

PROFIT SHARING AGREEMENT

LIMITED PARTNERS (X & Y)

&

GENERAL PARTNER (Z)

PROFIT SHARING AGREEMENT
FOR PRODUCT SALE ON AMAZON BY GENERAL
PARTNER (Z)
17 November 2021

This Inventory Financing Agreement (“**Agreement**”) identifies the commercial terms of inventory financing as provided by LIMITED PARTNERS (X & Y), Individual Investors (“Investors”). As defined in the following sections, this Agreement has legally binding obligations and shall be governed in all respects by the laws of the province of Ontario.

Recitals

- Parties:* This agreement is held between the Investors and Partner Z (“**Vendor**”), individual vendor operating an online shop at Amazon.ca (“**Website**”) the online e-commerce company.
- Monetary Amount:* The monetary amount (“**Amount**”) subject to the Agreement is **CAD \$5,000.**
- Commercial Profit:* The terms of the Commercial Profit (“Commercial Profit”) is defined at the *Commercial Terms* section of the Agreement.
- Effectiveness Date:* The Agreement takes into effect on the Effectiveness Date, that is the Signing Date of the Agreement, available at the very bottom of this document.
- Payment Date:* Payment Date is within the five business days of the Effective Date.
- Monetary Amount Payback Date (MAPD):* Payback date is **180** days after the Effectiveness Date.
- Purpose of the Agreement:* The Vendor operates an online shop at the Website. As part of their business operations, the Vendor would like to expand their sale volume on the Website. With this purpose, the Vendor contacted the Investors to support the growing working capital requirements with Inventory Financing. The Investors agreed to provide the Amount to support the growing working capital requirements and Inventory Financing of the Vendor. The Agreement identifies the commercial terms of the Parties, as
- i) the Investors provides the Amount to the Vendor at the Payment Date, then
 - ii) Before the **MAPD**, in order to complete the Agreement, the Vendor pays to the Investors
 1. the Amount, and
 2. the Commercial Profits (in monthly terms) as defined in the Commercial Terms of the Agreement
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Commercial Terms

<i>Inventory:</i>	The Vendor agrees to purchase <u>only</u> product inventory (“ Inventory ”) with the Amount that is provided by the Investors.
<i>Inventory Type and The Brands:</i>	The Vendor agrees to purchase one type of inventory with the Amount provided by the Investors that is Graphic Cards² . Brands are limited to the following: Asus (AsusTek Computer Inc., a Taiwanese multinational computer and phone hardware and electronics company headquartered in Beitou District, Taipei, Taiwan.), MSI (Micro-Star International Co. Ltd., a Taiwanese multinational information technology corporation headquartered in New Taipei City, Taiwan), Gigabyte (Gigabyte Technology, a Taiwanese manufacturer and distributor of computer hardware.)
<i>Inventory Supplier:</i>	The Vendor agrees that the supplier (“ Supplier ”) of the inventory will be a trustable supplier from Alibaba.com website.
<i>Business Operations:</i>	It is under Vendor’s interest and obligation to purchase bulks of the Inventory to sell with an arbitrated retail price at the Website. It is accepted that it is at Vendor’s expertise and freedom to decide the level of Inventory (i.e. number of graphic cards) to purchase from the Supplier and sell at the Website. However, Vendor agrees that the total purchase will not exceed the Amount.
<i>Cost of Goods Sold:</i>	Cost of Goods Sold (“COGS”) is the total cost of all sold inventory that was purchased with the Amount. COGS include shipping costs and inventory related tax.
<i>Revenue:</i>	Revenue (“Revenue”) is the total sales made at the Website with the Inventory purchased.
<i>Profit:</i>	Profit (“Profit”) is calculated by subtracting COGS from Revenues
<i>Investors Share:</i>	30% of the Profit
<i>Commercial Profit:</i>	Commercial Profit is calculated by: <ul style="list-style-type: none">i) subtracting COGS from Revenues, to reach to the profit, and thenii) by multiplying the profit by Investors Share Commercial Profit = (Revenues – COGS) x 30%
<i>Monthly Payment of Commercial Profit</i>	Vendor Agrees to make monthly payments of the commercial profit. Monthly payments of the commercial profits will consist of the products sold between: <ul style="list-style-type: none">● the 45th day before the next monthly payment, and● the 15th day before the next monthly payment

