

Zilis General Terms and Conditions for Contractual Partners EU

Ambassador Terms & Conditions EU

As of 06/15/2020

Introduction

We welcome you as a new commercial contractual partner / Ambassador (in the following: distributor) and wish you the best success in your activity as an independent distributor / Ambassador of Zilis LLC, 415 US Hwy 377, STE 2020, Argyle, TX 76226, USA, represented by CEO Steven Thompson, with the same business address (in the following: ZILIS). We especially hope that you have a lot of fun distributing our products. When distributing our products and when contacting other people, what is always of utmost importance for us is consumer-friendliness and consumer safety, integrity, fair cooperation with each other and in the entire context of network marketing, party sales, or other direct sales, as well as compliance with laws and moral standards.

For that reason, we would like to ask you to read the following ethical rules as well as our General Terms and Conditions for Contractual Partners carefully and to make these standards your daily guiding principle when carrying out your activity.

Ethical Rules for Interacting with Consumers

- Our distributors provide honest and sincere advice to their distributors and clarify any misunderstanding about products, the business opportunity, or other statements during a consultation.
- Distributors introduce themselves unprompted and truthfully in personal and telephone contacts with consumers at the beginning of the sales meeting, stating their names and their status as a distributor of ZILIS. Additionally, at the start of the sales meeting, they disclose the business purpose of their visit or call and make it clear what products or services are being offered.
- The distributor may, at their discretion, forego a sales meeting, may postpone the meeting, or kindly stop a meeting that has started.
- Distributors are never pushy. In particular, visits and telephone contact must take place at appropriate times of day, unless the consumer has explicitly requested otherwise. The company and/or your distributors may call a consumer for commercial purposes only with the consumer's prior explicit consent. The phone number of the caller must be transmitted in that call.
- While in contact with a customer, the distributor informs the consumer about all aspects relating to the offered products and —at the request of the consumer— the opportunity to sell.

- All information about the products must be comprehensive and truthful. A distributor is prohibited from making any misleading statements or any promises in any form about the products.
- A distributor may not make any assertions about products, their prices, or contractual conditions, unless they have already been approved by ZILIS.
- When speaking with consumers, distributors will only make references to letters of recommendation, test results, or other individuals for business purposes if they are authorized both by the referring individual and by ZILIS. They must be accurate, and they may not be revised. Additionally, letters of recommendation, tests, and personal references must be in connection with an intentional goal.
- The consumer shall not be compelled to buy products from dubious and/or misleading promises, nor from special advantages that are promised, if these advantages are tied to future, uncertain outcomes. Distributors will not do anything that could make the consumer accept the offer only because it would be a personal favor, would end an undesired discussion, or would result in an advantage that is not the subject of the offer, or to be recognized for granting such an advantage.
- A distributor may not give any information regarding their compensation or the potential compensation of other distributors. Furthermore, a distributor may not guarantee or promise any compensation or fuel expectations.
- Distributors show consideration for people who are inexperienced in business and in no way use age, illness, or limited capacity of understanding to induce them to enter into a contract.
- In contacts with so-called socially underprivileged populations or those who speak foreign languages, distributors shall show consideration for their financial performance, their capacity for understanding and reasoning, and their linguistic capacities. In particular, distributors will not do anything that could induce persons of such groups to place orders that are not appropriate for their conditions.

Ethical Rules for Interacting with Distributors

- Distributors always act fairly and respectfully with each other. This also applies to interacting with distributors of competitors or other network marketing companies, party sales companies, or other direct sales companies.

- New distributors are truthfully informed about their rights  and obligations. Information on possible revenue and earnings opportunity is not stated.
- No verbal promises about ZILIS products and services may be made.
- Distributors are not permitted to entice away distributors from other companies. Furthermore, distributors are not permitted to persuade other distributors to change from a sponsor within ZILIS.
- The obligations of the following General Terms and Conditions for Contractual Partners are simultaneously always to be followed as ethical rules.

Ethical Rules for Interacting with Other Companies

- ZILIS distributors shall always behave fairly and honestly with competitors or other companies from the multi-level-marketing sector, party sales, or other direct sales.
- Systematically enticing away distributors from other companies is prohibited.
- Disparaging or misleading statements or unfair comparisons about products or distribution systems of other companies are prohibited.

Having set forth these ethical rules of our company, we would now like to familiarize you with ZILIS's **General Terms and Conditions for Contractual Partners**.

§ 1 Scope of Validity

(1) The following **General Terms and Conditions for Contractual Partners** are a component of any Distributor Agreement between Zilis LLC, 415 US Hwy 377, STE 2020 Argyle, TX 76226, USA represented by CEO Steven Thompson, with the same business address, email contact: support@zilis.com (in the following: ZILIS), and the independent and self-employed distributor / Ambassador in Europe. These General Terms and Conditions shall be the basis for a joint, fair, and successful business relationship.

(2) ZILIS provides their services exclusively based on these Terms and Conditions.

§ 2 Subject Matter of Contract

(1) ZILIS is a company that sells high-quality dietary supplements, cosmetic products, and other wellness and lifestyle products with a focus on CBD-containing (cosmetic) products (hereinafter: products) through a social-selling sales concept. The distributor shall arrange the sale of products for ZILIS such that the arrangement to sell products forms the basis of the distributor's business. For this activity, the distributor is not required to pay more than their activation fee (if applicable) and the annual service fee (see § 6 below on this), to purchase a minimum number of products or other services from ZILIS, or to recruit other distributors. Only registration is required. For their activity, the distributor receives an appropriate sales commission for each successful product sale.

(2) Additionally, it is possible, but not required, to recruit other distributors. For this activity, the recruiting distributor receives an appropriate commission on product sales made by the recruited distributor, when the required qualification is met. However, absolutely no commission is paid for recruitment. The commission as well as the type of payout is based on the compensation plan that applies at that time.

(3) Upon successfully completing registration, training, and receiving personalized marketing tools, ZILIS will provide the distributor with an online-ack office page, plus a landing page, including rights of use within the meaning of § 6(1) that enables the distributor to always have a current and extensive overview of their sales, claims to commissions, invoices, as well as the distribution partner developments and downline developments. The distribution partner also has the option of acquiring a starter kit, but that is not required.

§ 3 General Requirements for Entering into the Contract

(1) Stock corporations, business partnerships, or natural persons who are 18 years old and are entrepreneurs who hold a business license (e.g., trading license) (if required), may enter into a contract. A consumer may not enter into a contract. For each natural person, business partnership (e.g., company under German law (GbR), general partnership (OHG), limited partnership (KG)) and stock corporation (e.g., public limited corporation (AG), limited liability company (GmbH), Ltd.), only one distributor application is accepted, just like a natural person is not authorized to indirectly register multiple times as a managing director of a business partnership or stock corporation.

