



## Cooperation principles with WellU on Italian market

The following document includes all information necessary for business partners residing in Italy or for those intending to start a business there. Italy is a country where direct sales and network marketing falls under special legal and formal regulations that differ greatly from other countries, where WellU operates. Hereunder, we specify all that needs to be taken into consideration when inviting new business partners or clients into our organisation.

### Purchases done by clients

- Every adult living in Italy has fiscal code (it. codice fiscale). This code is used in Italy in various occasions such as purchases, invoices, tax returns.
- While filling out the order form, client needs to enter his/hers fiscal code. This is a mandatory information and a special area for this information is provided on the form.

### Registration of business accounts

For citizens of Italy that want to register the following rules need to be respected:

- A person convicted of financial fraud or tax offence cannot become a Business Partner.
- An account can be created only by natural person, stating his/her genuine and real personal data. In case Business Partner wants to register a company, the company's data are given later as billing information.
- Business account registration form includes additional mandatory information:
  - Fiscal code
  - Date of birth
  - Place of birth
  - Full permanent address (including province)
- After registering and activating account, Business Partner needs to sign the cooperation agreement with WellU.
  - After activating the account, Business Partner receives an e-mail message with information that informs about the necessity of signing the cooperation agreement. This message contains also a link that starts the process of signing the cooperation agreement electronically.
  - It is required to sign the cooperation agreement not later than 7 days after the account has been registered.
  - To sign the cooperation agreement, Business Partner needs to enter the link. This link will open a special internet site with the full content of the agreement. To sign this agreement, Business Partner needs to follow instructions on screen.
  - Signing the agreement is noted by WellU system and the signed agreement is added to the profile of Business Partner(it can be downloaded from the ACCOUNT tab).



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- Signing the agreement is mandatory for company to receive the fee.
- Business Partners are then verified by the Italian police for criminal record, whether they were convicted for financial fraud or tax offence. This action takes place between police and WellU, Business Partner is not required to take any action during this procedure. If the verification process shows that Business Partner has been convicted of crimes mentioned before, he/she cannot be a partner of WellU and his/her account is blocked.
- After the verification shows no criminal record, an I.D is generated that can be downloaded from WellU site under ACCOUNT tab. Generating the I.D requires uploading a clear picture of one's face to the WellU site. The I.D should be then downloaded and printed. The Business Partner is required to have his/her I.D on all partnership occasions(during meetings, public presentations etc.).
- After the business account has been successfully set up, Business Partner is required to deliver information needed for billing with the company. To do that, a special form needs to be filled out. It is available to any Business Partner residing in Italy, on the WellU site under the tab BILLING/BILLING METHODS. Information required to fill out the form are as follows:
  - Choice whether the billing will be made as natural person or as a company.
  - So called tax regime (it. regime fiscale). For natural person, regime 1, for companies regime 2,3 or 4. Business Partner is required to sign his/her factual tax regime and is held liable for giving wrong information.
  - Fiscal code.
  - Name and Surname.
  - Name of the company and its tax I.D (it. IVA), if the billing method chosen is „company”.
  - Billing address (place of residence for natural person and billing address for companies).
- Filling out billing information form together with signed cooperation agreement is required for WellU to pay out the fee to Business Partner.
- The fee is paid by bank transfer every month. It is necessary to provide WellU customer service in Italy with Business Partner's bank account number before the first fee is paid.

### **What Business Partner is allowed to do in Italy**

- According to Italy's law, Business Partner is not allowed to independently sell products purchased from the company on individual presentations or any other presentations.
- This also regards internet sales made on Business Partner's own account.
- Business Partner is allowed to purchase products from the company for his/her own use.
- Business Partner acts as promoter. The sales itself are made by the company from which Business Partner receives a fee.





### **Tax return when Business Partner is a natural person not running a business**

Business Partner accounting with the company as a natural person receives net value, which is the amount deduced by the advance for income tax. The advance for income tax is paid by WellU to the Italian tax authority on behalf of the Business Partner.

### **Tax return when Business Partner runs a company**

Business Partner accounting with WellU as a company receives gross amount, with no deduction, based on the invoice. Business Partner accounts with Italian tax authority on his/her own.



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