

## General Terms for Contract Partners

### **Preamble**

We welcome you as a new commercial contract partner (hereinafter: Distribution Partner) and wish you the best possible success for your activity as an independent Distribution Partner of Electi AG, Rütistrasse 55, 9050 Appenzell, Switzerland, represented by its Chairman of the Board of Directors, Mr. Jürgen Pulvermüller, with business premises at the same address (hereinafter: Electi) and, above all, much joy in distributing our services. Customer convenience, consumer safety, integrity, fair cooperation with each other and in the entire environment of the social selling community, network marketing, party sales or other direct sales, as well as compliance with laws and common decency are top priorities in the distribution of our services and contact with other people.

Therefore we ask that you thoroughly read the following Ethical Rules as well as our General Terms for Contract Partners and use them as a daily motto when exercising your activity.

### **Ethical Rules for dealing with consumers**

- Our Distribution Partners advise their customers and prospects honestly and sincerely and clarify possible misunderstandings regarding services, the business opportunity, or other statements during a consultation.
- The Distribution Partners introduce themselves without being asked and truthfully by their names and as Distribution Partner of Electi at the beginning of every online contact or personal or telephone contact with customers and prospects and also in all utilized online marketing documents. Furthermore, they also disclose the business purpose of their contact at the beginning of establishing contact and clarify which services they want to offer.
- Upon request by the customer or prospect, a (continued) online communication or sales conversation will be waived, online communication or the conversation will be rescheduled, or an online communication or conversation that has started will be terminated in a friendly manner.
- Distribution Partners never act in an intrusive manner. In particular, visits, online communication, other electronic communication, and telephone contacts shall take place at reasonable times, unless the customer has explicitly requested otherwise. The

Distribution Partners will call or contact (also via electronic media) a consumer for advertisement purposes only with that consumer's explicit prior consent. In the event of a phone call, the caller's telephone number must be provided.

- During customer contact, the Distribution Partner will inform the consumer of all matters pertaining to the offered services and – upon the consumer's request – the distribution option.
- All information regarding the services must be comprehensive and truthful. A Distribution Partner is prohibited from making misleading statements about or even promises in any form regarding the services.
- A Distribution Partner may not make any statements about services, their prices or contract terms unless they have been approved by Electi.
- Distribution Partners vis-à-vis consumers will refer to letters of recommendation, test scores, or other persons for business purposes only if these are officially authorized by the entity issuing the reference as well as by Electi; they must be applicable and not outdated. Letters of recommendation, tests, and personal references must furthermore always be connected to the intended purpose.
- The consumer will not be prompted to purchase products on the basis of dubious and/or misleading promises and also not by promising special advantages if these advantages are linked to future uncertain success. The Distribution Partners shall refrain from anything that could cause the consumer to only accept the submitted offer in order to do the offerer a personal favor, to end an unwanted conversation or to enjoy an advantage that is not the subject of the offer or to reciprocate for the granting of such an advantage.
- A Distribution Partner is not authorized to disclose information regarding its compensation or the potential compensation of other Distribution Partners. A Distribution Partner is furthermore not authorized to guarantee or promise remuneration, or otherwise raise expectations.
- Distribution Partners shall be considerate of commercially inexperienced persons and shall under no circumstances take advantage of their age, illness or limited capacity to discern in order to cause them to conclude a contract.

- In case of contacts with so-called socially vulnerable or foreign-language speaking population groups, the Distribution Partners will show due consideration for their financial capacity and their capacity to discern and their linguistic comprehension ability and shall, in particular, refrain from doing anything that might cause members of such groups to place orders that do not correspond to their circumstances.

### **Ethical Rules for dealing with Distribution Partners**

- Distribution Partners are always fair and respectful toward one another. This also applies to dealing with Distribution Partners of other competitors or other network marketing companies, party sales companies, or other direct sales companies.
- New Distribution Partners will be informed truthfully of their rights and obligations. Information about possible sales and earning opportunities shall be omitted.
- No verbal assurances shall be made regarding services and services provided by Electi.
- Distribution Partners are furthermore not authorized to incite other Distribution Partners to change a sponsor within Electi.
- The obligations of the following General Terms for Contract Partners must always also be complied with as Ethical Rules.

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

- Distribution Partners of Electi shall always behave fairly and honestly towards other competitors or other companies in the network marketing sector, party sales, or other direct sales.
- Systematic and impeding solicitation of Distribution Partners of other companies is prohibited.
- Disparaging, misleading or unfair comparative statements about the services or distribution systems of other companies are prohibited.

Keeping these Ethical Rules of our company in mind, we would now like to familiarize you with the **General Terms for Contract Partners** of Electi.

### **Sec. 1 Scope**

(1) The following **General Terms for Contract Partners** are a component of every Contract Partner Agreement between Electi AG, Rütistrasse 55, 9050 Appenzell, Switzerland, represented by its Chairman of the Board of Directors, Mr. Jürgen Pulvermüller, with business premises at the same address (hereinafter: Electi) Email to [info@electi.club](mailto:info@electi.club) and the independent and self-employed contract partner (hereinafter: Distribution Partner). It shall form the basis of a joint, fair and successful business relationship.

(2) Electi provides its services exclusively on the basis of these General Terms and Conditions.

### **Sec. 2 Subject matter of the Agreement**

(1) Electi is a company that operates a lifestyle, beauty, wellness and fitness club where customers, once they have acquired the club membership, can obtain, aside from different lifestyle, beauty, wellness and fitness services, cosmetics products and nutritional supplements as well as other health and lifestyle and educational services (hereinafter: Services). The Distribution Partner is to refer the Services to end customers (but not commercial resellers) for Electi so that the provision of referral of the Services forms the basis of the business of a Distribution Partner. For this activity, aside from the acquisition of the fee-based club membership, the Distribution Partner does not have to make any financial expenditures, purchase/acquire a minimum number of Services or other services from Electi, or recruit other distribution partners. Only the registration is necessary. For its activity as Distribution Partner, the Distribution Partner receives a corresponding direct referral commission for each successful referral of Services.

