



## **General Terms and Conditions for Representative Partnership Conditions, Including Deviating Jurisdiction Agreement**

### **Preamble / Ethical Rules**

On behalf of our company, we welcome you as a new premium partner (henceforth Independent Representative or Representative) and wish you every success in your activities as an Independent Representative, and in distributing products, of the QN Europe Deutschland GmbH, Neuhofstr. 9, 64625 Bensheim (hereafter: QN EUROPE); E-Mail: [eu.support@qneurope.com](mailto:eu.support@qneurope.com). Regarding the distribution of our products and contact with others, it is of utmost importance to us to always ensure convenience and safety, reliability, and fair cooperation between ourselves and the whole environment of network marketing, as well as upholding the law and the principles of morality.

Therefore, we would like to ask you to thoroughly read the following ethical rules as well as our general partnership conditions and to allow these guidelines to become your daily leitmotif for carrying out your activity.

### **Ethical rules for dealing with consumers**

- Our Representatives advise their partners honestly and sincerely, clarifying any misunderstandings about goods, the business opportunity or other statements made during advisory discussions.
- On our partner's request the sales conversation can be omitted, moved or an already initiated conversation can be discontinued pleasantly.
- When contacting a partner, the Representative shall inform the consumer – at their request – of all points relating to the goods (e.g. use, quality, application), or the sales opportunity.
- All information on the goods must be comprehensive and truthful. The partners must be informed, inter alia, of the directions for use and precautions on the product labels, and any accompanying material. A Representative is prohibited from making misleading statements or promises of any kind regarding the goods.
- No Representative may make any claims about goods or their properties or effects when these have not been released by QN EUROPE.
- The consumer should not be led to purchase the products through dubious and / or misleading promises nor by promising special benefits when these are linked to uncertain, future outcomes.
- The consumer shall not be initiated to buy products he/she cannot pay for based on the financial means at his/her disposal.
- A Representative may not make any comments with respect to their compensation or the potential remuneration of other distribution partners. Furthermore, a Representative cannot guarantee payments, make promises or raise expectations in some other way.
- A Representative may neither claim that the Compensation Plan or the goods of QN EUROPE are endorsed or approved by a government agency nor that these are supported by such. In Germany, the compensation plan was reviewed in court:

### **Ethical rules for dealing with sales partners**

- Sales partners must always treat each other fairly and respectfully. The above also applies to dealing with Representatives in other network marketing companies.
- New partners should be informed truthfully about their rights and obligations. Information regarding potential revenue and employment opportunities should be omitted.
- No verbal assurances are allowed to be made regarding the goods and services of QN EUROPE.
- Representatives are not allowed to poach partners from other companies. Furthermore, Representatives are not allowed to move other partners in order to change sponsor within QN EUROPE.
- The obligations of §§ 7-10 of the following general conditions for Representatives must always be observed, in addition to the ethical rules

### **Ethical rules for dealing with other companies**

- The behavior of QN EUROPE Representatives must always be fair and honest towards other companies of the network marketing sector.
- Avoid systematically soliciting Representatives in other companies.
- Disparaging, misleading or unfair comparative statements about goods or distribution systems of other companies is prohibited.

Having introduced these ethical rules of our company, we would like you to familiarise yourselves with the General Partnership Conditions of QN EUROPE.

### **§ 1 Scope of Validity**

(1) The following terms and conditions are part of each Representative agreement between the QN Europe Deutschland GmbH, Neuhofstr. 9, 64625 Bensheim (hereafter: QN EUROPE) and the independent and autonomous Representative.

(2) QN EUROPE provides its services exclusively on the basis of these general Representative and delivery conditions.

### **§ 2 Object of the contract**

(1) QN EUROPE is an innovative company that distributes high-quality consumables (e.g. dietary supplements) and luxury goods (such as watches) as well as travel services (henceforth: goods) in Europe (Germany and other countries) through a network of distribution partners. The Representative should distribute goods for QN EUROPE, so that the placement of the products forms the foundation of their business, without any obligation to purchase any goods. For this activity, the Representative receives a corresponding commission per successful placement. To become a Representative, those interested can register in QN EUROPE. For the above-mentioned activities, it is not necessary to recruit other Representatives. For this activity, it is neither necessary for the Representatives to make financial expenditures over and above the registration fees nor to carry a minimum number of goods for QN EUROPE. Registration is the only requirement.

(2) In addition, there is a possibility, but not the obligation, to recruit other Representatives. For this activity, the Representative will receive, on reaching the required qualification, an appropriate commission on the product sales to the newly recruited Representative. However, no explicit provision is made for advertising. The commission and the manner in which it will be paid will be based on the compensation plan in force at that time.

(3) As regards the inclusion and implementation of its activities QN EUROPE provides the Representatives with an online back office, which allows the Representatives access to an always-updated and comprehensive overview of its sales, commissions, as well as the development of sales partners and their downline.

### **§ 3 General requirements for the conclusion of a contract**

(1) It is possible to conclude a contract with legal entities, partnerships or natural persons who have reached the age of 18, who are citizens of the country applying for registration or have a residence permit there and are entrepreneurs and who are in possession of a trade license (e.g. trade license) (if required). It is not possible for consumers and/or persons responsible to conclude a contract without having at least one residence permit in the state of the registration application.

(2) If a legal entity (e.g. GmbH, AG, Ltd.) submits a distribution partner application, a copy of the relevant extract from the commercial register about the registration as well as the VAT identification number must be submitted. The applicant must be at least 18 years old. The shareholders are personally liable to each other for the conduct of the legal entity.

(3) In the case of partnerships (e.g. GBR, OHG, KG), a copy of the relevant excerpt from the commercial register must also be submitted - if available - as well as a copy of the turnover tax identification number and all shareholders must be named. The applicant must be at least 18 years old. The partners are personally liable to each other for the conduct of the partnership.

(4) If online order forms or order forms are used, these shall be deemed to be part of the contract.

