

# LR Health & Beauty Systems Pty Limited and LR Health & Beauty Systems New Zealand Partner Terms & Conditions



LR Health & Beauty Systems Pty Limited (the "Company") and LR Health & Beauty Systems New Zealand sells a high quality range of cosmetics and other beauty products under registered and unregistered trademarks (the "Products"), as the case may be. Details of unregistered trademarks are available on request.

## 1. Interpretation:

- 1.1 "Agreement" means this agreement between the Company and the Partner;
- 1.2 "Company" means LR Health & Beauty Systems Pty Limited ACN 110 998 831 and LR Health & Beauty Systems New Zealand;
- 1.3 "Partner" means the person referred to overleaf.
- 1.4 "Partner Terms" means these Partner Terms & Conditions of the Company.
- 1.5 "Existing Active Partner" means any partner of the Company who was issued an invoice by the Company or received a special discount within the last (12) months.
- 1.6 "GST" means the Goods and Services Tax imposed by A New Tax System (Goods & Services Tax) Act 1999 in Australia, and any related act and/or regulation and Goods and Services Tax Act 1985 in New Zealand;
- 1.7 "Marketing Plan" means the marketing plan published by the Company from time to time which forms part of this Agreement.
- 1.8 "Personal Sales" means sales directly by the Partner to Customers;
- 1.9 "Products" means all products offered for sale, sold and/or delivered by the Company to the Partner from time to time;
- 1.10 "Trade Marks" means all trade marks, whether registered or unregistered and whether subject to an application for registration or not, and other names and symbols used in connection with the Products from time to time;
- 1.11 "Trading Terms" means the Terms and Conditions of Sale of the Company;

2. No amendment, alteration, waiver or cancellation of these Partner Terms are binding on the Company unless confirmed in writing by the Company.

3. The Company will notify the Partner from time to time of the Products available for purchase by the Partner.

4. To assist the Partner, the Company will in its absolute discretion from time to time make available to the Partner for purchase by him advertising, publicity materials, sales guides, catalogues and other sales aids.

5. The Partner is entitled to identify and described himself to his customers or any other person as an "Authorized Independent Partner of LR Health & Beauty Systems". This right is non-exclusive and ceases on termination of this Agreement. The Partner must not use the words "LR Health & Beauty Systems" or any variant thereof on any documents or literature produced by the Partner without the prior written consent of the Company.

6. The Partner has the non-exclusive right to purchase the Products from the Company at wholesale price as quoted by the Company or as determined by the Company's price list current at the time of order and are subject to change without notice. Any such purchase is subject to the Company's Trading Terms from time to time.

7. The Partner agrees to purchase the Products only from the Company.

8. The Partner must not sell products of a like or similar nature in competition with the Company during the currency of this Agreement.

9. The Partner will be responsible for all personal income tax, superannuation contributions and GST arising from the operation of this Agreement.

10. The Partner agrees to follow the Marketing Plan for the purpose of demonstrating and selling the Products.

11. The Partner must not make any claims or statements or give any guarantees or warranties in relation to the Products except in accordance with the Company's written advertising or publicity material, sales guides, catalogues and other sales aids at the time of offering the Products for sale to the Partner or as otherwise authorized by the Company in writing.

12. The relationship between the Company and the Partner is not that of employer and employee. Nothing contained in this Agreement will appoint, authorize or empower the Partner to act as the agent, legal representative or employee of the Company for any purpose whatsoever. The Partner must not conduct business in the name of or on account of the Company except as provided in clause 5 above.

13. The Partner must not:

- 13.1 incur any liability on behalf of the Company or in any way pledge the Company's credit or accept any order or instruction or make any contract binding on the Company;
- 13.2 assign, transfer or charge this Agreement or any of its rights under this Agreement without the Company's prior written consent which is at the Company's sole discretion; and
- 13.3 alter, remove, conceal or otherwise interfere with any markings or name plates or other indication or source or origin of the Products on the Products

unless generally or specifically authorize or directed by the Company in writing to so.

14. Nothing in this Agreement confers any proprietary right or interest in the Company's intellectual property including but not limited to the Company's Trade Marks to the Partner.

15. The Partner is entitled to commission, bonuses, discounts for training and other payments in accordance with the Marketing Plan. Such payments referred to above are not payable unless the Partner achieves a minimum of 100 PV on Personal Sales within the calendar month for which the payment is calculated.

16. The Partner must not recruit any Existing Active Partner.

17. The Partner must accept return of the Products for any reason by any customer within 14 days of delivery provided that the Products are in the original packaging. The Partner must either refund to the customer the purchase price, exchange the Products or provide the customer with a credit note. If the Customer returns the Products after 14 days but within two (2) months the Partner must issue a credit note to the customer only.

18. The Company may offset any monies due to the Partner against any monies owed to the Company by the Partner. The Partner must pay all invoices, which are due and payable to the Company in full within the time stipulated and is not entitled to withhold any payments for any reason. The Company will reimburse the Partner in relation to all moneys reimbursed by the Partner or credit notes issued to the Partner in accordance with this clause, if the Products are returned to the Company within 60 days of the purchase of the Products less a 10% administrative fee.

19. The Partner must attend such conferences, seminars and training courses at his own expense, as the Company reasonably requires.

20. The Company is entitled at its absolute discretion to appoint further consultants in any given population centre or geographical area without any restriction whatsoever. The Partner acknowledges and agrees that all rights granted to him under this Agreement are non-exclusive.

21. The Company may terminate this Agreement in the event of any material breach by the Partner of the terms of this Agreement without notice. In any event, the Partner may, by giving fourteen (14) days notice in writing, cancel this Agreement without cause and without financial penalties.

22. In the event that the Partner does not place an order for the purchase of Products with the Company for a consecutive period of six (6) months, this Agreement will terminate on the expiry of thirty (30) days after this period if no further order was placed within these thirty (30) days.

23. The Trading Terms form part of this Agreement. In the event of any inconsistency the Trading Terms will prevail.

24. This Agreement is governed by the laws of the State of New South Wales Australia and New Zealand each party submits to the non-exclusive jurisdiction of the arbitration tribunals and to the courts of New South Wales and New Zealand.

25. If any provision of this Agreement is invalid, void, illegal or unenforceable, the validity, existence, legality and enforceability of the remaining provisions will not be affected, prejudiced or impaired.

26. In this Agreement, unless the context otherwise requires:

- 26.1 an agreement or covenant by a company is an agreement
- 26.2 or covenant by such company, its assigns and successors in title;
- 26.3 words importing one gender include the other gender or genders;
- 26.4 words importing the singular number include the plural number and vice versa;
- 26.5 the word "person" includes a corporation; and headings are inserted for ease of reference only.

November 2006