² <https://computer.howstuffworks.com/graphics-card.htm>

Responsibilities of the Investors

<i>Amount Payment:</i>	It is the Investor's responsibility to ensure the Vendor is paid with the Amount after the Effectiveness Date and before the Payment Date. Amount Payment will be made from Investors' Bank account to the Vendor Email Address
<i>Notifications to the Vendor:</i>	It is the Investors' responsibility notify vendor, via Vendor Email Address, at the milestones, including the notifications for the Amount Payment, receipt of COGS & Revenue reporting.
<i>Vendor Email Address:</i>	partnerz13212897@gmail.com

Responsibilities of the Vendor

<i>Use of Amount:</i>	The vendor guarantees that at least 80% of the Amount will be used to purchase Inventory.
<i>Inventory & COGS Reporting Requirements:</i>	It is vendor's responsibility to document COGS with all Inventory purchases and report them to the Investors Email Address on the 7 th and 21 st of every month until the completion of the Agreement. In addition to this, Vendor also agrees to report Inventory and COGS in "Amazon Sales Report - Z" shared with the Vendor in the shared Google Drive link as a Google Sheets Document. Vendor also agrees to report ad-hoc requests.
<i>Revenue and Sale Volume Reporting Requirements:</i>	It is vendor's responsibility to document total Revenues & Sale Volume and report them to the Investors Email Address on the 7 th and 21 st of every month until the completion of the agreement. In addition to this, Vendor also agrees to report Revenue and Sales Volume in "Amazon Sales Report - Z" shared with the Vendor in the shared Google Drive link as a Google Sheets Document. Vendor also agrees to report ad-hoc requests.
<i>Investors Email Address:</i>	Vendor submits all reporting to 2342624@gmail.com & 324324526@gmail.com
<i>Selecting a Secure Supplier:</i>	It is vendor's responsibility to select secure and trustable suppliers when purchasing Inventory. The investors accept no responsibility in supplier risk and all supplier risk remains at the Vendor.
<i>Marketable Inventory:</i>	It is vendor's responsibility to purchase secure, trustable, operating, working Inventory. The investors accept no responsibility in inventory risk and all inventory risk remains at the Vendor.
<i>Selecting a Secure Shipment Company:</i>	It is vendor's responsibility to select secure, trustable Shipment Company to transport Inventory from the Supplier and to the end customers. The Investors accepts no responsibility in risks involved with the shipment and all inventory risk remains at the Vendor.
<i>Completion of the Agreement:</i>	Before the Monetary amount payback date (MAPD), it is vendor's responsibility to pay to the Investors: <ol style="list-style-type: none">1) the Monetary Amount, and2) the monthly payments of the Commercial Profit

Other Terms

<i>Liquidation:</i>	<p>If for any reason the Vendor fails to reach the Completion of the Agreement within the Payback Date, Vendor agrees to transfer to the Investors;</p> <ol style="list-style-type: none">1. the Monetary Amount,2. the Commercial Profit3. any remaining Inventory4. CAD\$300 as the penalty fee <p>to the Investors within the Liquidation Date. It is under solely the Investors' discretion to waive Liquidation terms under good faith.</p>
<i>Liquidation Date:</i>	Liquidation date is 240 days after the Effectiveness Date.
<i>Vendor's Equity</i>	The Investors expects the vendor to invest CAD \$1,000 to their own business operations. This condition shall enable the vendor to partially share the operational risk with the Investors.
<i>Conflict Resolution:</i>	In case of conflict, the parties may seek consultation and advice from mutually accepted third parties (i.e. executives of Anatolian Heritage Foundation) and/or legally binding authorities, including the Small Claims Court under Ministry of Attorney General in the province of Ontario.
<i>Income Taxation:</i>	Both parties responsible of their own income tax obligations that will be due to the Profit.
<i>Non-Competition Agreements:</i>	The Investors agrees not to share any sensitive business information with regards to the Vendor's Business Operations.
<i>Non-Disclosure Agreement:</i>	Both parties agree to keep the terms and parties of this Agreement confidential unless required by the regulations and laws of the province of Ontario.
<i>Next Iteration of the Contract:</i>	Once the completion of the Agreement reached, both parties can decide to repeat this same agreement in the next iteration. This will be based on later discussions in good faith.
<i>Expiration:</i>	This Agreement expires on 31.Noveber.2021, if not accepted by either the Investors or the Vendor by that date.
<i>Signing Date:</i>	17 th day of November, 2021.

Representing the Investors,

Partner X

Partner Z