(2) If a stock corporation submits a distributor application, a copy of the relevant Commercial Register extract on registration, the VAT identification number, and, if one does not exist, the tax number, must be submitted. All shareholders and, if applicable, the shareholder of shareholders, if the shareholder is also a stock corporation or a business partnership, must be named by name, be at least 18 years old, and sign the application. Shareholders are personally liable to ZILIS for the conduct of the stock corporation.

(3) For business partnerships, a copy of the relevant Commercial Register extract on registration as well as the VAT identification number must be submitted, if available. All shareholders and, if applicable, the shareholder of shareholders, if the shareholder is also a stock corporation or a business partnership, must be named by name, be at least 18 years old, and sign the application. Shareholders are personally liable to ZILIS for the conduct of the business partnership.

(4) If order forms or contract forms are used, they are deemed a component of the contract.

(5) The distributor may register with ZILIS online or offline for acceptance of their activity as a distributor. When registering, the distributor is required to fill out the distribution application completely and properly; if it is an offline registration, the distributor must sign it and then transmit the application to ZILIS in the specified manner; if it is an online registration, the distributor must send a signed offline application to ZILIS in the specified manner within five days after the online registration. Additionally, for an online registration, the distributor must actively put a check mark at the appropriate place, and, for an offline registration, the distributor must provide their signature at the bottom of the application to take note and to accept these General Terms and Conditions for Contractual Partners prior to transmitting the distributor application.

(6) ZILIS reserves the right to reject distributor applications at their own discretion without stating any reasons for the rejection.

(7) If the obligations set forth in paragraphs (1) to (3), and (5) sentence 2 are not met, ZILIS is authorized to cancel the Distributor Agreement without a prior warning notice. Additionally, in this case of cancellation without notice, ZILIS reserves the right to assert other claims to compensation for damages.

§ 4 Status of Distributor as Entrepreneur

(1) The distributor acts as an independent and self-employed entrepreneur. The Parties mutually assume that the distributor's sales work is a side job. The distributor is neither an employee nor a commercial agent, nor a franchisee or a broker of ZILIS. There are no sales requirements, purchase obligations, or other work obligations.

Except for contractual obligations, the distributor is not subject to any instructions from ZILIS and bears the complete entrepreneurial risk of their business activity, including the duty to bear all their own business costs. The distributor must set up and run their business—if required—in the sense of a proper businessperson, which also includes—if required—the running of their own office spaces or a workspace managed in the sense of a proper businessperson.

(2) The distributor is responsible as an independent entrepreneur for compliance with relevant legal regulations, including tax and social security requirements (e.g., obtaining a VAT identification number or registration of their employees with social security insurance, as well as for obtaining commercial authorization, if required). In this respect, the distributor warrants that they will properly pay taxes at their registered office on all commission income that they generate within the scope of their activity for ZILIS. ZILIS reserves the right to deduct from the agreed commissions the total for taxes and fees, and/or to request compensation or reimbursement of expenditures that they incur from a violation of the standards, unless the distributor is not responsible for the damages or the expenditure. No social security insurance contributions are paid by ZILIS for the distributor.

§ 5 Instructions on Voluntary Revocation of Contract

You are registering at ZILIS as an entrepreneur and not as a consumer such that you are not entitled to any right of revocation. ZILIS nevertheless grants you the following voluntary 14-day contractual right of revocation.

Voluntary Right of Revocation

You may revoke your contractual declaration within 14 days in writing (by letter or by email) to the address or email address set forth in § 1, without stating the reasons for revocation. The deadline starts when the distributor application is transmitted. Timely sending (date of postmark / email) of the revocation is sufficient for meeting the revocation deadline.

Consequences of Revocation:

After your revocation, you may return to ZILIS all products, unopened and able to be resold, which you purchased as the distributor as well as any other services for which you paid. You will be reimbursed the full payment that you made for them. The return occurs at the distributor's expense and risk. After receiving the returned products and inspecting them to ensure that they are free from defects, unopened, and able to be resold, 100% of the purchase price will be refunded.

After revoking your old position as a distributor, you may register again at ZILIS through another sponsor after a minimum of 12 months after you revoked your old position. You must not have performed any activities for Zilis during this time..

§ 6 Activation Fee / Use of Back Office and Landing Page / Service Fee

- (1) Upon registering and paying the non-commissioned activation fee to ZILIS, the distributor receives their ZILIS business kit and other marketing documents, and a right to use the back office and the landing page provided to the distributor for the first 12 months.
- (2) The right of use of the back office and the landing page provided to the distributor is a simple, non-transferable right of use relating specifically to the back office. The distributor is not entitled to any right to change, process, or other redesign of the back office, nor is the distributor entitled to a right to grant sublicenses.
- (3) ZILIS charges an annual non-commissioned service fee for use, maintenance, management, service, and technical support of the back office.

§ 7 Distributor's Obligations

- (1) The distributor is required to protect their personal passwords and login usernames from third-party access and must promptly report unscheduled changes to their contractual data.
- (2) While working, the distributor is prohibited from violating competition law, from infringing on the rights of ZILIS, their distributors, affiliated companies, or other third parties, from harassing third parties, or from otherwise violating applicable law. This applies particularly to illegal telephone recruitment and sending unrequested and non-approved marketing emails, marketing faxes, or marketing SMS (spam), as well as any social media spams or other disallowed messaging forms.
- (3) Special Marketing Guidelines
 - (a) The distributor may not provide any information about their income or earnings potential at ZILIS anywhere on any marketing material. Rather, there is always an obligation emphatically to point out to potential distributors, as part of on-boarding conversations, that generating income is possible only by working very intensively and continuously.

- (b) Those engaged in sales and marketing activities may not feign any commissions that are to be understood as a “head premium” or any other commission in connection with merely recruiting a new distributor. They may not otherwise conduct activities that give the appearance that the marketed sales system is an unlawful sales system, namely an illegal business system or a pyramid scheme or otherwise a fraudulent sales system. The impression may not be given that the sale of products is required for a distributor to be able to work for ZILIS.
- (c) Sales and marketing may not be directed to minors or persons who are inexperienced in business and distributors may in no way use their age, illness, or limited capacity to induce consumers to enter into a contract. In contacts with so-called socially underprivileged populations or those who speak foreign languages, distributors shall show consideration for their financial performance and their capacity for understanding and reasoning, and linguistic capacities. Distributors will not do anything that could induce persons of such groups to place orders that are inappropriate for their conditions.
- (d) No distribution and marketing actions may be conducted that are inappropriate, illegal, or unsafe and/or put undue pressure on the selected consumer.
- (e) When speaking with consumers, distributors will only refer to letters of recommendation, test results, references or other individuals for business purposes if they are officially authorized both by the referring individual and by ZILIS. They must be accurate, and they may not be revised. Additionally, letters of recommendation, tests, and personal references must be in connection with an intentional goal.
- (f) The consumer shall not be compelled to buy goods from dubious and/or misleading promises, nor by special advantages that are promised, if these advantages are tied to future, uncertain outcomes. Distributors will not do anything that could make the consumer accept the offer only because it would be a personal favor to the supplier, would end an undesired discussion, or would result in an advantage that is not the subject of the offer, or to be recognized for granting such an advantage.