(5) The Representative may only register the initiation of activities with QN EUROPE online. Upon registration the Representative is obligated to fill in the Representative Application Form fully and correctly, and to submit it to QN EUROPE in the prescribed, electronic manner. In addition, the individual applying must acknowledge and accept these Partnership Terms and Conditions as an integral part of the contract by ticking the corresponding box before completing the registration process.

(6) Any changes to the relevant personal data supplied by the applicant must be made immediately in the designated section of the QN EUROPE back office.

(7) In the first 4 weeks after registration, distribution partners below the age of 21 years are allowed to buy products at a value of maximum 1.000 BV, only.

(8) QN EUROPE reserves the right to reject Distributor Applications at its sole discretion without any justification. Employees or other employees of QN-EUROPE or an affiliated company and their immediate family members (e.g. spouse, mother, father, brother, sister,

etc.) who reside in the same household as the employee are expressly prohibited from entering into a sales partnership.

(9) In the event of a breach of the obligations regulated in paragraphs (1) to (5), (7) and (8) sentence 2, QN EUROPE shall be entitled, without prior warning, to terminate the Distributor Agreement without notice and, if applicable, to reclaim any commissions paid. In addition, QN EUROPE expressly reserves the right to assert further claims for damages in this case of termination without notice.

#### **§ 4 Status of the Representatives as entrepreneurs**

(1) The sales partner acts as an independent entrepreneur. The parties agree on the assumption that the sales partner is initially active as a sideline. He is neither an employee nor a commercial agent or broker of QN EUROPE. There are no sales targets, acceptance or other duties to perform. With the exception of contractual obligations, the sales partner is not subject to any instructions from QN EUROPE and bears the full entrepreneurial risk of its business activities, including the obligation to bear all its business costs and the obligation to properly pay its employees, if it employs any. The Representative must set up and operate his business - if necessary - in the sense of a prudent businessman.

(2) As an independent entrepreneur, the sales partner is responsible for compliance with the relevant statutory provisions, including tax and social law requirements (e.g. obtaining a sales tax identification number or registering his employees with the social insurance system, as well as for obtaining a trade license, if required). In this respect, the sales partner shall ensure that all commission income which he earns in the course of his activities for QN EUROPE is duly taxed at his registered office. QN EUROPE reserves the right to deduct from the agreed commission the respective amount for taxes and duties or to claim damages or reimbursement of expenses which it incurs as a result of an infringement of the aforementioned requirements, unless the sales partner is not responsible for the damage or expense. QN EUROPE shall not pay any social security contributions for the Representative. The Representative is not authorised to make declarations of intent or enter into obligations on behalf of QN EUROPE.

#### **§ 5 Inclusion of the compensation plan, procedures and policies**

(1) The QN EUROPE remuneration plan and the specifications contained therein as well as the [policies and procedures](#) are also expressly part of the Service Marketing Agreements. The sales partner must always comply with these requirements in accordance with the applicable version.

(2) By submitting the online application to QN EUROPE, the Representative also confirms that he has taken note of the QN EUROPE remuneration plan as well as the procedures and guidelines ([policies and procedures](#)) and accepts them as an integral part of the contract.

#### **§ 6 Use of the Back Office / No Administrative, Licensing or Maintenance Fees**

(1) Upon registration at QN EUROPE and payment of the annual management, monitoring and handling fee for the term of contract, the Representative acquires a right to use the back office. The right of use is a simple, non-transferable right, related to each specific back office; the Representatives have no right to amend, edit or undertake any other form of re-organisation of the back office. Likewise, they have no right to grant sub-licenses.

(2) QN EUROPE does not calculate any license or maintenance fees for the use, as well as the maintenance, management, supervision and care of the back office. Likewise, QN EUROPE charges no general administration fees from their Representatives.

## **§ 7 Advertising Obligations and General Duties of Representatives**

(1) Representatives are obligated to protect their personal passwords and login IDs from third party access.

(2) In the course of their activities, Representatives are prohibited from violating the rights or property (including technical infrastructure) of QN EUROPE, their Representatives, affiliated companies or other third parties; likewise, Representatives are prohibited from harassing third parties or otherwise violating the law. Representatives are not permitted to make false or misleading statements about QN EUROPE products or the distribution system. In the course of their sales activities and structural work, the Representatives will only make such statements about the goods offered by QN EUROPE and the QN EUROPE sales system as correspond to the content of QN EUROPE's advertising and informational materials. Furthermore, abuse or commissioning illegal activities, such as the use of unauthorised or unfair advertising (e.g. statements about healing attributes of the products, illegal medical or therapeutic effects of the products, or health claims in product advertising) is prohibited.

(3) Furthermore, the prohibition of sending unsolicited advertising e-mails, advertising social media messages, advertising faxes or advertising SMS (spam) also applies.

(4) The use, production and distribution of own sales documents, own internet pages, own product brochures, product labels or other independently produced media and advertising material is not permitted for the Representative. The advertising of QN EUROPE services via its own or third-party Internet pages is prohibited and advertising is permitted exclusively via the official pages of QN EUROPE. In the event that the Representative advertises QN EUROPE services in other Internet media such as social networks (e.g. Facebook), online blogs or chat rooms, he may only use the official QN EUROPE advertising statements. Furthermore, when advertising in other Internet media, the Representative must expressly point out that this is not an official advertisement or presence of QN EUROPE.

(5) Advertising in electronic media and mass media is only conditionally allowed. The Representatives may not advertise products and services of QN EUROPE on TV, cable TV, radio, newspapers, e-mail or other forms of electronic media or mass media without prior written consent. Approval may be withheld at the discretion of QN EUROPE without any justification.

(6) The goods of QN EUROPE may be presented and brokered or sold by the Representatives at home parties or events or in online webinars revocably within the scope of the applicable law. The goods may also be presented by the Representative at trade fairs and exhibitions. The restriction here is that the Representative may not offer any products from competitors or other network marketing companies at this trade fair.

(7) The goods of QN EUROPE may expressly NOT be sold in other stationary retail stores (such as supermarkets or petrol stations) or via its own or third party online presences, unless the website has been made available by QN EUROPE.

