

Snowy Mountain Craft

ABN 414 232 353 61

INDEPENDENT DISTRIBUTOR AGREEMENT

MAIL TO: 387 East Gilmore Rd, Tumut NSW 2720. Phone 02) 9011 7970

PLEASE PRINT

APPLICANT..... Date of Birth/...../.....
SURNAME FIRST NAME

STREET

SUBURB..... STATE..... POST CODE.....

DAYTIME CONTACT NUMBER (.....).....

Delivery Address

STREET

SUBURB..... STATE..... POST CODE.....

IN SIGNING THIS AGREEMENT THE APPLICANT (TO BECOME A "DISTRIBUTOR") ASSERTS THAT THEY HAVE SIGHTED THE AGREEMENT, CODE OF ETHICS AND BUSINESS PLAN AND AGREES TO FUNCTION AT ALL TIMES IN AGREANCE WITH THE POLICIES AND PRACTICES FOUND THEREIN WHERE EVER SNOWY MOUNTAIN CRAFT'S INTERESTS ARE INVOLVED. THE APPLICANT WILL OPERATE SUBJECT TO THE LAWS OF THE STATE OF NEW SOUTH WALES AND TO THE FOLLOWING CONDITIONS, CODE OF ETHICS AND BUSINESS PLAN IF ACCEPTED AS AN INDEPENDENT DISTRIBUTOR TO TAKE (BUT NOT TO ACCEPT) ORDERS FROM CUSTOMERS FOR THE PRODUCTS OF SNOWY MOUNTAIN CRAFT.

AGREEMENT ACCEPTANCE

Signature of Applicant

Signature of Processor

.....

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Date/...../.....

Date/...../.....

PLEASE PRINT SPONSOR'S DETAILS

Your Direct Sponsor.....

Sponsors Distributor Number.....

Street.....

Suburb.....State.....P/Code.....Telephone.....

DISTRIBUTOR REGISTRATION FEES

PLEASE SELECTION

Registration Fee: \$60.00 (includes Mini Kit and Business Plan) Cash to Sponsor or

Payment Details

Bank Cheque

Postal Money Order

PayPal Invoice

Signature.....

The attached amount of \$60.00 includes payment for the Snowy Mountain Craft starter mini kit and Business Plan.
To the Sponsor: Please forward this Agreement and the payment to SMC Kits. Do not send cash through the mail or personal cheques.



Snowy Mountain Craft: The Agreement

1 DEFINITIONS: Unless the context otherwise requires: (i) "SMC" means Snowy Mountain Craft, a trading name ABN 41423235361, of 387 East Gilmore Rd Tumut NSW 2720 and its successors and assigns. (ii) "Agreement" means this Agreement between Snowy Mountain Craft and the Distributor. It also includes the Code of Ethics and Business Plan as part of the Agreement. (iii) "Distributor" means the person applying, named on the front of this application. Distributors are independent Distributors. (iii) "Business Plan" means the Distributor Business Plan published by SMC.

2 THE AGREEMENT

a By their signature, the Distributor acknowledges they have received a copy of the Agreement, Code of Ethics and the Business Plan. The Agreement, Code of Ethics and the Business Plan constitute the entire Agreement between the Distributor and SMC and no representations or guarantees, oral or written, exist between the Distributor and SMC other than those stated herein.

b The terms of this Agreement will be for 1 year from the date Snowy Mountain Craft first presents the new Distributor with a Distributor ID number. Amendments to this agreement may be implemented by SMC from time to time, after the first year term has expired, by delivering or mailing written notice of such alterations to the Distributor at her/ his last known address in the records of SMC.

c SMC reserves the right to accept or reject any application for this agreement.

d If the Distributor makes no contact with Snowy Mountain Craft for six months, Snowy Mountain Craft may terminate the Agreement by delivering or mailing written notice of such termination to the consultant at her/ his last known address in the records of SMC. Upon this termination, the Distributor forfeits all rights and entitlements to commission from all sales and must return all literature, and materials to SMC. The Distributor may terminate this Agreement at any time by written notice to SMC 21 days prior to termination.

e Any unlawful action or action by the Distributor which, in SMC's opinion is contrary to its best interests or to the reputation of Snowy Mountain Craft will result in instant termination of the Agreement.

f After the initial year of the agreement has expired, the Distributor may automatically continue under the terms of the agreement as well as any published amendments under section 2(b) of this agreement.

3 THE DISTRIBUTOR

a Any person 18 years of age or older may be a Distributor under this agreement and relevant Laws.

b The Distributor may profit from the sale of SMC products based upon the Distributors sales.

c The Distributor is an independent contractor and not an employee of SMC nor an agent of SMC and is not a contractor for the supply of services or work. He or she will not hold him or herself to be otherwise.

d All costs incurred in the sale and distribution of SMC products are the Distributors' responsibility.

e Every new Distributor is assigned a new number that is unique to that Distributor, for organisational clarity. SMC shall notify the Distributor of this number.

f The Distributor shall include their ID number, along with their name on all forms and correspondence with SMC

4 EARNINGS

a Recommended retail prices are set out in SMCs online catalogue, as also is the GST included in that price. The wholesale price displayed in the catalogue will also show the GST on the wholesale price. The difference between the recommended retail price and the wholesale price for products sold shall be regarded by SMC as the Distributors Potential Earnings.