(2) Additionally, the Distribution Partner has the option, but not the obligation, to recruit other Distribution Partners. For this activity, the recruiting Distribution Partner shall receive a corresponding commission on the product sales of the recruited Distribution Partner when the required qualification is reached. However, commission is explicitly not paid on advertising. The commission, as well as the method of payment, is based on the compensation plan in effect at that time.

(3) Upon successful registration, Electi shall provide the Distribution Partner with an online back office including a landing page (hereinafter Replicate Website) and an app with a connected online shop system, including the right of use in terms of Sec. 6 (1). The back office will enable the Distribution Partner, among other things, to always have a current and comprehensive overview of its referred revenue, commission claims, invoicing, as well as the distribution partner and downline development. Furthermore, the Distribution Partner shall have the option of acquiring a starter set and/or discounted Services, but without being obligated to do so.

### **Sec. 3 General requirements for conclusion of the contract**

(1) A contract may be concluded with corporations (this also includes associations and cooperatives), partnerships, or natural persons who are at least 18 years of age and who are entrepreneurs in possession of a trade certificate (e.g. trade license). The conclusion of a contract by consumers is not possible. Only one Distribution Partner application is accepted for each natural person, partnership (e.g. GbR, OHG, KG) and corporation (e.g. AG, GmbH, Ltd.). Likewise, a natural person is not entitled to also register as a shareholder of a partnership or corporation, or otherwise indirectly several times.

(2) If a corporate entity (e.g., GmbH, UG, or Ltd) submits a distributor application, this is done through an alternative registration process after initiating the online registration. Upon the initial request by Electi, the corresponding excerpt from the commercial register regarding registration, as well as the value-added tax identification number (if no value-added tax identification number is currently available, there is an obligation to promptly apply for one and to subsequently provide it here without delay) must be submitted in copy through the prescribed technical means. All shareholders (and if applicable, shareholders of shareholders or other beneficial owners, if a shareholder is also a corporate entity or a partnership) must be named individually in the application and be at least 18 years of age. The shareholders/beneficial owners are individually liable to Electi for the conduct of the corporate entity.

(3) For partnerships (e.g., GbR, KG, or OHG), registration is carried out through an alternative registration process after initiating the online registration. Upon the initial request by Electi, the corresponding excerpt from the commercial register (if available) regarding registration, as well as the value-added tax identification number (if no value-added tax identification number is currently available, there is an obligation to promptly apply for one and to subsequently provide it here without delay) must be submitted in copy through the prescribed technical means. All partners and, if applicable, partners/beneficial owners of partners (if a partner is also a corporate entity or a partnership) must be named individually and be at least 18 years of age in the

application. The partners/beneficial owners are individually liable to Electi for the conduct of the partnership.

(4) Insofar as purchase or order forms are used, they are considered a part of the contract.

(5) In order to start its activity as Distribution Partner, the Distribution Partner may register online with Electi. During registration, the Distribution Partner is obligated to fill out the Distribution Partner application properly and completely and to then submit the application to Electi as specified. By actively checking the corresponding boxes, the Distribution Partner furthermore acknowledges these General Terms for Contract Partners and accepts them as part of the contract.

(6) Electi reserves the right to reject Distribution Partner applications at its own discretion without stating a reason.

(7) In the event of a violation of the obligations stipulated in paragraphs (1) to (3) and (5) sentence 2, Electi is entitled to terminate the Distribution Partner Agreement without notice. In the event of termination without notice, Electi furthermore expressly reserves the right to assert additional claims for damages.

#### **Sec. 4 Status of the Distribution Partner as entrepreneur**

(1) The Distribution Partner acts as an independent and self-employed entrepreneur. In this context, the Parties agree that the Distribution Partner initially operates on a part-time basis. The Distribution Partner is neither an employee nor an agent, franchisee or broker of Electi. No sales targets, purchase or other work obligations exist. With the exception of the contractual obligations, the Distribution Partner is not subject to any instructions by Electi and bears the full entrepreneurial risk of its entrepreneurial activity including all business costs. Where required, the Distribution Partner is obligated to set up and operate its business as a prudent businessman, which, where required, also includes the operation of independent office spaces or a workstation operated as a prudent businessman.

(2) The Distribution Partner, as an independent entrepreneur, is solely responsible for compliance with the pertinent legal requirements, including tax and social law requirements (e.g. obtaining a sales tax ID number, registering employees with the social security office, as well as obtaining a business license, if required). In this regard, the Distribution Partner guarantees to properly pay tax at its domicile on all commission income generated within the scope of its activity for Electi. Electi

reserves the right to deduct the respective sum for taxes and charges from the negotiated commission or to demand compensation for damages or compensation for expenditures arising for it based on a violation of the above-stated requirements, unless the Distribution Partner is not responsible for the damage or the expense. Electi does not pay social security contributions for the Distribution Partner.

### **Sec. 5 Voluntary right of contractual withdrawal policy**

You register with Electi as an entrepreneur rather than a consumer, so that you are not entitled to a statutory right of withdrawal. Electi nevertheless grants you the following voluntary contractual, 14-day cancellation right.

#### **Voluntary right of withdrawal**

**You are authorized to cancel your contractual declaration in text form (by letter or email) to the address or email address stated in Sec. 1 within 14 days without stating any reasons. The deadline begins with transmission of the Distribution Partner application. Timely dispatch (postmark date/ date of the email) of the withdrawal notice shall be sufficient for compliance with the withdrawal period.**

#### **Consequences of the withdrawal:**

**After your withdrawal notice, you may return all unopened and resalable products purchased as a Distribution Partner and also the club membership for refund of the full payments made to Electi for them. The physical products are to be returned at the expense and risk of the Distribution Partner. The purchase price will be refunded at 100 % after the returned physical products have been received and they have been inspected for freedom from defects, and it has been verified that they are unopened and resalable. The club membership ends upon receipt of the withdrawal notice.**

**After withdrawal from its old position, the Distribution Partner may re-register with Electi through another sponsor. This requires that withdrawal from the old position of the Distribution Partner occurred at least 6 months ago, and the withdrawing Distribution Partner has not performed any activities for Electi during this time.**

#### **Revocation disclaimer**

**There is explicitly no right of withdrawal when purchasing Electi credits from the moment of acquisition.**

## **Sec. 6 Use of the back office, Replicate Website and app / Service Fee**

(1) By registering, the Distribution Partner acquires a right to use, free of charge, the back office, the replicate website and the app that are all provided to it.

