

Contract Conditions

Vision International People Group distributor contract conditions

In the event of failure to comply with any of the conditions enumerated here, or in the event of false information given by a Distributor in the Contract, established measures of liability may be immediately applied to the Distributor, including unilateral revocation of the Contract by the Company without any compensation whatsoever.

Vision Holdings Limited (hereinafter: "Vision" or "the Company") is a company of Distributors that operates according to the principle of direct distribution of products and/or services, specifically products having a revitalizing action, cosmetics, clothing, and also any other product or service, on the marketing of which the Company may reach a decision at any time.

1. Each new Distributor must have the right to conclude this Contract, be of the age of majority, be fully competent, and meet the conditions placed on a Distributor and defined in the Company's Distributor Manual.
2. Each new Distributor pledges to sign only one Contract with the Company and to confirm the absence of any vested interest in another sphere of the Company's business activities, unless unambiguously permitted in the Distributor Manual and separately cleared with the Company or its representatives.
3. Having signed this Contract, a Distributor becomes an independent nonexclusive home distributor of products or services. The task of Distributors is to distribute Vision products by seeking buyers. A Distributor shall have the right to enlist new distributors and shall pledge to train them so that they in turn become Company distributors.
4. No investments shall be required in order to become a Vision Distributor. All that shall be mandatory is to acquire the Vision Basic Package, or the Starter Kit, the assortment of which shall be established by the Company and which is subject to occasional changes.
5. A Distributor may receive remuneration in accordance with the Marketing Plan, which provides for receipt of commissions for the activities of the Distributors in the group down his line. The scale of commissions is described in detail in the Distributor Manual and in the Marketing Plan, which may change periodically by decision of the Company. When in contact with prospect distributors, a Distributor must not make guarantees regarding supposed earnings or make any kind of implausible statements regarding earnings, products, or the Marketing Plan.

6. If in the course of one month a Distributor does not fulfill the conditions established by Vision for purchasing and distributing products among end consumers, then he cannot claim commissions for that month. Moreover, a Distributor shall lose the right to his downline group of Distributors if he does not fulfill the conditions for distributing products among end consumers over the course of four consecutive months. At the same time, a Distributor who has not made purchases over the course of four consecutive months keeps his sponsor, but at the fifth month this Distributor's entire group shall be elevated to his active senior sponsor regardless of possible renewal of activities subsequently. This procedure is called "degrading." If over the course of six months after the said "degrading" procedure the Distributor does not make a single purchase, his Contract shall be annulled.
7. A Distributor's task shall be to distribute products by seeking end consumers. Therefore a Distributor must distribute the greater part of products acquired before acquiring (ordering) new products from the Company or its business offices. The Company states unambiguously that buying products for the sole purpose of receiving commissions is categorically forbidden and is contrary to the letter and spirit of the Marketing plan, because it makes possible the undeserved receipt of commissions.
8. In the event of any kind of indebtedness of a Distributor to the Company, the Company shall deduct the appropriate amount from the commissions due the Distributor. Moreover, failure to pay the cost of products ordered and obtained from Company business offices shall entail automatic revocation of the Contract immediately after the Company receives a notice to that effect. All commissions due prior to revocation of a Contract shall be immediately paid to the Distributor by Vision less the aforesaid amounts owed.
9. A Distributor shall pledge not to distribute Vision products through a retail distribution network not provided for by the Company and its Marketing Plan (stores, shops, wholesale bazaars, and others), which is described in detail in the Distributor Manual.
10. The Company shall guarantee Distributors and, accordingly, end consumers, that the products it distributes are of high quality. In that connection, any return of products may be effected by a Distributor only upon the advance consent of the Company and in precise conformity with legislation regulating consumer rights protection. A Distributor shall be individually liable for possible expenses and losses attributable to his activities insofar as his activities are entirely independent. Such liability cannot be placed upon the Company.
11. A Distributor shall pledge to expand the network of the agents he is in charge of, to ensure the training of the new Distributors enlisted by him, and to demonstrate to them the best ways of presenting and delivering products to the end consumer. Accordingly, a Distributor shall pledge to be in constant contact with the new Distributors enlisted by him in order to assure their training and to help them develop their commercial activities. A Distributor shall state that he has become acquainted with the special rules for enlisting new members which are given in the Distributor Manual and shall pledge to carry them out.

12. A Distributor cannot use names, emblems, labels, and other markings that belong to Vision without written permission to such from the Company. Moreover, he cannot advertise Vision products or commercial techniques without written permission to do so. A Distributor shall pledge to advertise Vision products or the Marketing Plan in strict accordance with the terms and definitions in the documentation developed and disseminated by the Company.
13. A Distributor shall pledge to maintain the secrecy of confidential information regarding the Company, including its commercial secrets, and also not to allow dissemination of information undermining the Company's business reputation.
14. The Company and a Distributor may revoke the Contract unilaterally, informing the other party of the revocation by a special statement. In the event that the contract is revoked at the initiative of the Distributor, the latter shall be freed of all contract obligations to the Company with regard to the Marketing Plan, and he shall lose the right to enlist new agents, and, consequently, to commissions. His entire group shall pass to his sponsor without right of restoration. A Distributor who has annulled the Contract, or with whom the Contract has been revoked by decision of the Company, shall have the right to sign a new Contract one (1) year after the date of revocation. Annuling the Contract for purposes of changing sponsors shall be forbidden. The date the Contract is revoked shall be the day the Company reaches a decision on this question.
15. In the event the Contract is revoked, the obligations of the Distributor to the Company in connection with products already made available to him by the Company or its business offices shall remain in effect according to the conditions enumerated in Paragraphs 16 - 18.
16. If a Distributor gives notification of his intention to revoke the Contract prior to fourteen days from the moment it was signed, the Distributor shall have the right to demand return, over the course of fourteen days subsequent to the date the special statement was submitted, of all amounts paid by him to the Company or its business offices, with the deduction of:
 - amounts which are payable or have already been paid for products already delivered to and paid for by the end consumer;
 - the value of an order for products already delivered to the Distributor and not returned by him or for products accepted by a person not having authorization from Vision to do so; and
 - the value of an order for products returned but damaged through fault of the Distributor, or of the amount equal to an appraisal of the value of the damaged products.
17. In the event a Distributor gives notice of his intention to revoke the Contract after expiration of fourteen days from the moment it was signed, the question of the return of products acquired by him from the Company or

its business offices shall be decided at the discretion of the Company individually on a case-by-case basis. However, in any event a one-hundred-percent return of amounts paid by the Distributor attendant to such a revocation of the Contract shall not be allowed.