(8) The goods may not be offered at auctions, public or private flea markets, swap networks, department stores, via private online stores, online retailers such as eBay, Amazon, YouTube or on comparable points of sale.

(9) The Representative is obliged to identify themselves as being an "Independent Representative of QN EUROPE". Websites, stationery, business cards, labels and advertisements on cars, advertising material and the like must always state: "Independent Representative of QN EUROPE".

(10) Special advertising guidelines

(a) The Representative is also prohibited from advertising to third parties about earning opportunities or information about his commissions, in particular in connection with advertising measures, whereby it is particularly prohibited to guarantee income or use commission checks to prove his own success or the success of a third party. Rather, there is always an obligation to expressly point out to potential Representatives within the framework of preparatory talks that the achievement of an income is only possible through very intensive and continuous work.

(b) Sales and marketing acts shall not pretend any commission which is to be understood as a "head bonus" or any other commission in connection with the mere recruitment of a new Representative or otherwise perform acts which give the appearance that the advertised distribution system is an unlawful distribution system, namely an illegal progressive snowball system or pyramid scheme or otherwise a fraudulent distribution system. The impression must not be given that the purchase of goods is necessary for a Representative to be able to act for QN EUROPE.

(c) Sales and marketing activities shall not be directed at minors or persons with no business experience and shall under no circumstances exploit their age, illness or limited cognitive faculties to induce consumers to conclude a contract. In the case of contacts with so-called socially disadvantaged or foreign-language population groups, the Representatives will take due account of their financial capacity and their ability to understand and understand the language and, in particular, refrain from doing anything that could induce the members of such groups to place orders that do not correspond to their circumstances.

(d) No distribution or marketing activities may be carried out which are inappropriate, illegal or unsafe or which exert undue pressure on the selected consumers.

(e) Representatives will only make reference to letters of recommendation, test results, references or other persons for business purposes to the consumer if they are officially authorised by both the reference provider and QN EUROPE and if they are accurate and not outdated. Letters of recommendation, tests and personal references must also always be related to the intended purpose.

(f) The consumer will not be induced to purchase goods by frivolous and/or misleading promises, nor by promises of special advantages, if these advantages are linked to future, uncertain successes. Distributors will refrain from doing anything that could cause the consumer to accept the offer simply in order to do the supplier a personal favour, to end an unwanted conversation or to benefit from an advantage which is not the subject of the offer or to show appreciation for the provision of such an advantage.

(g) A Representative shall not claim that QN EUROPE's compensation plan or goods are approved or endorsed or supported by any governmental authority or are deemed to be legally secure by a law firm.

(h) Due to strict regulations regarding advertising of dietary supplements and cosmetics, only advertising material offered on the QN EUROPE website or in the back office or elsewhere should be used. Any customer currently undergoing medical treatment should be advised to consult their doctor before changing their diet. No statements may be made within the framework of the activity or advertising regarding the safety of the products, their therapeutic or curative effect, unless these have been officially approved by QN EUROPE and/or can be found in the official advertising material of QN EUROPE. In addition, distributors must not suggest that QN EUROPE products can be used to treat, prevent, diagnose or cure disease. QN EUROPE also prohibits any statement concerning the medical effects of QN EUROPE products. For example, the Distributor may not claim that QN EUROPE's products help treat diabetes, heart disease, cancer or other diseases. No scientific publications, literature or testimonials may be used or published that have been written by doctors or scientists in relation to QN EUROPE goods or their ingredients.

(i) Further terms and conditions can be found under section 11.02 of the [Policies & Procedures](#).

(11) The Representative is also prohibited from applying for and taking out loans in the name of QN EUROPE on behalf of or in the interest of or in the name of the company, incurring expenses, entering into commitments, opening bank accounts, concluding contracts or making other declarations of intent.

(12) All travel costs, expenses, office expenses, telephone charges and other expenses for advertising materials are the responsibility of the Representative.

(13) In the course of their business activities, Representatives are not authorised to make negative, disparaging or otherwise unlawful comments or assessments regarding competing or other companies or brands.

(14) All presentations, advertising materials, training and film materials etc. (including photographs) of QN EUROPE are protected by copyright. Without the express written consent of QN EUROPE, they may not be reproduced, distributed, made publicly accessible or changed or processed by the Representative, either in whole or in part, beyond the contractually granted right of use.

(15) The use (or modification) of the QN EUROPE name, one of the registered trademarks, product names, work titles and business names of QN EUROPE is also only permitted beyond the expressly provided advertising materials and other official QN EUROPE documents with the express written consent of QN EUROPE. In particular, it is not permitted to use the QN EUROPE name, one of the registered trademarks, product names, work titles and business names of QN EUROPE in identical, similar or modified form as part of the company, the e-mail or for entries in telephone directories and yellow pages. The same applies to the URL (Universal Resource Locator = web address) and the domain or subdomain names of a website. It is also prohibited to use the QN EUROPE name, brands, work titles or other property rights in so-called search engine advertising (e.g. Google AdWords), sponsored link advertising, internet advertising space marketing or comparable online advertising actions.

(16) Furthermore, it is forbidden to register one's own trademarks, work titles or other industrial property rights which contain a trademark, product name, work title or business name of QN EUROPE registered or otherwise protected in another country/area. The aforementioned prohibition applies both to identical and similar signs or goods.

(17) Representatives are not permitted to respond to press inquiries about QN EUROPE, its services, the QN EUROPE Marketing Plan or other QN EUROPE services. Representatives are obliged to forward all press inquiries to QN EUROPE immediately. Representatives shall also make public statements (e.g. on television, radio, internet forums) about QN EUROPE, the goods in the QN EUROPE product range and the QN EUROPE distribution system only with the prior written consent of QN EUROPE.

(18) Representatives may only advertise and distribute services for QN EUROPE or acquire new Distributors in countries that have been officially opened by QN EUROPE. It is not permitted to act as a QN EUROPE subsidiary, importer or exporter or similar in any country or to set up a corresponding business enterprise.

