

DISTRIBUTORSHIP AGREEMENT

This Distributorship Agreement (the “**Agreement**”) is made and entered into this ____ of _____ year ____ (“**Effective Date**”), by and between:

ENAGIC PHILIPPINES, INC., a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at 16th Floor A.T. Yuchengco Centre, 26th and 25th Streets, Bonifacio Global City, Taguig, Philippines, hereinafter referred as “**Enagic**”.

- and -

Mr./Ms. _____, of legal age, single / married, with residential address at _____, hereinafter referred to as the “**Distributor**”.

WITNESSETH: That

WHEREAS, Enagic is engaged in the business of directly selling and marketing its water treatment system devices/machines, its parts, and anti-electromagnetic radiation device and accessories (“**Products**”) through independent distributors;

WHEREAS, the Distributor was introduced to the Products and he became interested to sell the same, specifically Leveluk series or Anespa machines and emGuarde;

WHEREAS, the Distributor has applied to become a distributor of Enagic;

NOW, THEREFORE, for and in consideration of the foregoing and of the following terms and conditions, the Parties hereto agree as follows:

SECTION 1. APPOINTMENT.

1. The Distributor shall be appointed as a distributor of the Products during the term of this Agreement if:
 - a. He has submitted an accomplished Product Order Form and any other documents which may be requested by Enagic, and
 - b. Enagic accepted and approved the Distributor's application.
2. Upon his appointment as a distributor, the Distributor becomes a self-employed individual. The Distributor shall be able to manage his own time and to determine his own method of sale, subject only to this Agreement, Policies and Procedures, and Distributor Handbook (the latter two documents are referred to as (“**Manual**”).
3. Any violation of the terms and conditions of this Agreement may lead to penalties or even the termination of this Agreement based on the parameters laid down by Enagic.

SECTION 2. TERM.

1. Unless sooner terminated, this Agreement shall be effective.
2. Once terminated, if Distributor or the Parties would want to enter again or sign a Distributor Agreement shall be possible after six months depending on Enagic guidelines and related rules based on the Manuals, procedures or policies, and management decisions.

SECTION 3. RIGHTS OF DISTRIBUTOR.

1. After appointment, the Distributor shall have the right to distribute the Products and to enjoy the benefits of being a Distributor in accordance with the Terms and Conditions set forth herein.
2. Should the applicant register only as a “user”, he shall have no right to enjoy the benefits of being a distributor.

SECTION 4. REPRESENTATIONS OF DISTRIBUTOR.

The Distributor represents that he understands the following:

- a. Enagic's rules and regulations, especially about Enagic's operations and transactions with Distributor.
- b. Enagic's authority to revise the prices of products and the new prices will become effective upon publication;
- c. Enagic's authority to revise and change the terms and conditions from time to time and without prior notice.
- d. Distributor's responsibilities as laid down in this Agreement and other documents provided by Enagic;
- e. Benefits to be received from the promotions and sales of Products, and introduction of new distributors;
- f. Categories, prices, characteristics, quality and purpose of the Products;
- g. Terms, conditions and scope of Product warranty;
- h. Conditions on Distributor's withdrawal from Enagic's marketing organization, as well as his rights and obligations resulting from such withdrawal; and

Other matters reasonably expected to be understood and considered by a prudent Distributor of Enagic's Products.

SECTION 5. OBLIGATIONS OF DISTRIBUTOR. The Distributor shall:

1. Comply with all the statutory requirements and prevailing rules and regulations which may be issued by government entities such as, but not limited to, the Bureau of Internal Revenue.

2. Issue an Official Receipt for all the commissions he shall receive from Enagic.
3. Comply with all the terms contained in the Manual, which are deemed incorporated into this Agreement.
4. Not re-package or re-label the Products or to sell the Products under any other name or label.
5. Refrain from producing, selling and using, for the purpose of advertising, any written or recorded materials which have not been expressly approved or provided by Enagic. The Distributor's statements and representations in relation to the Products should be confined to those contained in publications issued/circulated by Enagic.
6. Not make medical claims concerning any Product at any time. The Products are not medications and shall not be claimed to treat diseases or physical conditions. The Distributor shall also immediately inform Enagic should he find violations of the aforesaid obligation.
7. Not make any misleading, unfair, inaccurate or libelous statements regarding Enagic or other persons (including competitors), their products or businesses.

SECTION 6. MISCELLANEOUS PROVISIONS.

1. **INCORPORATION BY REFERENCE.** The terms and provisions as provided in the

Manual are hereby incorporated by reference and made an integral part hereof.

2. **CONFLICTING PROVISIONS AND INTERPRETATION.**

- a. To the extent that the provisions contained in this Agreement are inconsistent with those contained in the Manual and any other document, instrument or agreement executed pursuant hereto, the terms and provisions contained herein shall control unless such other document states that it modifies and amends the terms and conditions of this Agreement. Otherwise, such provisions shall be considered cumulative.
- b. If there is a discrepancy between any clause of this Agreement and the oral interpretation made by a Distributor or employees of Enagic, the clause of this Agreement shall govern. Any changes to this Agreement must be in writing and must be agreed by both parties, and any notice and communication required or permitted under this Agreement shall be in writing and shall be delivered either by hand personally or by registered mail.

3. **AMENDMENT.** Any amendment to this Agreement, Manual or any other document executed pursuant hereto should be made in writing and duly published by Enagic in its literature. The amendment shall become effective upon its publication.