(g) A distributor may not allege that the compensation plan or ZILIS products are approved or accredited by a state authority or are supported or classified by a law office as legally certain.

(h) Because of strict regulations regarding the marketing of dietary supplements and cosmetic products, only the marketing material offered on the ZILIS website, in the back office, or directly by ZILIS should be used. Any customer who is currently in medical treatment must be advised to gather information from their doctor before changing their diet. Within the scope of activity and marketing, no statement may be made about the safety of the products, their therapeutic effect, or their healing property, unless they are officially approved by ZILIS and/or are stated in the official marketing material of ZILIS. Furthermore, distributors may not suggest that ZILIS products may be used to treat, prevent, diagnose, or cure diseases. Furthermore, ZILIS prohibits any statement regarding the medical effect of ZILIS products. The distributor may not, for example, assert that ZILIS products help with treating diabetes, heart conditions, cancer, or other illnesses. No scientific publications, literature, or witnesses may be used or published that were drafted by doctors or scientists regarding ZILIS products or their ingredients.

(i) No statements or notices may be made that directly or indirectly describe or portray ZILIS products as prohibited drugs or means of inebriation, or otherwise as promoting inebriation.

(4) ZILIS provides their distributors with reviewed marketing materials and replicated websites where products may be sold. The use, production, and distribution of one's own website , sales documents, sales concepts, newspaper advertisements or journal advertisements, product brochures, video content, television advertisement, audio content, webpages, including professional social media business appearances or other independently created sales or marketing material, as well as changing the replicated website, is permitted only after receiving the prior, explicit, written consent from ZILIS, which is at the discretion of ZILIS.

(4a) Running an internet site, an internet portal, a social-media presence, or another online application with several distributors is prohibited.

(4b) In the case that the distributor markets ZILIS products in other internet media, such as social networks (e.g., Facebook, YouTube, Twitter, or Instagram) online blogs or chatrooms (e.g., WhatsApp or Snapchat), the distributor may only use the official ZILIS marketing statements. The distributor must recognizably identify him or herself by full name (anonymous postings or posting under a pseudonym are prohibited) and may not make statements anywhere about their income or the earning potential at ZILIS or recruit for work at ZILIS as an employee or the like. The distributor may only make the social-media advertisement within the scope of their own private social-media channels on the side and may not create any professional social-media business presence without prior approval. Prior to starting up one's own social-media presence and/or channel, the distributor is required to send the social-media presence and/or channel to compliance@zilis.com for review. The products may be sold only on the distributor's official replicated website. The distributor is required to insert a link to the replicated website in their social-media presence and/or channel.

(4c) Distributors may not use any online classified ads (including Craigslist) in order to advertise and/or to sell products and other services of ZILIS. Online classified ads (including Craigslist) may be used, however, so that the distributor can introduce her/himself as an "independent ZILIS distributor".

(4d) Distributors may place banner advertisements on a website if they use the templates and images reviewed and approved by ZILIS and that they adhere to the contractual and legal specifications (particularly the prohibition against giving information about income and statements about cures). All banner advertisements must be linked to the distributor's website.

(4e) Sponsored links or pay-per-click ads (PPC) are permitted. The target URL must connect to the distributor's replicated website. The displayed URL must also connect to the distributor's replicated website. No misleading or unlawful contents or contents in breach of contract may be used.

(5) ZILIS products may be presented (not sold) by the distributor within the scope of applicable law in discussions with two or more people, at house parties, online house parties, online network events, and/or in online conferences. They may be sold only on the replicated website or the official Zilis website. ZILIS products may not be sold on one's personal internet sites, other sales places, particularly large general shop businesses (such as e.g., supermarkets, discounters, or sales chains) or restaurants, on internet trade platforms like, e.g., eBay, Amazon, in television sales shows, via telemarketing, teletext marketing, or via comparable sales channels. The sale of ZILIS products ispermitted in other health-related retail shop such as, e.g., drugstores, pharmacies, hair salon businesses, beauty or cosmetic studios, fitness studios, physiotherapy practices, doctor's offices, or similar practices only after prior written consent from Zilis.

(6) The distributor is essentially prohibited from selling or otherwise distributing to other ZILIS distributors their own marketing and/or sales documents, training or lead-generation tools, other

products from third-party companies, or other services connected with the ZILIS business.

(7) Furthermore, the products may be presented by the distributor at trade fairs and specialist exhibitions after receiving the prior written consent of ZILIS.

(8) The distributor may not give the impression in business transactions that they are working on behalf of or in the name of ZILIS. Rather, the distributor is required to present themselves as an "independent ZILIS distributor / Ambassador". Internet home pages, letters, business cards, vehicle advertising, as well as advertisements, marketing documents, and the like must essentially have the added statement "independent ZILIS distributor" and may not include the sign ZILIS and/or the trademarks, titles, business designations, and other identifiers of ZILIS without explicit, prior, written consent. Furthermore, the distributor is prohibited from applying for and taking on credit on behalf of ZILIS for, in the interest of, or in the name of the company, from making disbursements, from entering into obligations, from opening bank accounts, from concluding other contracts, or from submitting binding declarations of intent. The distributor is not granted a right of collection, nor a power of attorney to represent ZILIS to third parties. The distributor also has no responsibility to meet liabilities arising out of a transaction that has been arranged.

(9) In business transactions, the distributor is not authorized to name trademarks of competing companies in a negative, disparaging, or otherwise unlawful way, nor to evaluate other companies in a negative or disparaging way, nor to use negative, disparaging, or otherwise unlawful assessments to entice distributors away from other companies.

(10) All materials for presentation, marketing, training, and films, and product labels, etc. (including photographs) from ZILIS are protected under copyright law. They may not be reproduced, distributed, made public, or processed beyond the right of use contractually granted to the distributor, in whole or in excerpts, without the prior, explicit, written consent of ZILIS.

(11) Use of the sign ZILIS and/or trademarks, titles, product designations and business designations, and other identifiers of ZILIS are not permitted beyond the use of marketing materials provided by ZILIS. This applies also to registering internet domains. ZILIS may request that internet domains which use the name ZILIS and/or the trademarks, titles, product designations, and business designations, and other identifiers of ZILIS be deleted and/or transferred to ZILIS. The net takeover costs of the provider, but not other costs or a license or other compensation for the domain, shall be covered by ZILIS in the case of takeover. Additionally, application for one's own trademarks, titles, or other proprietary rights is prohibited if they contain a trademark, product designation, title, or business designations of ZILIS which might be registered or otherwise protected in another country/territory. The above rule applies both to identical and similar signs or products. Identifiers, trademarks, titles, or other proprietary rights of ZILIS may also not be used with so-called search engine advertising (e.g., GoogleAdWords, sponsored-links advertising, internet-advertising-space marketing or similar online advertisement acts. Finally, refilling and/or repackaging products from ZILIS is prohibited.

