained by the District Court in Gdynia under no. 401587, Polish National Business Registry Number REGON 221563060 hereinafter referred to as COLWAY and: .....  
....., Tax Identification Number (NIP) .....  
..... and hereinafter referred to as the Manager.

Change of COLWAY partners or of the legal form of conducted business activity undertaken by COLWAY partners or the Manager, shall not exempt the parties of this Annex from the obligations specified herein until their liabilities shall cease.

- §1. In relation to commercial cooperation with COLWAY the Manager shall be granted nonforfeitable rights to:
1. Purchase product with a 42% discount calculated from recommended gross retail prices.
  2. Nominate for Managers, the Distributors partaking in a consumer network, who have been introduced by them or by other introduced persons.
  3. Commission on the turnover of the structure established under them according to the rules specified in §3 and §4 of this Annex.
  4. Transfer the above rights to any person, subject to the transfer being approved by COLWAY and irreversible.
- §2. 1. The Manager wishing to nominate another Distributor for Manager, shall be obliged to prove to COLWAY, that their candidate for nomination has purchased at any time COLWAY products for a contractual recommended retail value of PLN 10,400.00.
2. Once and only once during the entire period of cooperation with COLWAY, the Manager shall have a right to nominate for Manager a selected Distributor, without their obligation to purchase products for PLN 10,400.00, however, solely in the first generation of their personal recruitment. The nomination shall be approved by COLWAY after the Manager nominated in such a way has made a wholesale purchase, already with a 42% discount, for products of contractual recommended retail value of PLN 2,600.00.
- §3. 1. The Manager shall be entitled to the commission specified in §1 clause 3 from the turnover of the Managers nominated by them at successive levels of the structure established under them to the seventh generation of Managers inclusive.
2. The turnover shall be understood as actual, settled purchase of the COLWAY products by individual Managers between the first and the last day of each calendar month.
3. All purchase limits, bases for commission are calculated in retail gross prices specified in the price list in Annex No. 1.
- §4. The Manager is entitled to the commission on the structure's turnover as follows:
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| • for the first generation of Managers   | 7% of their turnover calculated from recommended retail prices, |
| • for the second generation of Managers  | 6% of their turnover calculated from recommended retail prices, |
| • for the third generation of Managers   | 4% of their turnover calculated from recommended retail prices, |
| • for the fourth generation of Managers  | 3% of their turnover calculated from recommended retail prices, |
| • for the fifth generation of Managers   | 3% of their turnover calculated from recommended retail prices, |
| • for the sixth generation of Managers   | 2% of their turnover calculated from recommended retail prices, |
| • for the seventh generation of Managers | 1% of their turnover calculated from recommended retail prices. |
- §5. 1. The Manager is entitled to commission from turnover of:
- the first and second generation of Managers, on condition that they have one or two of them in their direct first generation, and additionally from turnover,
  - the third, fourth and fifth generation of Managers, on condition that they have three or four of them in their direct first generation, and additionally from turnover,
  - the sixth and seventh generation of Managers, on condition that they have five of them in their direct first generation.
2. Lack of a nominated Manager in any descending generation of the possessed structure shall not cut the Manager off commissions due from the turnover of successive generations.
3. A generation in the structure without a nominated Manager shall not be a generation of Managers as defined in §4, §5.1 of this Annex.
- §6. The commission shall be paid to the Manager on condition that they have made a qualifying purchase of COLWAY products for a recommended retail value of PLN 2,600.00 by the end of the calendar month for which the commission should be paid and have issued a VAT invoice for the received commission. The commissions shall be paid for the turnover in retail prices recommended by COLWAY.
- §7. Qualification referred to in §6 shall apply solely to a Manager receiving commission for the turnover of their structure. Failure to make qualifying purchases by the Managers from their structure shall not in any way affect the commission on their turnover.
- §8. Commission on the structure's turnover shall be paid to the Manager by COLWAY no later than by the fifteenth day of the month following the calendar month for which it is due.
- §9. Any exceptions and deviations from the rules of calculating and paying off the commission provided for in this Agreement shall be excluded.

- §10. 1. In case the turnover of the structure established under the Manager within a calendar month shall exceed PLN 100,000.00 of recommended retail value, irrespective of the commission provided for in §3 and §4 of this Annex, the Manager shall be entitled to a directorial commission in the amount of 1% of this turnover.
2. In case the above turnover shall exceed PLN 200,000.00, the Manager is respectively entitled to super-commission in the amount of 2%.
3. Detailed rules of calculating and paying the commission will be provided for in a separate annex.
- §11. By this Agreement the Manager shall acquire the right to purchase products directly from COLWAY. They shall be entitled to purchase products from other Managers, however, all such purchases not approved by COLWAY shall not give them any grounds to claim any payments provided for in this Agreement. In particular this provision shall apply to product purchases ensuring the Manager qualification to receive commission.
- §12. 1. The Manager hereby acknowledges and accepts as their own the risk that COLWAY products may lose some of their properties during very high summer temperatures, during transport by post or forwarding.
2. COLWAY, not being able to credibly verify where product overheating occurred will never accept any complaints related to the above fact.
3. COLWAY and the Manager jointly undertake to make efforts to eliminate possible incidents as described above.
- §13. 1. The Manager is obliged to supply all Distributors partaking in their structure with products, information and advertising materials.
2. COLWAY, as the first direct sales network in Poland, aims at distribution of training, information and advertising materials on a *non-profit* basis, i.e. without making profit from expenditures borne while building the network.
- §14. The Manager who has brought about a commercial agreement concluded between COLWAY and a foreign purchaser shall be entitled to a commission on the purchase amount of such purchaser. Commissions are also to be granted to Managers to the sixth generation as calculated in ascending order over them. Details will be specified in Annex 4 to this Agreement, whose content may be subject to individual negotiations..
- §15. The Manager shall independently organise meetings and presentations aimed at expansion of their structure.
- §16. 1. Any partnerships, mergers, joint purchases etc. shall be approved by COLWAY with respect to rights under this Agreement, solely in cases of the Manager joining another Manager.
2. COLWAY hereby reserves a right not to approve the above actions should they be undertaken by Managers who have joined the structure by different recruitment lines.
- §17. 1. The Manager has an absolute and unalienable right to access the marketing system of the COLWAY network in the scope of information on the turnover of the Managers in the structure under them, to the seventh generation inclusive.
2. This provision shall be subject to the provisions of the Personal Data Protection Act.
3. Any complaints as to the amount of commissions and super-commissions due to the Managers shall be resolved by COLWAY within 40 days from the end of the month, for which the commission is due.
- §18. The provisions of the Distribution Agreement concluded between COLWAY and the Manager – at that time still being a Distributor – shall remain unaffected.
- §19. 1. The Agreement has been drawn up in two identical copies, one for COLWAY and one for the Manager.
2. The Parties hereby agree for the copies of this Annex to be issued to all Managers in the ascending line of recruitment to the sixth generation up the structure of the COLWAY network, i.e. to all persons who may be interested in a nomination of the Manager being a Party of this Annex – in consideration to the right to commission on their turnover.
- §20. All changes to the provisions of §7 and §8 of the Distribution Agreement as well as in §4, §5, §10 and §20 of the Managerial Agreement may solely be to the benefit of the network members.
- §21. Any possible disputes shall be settled by conciliation by the COLWAY Board of Leaders or resolved by the District Court in Gdynia.
- §22. Supply of products and sales outside Polish borders leads Colway Distributions Sp.J.
- §23. **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).**

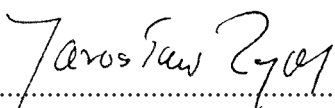
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Personal Identification Number (PESEL) of the person introducing the Manager, at the same time being their identification number in the structure. On the holder's request the personal identification number will solely be entered into the copy of this Annex remaining at the COLWAY office.

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Personal ID No. (PESEL) of Nominated Manager

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

  
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 Signature and COLWAY stamp

.....  
 Signature and possibly stamp of Manager