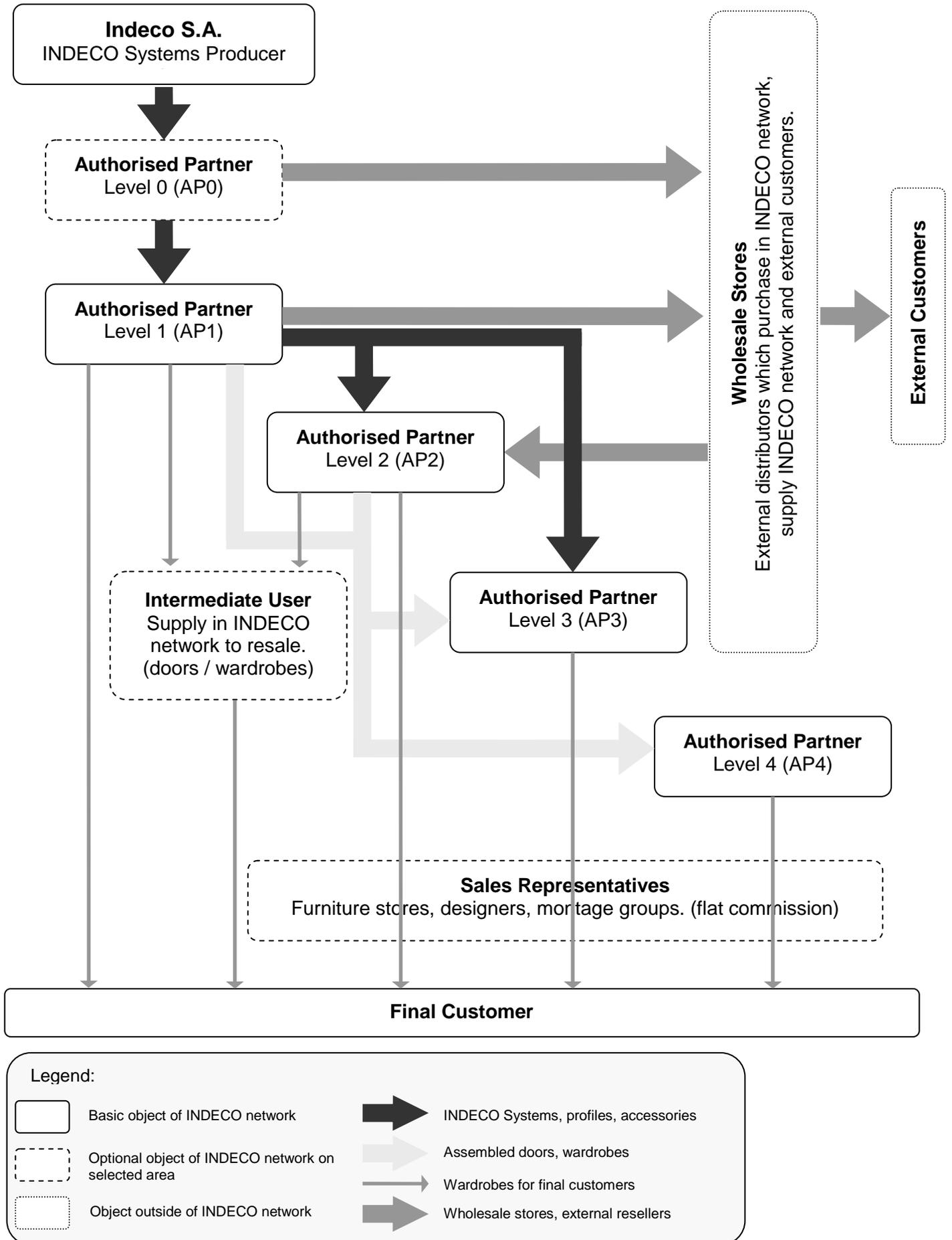


Scheme of supply and purchase in INDECO network structure



Tasks of Authorized Partners

The Authorized Partner (AP) INDECO must have at least one showroom or exhibition with support service, free design and calculate solutions for the customers, provide transport and assembly of finished solutions. Supplying other entities inside the INDECO network, the AP must use a consolidated discount system. The AP must pay the commission to the information provider which coordinated potential customer. Depending on the type of the activity in the INDECO network all Authorized Partners are located at four different levels:

Level 0 (AP0)

- active development of INDECO network,
- wholesale distribution of Indeco S.A. products and supplementary elements,
- quality control of products and services,
- compliance with standards of INDECO network,
- stimulating increase in the market share,
- exhibiting at trade fairs,
- showrooms,
- national advertising,
- regional advertising,
- rights to build INDECO network,
- rights to sign contracts with new partners
- sale through wholesale stores to external customers,
- supply large areas, countries, regions.

Level 1 (AP1)

- active development of INDECO network,
- production of the INDECO system doors for INDECO network,
- production of the INDECO system doors for the final customers,
- production of the INDECO cabinets for INDECO network,
- production of the INDECO cabinets for the final customers,
- systems and the supplementary elements distribution,
- quality control of products and services,
- compliance with standards of INDECO network,
- stimulating increase in the market share,
- exhibiting at trade fairs,
- showrooms,
- national advertising,
- regional advertising,
- rights to build INDECO network,
- rights to sign contracts with new partners
- sale through wholesale stores to external customers,
- supply large areas, regions.

Level 2 (AP2)

- active INDECO network development,
- manufacture of the INDECO system doors,
- manufacture of the INDECO cabinets,
- without systems and the supplementary elements distribution,
- stimulating increase in the market share,
- showrooms,
- regional advertising.

Level 3 (AP3)

- buying of the INDECO system doors from AP1, AP2
- manufacture of the INDECO cabinets
- no systems and the supplementary elements distribution,
- showrooms,
- regional advertising.

Level 4 (AP4)

- buying of the INDECO system doors from AP1, AP2 ,
- buying of the INDECO cabinets from AP1, AP2,
- no systems and the supplementary elements distribution,
- showrooms,
- regional advertising.

This is the best type of cooperation for furniture stores which provide an installation in customer's house or as an agents they can transfer them to Intermediate Users.

Increasing Authorized Partner's activity from the position AP4 where invested capital is not required will result with moving them to the higher level.