



AMBIENT

CANDLE COLLECTION

Email: cillus@cillus.co

TERMS OF REPRESENTATION

It is with pleasure we hereby confirm the agreement made with you in regards to representing our company as outlined below:

1. **Product category – “AMBIENT CANDLE COLLECTION”**
2. **Territory** - We hereby grant you the sole right to solicit orders in the following territory subject to the terms and conditions stipulated in this agreement:
3. **Customer categories** – This agreement gives you authority to sell to:

We reserve for ourselves the right to exclude special accounts (House accounts) from this agreement at any time, if the situation necessitates this.

We will, however, give you information about such a step prior to our soliciting orders with such accounts.

All existing accounts, if any, will be converted to you for servicing and reorders at the signing of the agreement. A list of possible existing House accounts will be provided at the same time.

It should be noted, that you will not be entitled to any commission on sales to any existing account, until you have actually taken the first order from such an account.

In some cases we do business with chain stores that are operating in a number of different states. Under such circumstances the principle is that the sales rep, who is servicing the place where the purchase authority is located will get the commission.

However, in some cases we consider it an advantage if our local rep services the local stores of such a chain, and in such circumstances we try to establish a compromise between the 2 reps involved. Details will of course depend on the actual situation.

Retailers that order directly from us, by-passing our rep, will be referred to you, and commission shall be paid to you, once the account has been established as your account in accordance with the above guidelines.

4. **Product knowledge** - It is a condition that you acquire a reasonable amount of knowledge about the product line represented. This is done by studying our literature, circular letters, website, price list, and samples submitted to you. We also provide assistance over the phone and at trade shows.
5. **Ordering** - Any order should have a purchase order number and should clearly state the name and address of the customer, phone number, preferred shipping and billing instructions, the goods wanted, and the State Sales Tax Permit No. (when first ordering in California).
6. **Credit** - Our terms are Prepayment, C.O.D., or Open Account. Terms for all open accounts are **NET 30 days** and can commence only upon receipt of a completed, approved credit application. It may take 3 to 6 weeks to process a credit application, since responses to credit inquiries often are slow in coming.

It will be your obligation to assist us in avoiding deliveries to customers that will not pay us a maturity. – Also you will have a commitment to assist us in obtaining payment from overdue accounts in your territory.

7. **Shipping** - We ship from our warehouse in Novato, California.
8. **Invoicing** - Will be done by us direct to the customer. You will receive copies of invoices at regular intervals so that you can keep a record of invoices and see when the orders were shipped and decide when it is time to contact the customers for a reorder.
9. **Discounts** – In principle we have **2 types** of discounts.

Trade discounts may be offered under special circumstances and are subject to prior approval by us. Such discounts are usually volume related and will therefore primarily be offered to large accounts.

Trade discounts will cut your commission rate as specified below.

The other type of discount relates to **promotional campaigns**. It may be a 10% discount on certain items during a specific period of time. Such sporadic discounts will not cut your commission rate, but your commission is of course calculated on the lower net amount.

10. **Commission rates** - Your commission is based on the net sales price to your customers after deduction of freight and insurance costs.

Your commission rate on our standard prices is 15 %.

If you sell to accounts that qualify for a trade discount as outlined above, your commission rate will be adjusted as follows:

5% discount entitles you to a **12 % commission rate**
10% - - 10 % -

We pay you commission approx. once a month, and we pay you commission on all sales that have been paid by the accounts since the previous statement. This implies that you will get your commission shortly after we have been paid which is the time when commissions are deemed earned.

If any account goes bankrupt or is passed on for collection you do not earn any commission on such bad debt because of the expenses we must pay.

11. **Trade Shows** - (Commission rates). We have the following rules relating to commissions on trade show orders:

- a) when CILLUS pays all costs for the trade show such as the cost of the booth, labor, transportation of display materials, and its staff members write an order from a **new** account, we will pay **no commission** to our rep on such an order. On successive orders from such a customer, we will pay full commission provided that our rep calls on the account from then on.
- b) when CILLUS staff members write an order from an **existing** account we will pay **half commission** on such an order.
- c) when our **sales rep** writes any of the above types of orders (from new or existing account) at our booth, we will pay **full commission**.

The principle behind the above policies is that the part, who spends time and cover the costs on creating business, will get the commission.

12. **Ethics & Performance** – CILLUS agrees not to solicit your Associates, if any, to be independent reps nor encourage them to do so, if either your associate is terminated or representation is terminated.
This consent is good for 3 months after termination.

You have to render service on a regular, systematic basis to all major, potential and existing customers in your territory. We are entitled to get a quarterly report from you about the sales attempts and the progress made. If any of the sub-areas should not progress satisfactorily, we reserve the right to exclude such area from this contract with immediate effect.

13. **General sales conditions** etc. – You accept to respect and to comply with our general conditions as stated in our price list, order forms and literature provided.
14. **Samples** – We provide you and each of your sub-reps, with road samples and samples for your showroom if requested. Such samples will be memo billed.

If you have a showroom, you commit yourself to display our product line covered by this agreement in an attractive way. We recommend that you replace such samples regularly to secure the display of attractive products.

15. **Validity of agreement** – This contract is in force

from: and runs automatically for periods of 6 months, except for the first 3 months which are considered a trial period.

During the trial period the contract can be cancelled with a 2 week notice. After the trial period, the contract can only be terminated with minimum 1 month's notice prior to the expiry of any given period. If not terminated, it is automatically renewed for a new period of 6 months.

We must emphasize that we can only guarantee you the exclusive sales right to the extent that we ourselves are granted same from the manufacturers of the products comprised by this agreement. This limitation comprises both products, geographical territories, customer accounts as well as the length of the time of the exclusivity.

16. **Violation** – In case any of the parties comprised by this contract violates any part of same, the violated party must in writing inform the violator about the problem.

The violator then has the commitment to assist the violated party in removing the violation at once.

If the violation is not brought to an end within 14 days after the written notice, the violated party may cancel this agreement with an immediate effect.

The above conditions have been read, understood, and are hereby accepted:

INDEPENDANT REPRESENTATIVE	CILLUS COMPANY INC.
Signature:	Signature:
Name: Title / For:	Julie Krejsbol Vice President
Date:	Date:

- or -

REPRESENTATIVE GROUP
Signature:
Name: Title / For:
Date: