



# Policies & Procedures

January 2021

## Policies & Procedures – QN EUROPE

### 1) Purpose

These Policies & Procedures (the “P&P”) define the rights and obligations between QN EUROPE Sales & Marketing Limited (the “Company” or “QN EUROPE”) and its Independent Representatives (“IR” or “Representative”). The P&P, the Marketing Service Agreement, the General Terms & Conditions for IRs, the Representative Application Form that is accepted by the Company, and the Compensation Plan (“Agreement”) together govern the total contractual relationship between the Company and its Representatives.

### 2) Definitions

**“Agreement”** means the completed online Representative Application Form that was submitted by a Representative and subsequently accepted by the Company.

**“Anniversary Date”** means the anniversary of the date on which a Representative was accepted as a Representative.

**“Annual Management, monitoring and handling fee”** means the non-refundable annual administration fee a Representative has to pay to renew his/her contractual relationship as a Representative with the Company.

**“Business Planner”** means a kit that includes training materials and the Company’s information.

**“Company”** means QN Europe Sales & Marketing Ltd, a limited liability company incorporated under the laws of Ireland with its registered office at Core B, Block 71, The Plaza, Park West, Dublin 12, Ireland.

**“The Company Compensation Plan” or “Compensation Plan” or “ComPlan”** means the the Company Marketing and Compensation Plan as detailed in Appendix 1.

**“Compensation Summary”** means a periodic statement issued by the Company to its Representatives that lists the value of commissions and/or bonuses each Representative has earned within the relevant period.

**“Customer” or “Retail Customer”** means a person who purchased the Company’s products but does not register as a Representative.

**“Downline”** means the Tracking Centre (“TCs”) or the Customers/Representatives below a specific TC or Representative respectively in the Genealogy as the context requires.

**“Genealogy”** means the relationship or relative positioning of TCs in the Company’s database.

**“Inactive IR”** is a representative who is in the passive contract phase in accordance with clause 4.02 b), as he has not extended his contract by paying the annual management, monitoring and handling fee despite having been set a further deadline.

**“IRship Package”** is the welcome package. The IRship Package includes, the annual administration, support and handling fee for the first year, a Virtual Office which includes a Back Office which allows the Representative to have a comprehensive overview of their sales, commissions and customer developments. In addition, the IR package includes business tools such as the online business plan and a product portfolio with a range of multimedia presentations, videos and brochures.

**“Merger”** means the combination of two (2) TCs or more into one (1) TC.

**“P&P”** means the Policies & Procedures as stated herein.

**“Person”** includes anybody of persons, corporate (for example a limited company) or unincorporated (for example a club or an association).

**“Primary TC”** means the first TC a Representative is given when he/she first becomes a Representative. It is usually identified by the extension ‘001’ after the Representative Identification Number.

**“Product Portfolio”** means a kit that includes an array of multimedia presentations, videos and brochures and many other valuable business building tools.

**“Products”** mean all products including services, unless the context otherwise requires.

**“Q Account”** means an accounting record inside the Company’s accounting system. Each Representative has his/her own Q Account. Such an account records the amount of money the Company owes to the corresponding Representative or vice versa.

**“Representative”** or **“Independent Representative”** or **“IR”** means a person who has enrolled with the company to build a business organisation.

**“Representativeship”** means all the TCs that a Representative has and all other interests he/she has as a Representative.

**“Independent Representative Identification Number”** or **“IR ID No”** means the identification number that the Company assigns to a Representative. [See subclause 4.01] A Representative’s Representative Identification Number is a unique number for each Representative and it will be used to identify that Representative through his/her Representative business relationship with the Company.

**“Referrer”** means an IR who refers Customers or prospective Independent Representatives to the Company.

**“Tracking Centre”** or **“TC”** means a position in the Company’s database. Commissions and/or bonuses are calculated with reference to each Tracking Centre.

**“UpLine”** means the TCs or Representatives above a specific TC or Representative respectively in the Genealogy as the context requires.

**“Euro”** or **“€”** is the official currency of the European Union.

**“Local Compensation Policy Schedule”** means the period when commission is calculated and paid based on the rules determined by the local company of a particular country, whenever applicable as determined by the Company.

### **3) Independent Representatives**

#### **3.01 How to become an Independent Representative**

To become an Independent Representative you shall:

- a) be fully contractually capable in the state, territory or country of your residence within the meaning of the applicable law and be an entrepreneur and be in possession of a trading licence, it is not possible for consumers to conclude a contract.

- b) be recruited by a sponsor;
- c) complete the online Representative Application Form on the Company's official website which contains this document.
- d) purchase an "IRship Package"; the first annual management, monitoring and handling Fee payable by the Representative upon acceptance is included in the price.

### **3.02 Returns and Refunds**

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

### **3.03 Business Entity**

If a corporation/legal entity (e.g. GmbH, AG, Ltd.) or partnership (e.g. GBR, OHG, KG) submits a representative partner application, the corresponding excerpt from the commercial registration must be submitted with the application, as well as a copy of the VAT identification number. The applicant must be at least 18 years old. The shareholders are individually and severally liable for the conduct of the legal entity.

### **3.04 Changes in Directorships or Shareholder**

If a new legal entity or partnership registered as a representative wishes to take up a new partner, this is possible up to a transfer of 30% of the company shares, provided that the previous partner(s) who applied to be representatives also remain partners. If a shareholder wishes to withdraw from the legal entity or partnership registered as a representative, or if the shares of one or more shareholders in the amount of more than 30 % are to be transferred to third parties, this action is only permitted with prior written consent which is at the discretion of the Company and upon submission of a written request, including copies of the corresponding notarial deeds, which must be in accordance with the provisions of this agreement. The Company will charge an administration fee of €25.00 for processing the above application. Should this requirement not be met, the Company reserves the right to terminate the contract with the legal entity or partnership registered as a representative.

### **3.05 Multiple online Representative Application Forms**

An applicant is only allowed to submit a single online Representative Application Form. In the event that there are more than one Representative Applications (whether with the same Referrer or not) received

by the company, only the first duly completed application received by the Company will be accepted and all subsequent IR-ships are void ab initio.

### **3.06 Customer's Referrer**

For a customer of the Company who later applies to become an Independent Representative, the last Referrer for the purchase shall also be deemed the Referrer for the Representativeship, unless the last purchase from the Company was made more than six (6) months prior to the Representative application and the Representative application specifies another Representative as the Referrer.

### **3.07 Acceptance**

The applicant becomes a Representative of the Company when the application has been received and accepted by the Company. The Company reserves the right to accept or decline any Representative Applications at its sole discretion, without the need for any justification. In the event of rejection, the applicant will receive a notification with a full refund including the costs specified in Section 3.01 (d).

### **3.08 Fictitious or assumed name**

A natural or legal person, as well as a partnership, cannot apply as a Representative under a fictitious or assumed name. Bank accounts in which the Representative's commission is paid must be in the Representative's name or company name.

