

*TRANSLATION FOR CONVENIENCE PURPOSES ONLY*



## **DISTRIBUTOR AGREEMENT AND INDEPENDENT DOOR TO DOOR SALESMAN (IDV)**

**Please note:**

Upon receipt of the distributor contract, and if you are not already registered as a company or micro-business, Enagic will take care of the administrative procedures to register you as a IDV. This will be done automatically upon receipt of the contract, and transmitted to the URSSAF of your region. You will receive confirmation of your registration from your URSSAF within 1 working month following the declaration of the start of your activity as a self-employed home seller made by us.

**Attention:** Please keep the SIRET/SIREN number which will be communicated to you by the URSSAF in your region.





- I do not wish my details to be used for commercial purposes.
- I do not wish my details to be used by third parties for commercial purposes.

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

I have read the entirety of this contract (front and back) and I have read the appendices that complete it: the commissioning plan and the policies and procedures.

This contract must be accepted in advance by ENAGIC and will therefore take effect on the date of transmission of the Distributor Identification Number (ID).

**Done on the:**     /\_\_\_\_\_/\_\_\_\_\_, at:\_\_\_\_\_.

**Distributor's signature:**

**ENAGIC EUROPE GmbH's signature :**



**1. Preamble :**

**1.1.** ENAGIC EUROPE GmbH (hereinafter referred to as ENAGIC) sells comfort and wellness products, mainly products for water treatment and filtration. This product range is regularly extended and adapted to changing market conditions.

The specificity of the distribution system is characterised by the fact that independent sales representatives (distributors) offer consumers the opportunity to purchase ENAGIC products through direct sales, i.e., excluding canvassing by telephone or any other similar technical means, on the occasion of individual meetings. ENAGIC's distribution system is based on retail sales to the final consumer. The company also recognises that distributors may wish to purchase a product or service in reasonable quantities for their own or their family's use. Distributors do not purchase ENAGIC products for resale.

In this respect, the distribution system is based on the ENAGIC Compensation Plan. This plan defines the mission entrusted to the Distributors in accordance with their position within the Sales Network which is organised on a multi-level basis also called Network Marketing. In addition, the Compensation Plan defines the performance criteria that the Distributor must achieve in order to reach higher positions in the network. Similarly, the Compensation Plan determines the commissions paid in return for the performance obtained in carrying out these tasks.

**1.2** The Distributor and ENAGIC cooperate in the implementation of the ENAGIC distribution system and in the protection of the entire system. Within this framework, the Distributor carries out its activity as an independent and contractually active individual entrepreneur applying the specifics of the ENAGIC distribution system, the ENAGIC Compensation Plan and the recommendations issued by ENAGIC.

ENAGIC will ensure that all necessary information concerning the products and the distribution system is available to the Distributor and is always up-to-date.

**1.3** The signature by the Distributor of the present contract, under French law, allows him to conduct his activity in metropolitan France.

Nevertheless, Distributors are free to choose their territory of activity provided that ENAGIC has officially opened its products in the territory concerned. A list of the countries actually opened is available from ENAGIC on request. The activity of the Distributor and the Distributors it sponsors must respect the legal provisions of the country concerned and the ENAGIC rules specific to that country, in particular by using the documents of the country necessary for their activity.

**2. Admission, Activities and et Status of the**

**Distributor:2.1-Admission:**



Thanks to the sponsorship of a Distributor, the new Distributor is admitted into the ENAGIC distribution organisation as soon as his contract is accepted by the ENAGIC management.

his contract is accepted by the management of ENAGIC. ENAGIC may, upon examination of the application, refuse admission without the need to justify its decision. The Distributor must be of legal age and have the capacity to exercise an independent commercial activity. Only one person per household may sign the contract. He is informed of his admission by communicating his ID number. No entry fee is required.

## **2.2-Activities:**

**a / Sales activity:** The Distributor, provides the end consumer with the elements of the ENAGIC product range. The products must be purchased directly from ENAGIC without any changes to their design and name. The sale of bottled Kangen Water™ is strictly prohibited, as well as all sales of Kangen Water™ when a person receives water, bottled or not, from an ENAGIC device.