(19) Representatives shall report the location, time and content of advertising events addressed to the general public to the QN EUROPE management in good time before publication of the invitation. QN EUROPE may demand changes or the waiver of the event if this is necessary in the interest of the company and the QN EUROPE sales organisation and its members.

(20) QN EUROPE enables Representatives to purchase goods for personal needs or the needs of family members. Under no circumstances may Representatives, himself or his family members, induce other Representatives to purchase larger quantities of products for their own use that unreasonably exceed personal use within a household. By placing a new order for goods, the Representative warrants that at least 70% of the goods delivered by the previous order have been used for business purposes in the course of product presentations and tastings and that a maximum of 30% of the goods in stock from the last order are still available in the Representative's warehouse. Irrespective of tax retention obligations, the Representative must retain the relevant records for a period of at least three years in order to be able to prove compliance with the aforementioned 70% rule. Furthermore, the Representatives may not acquire more goods, than it can consume with understandable appreciation within one month, even by itself or by third.

(21) A Representative can re-register with QN EUROPE after cancelling his old position. The prerequisite is that the termination and the confirmation of the termination by QN EUROPE for the old position of the Representative were at least 12 months ago and that the terminating Representative did not carry out any activities for QN EUROPE during this time.

(22) Representatives are always prohibited from selling or otherwise distributing its own marketing and/or sales documents to other Representatives of QN EUROPE.

(23) A Representative may make an entry in the Yellow Pages. However, such entry must be approved in writing by QN EUROPE prior to publication and must contain the words "Independent Representative of QN EUROPE".

(24) The use of chargeable telephone numbers to market the activity or products of QN EUROPE is not permitted.



(25) Representatives may not give gifts or other benefits to employees of QN EUROPE.

(26) The Representative shall be obliged to notify QN EUROPE immediately and truthfully of any violations of the rules of the General Conditions for Representatives and the QN EUROPE Code of Conduct as well as any other provisions of the Company.

### **§ 8 Non-Competition Clause/Poaching/Sale of Third-Party Services**

(1) Representatives are permitted to sell goods and/or services for other companies, including network marketing companies that are not competitors.

(2) Notwithstanding the permission formulated in (1), the Representative is not permitted to sell products or services of other companies to other QN EUROPE Distributors.

(3) If the Representative simultaneously works for several companies or network marketing companies, he undertakes to design the respective activity (together with his respective downline) in such a way that no connection or mixing with his activity occurs for the other company. In particular, the Representative may not offer products other than QN EUROPE at the same time at the same location or in the immediate vicinity or on the same Internet page, Facebook page, other social media platform or Internet platform.

(4) In addition, the Representative is prohibited from enticing other QN EUROPE Representatives to sell other products.

(5) Representatives are also prohibited from violating other Representatives or other sales contracts which he has concluded with other companies and whose clauses still have effect by concluding a sales partner contract.

(6) If the Representative works for another company in addition to his activities for QN EUROPE, he shall be obliged to report the activity to QN EUROPE, naming the other companies.

### **§ 9 Confidentiality**

Representatives shall maintain absolute secrecy regarding the business and trade secrets of QN EUROPE and its sales structure. In particular, business and company secrets include information on downline activities as well as downline genealogy and the information contained therein, the Representative and customer and other contractual partner data, as well as information on business relationships of QN EUROPE and its affiliated companies with its providers, manufacturers and suppliers. This obligation shall continue for a period of 5 years even after termination of the Representative Partnership agreement.

### **§ 10 Protection of Distributors / Cross-line Sponsoring / Bonus Manipulation**

(1) New Representatives recruited by active Representatives for the sale of QN EUROPE products are assigned to the recruiting Representative within the structure according to the Compensation Plan and the placement guidelines regulated therein (Representative protection); the starting point of the assignment is determined by the date and time when payment for the new Representative's registration application is received by QN EUROPE. In the case of an incorrect registration, the amendment must be submitted and carried out within 5 business days after the date of registration, whereupon QN EUROPE, according to their

own discretion, decides on a change in the registration. The Representative, whose position is changed, may not sponsor any other people in the meantime. If two Representatives claim to have sponsored the same new Representative, QN EUROPE will only assign the new Representative to the sponsor listed in the first registration received.

(2) QN EUROPE is entitled to delete all personal data, including the e-mail address of a sponsored Representative, from its system if advertising mailings, letters or e-mails with the words "moved", "deceased", "not accepted", "unknown" or similar are returned and the newly recruited Representative or Sponsor does not correct the incorrect data of the newly recruited Representative within a reasonable period of 14 days. If QN EUROPE incurs costs due to undeliverable advertising mailings and parcels, it shall be entitled to reclaim the costs, unless the incorrect delivery was made through no fault of its own.

(3) Furthermore, cross-line sponsoring and attempts to do so within the company are prohibited. Cross-line sponsoring means the acquisition of a natural or legal person or a partnership that is already a QN EUROPE Representative in another sales division or has had a distribution agreement within the last 12 months. It is also prohibited in this respect to use the name of the spouse, relatives, trade names, corporations, partnerships, trust companies or other third parties in order to circumvent this provision.

(4) Bonus tampering is prohibited. This includes, in particular, sponsoring of Representatives who do not actually exercise the QN EUROPE business at all (so-called straw men), manipulating or otherwise influencing the placement of new Representatives in the down line of the structure tree as well as open or disguised multiple registrations, insofar as this is prohibited. In this respect, it is also prohibited to use the name of the spouse, relatives, trade names, corporations, partnerships, trust companies or other third parties in order to circumvent this provision. It is also prohibited to induce third parties to sell or purchase goods in order to achieve a better position in the compensation plan or a required qualification, to manipulate the group bonus or otherwise bring about bonus manipulation.

(5) The Representative is not entitled to territorial protection.

## **§ 11 Warning, contractual penalty, damages, release from liability**

(1) In the event of an initial breach of the obligations of the Representative regulated in § 7, QN EUROPE shall issue a written warning, setting a deadline of 10 days for remedying the breach of obligation. The Representative undertakes to reimburse the costs of the warning letter, in particular the lawyer's fees incurred for the warning letter.