## **4) Appointment**

### **4.01 Representative status**

Once the Company has accepted an applicant's application form, the Company grants the applicant Representative status within the compensation plan by sending a written notice to the Representative and appointing the applicant a Representative. The company assigns an identification number to the Representative. The Representative must include the identification number in all his/her orders and correspondence with the Company.

### **4.02 Renewal**

(a) The Representative shall be ordered for a period of one (1) calendar year. The Representative shall renew the Representation annually on or before the anniversary date. Subject to the relevant requirements of the Compensation Plan, the Representative shall be entitled to renew the Agreement by paying the non-refundable annual IR Fee on or before the anniversary date, which shall then be automatically renewed. If a Representative fails to renew the Agreement on or before the anniversary date, he/she shall be entitled to an additional period of thirty (30) days grace period to pay the annual IR Fee. If the Annual IR Fee is paid within thirty (30) days grace period, the Agreement shall be deemed renewed from the anniversary date of that year.

(b) A Representative shall be entitled to not renew the Contract at his/her sole discretion. If a Representative does not renew the Agreement on or before the anniversary date and before the expiration of the grace period, its agent shall be deemed not to have renewed and the Representative shall initially be granted a further 60-day option in which to renew the Agreement. In this period the contract is deemed in a "passive Contract phase" without commission entitlement and the Representative will be treated as an inactive Representative. The Representative may now extend the contract for up to 12 months after the end of the contract period, whereby in the event of an extension of the contract, the commission claim shall only revive from the time of the extension (cf. also (c)). If the contract is not extended within this period, the contract will be automatically terminated after expiry of

this period. After termination of the contractual relationship, the Representative shall no longer be entitled to exercise the rights set forth in the P&P. In particular, upon termination of the contract, the Representative shall not be entitled to commission, nor shall he be entitled to compensation as a commercial agent, since the Representative is not a commercial agent. The Representative is entitled not to extend his/her contract at his/her own discretion.

(c) If an inactive Representative extends his/her representation within the above mentioned 60 days, he/she shall be entitled to exercise all rights of P&P. To avoid confusion, a former inactive IR is entitled to commissions and/or accrued bonuses after renewing the representation. He is not entitled to commissions and/or bonuses accrued during the period when his representation was inactive, i.e. from the relevant anniversary date to the date of his contract renewal or extension.

#### **4.03 Maintenance of Terminated IR's Q Account**

After an IR has not renewed his/her representation, he/she becomes an inactive IR as defined in paragraph 2.

#### **4.04 Independent contractor**

(1) The Representative shall act as an independent and autonomous contractor to whom rights and obligations to promote or market the Company's products are assigned in accordance with the P&P. He is neither an employee nor a commercial agent or broker of the Company. There are no sales targets, product volume targets or other duties to perform. The Representative shall not be subject to any instructions from the Company other than its contractual obligations and shall bear the full entrepreneurial risk of his/her business, including the obligation to bear all the business costs, including the obligation to pay its employees properly, if any. The Representative must set up his business in the sense of a prudent businessman.

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

Similarly, the Company is not responsible for the co-payment or payment of pension benefits for the employees of the Representative. Solely the Representative is responsible for his/her liability, annuity, health, disability and work accident insurance, etc.

### **5) Representative's Rights and Obligations**

#### **5.01 Non-exclusivity**

A Representative has a non-exclusive right to market and promote the Company's products. There are no geographic restrictions (no territorial protection) on solicitation and sale, provided, however, that the Company reserves the right not to sell products or services in any state, region or country. The Representative may only sell products for the Company or attract new Representatives in countries (states) that have been officially opened or approved for distribution by the Company.

## **5.02 Right to refer**

Only one Representative has the right to attract customers and/or another new Representative to the Company for the purpose of product acquisition or sale and for this activity enjoys the benefits under the Compensation Plan. When recruiting new Representatives for the Company, the recruiting Representative shall provide the person to be recruited with a copy of the General Terms & Conditions for IRs and Conditions, the P&P, and the details of the compensation plan.

## **5.03 Right to purchase at discounted prices**

The first qualifying purchase of products by a Representative shall be at retail price if the Representative has not successfully promoted any Company product to a customer prior to the first purchase. Subject to the foregoing, a Representative may purchase Company products at a reduced price known as the "IR Price".

## **5.04 Rights to Company literatures and communication, etc.; Rights to participate in Company functions**

Representatives can regularly receive information material from the company and exchange information with the company. They will also be invited to participate in support activities, services, training, motivational and recognition activities promoted by the company, where appropriate after payment of an appropriate fee. Representatives may also be invited to participate in competitions and promotional and motivational programs funded by the Company for its Representatives.

## **5.05 No right to represent the Company as an agent or an employee**

A Representative has no right to negotiate or enter into a contract on behalf of the Company. Nor may he act as if he had this right. He may not act as an agent or employee of the company. The Representative is also prohibited from applying for and obtaining credit, incurring expenses, entering into commitments, opening bank accounts, entering into other contracts or making other binding declarations of intent for or on behalf of or in the name of the Company.

## **5.06 Commitment to personal advertising**

Regardless of his level of achievement, the Representative is constantly committed to promoting product purchases and the referral of new customers.

## **5.07 Obligations to Downlines**

**Any Representative who recruits another Representative for the Company should support that new Representative in good faith and instruct that new Representative in the Company's business. It is to the advantage of both the intermediary and his DownLines to maintain regular contact and communication with each other. Representatives must describe the compensation plan truthfully and appropriately. No claim to past, potential or actual income may be asserted against the future sales partners. Representatives may not use their own income or that of other Representatives as a guide to guarantee success. At no point shall the Representative provide information about his or her income or earning opportunities with the Company. Commission statements may also not be used for marketing purposes. Sales partners may not guarantee commissions or estimate costs to future sales partners.**

## **5.08 Sales partner protection / cross-line sponsoring / bonus manipulation**

(a) The active Representative who first gains a new Representative to sell the Company's products shall be assigned the new Representative in its structure in accordance with the Compensation Plan and the placement requirements set forth therein (Representative Protection), with the date and time of receipt by the Company of the new Representative's registration application for allocation being the date and time of receipt by the Company of the new Representative's registration application. In the event of incorrect registration, the change request must be submitted and executed within 5 business days of the date of registration, after which the Company will decide at its sole discretion whether to change the registration. The Representative whose position is changed may not sponsor any other person in the meantime. If two Representatives claim the same new Representative as sponsored for them, the Company will only consider the Sponsor named in the initial registration.

(b) The Company shall be entitled to delete from its system all personal data, including the email address of a sponsored Representative, if any promotional mailings, letters or emails marked "no longer at this address", "deceased", "not accepted", "unknown" or the like are returned and the newly recruited Representative or Sponsor fails to correct the erroneous data of the newly recruited Representative within a reasonable period of 14 days. If the company incurs costs due to undeliverable advertising mailings and parcels, it is entitled to reclaim the costs, unless the faulty delivery occurred through no fault of the Representative.

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

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

#### **5.09 60 days/ Competition clause**

(a) Representatives are permitted to distribute goods and/or services for other companies, including Network Marketing companies that are not competitors.

(b) Notwithstanding the permission set forth in paragraph 1, the Representative shall not be permitted to distribute products or services of other companies to other Representatives of the Company.

(c) As far as the Representative is active at the same time for several companies or network marketing companies, he commits himself to arrange the respective activity (apart from his respective DownLine) in such a way that no connection or mixture with his activity for the other company happens. In particular, the Representative may not offer products other than those of the company at the same time, at the same location or in the immediate vicinity or on the same Internet page, Facebook page, other social media platforms or Internet platforms.

(d) The Representative is also prohibited from soliciting other Company Representatives to sell other products.



(e) The Representative is further prohibited from entering into any Representative Agreement that would violate any other Representative Agreement or any other Representative agreement that has been entered into with any other company and whose clauses are still in effect.

(f) If, in addition to his activities for the Company, the Representative works for another company, he is obliged to report the activities to the Company, naming the other company or companies.

#### **5.10 Obligation not to solicit for other programs**

The Representative is prohibited from promoting and/or selling additional competitive products (services) or services of other Network Marketing companies. The Representative is also prohibited from selling products or services of other companies to other Representatives of the Company. If the Representative simultaneously works for several companies that are not competitors or network marketing companies, he undertakes to organise the respective activity in such a way that no connection or mixture with his activity arises for the other company. The Representative is prohibited from enticing other Representatives of the company to sell other products. The Representative is also prohibited from entering into a Representative Agreement in violation of any other Representative agreement that it has entered into with other companies and whose clauses still have effect. A violation of this clause is a serious violation of the P&P and may lead to an immediate suspension or even termination of the representation of the infringing Representative.

#### **5.11 Breach of security**

All Representatives are responsible for maintaining corporate integrity. A Representative who, without proper authorization, "hacks", damages, tampers with, or attempts to perform any of the foregoing activities by interfering with the Company's database or any part of the Company's computer system (hardware and software) without proper authorization will be subject to the Representation being terminated without notice. He/she shall also be liable for all consequential damages, including indirect damages and causal losses to the Company. In particular, the Representative undertakes to refrain from the following actions:

- Spying on, disclosing or disseminating personal or confidential information of other customers, Representatives or employees of the Company or otherwise disregarding the privacy of other customers, employees or Representatives of the Company;
- Spying on, disclosing or disseminating Company confidential information;
- Using any prohibited or illegal content;
- Exploiting mistakes in programming (so-called bugs);
- Causing excessive load on the servers;
- Hacking or cracking, and promoting or encouraging hacking or cracking;
- The distribution of counterfeit software and the promotion or encouragement of the distribution of counterfeit software;
- Upload files that contain viruses, Trojans, worms, or corrupted data;
- Use or distribute "Auto" software programs, "Macro" software programs, or other "cheat utility" software programs;
- Modify the service or any portion thereof;
- Use software that enables "data mining" or otherwise intercepts or collects information related to the Internet Service;
- Interfere with transmissions to and from the Service Servers and the Website Servers;
- Intrusion into the Service Servers or Website Servers.

#### **5.12 Compliance with legal regulations**

Representatives are obliged to observe and comply with all laws, regulations, ordinances and statutes concerning the operation of their Representative business.

Distributors are hereby informed that the Company does not operate in any country or jurisdiction other than those listed on the Company's official website. If a Distributor chooses to do business in a market that the Company does not support, it does so on its own initiative and at its own risk. The Independent Representative is solely responsible for exploring, investigating and complying with all legal and regulatory requirements relating to the business of its Company in the country in question (including Agents and Consultants to obtain the necessary information and assistance) and the Company is under no obligation to assist the Independent Representative in relation of any activities.

Failure to comply with applicable laws, rules and regulations in the conduct of a Distributor's business is a serious violation of P&P and may result in the immediate suspension or even termination of the Representativeship. It shall also be liable for all consequential damages and losses incurred by the Company as a result of its breach of this clause.

### **5.13 Tax, expenditures, etc.**

Representatives are personally responsible for paying taxes (see also 4.04 of P&P) on earned income as sales partners. Except as required by law, rules or regulation in the relevant countries, the Company is under no obligation to disclose to the authorities any tax information regarding the commissions and/or bonuses earned by its Representatives or to withhold any commissions and/or bonuses for its Representatives to pay taxes.

All commissions and/or bonuses paid by the Company are gross profits without deduction of taxes of any kind by the Company. If, as a result of the payment of commissions and/or bonuses to a Representative, the Company is liable for unpaid taxes on such commissions and/or bonuses, the Representative shall fully indemnify the Company against such liability, including the necessary costs of legal defense, at the first request of the Company.

### **5.14 Loyalty to the Company**

A Representative shall remain loyal to the Company at all times and shall not make any written, oral or other disparaging or unlawful claims or statements about the Company, its products, Representation and remuneration systems or Representatives. He/she must respect the management at all times.

### **5.15. Other obligations**

(1) In business dealings, the Representative shall not give the impression that he is acting on behalf of or in the name of the Company and shall not create the impression that he is dependent on or bound by instructions of the Company.

(2) The Representative is obliged to protect his personal passwords and login IDs against access by third parties.

(3) The Representative is prohibited from violating the rights of third parties, harassing third parties or otherwise violating applicable law. In particular, the Representative is not permitted to make unfair, false or misleading statements (e.g. forbidden medical or health claims) for food supplements, about products and services of the company or the company's sales system.

(4) All travel costs, expenses, office expenses, telephone costs or other expenses are the responsibility of the Representative shall be borne by the Representative.

(5) In business dealings, the Representative shall not be entitled to name brands of competitors or other companies as negative, degrading or otherwise illegal or to rate other companies as negative or degrading or to use such negative, degrading or otherwise illegal ratings to solicit representatives of other companies.

(6) Bonus manipulations are prohibited. This includes in particular the recommendation of Representatives who do not actually conduct the business of the company (so-called straw men), as well as open or disguised multiple registrations. In this respect, it is also forbidden to use the name of the spouse, relatives, trade names, corporations, partnerships, trust companies, or other third parties in order to circumvent this provision.

(7) Changes to the master data of the Representative must be reported to the company immediately.

## **6) Commissions and Bonuses**

### **6.01 Qualification for commissions and/or bonuses**

The Representative must be active and comply with the Terms of Use, the P&P and Compensation Plan, and pay the annual IR fee to receive commissions and/or bonuses. As long as a Representative is eligible to receive commissions and/or bonuses under the Compensation Plan, the Company will pay commissions and/or bonuses to the Representatives under the Compensation Plan. In order to receive a detailed explanation of the benefits, structure of commissions and/or bonuses and the related requirements, the Representatives shall acknowledge and use the Compensation Plan.

Commissions and/or bonuses are paid ONLY on the sale of the Company's products. No commissions or bonuses will be paid on the purchase of materials, literature, the business planner, product portfolios or for the mere recommendation of other Representatives and/or customers.

In order to receive commissions on products sold, the Representative must register with the Company. To do this, the Representative must truthfully and completely complete an appropriate application form, which must be received and accepted by the Company before the end of the commission period in which the sale takes place. Commissions and/or bonuses will be calculated by reference to each individual Tracking Center. A Representative may have more than one (1) Tracking Center. For details on the purchase of the additional TCs and placement of TCs, see Compensation Plan as set out in Appendix 1.

### **6.02 Commission Period**

A commission period is the period during which the commission is calculated and paid on the basis of the previous week's sales. It starts on Friday at 17:01 (Central European Time) and ends on Friday at 16:59 Central European Time (CET). However, the commissions are calculated daily from Monday to Friday only at the end of the day. All transactions or BVs accrued for a Representative on Saturdays and Sundays will be considered accrued on the following Monday for the purpose of calculating commissions and/or bonuses. However, commissions earned and BVs accumulated which include any local sales transactions will be placed in a different commission period based on Local Compensation Policy Schedules.

### **6.03 Adjustments to commissions and/or bonuses**

Representatives receive commissions, bonuses and other benefits under the compensation plan based on actual sales of products to customers. If a Product is returned to the Company for a refund, or the transaction has not been successfully completed, the commissions, bonuses and/or other benefits attributable to these purchases will be deducted from the commissions in the period in which the return occurs and from subsequent commissions until the commissions, bonuses and/or other benefits have been fully settled. The Company may also make a refund by debiting the commission account accordingly and offsetting it against the next subsequent commission payment. The Representative hereby expressly agrees to the aforementioned settlement by the Company.

Alternatively, if the Company has already paid commissions and/or bonuses to a Representative for a returned product, the Company may request the Representative to repay such commissions and/or bonuses instead of setting it off against future commission, and the Representative shall be obligated to repay such commissions and/or bonuses to the Company.

#### **6.04 Summary of compensation**

The Company reserves the right to charge a reasonable processing fee for the issuance of an electronic or paper version of the Summary of Compensation if requested by the Representative.

#### **6.05 Payment of commission**

All commissions and/or bonuses earned by a Representative are displayed in their Q account. The Representative may instruct the Company to pay its commissions into its bank account, which must be in the Representative's name unless otherwise agreed in writing, and the Representative shall pay the reasonable processing fee determined by the Company. All commissions and/or bonuses that a Representative earns will be credited directly to their registered bank account and will occur on a weekly basis.

#### **6.06 Back order policy**

The company will ship all products currently in stock quickly. All out-of-stock products (unless discontinued) will be added to the backorder and shipped upon receipt of additional inventory. Referring Representatives will be paid commissions on the backorder at delivery unless they have been notified of the discontinuation of the product. The order backlog can be cancelled at the request of the customer or the IR.

#### **6.07 Set off**

The Company has the right to set off any liabilities of a Representative to the Company against its commissions and/or bonuses.

### **7) Duration of the contract, ordinary termination, suspension and extraordinary termination, other termination of the distribution partnership**

#### **7.01 Ordinary notice of termination**

The Agreement is entered into for an indefinite period and may be terminated by the Representative upon thirty (30) days written notice to the Company. Termination shall become effective upon receipt of such notice by the Company.

#### **7.02 Suspension**

If the provisions of the contract, the P&P, the compensation plan and/or other relevant documents of the Company are violated, the Representative may be temporarily blocked in accordance with § 15 of the Terms of Use. If the suspension is resolved, the Company shall generally inform the Representative in writing of the decision, the effective date and the reason for the suspension as well as of the steps necessary to lift the suspension in the form of a warning in accordance with § 11 paragraph (1) of the Terms of Use. Notification of the suspension shall be sent to the stored address of the Representative in accordance with the notification provisions of the P&P. This suspension is permanent if the suspension is due to an extraordinary termination. If the Representative requests a review of the decision, it shall submit a written request to the Company within fifteen (15) days of notification of the temporary

suspension or permanent suspension/exceptional termination. The Company will review its action and notify the Representative in writing of its decision within thirty (30) days from the date of receipt of the Representative's written request. The Company will not further review its decision thereafter. The Company may take certain actions during the temporary suspension period, including, but not limited to, the following:

- (a) Prohibit the Representative from acting as a Representative or using any of the Company's proprietary trademarks and/or materials;
- (b) Withhold any commissions and/or bonuses due to the Representative during the suspension period;
- (c) Prohibit the Representative from purchasing services and products from the Company;
- (d) Prohibit the Representative from recruiting new Representatives, contacting current Representatives, or attending Representative meetings;
- (e) If the Company determines in its sole discretion that the reason for the violation persists and has not been satisfactorily resolved, or another identical or similar violation occurs involving the suspended Representative, the suspended Representative may be terminated for cause.

### **7.03 Extraordinary Termination**

The Company reserves the right to terminate for cause. An important reason shall be in particular a violation of one of the provisions of the Terms of Use, the P&P, the Compensation Plan and/or other relevant documents of the Company and/or statutory provisions, if the Representative does not comply with his obligation to eliminate the defect in due time despite a corresponding warning and setting of a deadline or if the same or a comparable violation occurs again at a later point in time after the violation of the obligation has been eliminated. In the event of a particularly serious breach of one of the provisions of the Terms of Use, the P&P, the Compensation Plan and/or other relevant documents of the Company and/or statutory provisions, the Company shall be entitled to terminate the contract without prior warning. The right to extraordinary termination is without prejudice to further claims. If the Representative wishes to review the extraordinary termination, he/she shall submit a written request to the Company within fifteen (15) days of receipt of the extraordinary termination. If a Representative makes a written request in a timely manner, the Company will review its decision and notify the Representative of the outcome of the review within thirty (30) days of receipt of the request. The Company will not review its decision further thereafter. If the extraordinary termination decision is not revoked, the extraordinary termination decision shall remain in effect on the date specified in the original termination letter.

### **7.04 Effects of resignation, suspension and termination**

Upon termination of the Agreement, the Former Representative shall cease to act as the Company's Representative and shall cease to use any materials bearing the Company's trademarks, service marks, trade names, signs, labels, stationery or advertisements for or relating to the Company's products, plans or programs. He is not entitled to claim benefits and commissions under the Terms of Use, the P&P, and/or the Compensation Plan, nor to claim Representation compensation, as he is not a Representative within the meaning of the Commercial Code. The terminated Representative shall immediately after termination:

- (a) take all measures that the Company reasonably requires to protect the confidential information of the Company. The Company shall have the right to set off any damages, costs and/or expenses incurred by the Company as a result of the extraordinary termination against the Representative's commission and/or other bonus claim.