b When an order is placed (and paid for) by another Distributor you have directly sponsored, a percentage of the sale price known as a commission shall be allocated you if you are an active Distributor. (See section 6(e) for meaning of "active" .)

c Commission payments are calculated monthly. When the commission exceeds \$30 in any given month SMC will pay commission to the Distributor in the form of a Cheque or via electronic deposit if so nominated by the Distributor.

d In any month when the calculated income does not exceed \$30 the commission will be carried forward until the first month in which the accumulated income exceeds \$30.

e When a refund is granted to a Distributor's customer under SMC's guarantee, the commissions as paid to the Distributor and the Distributor's upline may be subtracted from future commissions if the commission is already disbursed.

f SMC shall supply, on request by the Distributor, as well as at the end of the financial year, a statement of year-to-date sales, including the amount of GST paid on wholesale, and a statement of downline commissions earned.

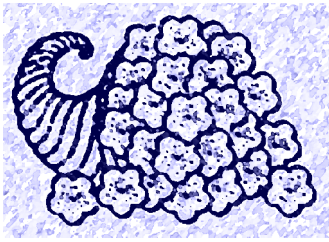
5 GST

a When the personal average monthly sales of a Distributor exceeds \$50,000 per annum the Distributor is reminded of their obligations under tax law to register for the GST. The Distributor shall supply to SMC their ABN and evidence of registration for the GST in compliance with Australian tax law.

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SMC: The Agreement

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6 DISTRIBUTORS AND THE LAW

- a Distributors shall not make comments about other companies' products and business in a misleading or derogatory way. Such comments may carry risk of legal liability even if they are based on truth.
- b Distributors shall not make any unjustified claims, extend warranties or misrepresent SMC's products and/or business whatsoever at any time.
- c The Distributor shall hold SMC harmless from any claim, damages or liability arising out of any false or wrong conduct by a SMC Distributor.
- d No Distributor may pledge or seek credit on behalf of SMC.
- e Distributors must use only up-to-date SMC literature.
- f Distributors have no authority to bind SMC to any obligation, representation or statement.

7 CONFIDENTIALITY

- a SMC shall not on-sell individual information about individual Distributor's sales performance or contact information to marketing, targeting or other companies or people.
- b If SMC wishes to discuss, for example: positive aspects of a Distributors performance with a person other than the Distributor, SMC shall contact the Distributor first.
- c The Distributor agrees that they shall keep confidential all private or confidential business information regarding SMC Kits, its products, and its Distributors.
- d Distributors who change their name, address, or other personal details must notify SMC in writing, obtaining the signature of their upline sponsor to ensure the security of the privileges available under this Agreement. If no signature is obtained SMC shall take steps to confirm the identity and source of the change of address information.

8 ADVERTISING AND MARKETING

- a Distributors may only use advertising and marketing material SMC approved to promote SMC.
- b All logos, names, designs, patterns, web content and written material produced by SMC are subject to copyright.
- c All costs incurred in or occasioned by the running of a SMC Distributorship are the responsibility of the independent Distributor, including but not exclusive to advertising, legal, transport and all other associated costs.
- d All enquiries by the media must be immediately referred to SMC's head office without further comment by the Distributor.

9 ORDERS

- a The Distributor may submit to SMC orders for products. The Distributor agrees to send to SMC with each order a remittance covering the newest catalogue wholesale price plus GST and shipping moneys for the products ordered under orders obtained by her or him in accordance with the Plan.
- b The Distributor, not restricted by sales territories, may seek orders from any area within Australia.
- c The Distributor is not authorised to accept any orders on behalf of SMC. Orders shall be subject to acceptance by SMC.
- d The Distributor agrees to deliver such products to the customers as soon as possible and is responsible for the cost of any products in her / his care.
- e Orders will be included in a given month when paid for and lodged with SMC before 5.00 p.m. on the final working day of the month.
- f The Distributor will place with SMC at least one order each month totalling in at least \$150 sales per three months to retain her or his active status as a Distributor. SMC may terminate this Agreement upon the expiration of six consecutive months in which no orders are placed, and the Distributorship will be cancelled. Any cancelled Distributor's possible commissions will become the property of SMC.

10 INDEMNITY

- a Insurance is the responsibility of each Independent Distributor. The Distributor will indemnify SMC and all legal persons and identities associated with SMC against all actions, proceedings, liabilities, claims, damages, costs and expenses arising out of or in any way relating to the Distributor's activities.
- b The Distributor will only demonstrate SMC products for the purposes for which they were designed and in accordance with any safety procedures included by the manufacturers. It is essential that Distributors familiarise themselves with the safety directions on the labels and adhere to these in every way.
- c If products are not used in the correct manner the Distributor indemnifies SMC against all costs and damages.
- d SMC accepts no responsibility to any person for damage to property caused by the use or misuse of the products.

11 NETWORK MARKETING:

- a The Distributor is not authorised to make any representations in relation to SMC policy or operations other than those found in materials and information approved and supplied by SMC, especially unprovable claims regarding the potential for wealth generation.
- b SMC strictly prohibits advising people that remuneration may be earned only by sponsoring others into an SMC business. That form of recruitment (pyramid plans) is illegal.
- c Distributors are not to engage in cross grouping - the practice of attempting to sponsor a Distributor from SMC into multiple companies.
- d Distributors shall not solicit Distributors from another SMC downline to form a new one.