(2) Reference is expressly made to § 16 paragraph (3) according to which QN EUROPE is entitled to terminate the contract without notice in the event of a breach of the obligations set forth in § 8, 9 and 10 (3) and (4) as well as in the event of a particularly serious breach of the obligations set forth in § 7, other applicable contractual law (e.g. the procedures and guidelines) or statutory law without prior warning, but is also entitled, at its own discretion, to take the measures pursuant to § 11 (1) in the event of an initial breach of obligations. Notwithstanding the immediate right of extraordinary termination regulated in § 16 paragraph (3), QN EUROPE shall have the right, in individual cases in the event of one of the aforementioned breaches of duty occurring, to issue a warning notice within the meaning of paragraph (1) with a shortened remedy period at its own discretion prior to issuing the extraordinary termination notice.

(3) If, after expiry of the remedy period set by the warning, the same or a similar infringement occurs again or if the originally warned infringement is not remedied, a contractual penalty of € 5,100.00 shall become due immediately. For the assertion of the contractual penalty, further lawyer's fees shall also be incurred, which the Representative shall be obliged to reimburse.

(4) Notwithstanding the forfeited contractual penalty, the Representative shall also be liable for all damages incurred by QN EUROPE as a result of a breach of duty within the meaning of §§ 7 - 9 and § 10 paragraphs 3 and 4, unless the Representative is not responsible for the breach of duty.

(5) The Representative shall indemnify QN EUROPE from liability at the first request of QN EUROPE in the event of a claim by a third party due to a breach of one of the obligations regulated in §§ 7 - 9 and § 10 paragraphs 3 and 4 or any other contractual (e.g. the procedures and guidelines) or other breach of law by the Representative. In particular, the Representative undertakes in this respect to assume all costs, in particular attorneys' fees, court costs and compensation costs, incurred by QN EUROPE in this connection.

## **§12 Adjustment of Prices and Commissions**

QN EUROPE reserves the right, in particular with regard to changes in the market situation and/or license structure, to change the prices to be paid by the Representative or the commission shares allocated to the services, the remuneration plan or usage fees at the beginning of a new accounting period. QN EUROPE shall notify the Representative of the change within a reasonable period prior to the change. Price increases of more than 5% or changes to the remuneration plan at the expense of the Representative give the Representative the right to object to the change. If the Representative does not object to the amended conditions within one month of notification, they shall become an integral part of the contract. Changes known at the time of conclusion of the distribution agreement are not subject to notification and do not constitute a right of objection on the part of the Representative. In the event of an objection, QN EUROPE shall be entitled to terminate the contract extraordinarily at the point in time at which the amended or supplementary terms and conditions are to come into force.

## **§ 13 Advertising and Other Materials**

All free advertising material and other benefits from QN EUROPE may be revoked at any time with effect for the future.

## **§ 14 Remuneration / Terms of Payment / Commission Payment Methods / Prohibition on the Assignment of Payments**

(1) As remuneration for his work, the Representative shall receive commissions upon attainment of the required qualifications as well as other remuneration, including the respective qualification requirements arising from the QN EUROPE remuneration plan (see Appendix 1 to the [Policies & Procedures](#)). All commission claims result from the respective valid remuneration plan which the sales partner can call up in his back office and which can be viewed in the back office in each case. With the payment of the remuneration, all costs of the Representative for the maintenance and execution of his business are covered, unless they are separately contractually agreed.

(2) Successful mediation within the meaning of (1) of this contract shall only exist if the contractual relationship between the customer and QN EUROPE has come about effectively and the customer has not revoked his application to conclude a contract, in particular in accordance with the provisions on distance selling or doorstep selling. Furthermore, a claim for remuneration shall only arise when the Customer's payment has been credited to QN EUROPE's account and all other conditions for payment have been met.

In particular, a claim for commission shall not arise if

- a.) the customer makes use of his right of revocation;
- b.) the contract is legally challenged by the customer;
- c.) the customer order has come about illegally;
- d.) QN EUROPE rejects acceptance of the contract;
- e.) incorrect, incomplete customer orders are submitted.

In addition, in cases of fraudulent mediation, either through fraudulent or abusive measures by the customer, the Representative or its vicarious agents, no claim to commission arises.

(3) QN EUROPE reserves the right to require from Representatives, or the applicant in the case of registration by a legal person or partnership, that they prove their identity before any commissions are paid or any services are delivered. Identity can be proven with a photocopy of the individual's identity card or passport, or a German residence permit, and must be supplied within 2 weeks of the request.

QN EUROPE reserves the right to request from the Representative or, in the event of registration by a legal entity or partnership, the Applicant to provide proof of identity prior to the first payment of commissions or delivery of services. The proof of identity can take place e.g. in the form of a copy of the identity card, passport or a German residence permit and has to happen within 2 weeks after the request.

(4) QN EUROPE shall settle the commission claim on a weekly basis. QN EUROPE shall be notified in writing within 60 days of the incorrect payment of remuneration or commission advances or other payments. After this date, the remuneration or advance commission or other payments shall be deemed to have been approved.

(5) The commission shall be invoiced net and without value added tax unless the Representative informs QN EUROPE in writing and stating his current tax number and the responsible tax office as well as the submission of a confirmation from the tax office responsible for him that he is an entrepreneur entitled to input tax in the sense of the Value Added Tax Act.

(6) Unless QN EUROPE has expressly accepted in writing a deviating account, commissions and fees for deliveries of services by the Representative can only be paid out to accounts in his name or in the name of a partnership or legal entity that have a contractual relationship with QN EUROPE. Payments to third-party accounts or to a bank account located outside the country in which the Representative is registered cannot be made.

(7) QN EUROPE shall be entitled to assert a right of retention within the scope of the statutory provisions. In addition, QN EUROPE shall be entitled to assert a right of retention due to the payment of commission if not all legally and contractually required documents are available prior to the first payment (e.g. the VAT identification number for legal entities, if

applied for and issued, business registration pp). In the event that QN EUROPE exercises the right of retention of commission payments, it shall be deemed agreed that the sales partner shall not be entitled to an interest claim for the period of the commission retention.