(b) Insofar as the Company has exceptionally permitted the use of Internet domains and e-mail addresses containing the Company's name or a trademark, business name or work title, these may no longer be used after termination of the contract and must - as far as the Internet domains are concerned - be surrendered to the Company against payment of the transfer costs.

### **7.05 Reapplication**

After a contract has been terminated, a new contract may only be concluded by applying for a new Representation after a period of at least 12 months has elapsed, unless the contract has been terminated extraordinarily by the Company. Acceptance of a new application from a terminated Representative shall be at the sole discretion of the Company.

### **7.06 Termination by death or deresignation**

The contract ends at the latest with the death of the Representative (note 9.01 for inheritance) or in the case of an entry of the Representative in the Commercial Register with its deresignation from the Commercial Register.

## **8) Transfer of Representativeship**

### **8.01 Acquisition of Representativeship**

- a) Except as expressly set forth herein, a Representative may not sell, assign or otherwise transfer his/her Representativeship (or any rights thereof) to another Representative or to any person without written approval of the Company.
- b) The Company will not in general approve an application for selling, assigning or otherwise transferring his/her Representativeship except on very special circumstances to be determined on a case by case basis.
- c) For exceptional cases, the Representative shall send his/her written application to the Company together with the following supporting documents:
  - i. the transfer agreement for the transfer of Representativeship which should be duly signed by the transferor and transferee and should contain at least, but is not limited to, information of the identity of both parties, the transfer price and intended date of the transfer;
  - ii. the consent letter duly signed by the Referrer of the transferor;
  - iii. a copy of identification documents of the transferor, the transferee and the Referrer of the transferor; and
  - iv. any other documents as required by the Company at its sole and entire discretion.
- d) A handling fee shall be charged to the transferor upon an application being made to the Company pursuant to clause 8.01 (c) which is non-refundable whether the application is successful or not.

### **8.02 Circumvent compliance**

If it is determined, at the Company's sole discretion, that a Representativeship was transferred in an effort to circumvent compliance with the Agreement, the P&P and/or the Compensation Plan, the transfer will be declared null and void. The Company may, at its sole discretion, take appropriate action(s), including, without limitation, terminating the transferring Representative's Representativeship.

## **9) Transfer in the event of death, divorce or dissolution of a partnership**

### **9.01 Death and inheritance**

The contract can be inherited in compliance with the legal requirements. In principle, a new Representative's contract must be concluded with the heir(s) within 6 months, through which he enters into the rights and obligations of the deceased. The death must be documented by a death certificate. If there is a will on the inheritance of the Representative contract, a notarised copy of the will must be presented. After the unused expiry of the six-month period, all rights and obligations arising from the contract are transferred to the company. As an exception, the six-month period is extended by a reasonable period if it is disproportionately short for the heir(s) in the individual case. The heirs are entitled to take over the structure of the deceased Representative and are entitled to all commissions, bonuses and other benefits accruing after the death of the Representative as well as all rights and/or obligations of a Representative of the Company.

### **9.02 Dissolution of a partnership**

In the event that the Representativeship is terminated, the Representation shall be automatically deemed terminated after thirty (30) days, unless the Company receives a valid and enforceable agreement on the structure signed by all Participants within thirty (30) days of notification of the termination of the Representativeship.

### **9.03 Marriage and divorce**

In the event that two (2) Representatives marry in separate lines of representation or enter into a registered civil partnership, they may retain their own individual structure. They are also allowed to merge their structures into one (1) structure, but they are not allowed to transfer or change the positions of TCs in genealogy. If a couple requests to create a single representation with both Representatives as equal owners and the two (2) individuals should later separate or divorce, the Company will continue to pay commissions earned as before the divorce or separation until the Company receives a written notice signed and notarized by both parties or a court order determining how future commissions are to be paid.

In the event of an internal dispute over the consequences of separation, termination or other termination of the Representativeship with the Company within the meaning of Clauses 9.01, 9.02, 9.03, the Company reserves the right to extraordinary termination if such dispute results in neglect of the obligations of the Representatives, breach of such contractual obligations, breach of applicable law, or unreasonable burden on the DownLine or UpLine.

## **10) Proprietary Information**

### **10.01 Confidential information**

During the term of the Agreement, the Company may disclose to Representatives confidential information including, but not limited to, genealogical reports or DownLine reports, customer lists, customer information prepared by the Company or on behalf of the Company by Representatives (including, but not limited to, data, customer and Representatives profiles, and product purchase information), Representatives lists, information about manufacturers and suppliers, business reports, commission or sales reports, and other financial and business information that the Company may designate as confidential. All such information (whether in written or electronic form) is proprietary, confidential information and Company trade secrets and will be disclosed to Representatives in strict



confidence on a need-to-know basis, solely for use during and for the purpose of performing the Representative's business for the Company. Representatives shall use their best efforts to keep such information confidential and shall not disclose such information to any third party or use such information for any purpose other than directly or indirectly representing a Representative and thereafter in connection with the Company. Representatives may not use the information to compete with the Company or for any purpose other than promoting the Company's program and its products and services. This obligation of confidentiality shall continue for a period of 5 years after termination of the contract. Upon termination of the Agreement, Representatives must cease using the Confidential Information and return any Confidential Information in their possession to the Company.

### **10.02 Reports**

The company will endeavor to provide the Representative with accurate information, such as reports on DownLine activities, in particular personal and group sales (or part thereof) and DownLine sponsor activities. Nevertheless, the information is based on various factors, including the possibility of human and technical errors, the accuracy, completeness and timeliness of orders, the refusal of payments by credit card and electronic cheques, the returned products and the return debit notes for credit cards and electronic cheques, without guarantee by the company or the person compiling or transferring the information.

### **10.03 Use of Company name, logo, or trade names, etc.**

- a) The Company's business name, logo, trademarks, brands, working titles, product names, brochures, catalogues, sales materials, contracts and sales training, literature, audio or video, presentations or events, and other Company works are the copyrighted property of the Company worldwide and the Company retains ownership or exclusive license to all Content. Representatives may not, under any circumstances, make publicly available, reproduce or distribute privately produced versions of such materials.
- b) Representatives may not use the Company's business name, logo, trademarks, brands, working titles, product names, in any manner, including but not limited to as their own trademark. Representatives may not use any Internet domain (except as permitted by the Company in its sole discretion), e-mail address, Facebook name, social media name, or other pseudonym in any social media or elsewhere that contains a Company's emblem in the same or similar notation.
- c) Trademark protection is reserved to the Company. In addition to the applicable intellectual property laws, the following list of names is also not available for use by Representatives as their own Trademarks: QI Ltd, QI Holdings Ltd, QI, QuestNet Ltd, QN Europe Sales & Marketing Limited, GoldQuest International Ltd, Quest Vacation International Ltd, QVI, Gold, Gold Team, GQI, V-Team, The V, VTI, Bank, Gold Rush, Legal, GITA, RYTHM, R.Y.T.H.M. or RYTHM Asia, Prana Resort, JR Mayer Collection, Qatana, Amezcu Wellness, Cimier, Qplus, Q-Shoppe, QuEX, Bonvo, Q Lifestyle, Vijayaratnam Foundation, Copy Ques and all other marks of companies under the QI Group. These marks may also not be used by Representatives in their business activities as part of their representations or on their personal website and/or email addresses and/or as marks on social networks.