**b / Sponsorship activity:** The Distributor, participates in the development of the ENAGIC distribution system by recruiting new distributors and by accompanying all Distributors belonging to the "Line of Responsibility" that it has developed, by informing and training them. In the context of the search for new Distributors, no statements relating to potential income may be made. Any false, misleading or deceptive statement relating to ENAGIC's business or products is prohibited.

## **2.3-Independent Seller:**

The Distributor is a direct selling salesperson. The contract between the Company and its distributors does not create an employer relationship between the Company and the distributors. The Distributor agrees to hold the Company free from all claims and damages arising from the Distributor's practices. Each Distributor is encouraged to set his or her own hours and methods of selling, provided that he or she complies with the Company's policies and procedures.

The Distributor is responsible for fulfilling all his obligations as an independent contractor, declarations, charges, contributions, expenses due to his activity and in particular taxes as well as insurance for his civil liability and the use of his vehicle, if he uses his vehicle for his activity.

ENAGIC can provide the Independent Home Seller (IHV) with management and administrative assistance, consisting in particular of the supply of accounting models, the provision of a product stock management system, the communication of the amount of commission earned by the IHV in respect of his activity and the drawing up of a deduction slip which can replace, if necessary, the invoicing of the commission.

## **2.4. Statuts and Statuts Rules.**

The Distributor is an Independent Home Seller (IHS). He/she is subject to the non-commercial profits tax regime. The status of IDV is defined by Articles L.135-1 to L.135-3 of the French Commercial Code and the scope of the IDV's activity corresponds to the scope of Articles L.221-1 to L.221-4 of the French Consumer Code relating to home sales. Finally, articles L.311-2 and L.311-3-20 of the Social Security Code make the status of IDV subject to the general Social Security regime, whether or not it is registered with the TCR. Consequently, ENAGIC undertakes to pay on its behalf the contributions due to URSSAF under this scheme.

Before starting his activity within the framework of the present, the Representative will take out an insurance policy to guarantee his professional civil liability and to cover any damage he may cause to third parties during his activity. If he uses a vehicle, he is required to notify his insurer of the use of his vehicle for professional purposes, even if his activity remains occasional.

## **2.5-Respect for the consumer:**

The Distributor carries out its sales activity in compliance with the consumer protection rules defined by articles L 221-1 to L 212-29 of the Consumer Code.

**Distributors shall avoid any incorrect behaviour regarding the reasons for their visits and shall interrupt any sales conversation at the request of the consumer. Distributors shall identify themselves with their name and business as an ENAGIC distributor. Before concluding the sales contract, the distributor is obliged to provide the consumer with the information provided for in Articles L.221-5 et seq. of the Consumer Code in a clear and comprehensible manner.** No claims regarding the therapeutic or curative properties of the products may be made. In particular, no distributor may claim that the Company's products are intended to diagnose, treat, cure or prevent any disease. Such claims may be perceived as medical claims, which is not only contrary to the Company's policy, but also constitutes a breach of regulations.

## **3. Advertising, Sales promotion and the Internet**

**3.1.** In the course of their activity, the Distributor presents themselves with the professional title of "Independent ENAGIC Distributor" and, if applicable, adds the title of the position they have reached. Any other use of the company name, the ENAGIC brand and any other commercial brand or product name is forbidden, unless it is in the context of an advertising or promotional action authorised by ENAGIC.

**3.2.** In the context of both its sales and recruitment activities, the Distributor is prohibited from making statements about ENAGIC products or the ENAGIC sales system that do not correspond to the statements in ENAGIC's official advertising or promotional materials.

