ENAGIC EUROPE GmbH
Düsseldorf/Germany

DISTRIBUTOR AGREEMENT

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Enagic Europe GmbH
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Between the undersigned:

ENAGIC Europe GmbH, whose registered office is at Immermannstraβe 33, 40210 Düsseldorf, under the trade register number HRB 58900 at the Amtsgericht Düsseldorf;

Hereinafter "ENAGIC"

and

"The Distributor"

Mr◯ Mrs◯ Ms◯ Distributor ID (filled in by Enagic): _____

Last Name of Distributor: _____ Tel.: _____

First Name(s): _____ Mobile: _____

Date of Birth: _____/_____/_____ Email address: _____

If distributorship* is in the name of a company registered with the Trade Register:

Registration date: ____/____/_____ Place of Trade Register: _____

Company Name: _____

Intra-Community VAT-Number: _____

***Company Owner must be the same person as the Distributor.**

I have read the whole of this contract (recto / verso) and have recognized the complementing documents, including the compensation plan and the Policies and Procedures. These complementing documents are part of the contract. I agree to not making medical, curative or treatment claims regarding ENAGIC products.

I authorise the publication of my photograph on the ENAGIC Website and on other ENAGIC publications.

This contract must first be accepted by ENAGIC, it will take effect on the date of transmission of the Distributor identification (ID) number.

ENAGIC Europe GmbH

Düsseldorf, the_____
(*Date)*

Distributor's Signature_____

_____
(Place) *(Date)*

1. BASIS OF THE COOPERATION

1.1. The company ENAGIC EUROPE GmbH (ENAGIC) sells to its customer's wellness and lifestyle products in the line of water filtration and conditioning through direct selling. Over the years, the product range has been updated and appropriated according to the current needs of the market.

The ENAGIC distribution system works through direct selling in which independent sales representatives (Distributors) offer and sell ENAGIC products to their personal contacts. This system is based on the ENAGIC Compensation Plan patterned after the Multi-level or Network Marketing system, which regulates the tasks of the Distributors according to their functional positions in the organization. Furthermore, the Plan regulates the performance criteria a Distributor needs to meet in order to reach individual functional positions as well as the compensation paid for the successful performance of each contractual task.

1.2. The Distributor and ENAGIC will cooperate in the realization and execution of the ENAGIC system and will work hand-in-hand in protecting its integrity. In relation to this, the Distributor will perform his tasks both as an independent sales representative and as an active contractual partner who strictly observes the specifications of the ENAGIC selling system, the Compensation Plan, as well as individual instructions issued by the company.

ENAGIC will be responsible in regularly updating all necessary information about the products and in making these documents accessible to the Distributor at all times.

1.3. A Distributor has the freedom to choose one's Sales Area to conduct business, as long as ENAGIC has officially introduced its products to this country. The complete list of approved countries will be provided by ENAGIC in case of request.

2. APPOINTMENT, TASKS, AND THE STATUS OF THE DISTRIBUTOR:

2.1. APPOINTMENT

By way of being sponsored by another Distributor and once the application was accepted by the ENAGIC management, the new Distributor is admitted to the ENAGIC sales organization. He will then be informed in writing of his Identification (ID) number which will be used as a reference in any transaction made in the company. There is no application fee to be a Distributor. Once the application is approved, the new Distributor may acquire from his sponsor a starter kit containing forms, information brochures, and other materials needed to develop his business. This starter kit is sold by ENAGIC at a reasonable price.

2.2 TASKS

a. SELLING ACTIVITY: The Distributor, as a **commercial agent doing freelance sales work** in the name and under the account of ENAGIC, will sell to customers items within the ENAGIC product range. The products can only be purchased directly from ENAGIC and will be distributed without any alterations on their design and name.

The Company offers no sales discounts or other concessions. Likewise, the distributor may not offer these either. Any discount offered by a distributor may be a ground for termination.

b. STRUCTURING WORK: The Distributor, as a **commercial agent doing freelance sales work** will collaborate on the development of the ENAGIC selling organization by recruiting new Distributors and supporting all distributors who belong to his 'Line of Responsibility' by informing, instructing, and motivating them.

2.3. STATUS + STATUS OBLIGATIONS

The Distributor, as a **self-employed trader,** will have to inform the communal authority about his trade as a commercial agent in direct selling; and if required, apply for an itinerant trader's license. He is responsible for fulfilling his business obligations, particularly paying taxes, as well as safeguarding an insurance (either public or private) in cases of liability, accident, sickness, and at the event of inability to work due to old age or sickness.

2.4. BEHAVIOUR TO CUSTOMERS:

Distributors shall refrain from any misleading claims about the products and the purpose of contact and should stop pursuing the customers for sales talk if the latter requests so. Distributors will identify themselves with their names and as ENAGIC distributors.

3. ADVERTISING, SALES PROMOTION, AND INTERNET ACTIVITIES

3.1. In the course of his contractual activities, the Distributor will present himself with the job title 'Self-employed ENAGIC Distributor,' and, if applicable, add the title of the functional position he has reached. Other uses of the company name, its products, and the trademark ENAGIC are prohibited if outside the context of advertising and promotional activities approved by ENAGIC.