The same applies to the URL (Universal Resource Locator = Web address) as well as the domain or sub-domain name of a website.

- d) Furthermore, the application of own brands, work titles or other property rights is prohibited where these contain a registered or otherwise protected brand, product name, title of works or trade name of the Company registered in another country/area. The aforementioned prohibition applies to both identical and similar signs and goods.



#### **10.04 Copyright restrictions**

When purchasing products from the Company, Representatives must comply with the restrictions on use and copyright protection set forth by the manufacturer. No Representatives may record Company meetings, conferences and/or training or lectures (including conference calls) by video and/or audio devices without Company's prior written consent.

#### **10.05 Vendor confidentiality**

The Company's business relationship with its vendors, manufacturers and suppliers is confidential. Representatives may not, directly or indirectly, speak to or contact any of the Company's suppliers or manufacturers, except at Company sponsored events where suppliers or manufacturers participate at the Company's invitation.

### **11) Promotion of Representative's Business**

#### **11.01 Promotional and advertising materials**

The use, production and distribution of own sales documents, own internet pages, own product brochures, product labels or other independently produced media and advertising material is not permitted for the Representative. It is forbidden to advertise the company's services via its own or third-party websites and advertising is only permitted via the company's official websites. In the event that the Representative advertises the Company's services in other Internet media such as social networks (e.g. Facebook), online blogs or chat rooms, he may also only use the Company's deposited, official advertising statements. The Representatives are always prohibited from selling or otherwise distributing their own marketing and/or sales documents to other QN Europe Representatives.

#### **11.02 No income claims**

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

#### **11.03 Title of Representatives**

The IRs may only present themselves as "an independent Representative of the company". Internet homepages, stationery, business cards, car lettering, advertisements, advertising material and the like must identify the Representative as the sole responsible party; the Representative must also use the words "Independent Representative of the company". Reference may be made to the relative rank achieved by a Representative at that time, for example, as a 'Gold Star Independent Representative'.

#### **11.04 Stationery and business cards**

- a) Only the graphical versions and wording approved by the company may be used.

- b) Without the written consent of the Company's Legal Department, Representatives may not "create" their own stationery, business cards or graphics on letterhead bearing the Company's trade name or trademarks.
- c) Representatives may not include the address, telephone number or e-mail address of any office of the Company or its affiliates on business cards, stationery or stationery. Only the approved Company graphics version and wording are permitted to be used.

#### **11.05 Mass Media Advertising**

Advertising in electronic media and mass media is only permitted to a limited extent. The Representative may not advertise QN EUROPE products and services by TV, cable TV, radio, newspaper, e-mail or other forms of electronic media or mass media without prior written permission. Authorisation may be withheld at the discretion of QN EUROPE without any justification.

#### **11.06 Telephone listing**

Representatives may not use the Company's Characteristics to promote their telephone and fax numbers on materials not manufactured or approved by the Company without the prior written consent of the Company's legal department in Germany.

#### **11.07 Media interviews**

Representatives may not, without the Company's prior written consent, give radio, television, newspaper or magazine interviews or public performances, use public lectures or make any representations to the public media about the Company, its products or its business, without the Company's prior written consent. All press inquiries should be directed to the Company's administration in Germany.

#### **11.08 Endorsement**

No endorsements provided by a company officer, asset manager or third party cannot be relied upon unless it has been released as an official corporate statement. State, federal, or state regulatory agencies do not approve or support direct selling companies. Therefore, Representatives should not represent or imply, directly or indirectly, that the Company's performance has been approved by any state or government agency.

#### **11.09 Independent communication**

Representatives, as independent contractors, are required in their own interest to provide their DownLines with information, support and instructions. However, when communicating with their DownLines, Representatives must distinguish between their personal communication and the Company's official communications.

#### **11.10 Display of Company products**

The company's services may be revocably presented and/or sold by the Representatives in a personal meeting, at home parties, through online network events or in online conferences within the scope of the applicable law. The services may also be presented by the Representatives at trade fairs and exhibitions. However, the prerequisite is always that a standard of presentation is guaranteed that is not detrimental to the company's own standard. The restriction here is that the Representative may not offer any competitor products at this trade fair. The company's products may otherwise only be sold in supermarkets or shops, flea markets or exchange exchanges, permanent showcases in restaurants, bars or discotheques or similar locations, neighbourhood shops or petrol stations if this is expressly permitted by the remuneration plan or otherwise only with prior written consent.

**11.11 Product and services claims**

Representatives may not make any claims, representations or warranties with respect to the Company's products except those expressly approved in advance in writing by the Company or contained in the Company's materials, such as the P&P.

**11.12 Fax blasts and spamming**

Spamming, namely by e-mail, fax, SMS or other electronic advertising without the consent of the recipient, and the use of automatic telephone dialling systems is prohibited.

**11.13 Record keeping**

The Company encourages all Representatives to maintain complete and accurate records of all their businesses dealings.

**11.14 Legal conformity**

Any material or presentation used by a Representative during the promotion of the Company's business concept, products and/or compensation plan must be within the rights of the Representative in the country/state/district concerned. The Representative shall ensure that all statements made or demonstrations performed are in fact permitted by law in its country/state/district. If a special license or professional qualification is required in a particular location to make such statements or to conduct such presentations or business legally, it is the Representative's responsibility to obtain the required license, qualification or permit.

**11.15 Indemnity agreement**

The Representative indemnifies the Company, its shareholders, directors, employees and Representatives from liability at the first request of the Company in the event of any claim by any third party for any breach by the Representative of any of its obligations under P&P or any other contractual (such as the Terms of Use) or other breach by the Representative of any applicable law. In particular, the Representative undertakes in this respect to assume all costs, in particular attorney's fees, court costs and damages as well as court and attorney's fees, incurred by the Company or the other aforementioned in this connection.

**12) International Sponsorship (description)****12.01 International Sponsorship Description**

International Sponsorship is an opportunity given to a Representative to register others to become a Downline not just in the world market where he or she is currently registered but also in other countries and affiliate markets where the Company has established a localised business plan.

**13) Statute of limitations**

All claims arising from this contractual relationship shall become statute-barred for both parties within 6 months. The limitation period begins with the due date of the claim, at the time the claim arises, or the claim becomes recognisable. Statutory regulations which provide for a longer limitation period shall remain unaffected.