(2) The right to use in terms of para. (1) is a simple, non-transferable right of use related to the specific back office, the specific replicate website, and the specific app; the Distribution Partner shall have no right to change, edit or otherwise redesign the back office or the replicate website, nor shall it have a right to grant sub-licenses.

(3) Electi charges an annual service fee for the use as well as for the maintenance, administration, support and care of the back office, the replicate website and the app.

(4) Electi is expressly authorized to deduct the annual service fee from the Distribution Partner's credit balance in its commission account; the Distribution Partner explicitly confirms this prior to sending the Distribution Partner application. If the Distribution Partner's credit is not covered in its commission account or in the event of other circumstances preventing a deduction from the credit balance, the Distribution Partner is obligated to actively pay the service fee. If the Distribution Partner, in spite of a corresponding payment request by Electi, does not pay the aforementioned service fee within 30 days after the end of the respective term of the agreement, only the agreement regarding the use of the services will be terminated automatically, without the Distribution Partner Agreement per se being affected thereby.

## **Sec. 7 Duties of the Distribution Partner**

(1) The Distribution Partner is obligated to protect its personal passwords and login information against third-party access and shall notify Electi immediately of any changes to its contractual data.

(2) While carrying out its activity, the Distribution Partner is prohibited from violating competition law, the rights of Electi, its distribution partners, affiliated companies, or other third parties, to harass third parties, or to otherwise violate applicable law. In particular, unauthorized telephone advertising and dispatch of unsolicited and unapproved advertisement emails, faxes, or text messages (spam) as well as social media spam or other unauthorized forms of messages are also prohibited.

(3) Special advertising guidelines:



(a) The Distribution Partner is not authorized to disclose any information regarding its income or income opportunities with Electi anywhere and in any advertising material. Instead, the Distribution Partner is always obligated to expressly point out to potential Distribution Partners during initiation discussions that an income may only be achieved through very intensive and continuous work.

(b) Distribution and marketing activities must not feign any commissions that might be understood as a “per capita premium” or other commission in connection with the mere recruitment of a new Distribution Partner, or otherwise take actions that create the appearance that the advertised distribution system is an unlawful distribution system, namely an illegal progressive snowball scheme or pyramid scheme or otherwise a fraudulent distribution system. The impression must not be given that the purchase of Services is required in order for a Distribution Partner to be able to work for Electi.

(c) Distribution and marketing acts may not address minors or persons inexperienced in business and under no circumstances exploit their age, illness, or limited understanding to impel the conclusion of a contract with consumers. In case of contacts with so-called socially vulnerable or foreign-language speaking population groups, the Distribution Partners will show due consideration for their financial capacity and their capacity to discern and their linguistic comprehension ability and shall, in particular, refrain from doing anything that might cause members of such groups to place orders that do not correspond to their circumstances.

(d) Distribution and marketing activities that are unreasonable, illegal, or doubtful or which exert improper pressure on the chosen consumers are prohibited.

(e) Distribution Partners vis-à-vis consumers will refer to letters of recommendation, test scores, references, or other persons for business purposes only if these are officially authorized by the entity issuing the reference as well as by Electi; they must be applicable and not outdated. Letters of recommendation, tests, and personal references must furthermore always be connected to the intended purpose.

(f) The consumer will not be prompted to purchase Services on the basis of dubious and/or misleading promises or by promising special advantages if such advantages are tied to future, uncertain successes. The Distribution Partners shall refrain from anything that could cause the consumer to only accept the submitted offer in order to do the offerer a personal

favor, to end an unwanted conversation or to enjoy an advantage that is not the subject of the offer or to reciprocate for the granting of such an advantage.

(g) A Distribution Partner is not authorized to assert that the compensation plan or the Services of Electi are approved or licensed or supported by a federal authority or are categorized as legally watertight by a law firm.

(h) Due to strict regulations regarding advertising of dietary supplements, cosmetic products and other services in the health sector, only the advertising material directly offered on the Electi website or in the back office or elsewhere by Electi should be used. Any customer who is currently undergoing medical treatment should receive the recommendation to check with their physician before making any changes to their diet. No statements regarding the safety of the products, their therapeutic effects or healing properties may be made as part of the activity and advertising unless they are officially approved by Electi and/or are reflected in Electi's official promotional materials. Furthermore, the Distribution Partners may not suggest that Electi products can be used to treat, prevent, diagnose or cure any disease. In addition, Electi prohibits any statement regarding medical effects of Electi products; likewise, the Services must not be marketed as drugs, narcotics. The Distribution Partner must not, for example, allege that the Services of Electi help in the treatment of diabetes, heart disease, cancer, or any other disease. Scientific publications, literature or testimonials written by doctors or scientists regarding Electi Services or their ingredients must not be used or published.

(4) The use, creation and dissemination of own websites (Electi will provide the Distribution Partners with a replicate website, if desired, where sale of the Services is permitted), sales materials, sales concepts, newspaper or magazine advertisements, own product brochures, video content, TV advertising, audio content, the creation of own internet presence, including professional social media business presence or other independently created sales or advertising materials requires Electi's prior explicit consent in writing or by email, which is granted at Electi's sole discretion. The corresponding inquiry to receive such consent must be transmitted by email to [info@electi.club](mailto:info@electi.club).

(4a) It is prohibited to operate a website, an internet portal, a social media presence or any other online application together with multiple Distribution Partners.

(4b) If the Distribution Partner promotes Electi's Services in other internet media, such as social networks (e.g. Facebook, YouTube, Twitter or Instagram), online blogs or chat rooms (e.g.

WhatsApp or Snapchat), the Distribution Partner may only ever use the official Electi advertising statements, must identify in an easily recognizable manner with full name (anonymous postings or postings made under a pseudonym are prohibited), and may not at any point make any statements about income or earning potential at Electi or advertise an activity at Electi as an employee or the like, just as the Distribution Partner may conduct social media advertising only within the context of the Distribution Partner's own private social media channels on an incidental and ancillary basis and may not create professional social media business presences without Electi's prior explicit consent in writing or by email. Prior to launching its own social media business presence, the Distribution Partner has the obligation to forward the social media presence and/or channel to Electi at [info@electi.club](mailto:info@electi.club) for examination. Any sale of the Services must exclusively take place via the Distribution Partner's official replicate website. The Distribution Partner is obligated to provide a corresponding link to the replicate website in its social media presence and/or channel.