3.2. In the context of both his selling activities and his structuring work, the Distributor shall only make statements concerning ENAGIC products and ENAGIC selling system which correspond to the statements from the official ENAGIC advertising and promotional materials.

3.3. Distributors are only allowed to make their own website for advertising purposes by using one of the ENAGIC Web Systems or OnLead products which are officially recognized by ENAGIC, and which allows distributors to choose a template that may be personalized with their own message and contact information. These websites link directly to the Company website giving the distributor a professional and Company-approved presence on the internet. Only these pre-approved websites may be used by distributors. The distributors are neither allowed to independently design a website that uses the name, logos, and product and service descriptions of the company nor may they use "blind" ads on the internet which make product or income claims that are associated with the Company's products, services, and compensation plan. Any person who violates the abovementioned rules is subjected to disciplinary actions, including termination of distributor status. Furthermore, the Distributor's website domain address should not contain the word "ENAGIC".

3.4. ENAGIC is the only authorized party allowed to sell and distribute official brochures, flyers, and promotional materials (whether it may be in print, electronic, or other form) containing information about ENAGIC products and ENAGIC selling system to end customers. The Distributor may produce his own advertising and publication materials (print, tv, radio, etc.) provided that these materials correspond to the official samples provided by ENAGIC and they have a written consent from the company.

The Distributor should not present his individual ENAGIC activities on the Internet, except through ENAGIC Web Systems (see 3.3. above).

3.5. The Distributor should inform the ENAGIC Management in advance about the venue, time, and content of any plans of promotional activities and events addressed to the general public. ENAGIC may have the right to make changes or even cancel the event if doing so is deemed necessary to the interest of the company, the ENAGIC selling organization, and its members.

3.6. Distributor testimonials and comments about ENAGIC, its product line, and its selling system on print and electronic media are only allowed with a prior written approval from ENAGIC.

3.7. There should be no claims of the therapeutic or curative properties of the products. In particular, no distributor should claim that the Company products are intended to diagnose, treat, cure or prevent any disease. Such statements are regarded as medical claims. Pursuant to the policy of prohibition of medical, curative or treatment claims, Enagic enumerates specific implementation of these policies which shall include, but not be limited to:

1) Prohibition of medical, curative or treatment claims, whether expressed or implied;
2) Prohibition of use of marketing and promotion materials describing the ability of Kangen Water™ to alleviate, cure, diagnose, prevent, relieve, or treat any medical condition, disease, ailment or malady.
3) Any violation of these guidelines merit disciplinary actions, such commission suspension and/or termination of distributor status.

4. COMPETITION AND CONFIDENTIALITY

4.1. The Distributor is allowed to sell other merchandise and services that do not compete with the product range of ENAGIC. However, it is prohibited to present or advertise these products together with the ENAGIC product line. Furthermore, the Distributor shall inform the ENAGIC Management in writing about additional selling activities.

4.2. For the protection of the ENAGIC selling organization, the Distributor is prohibited to misuse the company and induce any member of his downline to sell other products and services aside from or in addition to ENAGIC products. This also applies to other non-ENAGIC-competing products.

4.3. The Distributor shall maintain confidentiality in all information concerning ENAGIC, its members, product range, and selling system if the information is not made accessible to the public during and after his term of service. This includes data and other facts about ENAGIC members including those who do not belong to the Line of Responsibility (downline) of the Distributor.

In addition, the Distributor shall only use the information stated above for the sole purpose of ENAGIC.

5. INCOME, REMUNERATION

5.1. According to the ENAGIC Compensation Plan, a Distributor receives commissions and remuneration from commercial procurement and structure work based on the calculation of sales

results of the members of his Line of Responsibility. The Distributor shall check the calculations transmitted and inform ENAGIC without delay regarding any possible objections.

If a member of the Distributor's Line of Responsibility returns any product within the duration of the right-to-return period, ENAGIC will deduct the commissions and remunerations received by the Distributor on the basis of this product's sale from his bank account. This is in the event of the return taking place within the course of warranty claim execution as stipulated by the law.

6. REVOCATION OF RETAIL CUSTOMER ORDERS

ENAGIC will concede to the revocation of customer orders within the legally stipulated right of cancellation for the period of two weeks from the day on which you acquire, or a third party other than the carrier and indicated by you acquires, physical possession of the goods, given that the product is unused. Even if the product was bought directly from ENAGIC by the customer, his sponsor shall conform to this consumer-friendly rule following the established relationship between agents and clients. If a customer returns a merchandise to his Distributor following the instructions of his right of revocation, the Distributor is then permitted by ENAGIC to return the product to the company. The Distributor should, however, ensure that the customer vigilantly followed the rules and instructions of revocation. ENAGIC is not obliged to take back any product that doesn't conform to these rules.