(12) A distributor may register again with ZILIS after cancelling their old position. The prerequisite is that the cancellation and ZILIS's confirmation of cancellation of the distributor's old position is at least 12 months in the past and the canceling distributor has not performed any activities for ZILIS during that time.

(13) The distributor is not permitted to answer press questions about ZILIS, their goods, the ZILIS compensation plan, or other services of ZILIS. The distributor is required to forward all press questions promptly to ZILIS at compliance@zilis.com.

(14) The distributor agrees—to the degree possible—to ensure that the customer data gathered through sales work are used exclusively within the scope of their activity for ZILIS and especially are not forwarded to other third parties and/or used for third-party services.

(15) The distributor may advertise and sell services for ZILIS and gain new distributors only in countries that were officially opened by ZILIS. Appearing in a country as a ZILIS branch, importer, exporter, or the like or founding a commercial company of that kind is not permitted.

(16) Distributors may not give any gifts or other donations to ZILIS employees.

(17) ZILIS allows distributors to acquire products for personal need and/or the need of family members. In no way may the distributor—themselves and/or their family members—incite other distributors to acquire products in larger quantities for their own consumption when that quantity inappropriately exceeds personal use inside a household. With each new order of products, the distributor warrants that at least 70% of the previous order was consumed for business purposes as part of product presentations and/or uses and at most 30% of the inventory from the last order is still in stock. Irrespective of the statutory duty to retain documents under tax law, the distributor must retain relevant receipts for a period of at least four years in order to be able to prove compliance with the above 70% rule. Furthermore, the distributor—themselves or by third parties—may not acquire more products than they can reasonably consume within one month.

(18) ZILIS grants the right to the distributor to return products to ZILIS upon a written request for refund of the purchase price (less a return fee in the amount of 20% of the purchase price) within 30 days after entering into a purchase agreement for those products. The return shall take place at the distributor's expense and risk. The products must be in a condition that is unused, defect-free, and able to be resold. If there is a minimum best-before date, it must still be at least 12 months at the time of return and the product must be unopened. The return shipment costs as well as the costs incurred in connection with reshipment—to the degree incurred—are also deducted from the refunded purchase price. Additionally, if the distributor received a commission for the reversed sale and, thus, the commission is to be refunded, then that amount is deducted from the refunded purchase price. The refund takes place—if possible—in the same mode of payment as the payment made by the distributor previously.

(19) The distributor is required to inspect products acquired from ZILIS for defects when the products are received. If the distributor detects defects in the products, then they must promptly notify ZILIS thereof and provide photos of the defective product no later than within five business days from when products were received. ZILIS will then investigate the inquiry. In the case that ZILIS deems the defect report to be authorized, then ZILIS shall provide the distributor with a return label which the distributor may use to return the products to ZILIS in the original packaging and with packaging receipts within 30 days from the defect report. ZILIS shall reimburse the distributor for the defective products.

(20) In a timely manner prior to publication of an invitation, the distributor shall report to ZILIS the time, place, and content of marketing events that are open to the general public. ZILIS may request changes or also cancellation of the event, if this is required in the interest of the company, or the ZILIS sales organizations and its members.

(21) The use of telephone numbers that are subject to charges is not permitted for marketing the activity or ZILIS products.

(22) The distributor is required promptly and truthfully to notify ZILIS of violations of the rules found in the General Terms and Conditions for Distributors and the ZILIS Code of Conduct, as well as all other rules from the company.

§ 8 Non-compete Clause / Recruitment

- (1) The distributor is permitted to sell products and/or services for other companies, even marketing companies, party-sales companies, or other direct-sales companies, even if they are competitors.
- (2) Irrespective of the permission stated in paragraph 1, the distributor is not permitted to sell to other ZILIS distributors products and/or services of other companies, marketing materials, and similar content for the operation of the ZILIS business.
- (3) If the distributor works for several companies simultaneously, even network marketing companies, party-sales companies, or other direct-sales companies, the distributor agrees to organize their respective activity (including downline) such that there is no connection with or mixing of the activity for the other company. In particular, the distributor may not offer anything other than ZILIS products at the same time or the same place or in the immediate vicinity of or on the same internet site, Facebook page, other social-media platform, or internet platform.
- (4) Additionally, the distributor is emphatically prohibited from recruiting ZILIS distributors for the sale of other products.
- (5) By entering into a Distributor Agreement, the distributor may not violate other distributor agreements or other sales contracts that they entered into with other companies and whose clauses still have effect.

§ 9 Confidentiality

The distributor must keep the business and industrial secrets of ZILIS and its structure confidential. ZILIS's business and industrial secrets, including rights of title, especially including the information on downline activities and placements, the downline genealogy and information contained there, the data of distributors, customers, and contractual partners, as well as the information on ZILIS's business relationships and its affiliates, other providers, and suppliers. This obligation continues to apply even after the end of the Distributor Agreement.

§ 10 Distributor Protection / No Territorial Protection

- (1) If an active distributor gains a new distributor for the sale of ZILIS products for the first time, the new distributor will be allocated to the active distributor's structure in accordance with the compensation plan and the placement rules set forth there (distributor protection). The date and time of receipt of the new distributor's registration application at ZILIS shall apply for said allocation. The "set position" of a directly or indirectly sponsored partner may not be changed.
- (2) ZILIS is authorized to delete all personal data, including a sponsored distributor's email address, from its system, if shipments, letters, or emails are returned with the notice "withdrawn," "deceased," "not accepted," "unknown," or the like and the newly acquired distributor or the sponsor does not correct the inadequate data of the newly acquired distributor within a reasonable period of 14 days. If ZILIS incurs costs from the undeliverable shipments and packages, then it is authorized to demand return of the money spent on costs, unless the erroneous delivery happened without fault.
- (3) Furthermore, crossline sponsoring and the attempt of such within the company is prohibited. Crossline sponsoring means acquiring a natural person or stock corporation or a business partnership which is already a distributor with ZILIS in another product line or who had a Distributor Agreement within the last 12 months. Using the name of a spouse, relative, commercial name, stock corporation name, business partnership, trust company, or other third party to circumvent this rule is also prohibited.
- (4) Bonus manipulations are prohibited. This especially includes sponsoring distributors who do not actually conduct ZILIS business (so-called strawmen), who do not exist, and who open or conceal multiple registrations. Using the name of a spouse, relative, commercial name, stock corporation name, business partnership, trust company, or other third party to circumvent this rule is also prohibited. Inciting distributors, customers, or other third parties to sell or purchase products in order to attain a better position in the compensation plan or to manipulate the group bonus is also prohibited. Placing new distributors and/or customers with other distributors or otherwise causing a bonus manipulation is also prohibited.
- (5) The distributor is not entitled to any claim to territorial protection.