## **14) Data protection**

Below you will find the privacy policy of QN EUROPE (QN Europe Sales and Marketing Ltd.) with important information about the processing and use of personal data, as well as about your rights under applicable data protection laws.

### **(1) Scope of application**

(a) This Privacy Policy applies to the data processing operations performed by QN Europe and its affiliates, offices and business units to the extent that they process personal data from Independent Representatives ("IR") as part of their sales structure.

(b) In addition to this Privacy Policy, the QN EUROPE Privacy Policy [<https://www.qneurope.com/privacy-policy/>] as amended from time to time shall apply.

### **(2) Person responsible for data processing**

(a) Insofar as QN EUROPE processes personal data from Independent Representatives in order to organise sales and the sales structure and to perform all related tasks, rights and obligations,

QN EUROPE SALES & MARKETING LIMITED,  
Core B, Block 71,  
The Plaza, Park West,  
12 Dublin  
Ireland

is the Data controller within the meaning of Article 4 paragraph 7 of the EU General Data Protection Regulation, Regulation (EU) 2016/679 (GDPR).

(b) Insofar as Independent Representatives process personal data within the scope of their cooperation with QN EUROPE for sales purposes and all associated tasks, rights and obligations, these persons are responsible within the meaning of Article 4 paragraph 7 GDPR for the data processing they carry out and are obliged to observe the relevant data protection provisions, in particular the GDPR, and to ensure compliance with it by taking appropriate measures.

### **(3) Object and purposes of data processing**

(a) Independent Representative data

We process personal data of the Independent Representatives for the purposes of support, administration and management of the Independent Representatives, as well as in order to organize the sales and the sales structure and to carry out all associated tasks, rights and duties.

This includes data processing to create your business account and enable you to use our distribution network and structure to sell goods or services to individuals (end users) or to deliver goods and services that you have requested. We will also use your personal data to contact you and to advise and assist you in the course of our business relationship, to analyse and evaluate performance and achievements, to calculate commissions and to verify and enforce compliance with QN EUROPE policies and procedures and the relevant legal regulations.

This requires in particular the processing of the following personal data: title, surname, first name, address, e-mail address, telephone number, mobile phone number, VAT ID number, bank details and means of payment data, order and order data, invoice data, commission data.

The legal basis for the processing of these personal data is Article 6 paragraph 1 lit. b) DSGVO (contractual necessity), insofar as the data processing is necessary for the fulfilment and execution of the distribution partner contract and the performance or exercise of all related tasks, rights or obligations, including the calculation and traceability of commission claims. The legal basis for the processing and storage of personal data for the purpose of complying with statutory storage and retention obligations (including accounting standards and commercial and tax retention obligations) is Article 6 (1) (c) GDPR (legal obligation). The legal basis for processing personal data for the purpose of analysing and evaluating sales activities, including order history, services and successes, is Article 6 (1) (f) GDPR (legitimate interests).

As an Independent Representative, you have access to the QN EUROPE Back Office. This back office gives you an overview of the orders you have placed. The following information about the persons who prompted you to place an order will be displayed: Status (customer/IR), last name, first name, e-mail, net value of orders from the previous month, number of team members, time of last online activity. This information is required to calculate and track commission entitlements. Legal basis for the processing of these data is article 6 Abs. 1 lit. b) GDPR (contractual necessity).

In addition, you can view a team overview in the back office for the same purpose. There you will find information on the Independent Representatives you have recruited in your DownLine. The following information is displayed: status (customer/Representative), initial letter of last name, first name, net value of goods ordered in the previous month, number of team members, time of last online activity.

#### (b) Logging data

When using our website or the protected area for Independent Representatives, we collect certain data that may have a personal reference that your browser transmits to our server. When you access our website or the protected area for Independent Representatives, we collect the following data, which is technically necessary to display our website and the protected area for Independent Representatives and to guarantee the stability and security of the system and the platform:

- IP address
- Date and time of the request
- Time zone difference to Greenwich Mean Time (GMT)
- Contents of the request (concrete page)
- Access status/HTTP status code
- amount of data transferred in each case
- Website from which the request originates
- browser type
- Operating system and its interface
- Language and version of the browser software

In addition, when registering for a user account in the protected area for Independent Representatives, further logs of the registration process and the actions carried out in your user account are made and stored ("log files"). This data processing is carried out for the purpose of access control and for security reasons (e.g. to prevent or clarify acts of abuse or fraud). The legal basis for this data processing is Article 6 para. 1 lit. f) GDPR (legitimate interests).

#### (c) cookie and analysis data

When using our website or the protected area for Independent Representatives, we may use cookies or other analysis tools (e.g. trackers).

A cookie is a small file that stores Internet settings. It is downloaded and stored by your Internet browser the first time you visit a website. The next time you visit this website using the same device, the cookie and the information stored on it are either sent back to the website that generated it (first party cookie) or to another website to which it belongs (third party cookie). This allows the website to recognize that you have already been browsed by that browser and, in some cases, to vary the content displayed. Depending on their function and purpose, cookies can be divided into four categories: Required Cookies, Performance Cookies, Functional Cookies, Cookies for Marketing Purposes.

If we use cookies and process data with them, we inform you about the cookies and analysis tools used in a corresponding cookie hint ("cookie banner") and in a corresponding cookie guideline.

#### **(4) Duration of data processing (storage)**

In principle, we do not process your personal data for longer than is necessary to pursue or achieve the purposes for which the personal data is processed. In most cases, however, personal data is processed for more than one purpose. If, for example, the data processing takes place within the framework of the support, administration and management of the Independent Representatives, as well as in order to organise the sales and the sales structure, this is the original purpose of the data processing. However, as a company, QN EUROPE is subject to retention and recording obligations and must comply with tax and commercial laws, which require longer retention and storage of certain documents and files that may contain personal data.

If we use personal data for the support, administration and Management of our Independent Representatives, as well as to organise sales and the sales structure, we process your personal data as long as you are our Independent Representative and we have a business relationship with you. However, documents or files subject to tax laws are retained for ten years (unless required by law or pending litigation or tax proceedings); documents or files serving business or commercial purposes are generally retained for six years (unless required by law or pending litigation requiring a longer retention period).

If we process logging data that is technically necessary to display our website and the protected area for registered Representatives to you and to ensure the stability and security of the system and platform, we will store it regularly for 12 months.

If we process logs of the login process and actions performed on your user account ("log files") for access control and security purposes, we will store them periodically for 1 month (unless the resolution of a malfunction or anomaly in access or an abuse case requires prolonged storage).

If we process personal data using cookies or analysis tools, the processing and storage time depends on the purpose and type of the cookie used. The details are explained in the Cookie Directive.