(4c) The Distribution Partner may not use online classifieds (including Craigslist) to advertise and/or distribute the Services and other services of Electi. However, online classifieds (including Craigslist) may be used to allow the Distribution Partner to introduce itself as an "independent Electi Distribution Partner".

(4d) The Distribution Partners may place banner advertisements on a website, provided they use the templates and images reviewed and approved by Electi and comply with the contractual and legal requirements (in particular, the prohibition of statements regarding income and healing properties). All banner advertisements must be linked to the Distribution Partners' website.

(4e) Sponsored links or pay-per-click (PPC) ads are permitted. The target URL must lead to the Distribution Partner's replicate website. The displayed URL must also lead to the Distribution Partner's replicate website. Content that violates the contract, is misleading or otherwise illegal must not be used.

(5) The Distribution Partner may revocably present (not sell) Electi's Services in meetings with two or more people, at home parties, online home parties, online networking events and/or in online conferences within the scope of applicable law, and these may only be sold via the replicate website or Electi's official web store. Electi's Services must not be sold on own internet pages, other points of sale, in particular large general retail stores (such as supermarkets, discounters or shopping chains) or restaurants, on internet trading platforms such as eBay, Amazon, in television sales shows, via telemarketing, teletext marketing, or via comparable sales channels. In health-related retail stores, such as drugstores, pharmacies, hair salons, beauty or

cosmetics studios, fitness studios, physiotherapy practices or comparable practices, the sale of Electi's Services is permitted until revoked, which is at Electi's sole discretion.

(6) In general, the Distribution Partner is prohibited from selling or otherwise distributing its own marketing and/or sales materials, training or lead generation tools, other third-party services or other services in connection with the Electi business to other Distribution Partners of Electi.

(7) The Distribution Partner may also present the Services at trade fairs and exhibitions with the written approval of Electi.

(8) In business transactions, the Distribution Partner must not give the impression that it is acting on behalf of or in the name of Electi. Rather, the Distribution Partner is obligated to introduce itself as "Independent Electi Distribution Partner". In general, internet homepages, stationery, business cards, car lettering as well as advertisements, advertising material and the like must show the addition "Independent Electi Distribution Partner" and must not contain the Electi trademark and/or the brands, work titles, business designations and other trademarks of Electi without the prior explicit written consent. The Distribution Partner is furthermore prohibited from requesting or drawing loans for or on behalf of or in the interest of the company, to incur expenses, enter into obligations, open bank accounts, conclude other agreements or otherwise make binding declarations of intent in the name of or on behalf of Electi. The Distribution Partner is neither granted power of attorney to collect debts, nor power of attorney to represent Electi vis-à-vis third parties. The Distribution Partner shall also not be liable for fulfilling the obligation arising from a brokered transaction.

(9) In business transactions, the Distribution Partner is not entitled to mention brands of competing companies in a negative, derogatory or otherwise unlawful manner or to assess other companies in a negative or derogatory manner or to use negative, derogatory or otherwise unlawful evaluations to recruit Distribution Partners away from other companies.

(10) All presentation, advertising, training and film materials, product labels etc. (including photographic images) of Electi are protected by copyright. In excess of the contractually granted utilization right, without express written consent of Electi, the Distribution Partner is not authorized to reproduce, disseminate, make publicly accessible, or process them in full or in part.

(11) The use of the Electi trademark and/or the brands, work titles, product designations and business designations and other marks of Electi is not permitted in excess of the use of the marketing materials provided by Electi. This also applies to the registration of internet domains.

Electi may demand that internet domains using the name Electi and/or the brands, work titles, product designations and business designations and other marks of Electi are deleted and/or transferred to Electi. If taken over, Electi shall bear the pure takeover costs of the providers, but not other costs or a license or other compensation for the domain. In addition, it is prohibited to register own trademarks, work titles or other property rights which contain a trademark, product name, work title or business designation of Electi that may be registered or otherwise protected in another country/territory. The above-stated prohibition applies to identical as well as similar signs or services. Likewise, it is prohibited to use Electi's trademarks, brands, work titles or other proprietary rights in search engine advertising (e.g. GoogleAdWords), sponsored links advertising, internet advertising space marketing, or comparable online advertising activities. Finally, it is also prohibited to refill or repackage Electi's Services.

(12) After termination of its old position, the Distribution Partner may register again with Electi. This requires that the termination and confirmation of the termination by Electi for the old position of the Distribution Partner occurred at least 6 months prior, and the terminating Distribution Partner has not performed any activities for Electi during this time.

(13) The Distribution Partner is not allowed to respond to press inquiries about Electi, its Services, the Electi compensation plan, or other Electi services. The Distribution Partner is obligated to immediately forward all press inquiries to Electi at [info@electi.club](mailto:info@electi.club).

(14) To the extent possible, the Distribution Partner agrees to ensure that the customer data obtained through the distribution services is used exclusively within the scope of its activities for Electi and, in particular, is not disclosed to and/or used for other third parties or third-party services.

(15) The Distribution Partner may advertise and distribute services for Electi or recruit new distribution partners only in countries in which Electi has officially been launched. It is not allowed to act as an Electi branch, importer or exporter or similar in a country or to establish corresponding commercial companies.

(16) Distribution Partners must not give employees of Electi small gifts or other gratuities.

(17) Electi allows the Distribution Partner to purchase the nutritional supplements and cosmetics products and other physical goods for personal use or use by family members. Under no circumstances must the Distribution Partner itself purchase, or cause the Distribution Partner's family members or other distribution partners to purchase, products in larger quantities for personal

consumption (prohibition of frontloading) that unreasonably exceed personal use within a household. By placing a new order for Services, the Distribution Partner guarantees that at least 70 % of the product delivery from the previous order has been consumed for business purposes within the scope of product presentations and/or applications and that no more than 30 % of goods from the previous order are still in its stock. In addition, the Distribution Partner must not purchase more physical products itself or through third parties than it can consume within one month based on reasonable assessment.