18. If Vision revokes the Contract, the Company or its business offices shall have the right to accept sold products from the Distributor, if they deem that necessary, at the price and under the conditions established by the Company at its discretion.
19. This Contract shall be valid for one year from the moment of its registration by the Company. Upon expiration of the period of validity of the Contract, this Contract shall be extended for a similar new period on the same conditions and attendant to performance by the Distributor of the obligations according to Paragraph 4 of this Contract in the event that one of the parties does not state his wish to revoke it not later than one month prior to expiration of the period of validity.
20. A Distributor shall acknowledge that his activities are entirely independent. He shall find his own clients and regularly deliver products to them as an independent home Distributor, without violating current legislation thereby. The purpose of this Contract shall not be creation of partnership relationships within the framework of an association or company or relationships of the "employer-employee" type between the Distributor, his sponsor, members of his group sponsored by Distributors, and/or the Company and its business offices. The Distributor shall not have the right to take upon himself obligations and/or conduct negotiations on behalf of Vision or to lay upon the Company and its business offices liability in any form whatsoever.
21. A Distributor shall himself and on his own bear liability for expenses which are necessary to manage his business activities, and also for his tax and social liabilities. Neither the Company nor its business offices shall or will under any circumstances whatsoever bear liability for the Distributor's compliance with tax legislation and for the correct reporting and remittance by the Distributor of the necessary taxes and fees from the amounts of commissions and other payments or benefits received by the Distributor.
22. A Distributor shall confirm that he has received the Distributor Manual. The principles of commerce presented in this Manual may be revised by the Company in connection with economic or commercial necessity. It shall be the duty of a Distributor to keep track of all the relevant updates to these principles, as well as changes in the methods and procedures established by the Company.
23. A Distributor shall confirm that he has acquainted himself with the Marketing Plan and that he has understood how it operates. He shall acknowledge that no one in his statements has given him hope that he can receive income or guarantees, or that he can otherwise benefit from his business activities with Vision without effort,

and he shall state that he is not relying on such hope in his desire to become a Distributor. A Distributor shall be aware that his success depends on his abilities and real efforts and that he shall not receive commissions other than those provided for by Vision's remuneration plan, which is subject to regular revisions by decision of the Company.

24. A Distributor shall be informed of, and shall consent to, the fact that the Company may change the time periods and conditions of this Contract, as well as the principles of commerce and the Marketing Plan. These changes shall be brought to the attention of the Distributor in writing and their execution shall be mandatory, and the Distributor shall act in accordance with the new conditions. Changes shall be announced either by means of a special bulletin or by information in a generally available magazine, or by notification included in the packaging of products. All changes shall enter into force thirty days after the Company gives notification of such. Said changes may also be brought to the attention of Distributors through the Company's business offices.
25. Transfer by a Distributor of his rights and obligations regarding this Contract and, accordingly, his status as a Vision Distributor may be effected by him only to one of his relatives under the condition that said relative is not a Company Distributor as of the moment of transfer, and with the written consent of the Company thereto.
26. A Distributor's activities must be effected in accordance with the legislation that is current in his place of work. A Distributor shall pledge to operate in strict compliance with the legal, social, and tax norms that determine his activities. Moreover, during the period of validity of this Contract, a Distributor shall pledge not to engage in activities that amount to competition with his business activities with Vision as provided for by this Contract; in particular, he shall not advertise and distribute products that are in competition with Vision products, and he shall also not be a Distributor for other Companies which in their operations use methods of distributing products (services) by means of multi-level network marketing and direct sales. A Distributor must not resort to or abuse any kind of illegal commercial activity. Violation by a Distributor of the obligations set forth in this paragraph shall be unconditional grounds for revocation of the Contract at the initiative of the Company.
27. A Distributor shall pledge to abide by the following principles of integrity and candor:
 - to describe products adequately;
 - to clearly designate the conditions of acquisition, guarantee, suitability, and servicing;
 - to give an end consumer the necessary time to reach a decision as to purchase; and
 - to behave politely and not to put excessive pressure on an end consumer if the goods offered to the latter do not meet his needs at the given time.
28. A Distributor shall acknowledge that he has read and understood all the conditions of this contract, of the Distributor Manual, and of the Ethical Code which form the legal and moral foundations for mutual relations between the Distributor and Vision. Any other circumstance or warranty, or guarantee, shall have force only in

the event a special written agreement is concluded to that effect. The provisions of this Contract, the Distributor manual, and the Ethical Code together comprise the contract basis for relations between Vision and the Distributor. In the event of possible ambiguous or contradictory interpretation of the provisions of this Contract, the Distributor Manual, and the Ethical Code, it is this Contract that shall take priority and precedence over others bodies of law.

29. All disputes and disagreements ensuing from this Contract or in connection with its execution, if they are not resolved through negotiations, shall be passed on for consideration to the appropriate judicial authorities according to the rules current in the place where Distributors carry out their activities.