§ 11 Warning Notice, Contractual Penalty, Compensation for Damages, Release from Liability

(1) For the first violation of the distributor's duties set forth in § 7, a written warning notice will be issued by ZILIS with a grace period of 10 days to rectify the breach of duty. The distributor agrees to reimburse any costs for a warning notice, particularly the attorney fees incurred for the warning notice.

(2) Explicit reference is made to § 16(2). According to that paragraph, ZILIS is authorized, at their own discretion, to cancel the agreement extraordinarily without prior notice or to initiate measures set forth in § 11(1) for a first breach of duty, if duties set forth in §§ 8, 9, 10(3) and (4), 18(3) and 19 are breached, as well as if a duty set forth in § 7, another applicable contractual or statutory law is gravely breached. Irrespective of the immediate right of extraordinary cancellation set forth in § 16(2), ZILIS has the right to issue a warning notice within the meaning of paragraph (1) with a shortened rectification period, at their own discretion on a case-by-case basis, for one of the aforementioned breaches of duty prior to pronouncing the extraordinary cancellation.

(3) If, after the end of the rectification period set in the warning notice, the same or a similar breach takes place again or if the breach about which the warning notice was originally issued is not eliminated, then a contractual penalty which is set at the discretion of ZILIS and, in a dispute, which is reviewed by the competent court, is due immediately. Additional attorney fees are also due for asserting the contractual penalty, and the distributor is required to reimburse them.

(4) Irrespective of the incurred contractual penalty, the distributor is also liable for all damages that ZILIS incurs from the distributor's breach of duty, unless the distributor is not responsible for the breach of duty.

(5) At the first request of ZILIS, the distributor shall indemnify ZILIS if a third party holds ZILIS liable for a breach of the contractual duties or another violation committed by the distributor against applicable law. In particular, the distributor agrees to cover all costs, particularly attorney fees, court costs, and damages that ZILIS incurs in connection therewith.

§ 12 Adjustment of Prices and Commissions

ZILIS reserves the right, particularly with regard to changes in the market situation and/or licensing structure, to change the prices that are paid by the distributor, the commissions percentages allocated for the services, the compensation plan, or the usage fees at the start of a new billing period. ZILIS shall notify the distributor within a reasonable period before the change. Increases in prices by more than 5% or changes to the compensation plan negatively affecting the distributor require the distributor to object to the change. If the distributor does not object to the changed conditions within one month after notification, then they become an integral component of the contract. Changes announced at the time of entering into the Distributor Agreement do not have to be announced and do not establish any right of objection for the distributor. In the case of an

objection, ZILIS is authorized to cancel the contract extraordinarily at the time when the changed or supplemented Terms and Conditions take effect.

§ 13 Marketing Material, Contributions

All marketing materials that are free of charge and other contributions made by ZILIS may be revoked at any time, effective for the future.

§ 14 Compensation, Commissions, and Billing

(1) As compensation for successfully arranging a sale and for their activity, the distributor shall receive—when having reached the required qualifications—commissions and other compensations that are shown in the ZILIS compensation plan, including the respective qualification requirement. All claims for commissions are shown in the applicable compensation plan that the distributor can access in their back office. Payment of compensation covers all the distributor's costs for maintaining and conducting their business, unless it is contractually agreed to separately.

(2) Successful arrangement of a sale within the meaning of (1) of this contract exists only if the contractual relationship between the customer and ZILIS materializes in a valid way. Furthermore, a claim to compensation exists only if the payment by the customer is credited to the ZILIS account and all other disbursement requirements have been met.

(3) A claim to commissions does not exist especially if

- a.) the customer exercises their right of revocation,
- b.) the contract is contested by the customer in a legally valid way,
- c.) the customer order materialized unlawfully,
- d.) ZILIS rejects acceptance of the contract,
- e.) incorrect, incomplete customer orders have been submitted.

Additionally, in cases of fraudulence, either by fraudulent or improper measures by the customer, the distributor, or their assistants, there is no claim to a commission.

(4) Prior to the first commissions disbursement, ZILIS reserves the right to upload a copy of the distributor's personal ID, passport, or driver's license to ZILIS's back office as proof of their identity. The same can be uploaded by ZILIS for the agent representing a stock corporation or business partnership. For stock corporations, business partnerships, or registered merchants, ZILIS also reserves the right that a copy of the current Commercial Register extract be submitted (not more than one month old).

(5) The distributor is first listed as a small merchant with ZILIS. The distributor shall immediately notify ZILIS, stating the tax number and submitting a confirmation from the competent German Tax Office, as soon as the distributor opts in to pay sales tax (VAT) or exceeds small business limits within the scope of business activity.

(6) The distributor's commissions are credited weekly and are paid out at the end of the subsequent month and may, unless a different account was explicitly accepted separately by ZILIS in writing, only be paid to accounts that are in the distributor's name or in the name of the stock corporation or the business partnership which has a contractual relationship with ZILIS. Disbursements to other accounts or to another bank account will not be made.

(7) The contractual partners agree that there is no claim to a commission that is higher than that which underlies this contract, nor may one be asserted. All claims of the distributor are satisfied by the commission, especially all travel costs, fees, office costs, telephone costs, or other expenditures for marketing materials, as well as all other costs that relate to performance of contract. Furthermore, all services of the distributor are satisfied by the payment of compensation set forth in (1), especially also for creation and management of the distributor's stock, the customer's stock, as well as the future marketing potential resulting from it and exist within the sense of an advance payment such that, in the event of the end of contract by either Party for whatever reason, no severances and/or claims to settlement for whatever legal reason are to be paid by ZILIS. Reference is explicitly made to § 16(5).

(8) ZILIS is authorized to assert a right of retention within the scope of legal parameters. Additionally, ZILIS is authorized to assert a right of retention regarding disbursement of commissions if not all contractual or legally required documents are available prior to the first disbursement. If ZILIS exercises the right of retention regarding the commission disbursements, it is deemed agreed that the distributor is not entitled to any interest claim for the period when the commission is retained.

(9) ZILIS is authorized to offset claims to which ZILIS is entitled against the distributor's claims to commissions, in whole or in part. The distributor is authorized to offset claims, if the counterclaims are undisputed or legally established.

(10) The distributor may not assign and pledge their claims from the Distributor Agreement, if mandatory law does not oppose this. Encumbering the contract with third-party rights is not permitted, if mandatory law does not oppose this.

(11) The distributor shall check bills that are issued immediately and promptly notify ZILIS of any objections. All claims for provisions are shown in the applicable compensation plan that the distributor can access in their back office. Commissions, bonuses, or other payments given in error are to be communicated in writing to ZILIS within 60 days from the time of the erroneous payment. After that point in time, commissions, bonuses, or other payment are deemed approved.