4. **NO RELATIONSHIP.**

- a. Nothing in this Agreement shall be construed to establish a partnership, joint venture, agency or employee-employer relationship between the Parties hereto.
- b. The Parties further agree that all business activities contemplated under this Agreement shall be performed by them as independent entities and that each Party hereto has no power to obligate, contract, supervise or commit in any way the other Party hereto.
- c. The relationship between Enagic and the Distributor is that of seller and buyer.

The Distributor shall act as an independent party buying for itself and selling in its own name for its own account and at its own risk.

5. **INTELLECTUAL PROPERTY.**

- a. The Distributor recognizes and acknowledges that the Enagic trade name, logo, copyrighted materials, trademarks, or any service marks ("**Marks**") are the property of Enagic.
- b. The Distributor shall not use the Enagic trade name, logo, copyrighted materials, trademarks, or any service marks, unless expressly authorized by Enagic.

6. **FREE AND HARMLESS.** The Distributor shall hold Enagic free and harmless from all liabilities, claims, causes of action, losses or damages, whatsoever, other than that directly caused by the gross negligence of Enagic or its officers and employees, by reason of, based upon, or arising out of any breach by the Distributor of any terms and conditions of this Agreement.

7. **CONFIDENTIALITY AND NON-DISCLOSURE.** Each Party shall not, at any time or under any circumstance, directly or indirectly communicate or disclose (or tolerate any communication or disclosure) to any third person, or otherwise use or benefit (or allow any such use or benefit) from all confidential or proprietary information, intellectual property, customer or client data and confidential facts relating to or concerning the customers, products, technology, trade secrets, systems or operations, or other confidential information regarding the property, business, operations and affairs, of either Party (the "**Confidential Information**"). The Parties agree that the nature, terms and conditions stipulated in this Agreement constitute Confidential Information.

Moreover, each Party agrees (a) to use the maximum degree of care to observe and enforce the confidentiality of any and all Confidential Information and (b) to ensure that its employees, agents and consultants who have access to the Confidential Information shall keep such information in strictest confidence.

This, however, is without prejudice to the following exceptions: (i) when the other Party has specifically consented in writing to the same; (ii) when the Confidential Information is generally available to the public at the time of disclosure or use without breach of this Agreement; (iii) when a Party can establish by reasonable proof that the Confidential Information was lawfully in its possession prior to the execution of this Agreement; or (iv) when the Confidential Information is required to be disclosed by law, final order of a competent court or an administrative or legislative tribunal, or by the applicable regulations or policies of any regulatory agency of competent jurisdiction or any stock exchange, in which case;

- a. The receiving Party has provided the disclosing Party with prompt written notice thereof so that the latter may seek appropriate remedy and/or injunctive relief prior to such disclosure;
 - b. The receiving Party has taken all reasonable actions and/or steps to resist or narrow down the information to be disclosed;
 - c. Should partial disclosure be required, the receiving Party furnishes only that portion that is legally required to be disclosed; and
 - d. The receiving Party shall not oppose and shall cooperate with the disclosing Party with respect to any such request for any protective order or other relief.
- The disclosing Party shall be entitled, in addition to any other relief available to it, to the granting of injunctive relief without proof of actual damages or the requirement to establish the inadequacy of any of the other remedies available to it. These obligations in relation to confidentiality shall survive the termination of this Agreement.

8. **DATA PRIVACY.** The Distributor understands that Enagic respects and ensures the protection of personal information under the Data Privacy Law. He agrees to the terms of Enagic's Data Privacy/Protection Policy as posted on Enagic's official Facebook page, <https://www.facebook.com/official.enagicphilippines/>, website, <https://www.enagicph.com/>, and bulletin board.

9. **CONSENT.** The Distributor consents to the commission given to him according to Enagic's discretion. The Distributor further consents and authorizes Enagic to collect his information in relation to the distributorship.

10. **NON-WAIVER.** Either Party may waive compliance by the other Party of any term or provision of this Agreement provided, however, that such waiver shall not operate as a waiver of the right to invoke compliance therewith at a future date. Likewise, no failure to exercise and no delay in exercising any right, remedy, or power hereunder shall operate as a waiver thereof. No waiver of this Agreement, or any provision thereof, shall be valid unless the same is made in writing.

11. **CAPTIONS; CONSTRUCTION.** The captions of this Agreement are inserted only as a matter of convenience and for reference, and in no way define, limit, or amplify the terms and provisions of this Agreement. The Parties warrant and represent that they have read and examined in full this entire Agreement and other documents incorporated herein by reference.

12. **SEVERABILITY.** If a court of competent jurisdiction holds any provision of this Agreement unenforceable or invalid, only such provision shall be severed and shall not affect the validity or enforceability of the remaining provisions.

13. **SETTLEMENT OF DISPUTES.** The Parties hereby agree to reconcile and amicably settle, on a best effort basis, any dispute and/or differences arising between themselves from billings, collections and other disputes arising from this Agreement. Should amicable settlement fail, both Parties are accorded the right to seek any and all remedies available under the law.

14. **GOVERNING LAW AND VENUE.** This Agreement shall be governed by and construed in accordance with the Laws of the Republic of the Philippines. Any legal action or proceedings arising out of or in connection with this Agreement shall be brought exclusively in the proper courts of Makati City.

ENAGIC PHILIPPINES, INC.

DISTRIBUTOR

By:

By: **SHERYL C. LAYSA**

Assistant Operations Manager

Signature over printed name