(8) If the Representative loses his status as an active Representative in accordance with the remuneration plan, the commission claims expire for this point in time. It is possible for the Representative to regain status as an active Representative by qualifying for the future.

(9) QN EUROPE shall be entitled to fully or partially set off its claims towards the Representative against commission claims of the Representative. The Representative shall be entitled to set-off if the counterclaims are undisputed or have been legally established.

(10) Assignments and pledges of claims of the Representative arising from the partnership agreement are excluded, insofar as this is not contrary to mandatory law. The encumbrance of the agreement with rights of third parties is not permitted, as far as the mandatory law is not opposed.

(11) Remuneration or commission advances or other payments below a minimum amount of € 50.00 or 2500 RSP will not be paid. In the event that the minimum payout amount is not reached, the commission claims shall be continued on the business account maintained with QN EUROPE for the Representative and paid out to the Representative in the following week or later after the minimum payout amount has been reached or in the event of termination of the contractual relationship at this point in time, irrespective of whether the minimum amount has been reached. For the period of non-payment of the remuneration, there is no right to interest on the remuneration claim or other payments.

## **§ 15 Suspension of the Representative**

(1) In the event that the Representative does not provide all necessary documents (e.g. proof of identity) within 30 days of registration and acknowledgement of the requirements for payment of remuneration or commission advances or other payment, QN EUROPE shall be entitled to temporarily block the Representative in the QN EUROPE system until the legally required documents have been provided. The above shall also apply if the deadline as defined in § 14 (3) expires fruitlessly. The suspension period does not entitle the Representative to an extraordinary termination and does not cause any claim for repayment of the already paid demonstration set, or any other claim for damages, unless the Representative is not responsible for the blocking.

(2) In each instance where a warning is necessary regarding the failure to include the required documents etc. as stipulated in (1), once the suspension is in effect QN EUROPE is entitled to reimbursement of the necessary costs for issuing the warning.

(3) Remuneration or commission advances or other payments that cannot be paid out due to the aforementioned reasons shall be booked by QN EUROPE as a non-interest-bearing provision and shall expire at the latest within the statutory limitation periods.

(4) Irrespective of the reasons for suspensions stated in paragraph (1), QN EUROPE reserves the right to suspend for an important reason. In particular, QN EUROPE reserves the right to suspend the Representative's access without notice if the Representative violates the obligations specified in §§ 7 - 9 and § 10 paragraphs (3) and (4), or other applicable law, or for any other important reason. The suspension shall remain in effect until the breach of duty

has been remedied in response to a corresponding warning from QN EUROPE. In the event of a serious breach of duty leading to extraordinary termination of the contractual relationship, the suspension shall remain in effect permanently.

## **§ 16 Duration and Termination of the Agreement, Consequences of Termination / Right of Return**

(1) The distribution agreement is agreed for a term of 12 months and can be terminated by the Representative at any time within the contract term with a notice period of 30 days. The contract is automatically extended by a further 12 months with the payment of the administration, support and handling fee. If the sales partner does not pay the aforementioned administration, support and processing fee within 30 days of receipt of the payment request despite a corresponding payment request by QN EUROPE, the contract is transferred to a "passive contract phase" without commission entitlement. The Representative can now extend the contract up to 12 months after the end of the contract period, whereby in the event of an extension of the contract, the commission claim only revives from the time of the extension. If the contract is also not renewed within this period, the contract will be automatically terminated after expiry of this period.

(2) Irrespective of the reason for termination in (1), both parties shall have the right to terminate the Distributuion Agreement extraordinarily for an important reason. An important reason for termination by QN EUROPE is, in particular, a breach of one of the obligations set forth in § 7, if the Representative fails to comply with its obligation to remedy within the meaning of § 11 paragraph (1) in a timely manner or if the same or a comparable breach occurs again at a later point in time after the breach of obligation has been remedied. In the event of a breach of the obligations set forth in §§ 8, 9 and 10 (3) and (4), 18 (4) or 19 as well as in the event of a particularly serious breach of the contractual law (such as the [policies and procedures](#)) or statutory law applicable in § 7 or other, QN EUROPE shall be entitled to terminate the contract without prior warning. Furthermore, each party is entitled to terminate the contract on grounds of extraordinary termination if insolvency proceedings have been instituted against the other party, or if such proceedings have been rejected for lack of assets, or if the other party is otherwise insolvent, or if an affidavit of insolvency has been issued within the scope of execution. The right to extraordinary termination exists without prejudice to further claims.

(3) Notices of termination must always be given in writing.

(4) Domains containing the name "QN EUROPE", a trademark, a business name or a work title of QN EUROPE in identical or similar spelling or language may no longer be used after termination of the agreement and must be surrendered to QN EUROPE upon request against payment of the costs of transferring the domain.

(5) An early termination of an agreement with a minimum term does not entitle the Representative to any refund of the fees or other already paid services which were made in connection with the distribution agreement, unless the Representative has exercised the right to an extraordinary termination due to an important reason.

In the event of premature termination of a contract with a minimum term, there shall be no entitlement to reimbursement of the fees paid or other services already paid in connection with the Distributor Contract, unless the Distributor has terminated the contract extraordinarily for an important reason.

(6) A Representative may re-register with another QN EUROPE sponsor after termination of their previous position. The prerequisite for renewed registration is that the termination and QN EUROPE's confirmation of the termination for the Representative's previous position were issued at least 12 months prior, with the terminating Representative having performed no activity for QN EUROPE during that time.