(12) Commissions are paid out monthly at the explicit request of the distributor considering the ZILIS payment methods and types of disbursements. ZILIS reserves the right to transfer commissions only when a total amount of €25.00 is reached. If the minimum disbursement amount is not reached, the commission claims are carried forward to the business account managed at ZILIS for the distributor and are paid out to the distributor in the subsequent month after having reached the minimum disbursement amount.

§ 15 Blocking the Distributor

(1) In the event that the distributor does not provide the required evidence within 30 days after taking note of the requirements on disbursement of compensation, commission advances, or other payment, ZILIS is entitled to temporarily block the distributor in the ZILIS system until the time when the required records/documents are provided. The blocked period does not authorize the distributor to extraordinary cancellation and does not cause any claim for a refund of the starter kit that was already paid for, or any other claim to compensation for damages, unless the distributor is not responsible for the block.

(2) For each reminder notice of the documents that have not been provided within the meaning of (1) after announcing the block, ZILIS is authorized to receive a reimbursement of their costs required for the reminder notice.

(3) Compensation or commission advances or other payments that cannot be paid out because of said reasons are posted by ZILIS as non-interest-bearing commissions and they are statute-barred at the latest within the statutory period of limitation.

(4) Irrespective of the reasons to block set forth in paragraph (1), ZILIS reserves the right to block the distributor for due cause. ZILIS especially reserves the right to block the distributor's access to the back office and other systems of ZILIS without a period of notice, if the distributor is in breach of the duties set forth in §§ 7 - 9, and § 10(3) and (4), or violates other applicable law. The block continues until the breach of duty is eliminated following a warning notice from ZILIS. If a grave breach of duty is involved which leads to extraordinary cancellation of the contractual relationship, the block continues to exist permanently.

§ 16 Term of Contract, End of Contract

(1) The contract is agreed to for an indefinite period and may be cancelled ordinarily at any time within a month at the end of the month. Irrespective of the term of contract set forth in sentence 1, the distributor must pay their annual service fees to ZILIS within the meaning of § 6(2), prior to the end of the annual period. The fee is withdrawn from the distributor's credit balance 30 days before the end of the contract, subject to there being sufficient funds. The distributor explicitly declares consent thereto. If the distributor does not pay the aforementioned fees within 60 days after the service fee is due and/or withdrawal of the credit balance is not possible, the contract is cancelled by ZILIS with immediate effect without advanced notice.

(2) Irrespective of the right of cancellation set forth in (1), both Parties have the right to cancel the Distributor Agreement extraordinarily for due cause. Due cause for termination by ZILIS is a breach of duties set forth in § 7, consisting in the distributor failing to fulfill their duty to eliminate a breach within the meaning of § 11(1), or, after eliminating the breach, the same or a similar breach occurs again at a subsequent point in time. In the event of a breach of the duties set forth in §§ 8, 9, and 10(3) and (4), 18(2) or 19, as well as for a serious breach of § 7, or violation of another applicable, contractual or statutory law, ZILIS is authorized to cancel the contract extraordinarily without a warning notice. Furthermore, there is grounds for extraordinary cancellation by either Party if insolvency proceedings were opened on the other Party, or if insolvency proceedings were rejected because of a lack of assets, or the other Party is otherwise insolvent, or a Party gives a sworn affidavit on insolvency within the scope of mandatory enforcement. The right to extraordinary cancellation exists irrespective of further claims.

(3) ZILIS also has the right to cancel the distributor's contract extraordinarily, if the distributor has not completed the required actions within the meaning of § 14(4) at least six months after registration. However, ZILIS [must] announce to the distributor the pending deletion 15 days prior to deletion of the account by email (to the email address filed in the system) or in the distributor's back office so that the distributor has the opportunity to complete the required actions within that 15-day period.

(4) After the end of a contract by ordinary termination, it is possible to enter into the contract again after the end of a period of at least 12 months.

(5) At the end of the contract, the distributor no longer has a right to receive commissions. This does not apply to contracts that were successfully arranged prior to that point in time. That claim to receive commissions remains unaffected. Furthermore, at the end of the contract, the distributor does not have a claim to receive the compensation of a commercial agent because the distributor is not a commercial agent within the meaning of the German Commercial Code in accordance with § 4(1).

(6) Cancellations are accepted only in writing. Ordinary cancellation may also take place by email, if you include the name, the address, and ID number of the distributor.

(7) If a distributor simultaneously lays claim to other ZILIS services independent of the Distributor Agreement, those services continue to be in force, irrespective of the ending of the Distributor Agreement, unless the distributor explicitly requests that they end with cancellation. If the distributor continues to acquire services from ZILIS after the end of the contract, then they are listed as a normal customer.

(8) In the case of an early cancellation of a contract with a minimum term, there is no claim to reimbursement of the costs for the activation fee or service fee, except when the distributor has validly cancelled the contract extraordinarily for due cause.

§ 17 Distributor's Data Protection Obligations

The distributor is not permitted to disseminate to third parties, to save, or to use end customers' personal data or customer-specific data that the distributor becomes aware of beyond the contractual rights and/or standards.

§ 18 Transfer of Business Operations / of the Sponsored Structure to Third Parties / Death of Distributor

(1) ZILIS may transfer their business operations, in whole or in part, or individual assets to a third party at any time, if the acquiring party adheres to applicable law.

(2) If a new stock corporation or business partnership that is registered as a distributor wants to take on a new shareholder, this is possible up to the granting of 20% of the company shares, as long as the previous shareholder who applied to be a distributor also remains a shareholder. If a shareholder would like to withdraw from the stock corporation or business partnership registered as a distributor, or if shares of one or several shareholders in the amount of more than 20% are to be transferred to a third party, this act is permitted upon submitting a written application—if needed, with the relevant notarized documents—and in compliance with the standards of this contract only.

after receiving prior written consent, which is completely at the discretion of ZILIS. ZILIS collects an administrative fee in the amount of €25.00 for processing the aforementioned application. If these requirements are not kept, then ZILIS reserves the right to cancel the contract of the stock corporation or business partnership registered as the distributor extraordinarily.

(3) As long as the distributor is active within the sense of the compensation plan, the distributor is authorized to transfer their sales structure when having reached the position of National for at least 90 consecutive days prior to transferring the sales structure. The prior written consent of ZILIS is also required, as is the distributor's upline, and a Purchase and/or Transfer Agreement must be concluded with the third party, and the third party must submit an application to ZILIS to be a distributor, unless ZILIS has made use of the right of preemption to which it is entitled. Transfer of the sale structure is possible only to individuals who are not distributors at ZILIS at the time of transfer, were not distributors in the past 6 months, and were not cancelled as distributors by ZILIS extraordinarily in the past 18 months. However, transfer or a purchase of a sales structure is not permitted for ZILIS distributors. Consent from ZILIS is completely at the entrepreneurial discretion of ZILIS, as long as it does not use its right of preemption. The distributor is required to notify ZILIS in writing of the intended transfer of their sales structure. After receipt of the written notification, ZILIS has one month to make use of its right of preemption. If this does not occur, the transfer is permitted after consent is granted by ZILIS. A sale is possible only in an uncancelled business relationship. In the case of termination without notice or a violation of these General Contractual Terms and Conditions, the distributor's right to sell their own sales organization is inapplicable, as in the cases where the selling distributor still owes money to ZILIS, is insolvent or otherwise bankrupt, or the distributor's assets are subject to seizure. If a stock corporation or a business partnership is registered as a distributor, a transfer of the sales structure is permitted only in compliance with the additional requirements of this contract. Zilis will charge a processing fee in the amount of €25.00 for transfer of the sales structure. Advertisement of the sales structure is not permitted, neither in offline media nor online (also not in social-media channels).