**3.3. The creation and commercial use of websites for the presentation of ENAGIC products or the ENAGIC sales system is only**



**permitted with written permission from ENAGIC. Such a website must be created in compliance with the ENAGIC specifications. In particular, it must be ensured that the Distributor's website cannot be interpreted as an official ENAGIC website. In order to avoid any misunderstanding, the Distributor's e-mail address may not contain the name "ENAGIC".**

- 3.4.** Sales on the Internet sites are prohibited, they are Distance Sales, they are not Direct Sales and as such they cannot be commissioned. A distributor may not sell or promote the Company's products on Internet sites.
- 3.5.** The Distributor does not use, sell, distribute or recommend to other members of the ENAGIC sales organisation any commercial tools other than those originating from ENAGIC, if these persons distribute ENAGIC products or if they participate in the ENAGIC distribution system, whatever these tools may be, whether they are printed, electronic or on any other medium. The Distributor shall only use its own advertising and public relations material on all kinds of media (e.g. advertisements, public relations articles, TV or radio advertisements, etc.) if it corresponds to the templates provided by ENAGIC for this purpose or has been authorised by ENAGIC in writing. In particular, the Distributor shall refrain from any form of presentation of its ENAGIC activities on the Internet. Exceptions, which are special cases (see 3.3 above), are only permitted with the express written consent of ENAGIC.
- 3.6. The Distributor shall inform ENAGIC's management of the location, date and content of these promotional actions aimed at the general public in good time prior to the publication of this announcement. ENAGIC may request changes or even the cancellation of the action if this is necessary in the interest of both the company, the ENAGIC sales organisation and its members.**
- 3.7** The Distributor shall not make comments regarding ENAGIC, ENAGIC products and the ENAGIC sales system in any printed or electronic media without the prior written consent of ENAGIC.  
It is ENAGIC's specific policy to prohibit unsolicited mass e-mail or mass faxing of information in connection with the activities offered by the Company or its products.
- 3.8 Any violation of these rules is subject to immediate sanctions up to and including termination of the contract.**

#### **4. Competition and confidentiality :**

- 4.1. The Distributor is allowed to sell any other products or services if these offers do not compete with the offers provided with the ENAGIC product range. However, it is not possible to present or communicate other offers with the ENAGIC product range in the context of a sales action or advertisements or events. The Distributor shall inform ENAGIC in writing of any such additional activity.
- 4.2 However, for the protection of the sales organisation developed and maintained with the help of the Distributor, the Distributor is prohibited from offering any of the members of this organisation to sell other products or services, or otherwise promote such products or services, in addition to or instead of the activity of these members within ENAGIC. This prohibition also applies if the offers concerned are not in competition with ENAGIC offers.
- 4.3. No remuneration of any kind whatsoever may be paid by an independent doorstep seller to another independent doorstep seller, and no purchase may be made by an independent doorstep seller from another independent doorstep seller.
- 4.4. During and for two years after the termination of the distribution contract, the Distributor will keep confidential all information at its disposal concerning ENAGIC, all members of the ENAGIC Group, the ENAGIC product range and the sales system if this information is not directly accessible to the general public. This obligation includes all figures and data concerning the members of the ENAGIC sales organisation, regardless of whether these members belong to the Distributor's "Line of Responsibility" or not.

In addition, the Distributor is not allowed to use this information for any other purpose that is not for the benefit of ENAGIC.

#### **5. Income, Pay:**

5.1. For the commercial activity of distribution and for the construction of the sales organisation, the Distributor receives commissions which, in accordance with the ENAGIC Compensation Plan, are calculated on the basis of the sales results of the members of its Line of Responsibility.

The Distributor checks the data submitted without delay and informs ENAGIC promptly of any possible disagreement. If a member of the Distributor's Line of Responsibility returns a product within the framework of the right of return procedure, ENAGIC will debit the Distributor's account for the remuneration that the Distributor had received on the basis of the sale of this product in the context of its network construction activity and provided that the return is within the framework of the implementation of the guarantee granted by law.

5.2 The Distributor shall inform ENAGIC immediately upon becoming liable to VAT or upon opting for the payment of VAT on its own initiative by providing its Intra-Community VAT number and by presenting a written document from the tax office to which it belongs. On the basis of this information, ENAGIC will calculate and pay the remuneration due including VAT at the legal rate.