(18) The use of fee-based telephone numbers for marketing the activity or products of Electi is not permitted.

(19) The Distribution Partner is obligated to immediately and truthfully notify Electi of any violations against the provisions of the General Terms for Distribution Partners and the Electi Code of Conduct, as well as of any other provisions of the company.

(20) Customer complaints of any kind about the Services, service or compensation system of Electi shall be forwarded immediately to Electi to the email address [info@electi.club](mailto:info@electi.club).

### **Sec. 8 Non-competition clause / recruiting**

1) The Distribution Partner is allowed to sell goods and/or services for other companies, also marketing companies, party sales companies or other direct sales companies, even if they are competitors.

(2) Notwithstanding the permission formulated in paragraph 1, the Distribution Partner is not allowed to distribute products or services of other companies, as well as advertising materials and comparable content, to other Electi Distribution Partners in order to operate the Electi business.

(3) Where the Distribution Partner is simultaneously active for several companies, including network marketing companies, party sales companies or other direct sales companies, the Distribution Partner agrees to organize the respective activity (together with its respective downline) in such a way that it is not linked or commingled with its activity for the other company. In particular, the Distribution Partner must not offer products other than Electi products at the same time, at the same place or in the immediate vicinity or on the same website, Facebook page, other social media platform or Internet platform.

(4) Furthermore, the Distribution Partner is explicitly prohibited from recruiting Electi Distribution Partners for the distribution of other products.

(5) The Distribution Partner is also prohibited from violating other Distribution Partner agreements or other distribution agreements concluded by it with other businesses and the provisions of which are still in effect, by concluding a Distribution Partner agreement.

### **Sec. 9 Confidentiality**

The Distribution Partner is obligated to keep all business and trade secrets of Electi and its structure strictly confidential. The business and trade secrets and at the same time the property rights of Electi include in particular the information about the downline activities and placements, as well as the downline genealogy and the information contained therein, the data of Distribution Partners, customers and contracting partners as well as the information about business relations of Electi and its affiliated companies and other providers and suppliers. This obligation survives the end of the Distribution Partner Agreement.

### **Sec. 10 Distribution Partner protection / No territorial protection**

(1) If an active Distribution Partner wins a new Distribution Partner for the first time for a distribution of Electi products, the new Distribution Partner shall be assigned into the structure of the active Distribution Partner in accordance with the compensation plan and the placement requirements regulated therein (Distribution Partner protection); the date and time of the receipt of the registration application from the new Distribution Partner by Electi shall apply to the assignment. It is not possible to change the "seed position" of a directly or indirectly sponsored partner.

(2) Electi is entitled to delete all personal data, including the email address, of a sponsored Distribution Partner from its system if advertising materials, cover letters or emails are returned with the remarks "moved", "deceased", "not accepted", "unknown" or similar and the newly recruited Distribution Partner or the sponsor does not correct the erroneous data of the newly recruited Distribution Partner within a reasonable period of 14 days. Insofar as Electi incurs costs in connection with undeliverable advertising material and packages, Electi is authorized to demand repayment of the costs unless the erroneous delivery was not caused culpably.

(3) Furthermore, crossline sponsoring and also the attempt of crossline sponsoring within the company is prohibited. Crossline sponsoring means the acquisition of a natural person or a corporation or a partnership that is already a Distribution Partner of Electi in another distribution

line or that held a Distribution Partner Agreement within the last 6 months. In this context, using the name of a spouse, relative, trade name, corporations, partnerships, trust companies, or other third parties to bypass this provision is also prohibited.

(4) Bonus manipulations are prohibited. This includes in particular the sponsoring of Distribution Partners who in fact do not exercise the Electi business (so-called "straw men"), do not exist, as well as open or disguised multiple registrations. In this context, using the name of a spouse, relative, trade name, corporations, partnerships, trust companies, or other third parties to bypass this provision is also prohibited. Prompting Distribution Partners, customers or other third parties to purchase or sell Services in order to gain a better position in the compensation plan, to manipulate the group bonus, to place new Distribution Partners and/or customers with other Distribution Partners or to otherwise cause a bonus manipulation is also prohibited. "Stacking" is also prohibited. Stacking occurs if Distribution Partners intentionally place newly registered Distribution Partners in the downline in order to achieve a quick rise and rank in the compensation plan. Stacking includes: (a) the financial support of new Distribution Partners for the purpose of maximizing the compensation pursuant to the Electi compensation plan as well as the placement of a new Distribution Partner in a downline organization with the intention of manipulating the compensation plan and thus achieving financial gain in a manner that is not intended or permissible. Furthermore, it is explicitly prohibited to directly or indirectly make payments of any kind for other Distribution Partners or customers.

(5) The Distribution Partner is not entitled to territorial protection.

#### **Sec. 11 Warning, penalty, compensation for damages, indemnification**

(1) In the event of a first violation of the obligations of the Distribution Partner regulated in Section 7, Electi will issue a written warning with a deadline of 10 days to rectify the violation of duty. The Distribution Partner agrees to reimburse any warning costs, in particular the attorney's fees incurred for the warning.

(2) Reference is expressly made to Sec. 16 paragraph (2), according to which Electi, in the event of a violation of the obligations regulated in Secs. 8, 9, 10 (3) and (4), 18 (2) and 19 as well as a particularly serious violation against the obligations regulated in Sec. 7, other applicable contractual or statutory law, is entitled to extraordinary termination without prior warning, but is also entitled to take the measures according to Sec. 11 (1) at its sole discretion in the event of a violation of obligations for the first time. Notwithstanding the immediate extraordinary right of termination according to Sec. 16 paragraph (2), Electi has the right to issue a warning within the meaning of



paragraph (1) in individual cases upon occurrence of one of the aforementioned violations of duty at its own free discretion prior to issuing the extraordinary termination, also with a shortened rectification period.

(3) If, after expiration of the rectification period specified in the warning, the same or in principle the same violation occurs again or if the original warned violation is not rectified, a contractual penalty charged at the discretion of Electi and to be reviewed by the competent court in case of dispute shall be due immediately. In order to assert the contractual penalty, additional attorney's fees will be incurred, which the Distribution Partner is obligated to reimburse.