7. TERMS AND TERMINATION OF THE AGREEMENT

7.1. This Agreement is valid for an indefinite period of time.

7.2. Each of the contractual party may terminate the Agreement until the end of the current month, observing a period notice of 14 days.

7.3. In addition, each of the contractual parties may choose to terminate this Agreement without prior notice due to exceptional reasons of misconduct by the other party, which makes the continuation of the contractual relationship until the regular date of notice impossible.

It is not mandatory to send a warning before a termination notice if the violation in question and its consequences cannot be remedied or if the kind and extent of the impending damage make it necessary to end the contractual relations immediately.

7.4. After the termination of the Agreement, the Distributor has to observe a waiting period of six (6) months before he is permitted again to start an ENAGIC distributorship.

7.5. The request of the Distributor to return his entire inventory (in case of consignment) will be interpreted by ENAGIC as the termination of the Agreement. This does not apply if the return is based on warranty claims.

8. TRANSFER OF THE CONTRACTUAL POSITION, DEATH OF THE DISTRIBUTOR, CHANGE OF THE LINE OF RESPONSIBILITY

8.1. ENAGIC may transfer its contractual obligation (subject to this Agreement and completely assuming the existing rights and duties) at any time to a successor company which continues in the

same line of business. In the case that the Distributor does not accept the transfer and he notifies ENAGIC immediately, the contract will be terminated the following day after the notification.

8.2. The Distributor, on the other hand, is only allowed to transfer his contractual obligation if he has a written approval from ENAGIC. Such approval is only given if ENAGIC is convinced that the individual taking over the obligation is able to perform tasks and duties performed under the functional position of the incumbent Distributor. Moreover, the incoming Distributor should be willing to complete an appropriate training if required by ENAGIC.

8.3. The tasks and duties of an ENAGIC Distributor are individualized, therefore may only be rendered in person. This means that the contractual agreement ends with the death of the Distributor. Exceptions may be accepted by ENAGIC if the preconditions of 8.2. are met and the prospective replacement Distributor is able to present his heir's certificate and refrains from calling the company for compensation.

8.4. In case of divorce, ENAGIC, at its own discretion, may agree to transfer a mutually held contract position to one of the separated spouses if a legally-binding final decree of divorce is presented.

8.5. ENAGIC does not permit Cross Sponsoring. This means that the Distributor is not allowed to change his original Sponsor (as is written on his application form) and his line of responsibility.

9. WARRANTY CLAIMS OF DISTRIBUTORS:

ENAGIC guarantees the best quality from its products. In case the Distributor receives a defective product, ENAGIC pledges to exchange this product within 30 days. The time period starts as soon as the Distributor informs ENAGIC in writing about the condition of his product and after he has received the return number and shipment order from the company.

10. LIMITATION OF CLAIMS:

10.1. All claims under this contractual relation, especially warranty claims, are subject to the statute of limitation of one year from the point at which the claim is due. This is recognized if the party entitled to the claim knows the facts establishing the claim, or if his lack of knowledge is caused by gross negligence.

10.2. Any regulation of the law stipulating an imperative longer term of limitation remains unaffected.

11. DATA PROTECTION

The ENAGIC distributor agrees that ENAGIC stores and processes his personal data and all data relating to the collaboration electronically and otherwise. He is also in agreement if ENAGIC makes this data available to other members of the ENAGIC sales organisation within Germany or abroad within the framework and according to the rules of the ENAGIC COMPENSATION PLAN, as well as to the member companies of the international ENAGIC group, regardless of whether they are based in Germany or abroad, insofar as this is necessary for the process of collaboration and the national and international implementation of the ENAGIC sales system.

With regard to the possibilities of objection, correction and deletion, we refer to the corresponding applicable provisions, which you can read at https://enagiceu.com/page/privacy-policy.

12. AMENDMENTS IN THE CONTRACTUAL AGREEMENT AND THE RECOGNITION OF AUTHORITY OF THE GERMAN LAW

12.1 If ENAGIC deems it necessary for the mutual interests of both parties to change or amend any part of the agreement or the ENAGIC Compensation Plan, the Distributor will be informed immediately through the usual communication tools used by the company and its Distributors. In the communication, the Distributor will be notified about the date when the change takes effect. The amendment will automatically be implemented if no written objection is received after a month. If both parties cannot arrive at a mutual consensus, the contractual agreement will be terminated in the next possible date.

Every amendment must be put into writing (e-mail, website, and back-office) in order to be considered valid.

12.2. Both parties agree on the competence of the German courts. Every point in this Agreement (including any claim or dispute that may arise) is subject to the applicability to the German law.

13. FINAL TERMS:

13.1. Both parties state that no other contractual arrangement is in existent aside from the ones laid down on this Agreement.

13.2. If one of the points stipulated in this Agreement becomes or turns out to be invalid or ineffective, the enforceability of the remainder of the Agreement shall not be affected. However, both parties are obliged to cooperate without delay on agreeing upon another point which replaces the invalid and ineffective point but serves the same purpose as much as possible.