#### **Cancellation of a customer order:**

ENAGIC applies the legal right of withdrawal to customers. Indeed, the consumer has a period of fourteen (14) days to exercise his



right of withdrawal. Information on this right is specified on the Customer Order Form. Even if the products are sold directly to the customers by ENAGIC, the Distributors must respect this rule for the benefit of the customers in their commercial relationship as an agent with the customers. If a consumer, in accordance with his right of withdrawal, returns goods to his Distributor, the Distributor, for his part, is entitled to return the product to ENAGIC. The Distributor, in his own interest, has to check that the consumer respects the rules of the right of withdrawal. ENAGIC is not obliged to take back a product if it is returned without respecting the withdrawal rules.

## **6. Duration of the contract and termination:**

- 6.1. The contract is concluded for an indefinite period.
- 6.2. Either party may terminate the contract subject to 14 days' notice.
- 6.3. On the date of termination of the contract, the IDV will cease all activity on behalf of ENAGIC. The commissions will be paid on all orders sent to ENAGIC until the date of termination.
- 6.4. Furthermore, in accordance with article 1225 of the Civil Code, the non-performance of the following commitments will lead to the termination of the contract: conduct of the other party causing an unacceptable situation for the maintenance of the contractual link, violation of the rules of Direct Selling and the terms of this contract.

It is not necessary to send a notice of default prior to such notification if the violation in question and its consequences cannot be corrected or if the type and extent of the damage caused make it necessary to terminate the contractual relationship immediately.

- 6.5 No compensation will be due to either party on termination of the Contract or in the event of its termination. No fee for the continuation of the Distributor contract (renewal fee) is charged.
- 6.6. After the termination of the contract, the Distributor must respect a waiting period of six (6) months before starting a new distribution activity with ENAGIC.

## **7. Force Majeure :**

- 7.1 Neither party shall be liable for failure to fulfil its contractual obligations due to force majeure.
- 7.2 According to Article 1218 of the Civil Code: "Force majeure in contractual matters occurs when an event beyond the control of the debtor, which could not reasonably be foreseen at the time of the conclusion of the contract and the effects of which cannot be avoided by appropriate measures, prevents the debtor from fulfilling their obligation.
- 7.3 The parties shall promptly inform each other in writing of the occurrence of any such event and consult on the measures to be taken to remedy the consequences thereof.
- 7.4 As soon as the impediment due to force majeure ceases, the obligations of this Contract shall resume for the period remaining at the time of the suspension.
- 7.5 In the event that the suspension exceeds a period of one (1) month, this Contract may be terminated by mutual agreement between the parties. The Distributor and ENAGIC shall then be released from their commitments, without any compensation being due on either side.

## **8. Transfer of the contract, death of the Distributor, change of Line of Responsibility:**

- a. ENAGIC may transfer the contract at any time to a successor company that will continue under the same conditions the activity that is the subject of the contract and will fully assume the existing rights and duties. If the Distributor does not accept the transfer and immediately informs ENAGIC, the contractual relationship will be terminated at the earliest date of termination.
- b. The Distributor is only allowed to transfer its distribution contract with the approval of ENAGIC. Such approval is only given if ENAGIC is convinced that the successor is capable of properly carrying out the tasks and duties that he will have to perform in accordance with the position in the organisation and if he is prepared to complete his training at the request of ENAGIC.
- c. The tasks and duties of an ENAGIC Distributor are classically those that the Distributor (as a person) must perform, which implies that the contractual relationship ends with the death of the Distributor. Nevertheless, the transfer can be accepted by ENAGIC if the conditions of article 9.2 are respected. The person concerned does not claim any compensation and submits his application himself.
- d. 8.1. In principle ENAGIC considers a married couple as one distributor. Spouses may sponsor each other, but may not be sponsored in different Lines of Responsibility. If a husband is already a distributor, the non-participating wife may choose to become a distributor, but must first join the same distribution agreement as her husband, or be directly sponsored by her husband. The Society reserves the right to reject any application for a new distribution agreement or any renewal.