(4) Regardless of the forfeited contractual penalty, the Distribution Partner is furthermore liable for all damages incurred by Electi due to a violation of duty by the Distribution Partner, unless the Distribution Partner is not responsible for the violation of duty.

(5) The Distribution Partner shall indemnify Electi from liability upon first request by Electi in the event of a claim by a third party due to a violation of one of the contractually regulated duties or any other violation of applicable law by the Distribution Partner. In particular, the Distribution Partner agrees insofar to bear all costs, in particular attorney's fees, court costs and costs for damages, incurred by Electi in connection therewith.

#### **Sec. 12 Price recommendation / Adjustment of prices and commissions**

Electi reserves the right, in particular with regard to changes in the market situation and/or license structure, to change the prices or usage fees to be paid by the Distribution Partner at the beginning of a new settlement period if this is necessary for economic reasons or due to changes in legal requirements. Electi will announce changes within a period of 30 days prior to the effectiveness of the change, specifying the future contract change via email or in the Distribution Partner's back office. The Distribution Partner has the right to object to the amendment or to terminate the contract in text form without notice as of the effective date of the amendment. In the event of an objection, Electi is entitled to terminate the contract with due notice. If the Distribution Partner does not terminate the contract or does not object to the amendment by the effective date of the amendment, the amendments shall become effective as of the date specified in the notice of amendment. Electi is obligated to inform the Distribution Partner in the notice of amendment about the meaning of the Distribution Partner's remaining silent.

#### **SEC. 13 FREE advertising materials, contributions**

All advertisement materials that are free of charge and other contributions by Electi may be revoked with future effect at any time.

#### **Sec. 14 Compensation, commissions and settlement**

(1) As compensation for successful referral and its activity, the Distribution Partner, upon reaching the necessary qualifications, will receive commissions as well as other compensations which, including the respective qualification requirements, follow from the Electi compensation plan. All commission claims follow from the respectively valid compensation plan, which the Distribution Partner is able to download from its back office and which is also available in the back office. All costs of the Distribution Partner for maintaining and executing its business, insofar as these are not contractually negotiated separately, are satisfied upon payment of the compensation.

(2) A successful referral within the meaning of Sec. (1) of this agreement shall only exist if the contractual relationship between the customer and Electi has come into effect. In addition, a claim for compensation will only arise if the payment by the customer has been credited to the account of Electi and all other conditions for payment have been met.

(3) In particular, a claim for commission will not arise if

- a.) the customer makes use of his/her cancellation right;
- b.) the contract is legally contested by the customer;
- c.) the customer order has come into existence unlawfully;
- d.) Electi refuses to accept the contract;
- e.) erroneous incomplete customer orders are submitted.

Moreover, a claim for commission does not arise in cases of fraudulent referral, either by fraudulent or abusive actions of the customer, the Distribution Partner or its agents.

(4) Electi reserves the right to request the Distribution Partners to provide proof of identity, address and business registration (e.g. submission of the business license) prior to the first disbursement of commissions or also anytime later. At the choice of Electi, proof of business, identity and address can be provided in the form of a copy of the business license and the identity card or passport, if applicable in connection with a current electricity, gas/water or other consumption bill or another proof of registration (not older than one month), by the specified electronic means, and must be provided immediately, and within 2 weeks after the request at the latest. In the case of legal entities or partnerships or registered merchants, proof of identity of the responsible person (e.g. managing

director or personally liable partner) and - if an entry has been made in the commercial register - a copy of the current excerpt from the commercial register (not older than one month) must be submitted. In addition, the Distribution Partner must disclose its bank details before the first disbursement of commissions.

(5) The Distribution Partner will initially be listed with Electi as a small trader. The Distribution Partner shall inform Electi immediately and provide its sales tax identification number as soon as it opts to pay sales tax (value-added tax) as part of its commercial activities or exceeds the limits of small businesses.

(6) Commissions of the Distribution Partner are credited weekly and are disbursed weekly in the following week and, unless a different account has been expressly accepted separately in writing by Electi, can be disbursed only to the accounts bearing its name or the name of a partnership or a corporation that is in a contractual relationship with Electi. Disbursements to third-party accounts or to a third-party bank account cannot be made.

(7) The contracting partners agree that no claims for a higher commission than the commission upon which this Agreement is based exist or can be asserted. The commission shall cover all claims of the Distribution Partner, in particular all travel costs, expenses, office costs, telephone costs or other expenditures for advertising material, as well as all other costs incurred in connection with the performance of the Agreement. In addition, the payment of the compensation pursuant to section (1) covers all services of the Distribution Partner, in particular also the creation and maintenance of the Distribution Partner base, the customer base, as well as the resulting future market potential, and exists within the meaning of an advance payment therefor. Thus, Electi does not have to pay severance and/or compensation claims for whatever legal reason if the Agreement is terminated by any party for whatever reason. Explicit reference is made to Sec. 16 para. (5).

(8) Electi is authorized to assert a retention right within the scope of the statutory requirements. Electi is further authorized to assert a retention right for the disbursement of commissions in the event that not all contractually or legally required documents are available prior to the first disbursement. If Electi exercises the retention right for commission payments, it shall be deemed to be agreed that the Distribution Partner shall not be entitled to any interest claim for the period of the commission retention.

(9) Electi is authorized to fully or partially offset claims, to which Electi is entitled vis-à-vis the Distribution Partner, against the Distribution Partner's commission claims. The Distribution Partner is authorized to offset if the counterclaims are undisputed or legally established.

(10) Assignments and pledges of claims of the Distribution Partner arising from Distribution Partner Agreements are excluded unless mandatory law provides otherwise. Encumbering the Agreement with third-party rights is prohibited unless mandatory law provides otherwise.

(11) The Distribution Partner shall review the issued statements as soon as possible and immediately inform Electi of possible objections. All commission claims follow from the respectively valid compensation plan, which the Distribution Partner is able to download from its back office and which is also available in the back office. Electi shall be notified in writing of any erroneous commissions, bonuses or other payment within 60 days from the date of the erroneous payment. After that time, the commissions, bonuses, or other payments are deemed to be approved.