(7) Once the agreement is terminated, Representatives have no further right to commissions and especially no claim to compensation as a sales agent, since Representatives are not sales agents as defined by the German Commercial Code (HGB) or other applicable laws

(8) Sales aids, goods or other services purchased directly from the company within the framework of the representative partnership which are unused and in their original packaging may be returned to the company after termination of the distribution partnership in accordance with the following provisions. If the goods are given back to the Company within 14 days, calculated from the date of delivery of the goods until receipt of the notice of termination, the Representative shall be reimbursed 100% of the gross cost. Older goods, as well as used goods and other services will not be taken back. Any return shipping costs will be deducted from the purchase price to be refunded, as shall the costs incurred in connection with the return shipment plus processing costs. Any shipping costs incurred at the time of purchase will not be refunded. In addition, if the Representative has received a payment or an advance commission on the re-transacted purchase and this payment is to be refunded, the same will be deducted from the refunded purchase price. The refund shall be made - as far as possible - in the same mode of payment and via the same payment medium (e.g. the same credit card or the same bank account) as the payment made by the Representative, so that the Representative expressly accepts the fulfilment of the refund with the receipt of the refund on this payment medium and he alone is responsible for receiving the refund from the owner of the payment medium if the refund is made to a payment medium not attributable to him.

(9) Should a Representative claim services from QN EUROPE outside of this partnership agreement, these services will remain unaffected after the termination of said agreement, unless the Representative expressly requests their discontinuation in their termination notice. Should the Representative receive services from QN EUROPE after the termination of the partnership agreement, they will be treated as a normal customer.

## **§ 17 Disclaimer**

(1) QN EUROPE shall only be liable for damages other than those resulting from injury to life, limb and health insofar as these are based on intentional or grossly negligent actions or on culpable breach of a material contractual obligation (e.g. payment of commission) by QN EUROPE, its employees or vicarious agents. This shall also apply to damages resulting from the breach of duties during contract negotiations as well as from the performance of unlawful acts. Any further liability for damages is excluded.

(2) Except in the case of injury to life, limb and health or intentional or grossly negligent conduct on the part of QN EUROPE, its employees or vicarious agents, liability shall be limited to the damage typically foreseeable at the time of conclusion of the contract and otherwise to the amount of average damage typical for the contract. This also applies to indirect damages, in particular loss of profit.

(3) QN EUROPE shall not be liable for damage of any kind whatsoever caused by loss of data on computer servers, except in the event of gross negligence or willful misconduct on the part

of QN EUROPE, its employees or vicarious agents. For QN EUROPE, stored contents of the sales partners are third-party information in the sense of the German Tele Media Act (TMG).

(4) The provisions of the Product Liability Act shall remain unaffected.

### **§ 18 Transfer of Business Operations or the Sponsored Structure to Third Parties / Death of the Representative**

(1) QN EUROPE may transfer all or part of its business operations or individual assets to third parties at any time. In the event that the Representative does not agree with the transfer and informs QN EUROPE of this immediately, the contractual cooperation shall be terminated at the next possible termination date.

(2) The Representative shall only be entitled to transfer its sales structure to its direct or indirect upline (up to 5 steps in the amount) after prior written approval by QN EUROPE and submission of the purchase and/or transfer contract with the third party, as well as submission of the Representative application of the third party to QN EUROPE, at the earliest 6 months after conclusion of the contract, unless QN EUROPE has exercised its pre-emptive right. The transfer of the Representative is only possible to persons who are not QN EUROPE Representative at the time of the transfer. If a Representative was a QN EUROPE Representative in the past, the contract must have been terminated at least 12 months prior to the transfer. However, the transfer or purchase of a sales structure to QN EUROPE's Representative is not permitted. QN EUROPE may refuse such consent at its own discretion, even if it does not exercise its right of first refusal. The Representative is obliged to notify QN EUROPE in writing of the intended transfer of its distribution structure. QN EUROPE has 15 days after receipt of the written notification to exercise its right of first refusal. If this does not occur, the transfer to QN EUROPE shall be permissible under the same conditions as the transfer offer, unless there are other important reasons to the contrary. A sale shall only be possible in an undated relationship. In the event of termination without notice or a breach of these General Terms and Conditions for Representatives, the right of the Representative to sell its own sales organisation shall lapse, as shall the right of the Representative in the event that the selling Representative still owes QN EUROPE money, insolvency proceedings have been instituted against the Representative, the opening of insolvency proceedings have been refused due to lack of assets, or the Representative is otherwise insolvent, or an affidavit of insolvency has been issued within the scope of enforcement. QN EUROPE charges an administration fee of € 25.00 for processing the aforementioned application. The contract between the parties ends with the transfer of the sales structure.

(3) If a legal entity or partnership is registered as a Representative, a transfer of the sales structure is only permissible subject to compliance with the other conditions of this agreement.

(4) If a new legal entity or partnership registered as a Representative wish to take up a new partner, this is possible up to a transfer of 30% of the company shares, provided that the previous shareholder(s) who applied for the distribution partnership also remain partners. If a shareholder who wishes to withdraw from the legal entity or partnership registered as a Representative or if the shares of one or more shareholders in the amount of more than 30% are to be transferred to third parties, this act shall only be permissible upon written application, if necessary with presentation of the relevant notarial deed and in accordance with the provisions of this Agreement, only after prior written consent, which shall be at the discretion of QN EUROPE. QN EUROPE shall charge an administrative fee of € 25.00 for



processing the aforementioned application. If this requirement is not met, QN EUROPE reserves the right to extraordinary termination of the contract by the legal entity or partnership registered as a Representative.

(5) The distribution agreement ends at the latest with the death of the Representative. The distribution agreement can be inherited in compliance with the legal requirements, provided that the Representative designates the heir to QN EUROPE during his lifetime. In principle, a new distribution agreement must be concluded with the heir(s) within 6 months, then through which he/she enters into the rights and obligations of the testator. The death must be documented by a death certificate. If there is a will on the inheritance of the distribution agreement, a notarised copy of the will must be presented. After the unused expiry of the six-month period, all rights and obligations arising from the contract are transferred to QN EUROPE. As an exception, the six-month period shall be extended by an appropriate length if it is disproportionately short for the heir(s) in the individual case. If no heir is named during his lifetime, inheritance is not possible, and the contract ends with the occurrence of death. Further terms and conditions can be found in section 9.01 of the [Policies & Procedures](#).