In the event of divorce, ENAGIC, at its sole discretion, may agree to transfer the joint contractual position to one of the spouses



provided that a certificate of divorce is presented.

8.2. A change in the Line of Responsibility in which the Distributor is integrated, in accordance with its Sponsor designated in the contract, is not possible. The preservation of the integrity of the Line of Responsibility is absolutely essential to the success of the whole organisation. Exceptionally, a transfer may be approved in two (2) circumstances:

- In the case of a recommendation by the original sponsor that is contrary to the ethics of the profession, ENAGIC makes the final decision.
- The total resignation of the Distributor and a waiting period of six (6) months before re-applying under a new sponsor.

### **9. Distributor's warranty**

ENAGIC guarantees the excellent quality of its products. If the Distributor receives a defective product (article 1245-3 of the Civil Code: A product is defective in the sense of the present chapter when it does not offer the safety that can legitimately be expected?) in the context of its activity, ENAGIC undertakes to exchange it with a non-defective product within thirty (30) days. This period begins as soon as the Distributor has contacted ENAGIC in writing and has received the necessary return number and shipping order.

### **10. Limit on claims**

- a. Any complaint based on the contractual relationship, in particular any claim for guarantee, shall be placed within the limit of one year from the moment when the complaint concerned becomes effective and the party entitled to make the complaint is aware of the facts on which the complaint is based or possibly if the party's lack of knowledge is due to gross negligence.
- b. Any regulation granting a longer limitation period is applied.

### **11. Protection of personal data :**

12.1 Each party undertakes to comply with the regulations in force applicable to the processing of personal data and, in particular, the Loi Informatique et Libertés dated 6 January 1978 as amended and Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 applicable as of 25 May 2018 (hereinafter, "the RGPD").

12.2 The Distributor has the capacity of subcontractor in the processing of ENAGIC's data (data controller) with the understanding that ENAGIC France's data concerns ENAGIC's data and end-customer data as processed by the Distributor (hereinafter, "the Data"), and in this capacity, undertakes to:

- - Process ENAGIC's Personal Data only for the sole purpose(s) of the Contract;
- - If the Distributor considers that any instruction constitutes a breach of the GDPR or any other provision of Union or Member State law relating to Data protection, it will immediately inform ENAGIC, without this qualifying as legal advice. In addition, if the Distributor is required to transfer data to a third country or to an international organisation, under Union law or the law of the Member State to which it is subject, it must inform ENAGIC of this legal obligation prior to processing, unless the law concerned prohibits such information on important grounds of public interest;
  - Ensure that persons authorised to process Personal Data under the Contract:
  - Are committed to confidentiality or are subject to an appropriate legal obligation of confidentiality;
  - Receive the necessary training in the protection of Personal Data.
  - Take into account, with regard to its tools, products, applications or services, the principles of Data protection by design and Data protection by default
- If the Distributor wishes to use another subcontractor (hereinafter "the subsequent subcontractor") to carry out specific processing activities, it shall inform ENAGIC in advance and in writing of any contemplated changes regarding the addition or replacement of other subcontractors. This information must clearly indicate the processing activities subcontracted, the identity and contact details of the subcontractor and the dates of the subcontract. ENAGIC shall have a minimum period of fifteen (15) days from the date of receipt of this information to present its objections. This subcontracting may only be carried out if ENAGIC has not raised any objections within the agreed period. The subsequent subcontractor is obliged to fulfil the obligations of this Contract on behalf of and according to the instructions of ENAGIC. It is the responsibility of the Distributor to ensure that the sub-processor presents the same sufficient guarantees regarding the implementation of appropriate technical and organisational measures so that the processing meets the requirements of the GDPR. If the sub-processor does not fulfil its data protection obligations, the Distributor remains fully responsible to ENAGIC for the other sub-processor's performance of its obligations.
- Assist ENAGIC, taking into account the nature of the processing, by implementing appropriate technical and organisational measures, to the fullest extent possible, in fulfilling its obligation to respond to requests made by data subjects to exercise their rights under Chapter III of the GDPR. In particular, to the extent possible, the Distributor will assist ENAGIC in fulfilling its obligation to comply with requests to exercise the rights of data subjects: right of access, rectification, erasure and objection, right to limitation of processing, right to data portability, right not to be subject to an automated individual decision (including profiling).
  - When data subjects make requests to the Distributor to exercise their rights, the Distributor shall address such requests upon receipt by email to the person designated by ENAGIC.
  - Notify ENAGIC of any violation of Personal Data within a maximum of twenty-four (24) hours after becoming aware of it, by email and by telephone. This notification shall be accompanied by all useful documentation in order to allow