(4) The Distributor Agreement ends at the latest at the time of the distributor's death. The Distributor Agreement may be bequeathed in compliance with statutory requirements. A new Distributor Agreement in which the heir(s) enter(s) into the testator's rights and obligations must be concluded with the heir(s) within six months after the death occurs. If the heir or one of the heirs is already registered as a natural person with ZILIS as a distributor, the inheritor must give up their previous position in the ZILIS sales structure—since only one position in the marketing plan may be given to each natural person—or, if the requirements of § 18(3) are met, the distributor must transfer one of the future sales structures to a third party in accordance with § 18(3). Death is to be proven by a death certificate. If there is a last will and testament on the distributor's bequest, a notarized, certified copy of the last will and testament must be submitted. After the six-month period lapses without being used, all rights and obligations arising out of the contract transfer to ZILIS. As an exception, the six-month period is extended for a reasonable period, if that is disproportionately short for the heir on a case-by-case basis.

(5) If a distributor would like to conduct their business in the future under a different name, through

a stock corporation or a business partnership, as a married couple, as a registered domestic partner, or under a different designation for another reason, this is possible only by application, and ZILIS is authorized to reject the application at its discretion.

§ 19 Separation / Wind-up

If one distributor who is registered as a couple/domestic partnership, as a stock corporation or a business partnership ends their business internally, then only one distributor position remains for one of the aforementioned companies even after the separation, wind-up, or other ending. The separating spouses / members / shareholders must reach an agreement internally which spouse / member / shareholder shall continue the contractual relationship and this must be reported to ZILIS by a written notification that is signed by one of the two Parties and notarized or by submitting a relevant court ruling. In the event of an internal dispute of the consequences of separation, divorce, wind-up, or other end in regards to the contractual partnership with ZILIS, ZILIS reserves the right to cancel the contract extraordinarily as long as such a dispute leads to a disregard of the distributor's duties, to a violation of these General Terms and Conditions for Contractual Partners, to a violation of applicable law, or to an unreasonable load on the downline or upline.

§ 20 Consent to Use Photographic and Audiovisual Material, Use of Recordings of Materials and Presentations

(1) Free of charge, the distributor grants ZILIS the right to record audiovisual material and/or to take photographic material with the distributor's image, voice recordings, or statements and quotes within the scope of their position as a distributor. In this respect, the distributor explicitly consents to publication, use, reproduction, and change to their quotes, recordings, or pictures by submitting the distribution application and by acknowledging these General Terms and Conditions for Contractual Partners.

(2) The distributor is not permitted to make audio, video, or other recordings of events that were sponsored by ZILIS, nor during telephone conferences, discussions, or meetings for purposes of sale, for personal or business use. A distributor may not record, make, or compile any audio or video presentations or recordings of ZILIS events, discussions, telephone conferences, or meetings without the prior written content of Zilis.

§ 21 Privacy Policy

(1) The following is the privacy policy for ZILIS distributors. The controller within the meaning of data protection law is:

Zilis LLC

415 US Hwy 377, STE 2020
Argyle, TX 76226

USA

Email: compliance@zilis.com

(2) Our data protection officer is:

ZILIS Czech Republic s.r.o.
110 00 Prague – Nové Město

Czech Republic

Email: compliance@zilis.com

(3) As the controller pursuant to provisions under data protection law, we agree to protect your personal data and to treat it confidentially. Collecting, saving, changing, transmitting, blocking, deleting, and using your personal data takes place based on applicable, statutory regulations, especially the General Data Protection Regulation (GDPR). We have adopted technical and organizational measures which ensure that we and our external suppliers follow the regulations on data protection.

(4) We save your personal data as long as it is necessary to achieve the processing purpose, or as long as data must be saved for the statutory retention period. We save data that we process based on issued consent until you revoke consent. We save data that we process to execute a contract with you for as long as the contractual relationship exists and, beyond that, if statutory retention periods require us to do so. We store data that we process based on our legitimate interests if your interest in deleting the data does not predominate.

- (5) We need the following personal data from you to conclude a contract with you as a distributor:

title, last name, first name, address, company (if applicable), birth date, email address, telephone number, VAT ID number, bank and funds transfer information. This information is required to establish and execute the contract with you as a distributor. The legal basis for processing this data is Art. 6 para. 1 sentence 1 letter b of the GDPR.

Moreover, for purposes of money laundering prevention, ZILIS is legally required within the scope of the “know-your-customer” procedure to identify future distributors prior to entering into a Distributor Agreement within the scope of a legitimization review (so-called “KYC audit”). Within the scope of the audit, the following personal data are processed: title, first name, last name, address, nationality, place of birth, birth date. The basis for processing this data is Art. 6 para. 1 sentence 1 letter c of the GDPR.

- (6) As a distributor, you have access to the back office. In the back office, you will have an overview of orders that you arranged. For this, the following information about the individuals for whom you have arranged an order are displayed to you:

status (customer/distributor), last name, first name, email, net product value of the orders from the previous month, number of team members, time of last online activity. This information is required to bill and track commission claims. The legal basis for processing this data is Art. 6 para. 1 sentence 1 letter b of the GDPR.

Moreover, you may view a team overview in the back office. You receive information there on the independent distributors you have acquired in your downline. The following information is displayed for this:

status (customer/distributor), last name, first name, net product value of the orders from the previous month, number of team members, time of last online activity. This information is required to bill and track commission claims. The legal basis for processing this data is Art. 6 para. 1 sentence 1 letter b of the GDPR.

- (7) We need the following data to process commission payments:

title, last name, first name, address, bank data. This information is required to bill and track commission claims. The legal basis for processing this data is Art. 6 para. 1 sentence 1 letter b of the GDPR.