(12) Commissions are paid out weekly and monthly, taking into consideration the methods and types of payment of Electi. Electi reserves the right to remit commissions only above a total amount of 25.00 €. In the event that the minimum payout amount is not reached, the commission claims will be accrued in the clearing account maintained at Electi for the Distribution Partner and paid out to the Distribution Partner in the following month after the minimum payout amount has been reached.

### **Sec. 15 Blocking of the Distribution Partner**

(1) If the Distribution Partner fails to provide the requested proof within 30 days after becoming aware of the requirements for the disbursement of compensation or commission advances or other payment, Electi is entitled to temporarily block the Distribution Partner in the Electi system until such time as the required documents are provided. The duration of blocking does not authorize the Distribution Partner to extraordinary termination and does not cause a repayment claim for the already paid starter set or another claim for compensation of damages unless the Distribution Partner is not responsible for the blocking.

(2) Electi is entitled to reimbursement for the costs incurred for the reminder in each case of a reminder for documents etc. within the meaning of (1) not provided after the blocking notice has been issued.

(3) Compensation or commission advances or other payments that cannot be disbursed on the basis of the stated reasons shall be posted as non-interest-bearing reserves by Electi and shall lapse no later than within the statutory limitation periods.

(4) Irrespective of the reasons for the blocking specified in paragraph (1), Electi reserves the right to block the user for good cause. In particular, Electi reserves the right to block the access of the Distribution Partner to the back office and other systems of Electi without notice, if the Distribution Partner violates the obligations mentioned in Secs. 7 - 9 and Sec. 10 paragraphs 3 and 4, as well as Sec. 14 paragraph (4), Sec. 18 (2) and Sec. 19, or any other applicable law. The blocking shall remain in effect until the violation of duty has been remedied in response to a corresponding warning from Electi. If it constitutes a serious violation of duty that results in an extraordinary termination of the contractual relationship, the blocking shall remain in place permanently.

#### **Sec. 16 Contract term, contract termination / Consequences of contract termination**

(1) The term of the Distribution Partner Agreement is 12 months. The Agreement is renewed automatically by another 12 months unless it is terminated by either party in compliance with the form of termination subject to a notice period of one month to the end of the Agreement.

(2) Irrespective of the reason for termination in (1), both Parties shall have the right to terminate the Distribution Partner Agreement extraordinarily for good cause. An important reason for termination by Electi is furthermore a violation of one of the obligations regulated in Sec. 7 where a Distribution Partner does not comply with its obligation to rectify the violation within the meaning of Sec. 11 paragraph (1) in a timely manner or, after rectification of the violation of duty, the same or a comparable violation occurs again at a later time. In case of a violation of the obligations regulated in Secs. 8, 9 and 10 (3) and (4), 18 (2) or 19 as well as in the event of a particularly serious violation of the obligations regulated in Sec. 7 or other applicable regulations under contractual or statutory law, Electi is entitled to extraordinary termination without prior notice. Extraordinary grounds for termination furthermore exist for each party if insolvency proceedings are opened against the other party or were rejected due to a lack of funds, or the other party is otherwise insolvent or has issued an affidavit regarding insolvency within the scope of compulsory enforcement. The right to extraordinary termination applies regardless of further claims.

(3) In addition, Electi has the right to extraordinary termination of the Agreement of the Distribution Partner, if the Distribution Partner has not performed the required actions within the meaning of Sec. 14 (4) at the latest 6 months after registration. However, Electi will notify the Distribution Partner of the imminent deletion of the account 14 days prior to deletion of the account by email (to the email address stored in the system) or in its back office, so that the Distribution Partner has the option to perform the required actions within this period of 15 days.

(4) After an agreement ends due to ordinary termination, a new agreement may be concluded

after a period of at least 6 months.

(5) When the agreement ends, the Distribution Partner no longer has a right to commissions. This does not apply to contracts already successfully brokered at that time. The claim to these commissions remains unaffected. Upon termination of the agreement, the Distribution Partner is also not entitled to sales agent compensation claims because, according to Sec. 4 (1), the Distribution Partner is not a sales agent in terms of the Commercial Code.

(6) Terminations will only be accepted in written form. An ordinary termination can also be made by email, provided it includes the name, address and ID number of the Distribution Partner.

(7) If a Distribution Partner simultaneously claims other Electi benefits independent of the Distribution Partner Agreement, these services shall remain unaffected by the termination of the Distribution Partner Agreement unless the Distribution Partner explicitly requests that they end together with the termination. If the Distribution Partner continues to purchase services from Electi after the agreement ends, it will be managed as a normal customer.

(8) In the event of premature termination of an agreement with a minimum term, e.g. the agreement regarding the utilization right under Section 6 paragraph 3 (Service Fee), a claim to reimbursement of paid expenses/compensation does not exist except in the case of extraordinary termination of the agreement for good cause by the Distribution Partner.

### **Sec. 17 Data protection obligations of the Distribution Partner**

The Distribution Partner is prohibited from disclosing, storing or using the personal or customer-specific data of the end customers, of which it becomes aware, to third parties beyond the contractual rights and/or specifications.

### **Sec. 18 Transfer of business operations / No transfer or inheritance of the sponsored structure to third parties**

(1) Electi may transfer all or part of its business operations or individual assets to third parties at any time, provided the acquirer complies with applicable law.

(2) In the event that a shareholder wishes to withdraw from the corporation or partnership registered

as Distribution Partner, or if the shares of one or more shareholders are to be transferred to third parties, this action is only permissible upon corresponding written application, if necessary with submission of the corresponding notarial deed, and in accordance with the provisions of this Agreement after prior written approval, which is at the sole discretion of Electi. Electi charges an administrative fee of €25.00 for processing of the aforementioned application. In case of noncompliance with this provision, Electi reserves the right to extraordinary termination of the Agreement with the corporation or partnership registered as Distribution Partner.

(3) The Distribution Partner is not authorized to transfer or bequeath its distribution structure.

(4) If a Distribution Partner wants to carry out its activities under a different name in the future, through a corporation, partnership, as a married couple, as a registered civil partnership or for other reasons under a different designation in the future, this is only possible upon application, and Electi is entitled to reject the application at its sole discretion.