ENAGIC, if necessary, to notify the CNIL of this violation.

- To assist ENAGIC in carrying out impact analyses relating to the protection of Data.
- To assist ENAGIC in carrying out the prior consultation of the supervisory authority.
- Implement the following security measures: encryption of Personal Data and the means to guarantee the confidentiality, integrity, availability and constant resilience of the processing systems and services.
- At the end of the Contract or in the event of termination of the Contract and at ENAGIC's option, delete all personal data or return it to ENAGIC, and destroy existing copies, unless Union law or Member State law requires the retention of personal data.
- Communicate to ENAGIC the name and contact details of its data protection officer, if it has appointed one in accordance with Article 37 of the GDPR.
- Declare to keep a written record of all categories of processing activities carried out on behalf of ENAGIC including:  
The name and contact details of ENAGIC on whose behalf it is acting, of any subcontractors and, where applicable, of the delegat  for Data Protection;  
The categories of processing carried out on behalf of ENAGIC;  
Where applicable, transfers of Personal Data to a third country or to an international organisation, including the identification of such third country or international organisation and, in the case of transfers referred to in the second subparagraph of Article 49(1) of the GDPR, documents attesting to the existence of appropriate safeguards;
  - Make available to ENAGIC all the information necessary to demonstrate compliance with the obligations set out in this Article and to allow audits, including inspections, to be carried out by ENAGIC or another auditor appointed by it, and to contribute to such audits

ENAGIC undertakes to :

- Provide the distributor, where applicable, with the following information: the nature of the operations carried out on the Data, the purpose(s) of the processing, the Personal Data processed, the categories of persons concerned;
- Document in writing any instruction concerning the processing of Data by the Distributor;
- Ensure, in advance and throughout the processing, that the Distributor complies with the obligations set out in the GDPR;
- Supervising the processing, including conducting audits and inspections of the Distributor.

## **12. Changes in contractual rules, applicable law:**

- a. According to article 1193 of the Civil Code: "Contracts can only be modified or revoked by the mutual consent of the parties, or for the causes that the law authorises. Thus, if ENAGIC considers, in the mutual interest of both parties, in the continuity of the company's activity or its sales system, or for the safeguarding of the economic interest of the entire sales network, that changes or amendments to some of the rules of the contract or of the Compensation Plan are necessary, the Distributor will be informed, in a timely manner, of this change through the usual tools of communication between ENAGIC and the distributors. By this information, the Distributor will be informed of the date of application of the change and this change or amendment will become effective if the Distributor does not present a written objection by registered mail within one month. If no agreement can be reached, ENAGIC and the Distributor will terminate the contractual relationship if mutually agreed.

Any change or amendment must be presented in writing (e-mail, website, back-office) to be effective.

- b. Both parties agree to the jurisdiction of the French courts and the application of French law for any claim or dispute arising from this contract.

## **13. Related documents**

By express agreement between the parties, all documents attached to this contract form an integral part of it and are considered to form an indivisible and inseparable whole.

## **14. Conclusion :**

- a. Both parties to the contract confirm that no other agreement exists outside the rules of this agreement.
- b. If any of the rules or regulations of this agreement become or evolve to become unenforceable or illegal, the validity of the remaining terms of the agreement shall not be affected. However, the parties shall co-operate, without delay, to agree on other economically equivalent terms, which replace the unenforceable or illegal terms and meet the same need as far as possible.