## **§ 19 Separation/Dissolution**

In the event that a Representative registered as a married couple/registered partnership, legal entity or partnership terminates its partnership internally, only one Representative position remains after the separation, dissolution or other termination of one of the aforementioned companies. The separating members/partners must reach an internal agreement as to which member/shareholders are to continue the Representative and notify QN EUROPE of this by means of a written notification signed by both parties and certified by a notary or by submitting a corresponding court order. In the event of an internal dispute over the consequences of separation, divorce, dissolution or other termination with respect to the Representative at QN EUROPE, QN EUROPE reserves the right of extraordinary termination if such dispute leads to a neglect of the obligations of the Representative, to a breach of these general terms and conditions, to a breach of applicable law or to an unreasonable burden on the downline or upline.

## **§ 20 Consent to the Use of Photographic and Audio-Visual Materials and the Use of Records of Materials and Presentations**

(1) The Representative hereby grants QN EUROPE the right to make photographic and/or audio-visual recordings with their likeness, voice, statements or quotations made in their capacity as Representatives free of charge. By signing the Representative application and accepting these general terms and conditions, Representatives expressly give their consent to the publication, use, reproduction and modification of their statements, recordings or photographs.

(2) The Representative is not permitted, for the purpose of selling, as well as for personal or business use, to produce audio, video or other records of events which were sponsored by, as well as teleconference calls, speeches or meetings of QN EUROPE. Furthermore, a Representative may not record, produce or create audio or video presentations or records of QN EUROPE events, speeches, conference calls or meetings without the prior written consent of QN EUROPE.

## **§ 21 Privacy Policy**

(1) Compliance with and observance of the applicable data protection regulations and specifications is of fundamental importance to QN EUROPE. When handling and using personal data, it must therefore be ensured that this is done in such a way as to exclude any impairment or infringement of the data protection and personal rights of the persons concerned.

(2) When processing personal data, the sales partner is obliged to observe and comply with the applicable data protection regulations (in particular the Basic Data Protection Ordinance, "DS-GVO" and the Federal Data Protection Act, "BDSG"). The sales partner is also obliged to observe and comply with the data protection rules and specifications of QN EUROPE (in particular the data protection guidelines and data protection processes).

(3) The distribution partner is also obliged to provide the persons concerned for whom it is responsible (in particular customers, downline) with the information to be provided pursuant to Articles 13 and 14 of the DS Block Exemption Regulation and to document this appropriately. Upon request, it shall provide QN EUROPE with the relevant documentation.

(4) The sales partner shall also be obliged to carefully document and store any consents given to it by the persons concerned and to make them available to QN EUROPE upon request.

(5) The sales partner is obliged to implement and maintain appropriate technical and organisational measures to protect personal data which he processes or uses against destruction, loss, alteration, unauthorised disclosure and unauthorised access and to maintain the confidentiality and integrity of such data.

(6) In the event of ambiguities or doubts with regard to the data protection obligations applicable to him or the permissibility of data processing, the sales partner must obtain expert advice and coordinate further procedures with QN EUROPE.

(7) The Distributor acknowledges that it has read and accepted the QN EUROPE Privacy Policy and the Privacy Notices / Cookie Notices on the QN EUROPE website.

## **§ 22 Statute of Limitations**

The claims arising from this contractual relationship shall become statute-barred 6 months after the date on which the claim in question is due and the claimant knows the circumstances justifying his claim or if his ignorance of these circumstances is based on gross negligence. Legal regulations which provide for a longer limitation period shall remain unaffected.

## **§ 23 Voluntary Contractual Cancellation Policy**

You register with QN EUROPE as an entrepreneur and not as a consumer, so that you have no statutory right of withdrawal. Nevertheless, QN EUROPE grants you the following voluntary 30-day contractual right of revocation.

### **Voluntary Right of Cancellation:**

You can revoke your contractual statement within 30 days without giving reasons in writing (by letter or e-mail) to the address or e-mail address stated in § 1. The period begins with the transmission of the application for the distribution partnership. To comply with the revocation period, it is sufficient to send the revocation or the demonstration set in due time (date of postmark/e-mail).

### **Consequences of revocation:**

After your revocation, you can return all goods purchased as a sales partner to QN EUROPE against reimbursement of the full payments made for them.

A Distributor may re-register with QN EUROPE by another Sponsor after revoking its old position. The prerequisite is that the revocation for the old position of the sales partner was at least 12 months ago and that the revoking sales partner did not carry out any activities for QN EUROPE during this time.

### **§ 24 Applicable Law / Alternative Place of Jurisdiction**

(1) Irish law applies to the exclusion of the UN Convention on Contracts for the International Sale of Goods. Mandatory regulations of the country in which the sales partner has his habitual residence remain unaffected.

(2) The place of jurisdiction and the place of performance shall be the registered office of QN EUROPE. Mandatory provisions of the state in which the sales partner has his habitual residence shall remain unaffected.

### **§ 25 Final provisions / Precedence of the German language**

(1) QN EUROPE is entitled to amend this Agreement (Marketing Service Agreements), these General Terms and Conditions, [Policies and Procedures](#), and/or the Compensation Plan if this is necessary for economic reasons or legal changes. QN EUROPE will announce any changes at least two months before the change takes effect, specifying the future contract change in the back office of the Distributor. The Distributor shall have the right to object to the amendment or to terminate the contract in writing without observing a period of notice to the entry into force of the amendment. In the event of objection, QN EUROPE shall be entitled to terminate the contract in an orderly manner. If the sales partner does not terminate the contract or does not object to the change until the change comes into effect, the changes shall come into effect from the date specified in the change notice. QN EUROPE is obliged to inform the sales partner of the significance of its silence in the change notice given in the back office.

(2) In all other respects, amendments or supplements to these General Sales Partner Terms and Conditions must be made in writing. This also applies to the cancellation of the written form requirement.

(3) If these General Distributor Conditions are translated into another language and there are inconsistencies in any provision between the German and the translated version of the General Distributor Conditions, the German version shall always prevail.

(4) If a clause of these General Terms of Use is ineffective or incomplete, the entire contract shall not be ineffective. Rather, the ineffective clause shall be replaced by one that is effective and comes closest to the economic meaning of the ineffective clause. The same shall apply when closing a gap requiring regulation.