- (8) We share your personal data with third parties only to the extent this is required to execute the contract or to protect our legitimate interest. We also make use of external suppliers (processor) for execution of the contract. Separate processor contracts have been made with suppliers in order to guarantee the protection of your personal data. Additionally, third parties who are not ZILIS processors are required, even as their own controller within the meaning of data protection law, to process the distributor's data in accordance with the GDPR and other applicable provisions under data protection law.

a) To calculate the difference commission of the independent distributor from your upline, the aforementioned information on your orders as well as your team overview is also displayed to the distributors in your downline. Your upline distributors receive the following information:

status (customer/distributor), last name, first name, email, net product value of the orders from the previous month, number of team members, time of last online activity. This information is required to bill, and track difference commission claims from your upline. The legal basis for processing this data is Art. 6 para. 1 sentence 1 letter b of the GDPR.

b) To complete deliveries, the distributor's first and last name, address, email address, and telephone are forwarded to shipment companies.

c) To process payments, the distributor's payment data, namely first and last name, address, email address, telephone number, birth date, IBAN, BIC is forwarded to the financial institution or payment intermediary.

d) To complete our bookkeeping, we give the distributor's personal data to our external bookkeeping service provider, namely the distributor's first and last name, address, email address, and telephone number in connection with customer orders and commission calculations.

e) Data sent to the service provider set forth in 8 b) - d) is transmitted to execute the contractual relationship with you as a distributor as well as to protect our legitimate interests. The legal basis for processing this data is Art. 6 para. 1 sentence 1 letter b and f of the GDPR.

(9) Because of requirements under commercial and tax law, ZILIS is required to save the distributor's address and payment information for the period of 10 years. However, after two years, ZILIS restricts processing, i.e., the distributor's data are used only to comply with legal obligations. The legal basis for saving this information is Art. 6 para. 1 sentence 1 letter c GDPR. Moreover, the distributor's data are deleted upon complete processing of the contract, which also includes complete payment of the agreed fees.

(10) As the data subject, the distributor has the right to:

- information about how their data is processed
- correction or deletion of their data
- restriction of data processing
- objection against data processing
- request data transferability
- revocation of the consent they might have issued with effect for the future
- file a complaint with the data protection supervisory authorities;

A list of all supervisory authorities is found here:

https://www.bfdi.bund.de/DE/Infothek/Anschriften_Links/anschriften_links-node.html

To assert their rights, the distributor may contact ZILIS (see address at the start of the Privacy Policy) or ZILIS's data protection officer.

§ 22 Liability Exclusion

(1) ZILIS is liable for damages other than those incurred from loss of life, limb, and health only to the extent that the loss is based on a willful or grossly negligent act or on a culpable violation of an essential contractual duty (e.g., payment of commission) by ZILIS, its employees, or assistants. This also applies to damages from breach of duties with contractual negotiations as well as from committing unauthorized acts. Liability for compensation for damages beyond this is excluded.

(2) Except for injury to life, limb, and health or for willful and grossly negligent conduct of ZILIS, its employees, or assistants, liability is limited to the foreseeable damages that are typical when entering into the contract and, additionally, to the amount of average loss that is typical of the contract. This also applies to indirect damages, particularly lost profit.

(3) ZILIS is not liable for damages, irrespective of the kind, that are incurred from data losses on servers, except in the case of the grossly negligent or willful fault of ZILIS, its employees, or assistants.

(4) The distributor's content secured by ZILIS is third-party information for ZILIS pursuant to the German Telemedia Law and/or other applicable law.

§ 23 Inclusion in Compensation Plan

(1) The ZILIS compensation plan and the requirements encompassed by it are also explicitly a component of the Distributor Agreement. The distributor must always meet the requirements in the applicable version.

(2) When sending the application to ZILIS to enter into the Distributor Agreement, the distributor simultaneously warrants that they have acknowledged the ZILIS compensation plan and accept it as an integral component of the contract.

(3) ZILIS is authorized to change the ZILIS compensation plan at any time. ZILIS will announce changes to the compensation plan within a reasonable period. The distributor has the right to object to a change to the compensation plan. In the event of an objection, the distributor is authorized to cancel the contract at the time when the change takes effect. If the distributor does not cancel the contract within four weeks after the effective date of the change, the distributor explicitly accepts the change.

§ 24 Statute of Limitation Period

(1) All claims arising out of this contractual relationship are statute-barred for both Parties within six months, if this is legally permitted. The statutory period of limitation commences when the claim is due or at the time when the claim comes into existence or is recognizable. Statutory rules that stipulate a longer period of limitation are unaffected.

§ 25 Orders by Subscription (“Autoship”)

- (1) Distributors can enter into a subscription contract regarding monthly supply of certain ZILIS goods (hereinafter: Autoship). Autoship is a long-term loan obligation that includes the ongoing shipment of products ordered in the subscription in a delivery cycle of four weeks for an indefinite period. Autoship makes placing monthly orders unnecessary.
- (2) By participating in Autoship, distributors are granted certain rebates by ZILIS on a case-by-case basis.
- (3) The application for Autoship must be received by ZILIS no later than the 20th of the month prior to the first delivery. Deliveries may be made between the 1st and the 28th day of a month, except for Sundays and holidays. If a delivery date in the cycle falls on a Sunday or holiday, then the Autoship delivery is made on the following business day.
- (4) The distributor may cancel an Autoship subscription in writing or by email at any time with a five-day notice period before the next regular Autoship delivery. Refusal to accept Autoship deliveries is not deemed cancellation.

- (5) ZILIS reserves the right to suspend Autoship deliveries if payment for future deliveries is not guaranteed. This applies especially if the Autoship payment is by credit card and the credit card limit is reached before shipping the first or the next, pending delivery.

§ 26 Governing Law / Jurisdiction

(1) The law at the ZILIS headquarters applies, excluding the UN Convention on Contracts for the International Sale of Goods (CISG). Mandatory regulations of the state where the distributor has their normal residence remain unaffected.

(2) If the distributor is a businessperson or a stock corporation under public law, or if the distributor has no general jurisdiction domestically, or the distributor moves their place of residence abroad after entering into the contract, or their place of residence is unknown at the time of the filing of an action, then jurisdiction and the place of performance is ZILIS's registered office.

§ 27 Miscellaneous

(1) ZILIS is authorized to change the General Terms and Conditions for Contractual Partners at any time. ZILIS will announce changes within a reasonable period. The distributor has the right to object to the change. In the event of an objection, the distributor is authorized to cancel the contract at the time when the change takes effect. If the distributor does not cancel the contract within four weeks after the effective date of the change, the distributor explicitly accepts the change.

(2) Additionally, changes or supplements to these General Terms and Conditions for Contractual Partners must be in written form. This applies also to cancelling the requirement of the written form.

(3) If these General Terms and Conditions for Contractual Partners are translated into another language and there are inconsistencies with a certain provision between the German and the translated version of the General Terms and Conditions for Contractual Partners, the German version shall always take precedence.

(4) If a clause of these General Terms and Conditions for Contractual Partners is invalid or incomplete, that does not make the entire contract invalid. Rather, the invalid clause shall be replaced by one that is valid and that comes as close as possible commercially to the invalid clause. The same shall apply to filling in a loophole that needs an additional rule.

Status of the General Terms and Conditions for Contractual Partners: 06/15/2020