### **Sec. 19 Separation / Dissolution**

In the event that a Distribution Partner, registered as a married couple/registered civil partnership, corporation or partnership, terminates its partnership internally, the rule applies that even after the separation, dissolution or other termination of one of the aforementioned partnerships, only one Distribution Partner position remains. The separating spouses/members/partners must agree internally which spouse/member/partner is to continue the contractual partnership, and they must notify Electi thereof in a written notice signed by both parties and notarized, or by submitting a respective court order. In case of an internal dispute regarding the consequences of separation, divorce, dissolution, or other termination with respect to the contractual partnership at Electi, Electi reserves the right of extraordinary termination if such dispute results in neglect of the duties of the Distribution Partner, a violation of these General Terms for Contract Partners, a violation of applicable law, or an unreasonable burden on the downline or upline.

### **Sec. 20 Consent to the use of photographic and audio-visual material, use of recordings of materials and presentations**

(1) The Distribution Partner grants Electi, free of charge, the right to record or make photographic and/or audio-visual material with the photo, voice recordings or statements and quotes of the Distribution Partner within the scope of its function as Distribution Partner. In this respect, by submitting the Distribution Partner application and acknowledging these General Terms for Contract Partners, the Distribution Partner expressly consents to the publication, use, reproduction

and modification of its quotes, footage or recordings.

(2) The Distribution Partner is not permitted to make audio, video or other recordings of events sponsored by Electi, and of conference calls, speeches or meetings for the purpose of sales, or for personal or business use. Furthermore, a Distribution Partner must not record, make or compile audio or video presentations or recordings of Electi events, speeches, conference calls or meetings without the prior written approval of Electi.

### **Sec. 21 Data protection provisions**

(1) The Distribution Partner is prohibited from disclosing to third parties, storing or using the personal or customer-specific data of the end customers, of which it becomes aware, beyond the contractual rights and/or specifications.

(2) Electi collects and uses the data voluntarily transmitted by you only within the scope of statutory provisions. The detailed provisions regarding data protection are available in the [privacy policy of Electi](#).

### **Sec. 22 Exclusion of liability**

(1) Electi shall expressly not be liable for force majeure, such as pandemics, supply difficulties due to a lack of raw materials, political entanglements, wars, strikes, disruptions at transport companies, operational and other disruptions at Electi or its suppliers, and the respective consequences. Furthermore, Electi shall not be liable in the event of non-delivery or late delivery by its suppliers and consequential delayed delivery or non-delivery, unless Electi itself has acted culpably.

(2) Aside from that, Electi shall only be liable for damages other than those resulting from injury to life, limb, and health to the extent that such damages are based on intentional or grossly negligent conduct or on a culpable violation of a material contractual duty (e.g. payment of commission) by Electi, its employees, or vicarious agents. This also applies to damages arising from the violation of duties in contractual negotiations as well as the execution of tortious acts. Any liability for damages beyond the aforementioned is excluded.

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



profit.

(4) Electi shall not be liable for damages of any kind arising on the basis of data losses on computer servers, except in case of grossly negligent or intentional misconduct of Electi, its employees, or vicarious agents.

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

### **Sec. 23 Inclusion of the compensation plan**

(1) The Electi compensation plan and the provisions contained therein are also explicitly part of the Distribution Partner Agreement. The Distribution Partner must always comply with these provisions pursuant to the respectively valid version.

(2) By sending the application for conclusion of the distribution partnership to Electi, the Distribution Partner simultaneously affirms that it has taken note of the Electi compensation plan and accepts it as part of the contract.

(3) Electi is entitled to amend the Electi compensation plan in accordance with Sec. 27 paragraph (1).

### **Sec. 24 Statute of limitation**

(1) All claims arising from this contractual relationship shall lapse for both parties within 12 months to the extent permitted by law. The limitation period commences when the claim becomes due or at the time when the claim arises or when the claim becomes recognizable. Statutory provisions that mandatorily stipulate a longer statute of limitation remain unaffected.

### **Sec. 25 Applicable law / Jurisdiction**

(1) The law of the registered office of Electi applies to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG). Compulsory provisions of the country in which the Distribution Partner's habitual residence is located remain unaffected.

(2) If the Distribution Partner is a merchant or a corporation under public law, or has no general place of jurisdiction domestically, or moves its residence abroad after the contract is concluded, or if the Distribution Partner's place of residence is not known at the time the action is filed, the

place of jurisdiction and performance shall be at the registered office of Electi.

### **Sec. 26 Final provisions**

(1) Electi is entitled to amend this contract, these General Contract Terms and/or the compensation plan if this is necessary for economic reasons or due to changed legal requirements. Electi will announce amendments with a period of 30 days prior to the effectiveness of the change, specifying the future contract change via email or in the Distribution Partner's back office. The Distribution Partner has the right to object to the amendment or to terminate the contract in text form, without adhering to a notice period, as of the effective date of the amendment. In the event of an objection, Electi is entitled to terminate the contract with due notice. If the Distribution Partner does not terminate the contract or does not object to the amendment by the effective date of the amendment, the amendments shall become effective as of the date specified in the notice of amendment. Electi is obligated to inform the Distribution Partner in the notice of amendment about the meaning of the Distribution Partner's remaining silent.

(2) Aside from that, any amendments or supplements to these General Terms for Contract Partners must be made in writing. This also applies to the abolition of the written form requirement.

(3) If these General Terms for Contract Partners are translated into another language and contradictions exist in any provision between the German and the translated version of the General Terms for Contract Partners, the German version shall always prevail.

(4) If any provision of these General Terms for Contract Partners is invalid or incomplete, this shall not render the contract as a whole invalid. Instead, the invalid clause is to be replaced with a clause that is valid and comes as close as possible to the economic intent of the invalid clause. The same applies to the closing of a possible gap requiring regulation.

Status of the General Terms for Contract Partners: September 8, 2023

We don't do business with sanctioned countries and other countries that are subject to the OFAC sanctions list. For an up to date list of the excluded countries please follow this link:  
<https://orpa.princeton.edu/export-controls/sanctioned-countries>