#### **(5) Disclosure and recipients of personal data**

Under certain circumstances we do not carry out data processing ourselves, but have it carried out for us by a service provider. This may be the case, for example, when we hire other companies or individuals to perform functions and tasks for us or on our behalf (e.g., logistics, delivering parcels, sending mail, providing marketing support, processing payments, credit risk classification and professional advice). We will share your personal information with these service providers/contractors as necessary to reasonably fulfil their functions and duties. They may not use your personal data for any other purpose and must process the personal data in accordance with applicable data protection laws.

In some cases, we use service providers and suppliers ("processors") who process personal data on our behalf and in accordance with our instructions. Such processors may be other companies or affiliates of QN Europe. Such outsourcing of data processing is carried out in accordance with a process that ensures

compliance with data protection and due diligence requirements and on the basis of a corresponding contract for the processing of personal data on behalf of QN Europe.

The following service providers may be recipients of your personal data:

IT service providers, application service providers, Internet service providers, platform, website or hosting service providers, data disposal companies, marketing agencies, market research agencies, advertising partners, order and account management service providers, payment service providers, logistics service providers, customer service providers (hotline, customer service).

In addition to providing personal information to service providers and contractors, it may be necessary to share your personal information with third parties because it is required by law or there is a legitimate interest in ensuring compliance with policies and procedures, or to facilitate business cooperation. In such cases, your personal information may be shared with the following categories of recipients:

Authorities and administrations, law enforcement and anti-fraud agencies, courts, lawyers, tax consultants, accounting firms, credit reporting agencies, payment card and insurance companies, manufacturers, resellers and retailers.

Within the QN EUROPE sales structure, information on your orders and your team overview can also be made available to the Independent Representatives in whose DownLines you are in in order to calculate the differential commission of the Independent Representatives from your UpLine. The Independent Representatives receive the following information from your UpLine: Status (customer/Representative), last name, first name, e-mail, net value of goods ordered in the previous month, number of team members, time of last online activity.

#### **(6) Transfers to third party countries (outside the EU)**

In some cases, it may be necessary to transfer personal data to recipients in other countries outside the European Union ("EU"). This may be the case if certain information, which may contain personal data, must be passed on to our affiliated companies and group companies, in particular QNET and QI, or in the context of international cooperation with our business partners or if orders are processed, administered and sent internationally. If and to the extent that we use the services of contract processors, we may also transfer your personal data to contract processors in other countries.

Insofar as recipients in countries outside the EU ("third party countries") are involved in these data transfers, we will ensure that the transfers take place in accordance with the applicable data protection regulations, which regulate the transfer of personal data outside the EU. To this extent, we will take appropriate data protection measures and security precautions that are necessary to ensure an adequate level of data protection, e.g. the conclusion of standard data protection clauses (EU standard contractual clauses).

#### **(7) Data security**

We have implemented technical and organisational measures to ensure that both QN EUROPE's systems and networks are protected against attacks and misuse and that the personal data of users and Independent Representatives are protected against loss, unauthorised alteration or unauthorised access by third parties. The measures taken correspond to the current state of the art in order to guarantee a level of protection appropriate to the risk.

#### **(8) Your rights as a data subject**

According to the relevant provisions of the GDPR, you have the following rights with regard to your personal data:



1. right of access (Article 15 GDPR).
2. right to rectification (Art. 16 GDPR);
3. right of erasure (Art. 17 GDPR);
4. right to restriction of processing (art. 18 GDPR);
5. right to data portability (Art. 20 GDPR);
6. right to object (Art. 21 GDPR);
7. right to complain to the data protection supervisory authority.

Please refer to the QN EUROPE Privacy Policy [<https://www.qneurope.com/privacy-policy/>], as amended, for details of your rights and the conditions under which they may be exercised.

If you have any questions regarding this Privacy Policy or the processing and protection of your personal data by QN EUROPE, please contact us:

[dataprotection.qn@qneurope.com](mailto:dataprotection.qn@qneurope.com)

or send your request to:

QN Europe Sales & Marketing Ltd  
-Data Protection-  
Core B, Block 71, The Plaza, Park West,  
Dublin, Ireland

## **15) General Provisions**

### **15.01 Company's employee prohibition**

Employees of the company and their immediate family members (for example, spouse, mother, father, brother, sister, etc.) who reside in the same household as the employee may not become Representatives of the company. A violation of this requirement is considered serious and could result in the dismissal of the employee and the dissolution of his or her entire sales structure for the benefit of the company. Representatives who are transferred a paid position in the Company or who begin employment with the Company must file a transfer of ownership with the Company prior to accepting the employment or paid position and surrender their ownership rights and entitlements to the TCs.

### **15.02 Liability**

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

(2) The liability is limited to the damages typically foreseeable at the time of conclusion of the contract and to the amount of the average damages typical for the contract except in the case of injury to life, body and health or intentional or grossly negligent conduct of the company, its employees or vicarious agents. This also applies to indirect damages, in particular loss of profit.

(3) The Company shall not be liable for damage of any kind whatsoever caused by loss of data on the servers, except in the case of gross negligence or wilful misconduct on the part of the Company, its employees or vicarious agents. Stored contents of the Representatives are considered foreign information by the company.



(4) The regulations of the Product Liability Law remain unaffected.

### **15.03 Force majeure**

The Company shall not be responsible for delays or failure in performance caused by circumstances beyond the Company's control, such as strikes, labour difficulties, fire, floods, earthquakes, Acts of God and other natural disasters, epidemics, pandemics or other illnesses, war, government decrees or orders, information technology (including hardware and software) failures arising out of zero-day vulnerabilities or curtailment of a party's usual source of supply.

### **15.04 Violations**

It is the duty of every Representative to observe and maintain the integrity of P&P. If a Representative observes another Representative committing a violation of the P&P, he/she must discuss the violation directly with the Representative. If the Representative wishes to report the infringement to the Company, the details of the infringement must be provided in writing by the Representative or the Representative may download the Company's complaint form from the Company's official website [www.qneurope.com](http://www.qneurope.com) and send it to the attention of the Network Compliance Department or by e-mail to [eu.support@qneurope.com](mailto:eu.support@qneurope.com).

### **15.05 Amendments**

The company is entitled to amend these P&P (policies and procedures) if this is necessary for economic reasons or legal changes. The Company will announce changes at least two months before the change takes effect, specifying the future contract change in the back office of the Representative. The Representative shall have the right to object to the change or to terminate the contract in writing without observing a period of notice to the effect of the change. In the event of an objection, the company is entitled to terminate the contract in an orderly manner. If the Representative does not terminate the contract or does not object to the change by the time the change takes effect, the changes shall take effect from the date stated in the change notice. QN EUROPE is obliged to inform the Representative of the significance of his/her silence in the change notice given in the back office.

### **15.06 Non-waiver provision**

Neither the failure of the Company to exercise any rights under the P&P or to insist upon the strict compliance of any provision hereunder by the Representatives, nor any habit or practice of the parties in any dispute with the P&P, shall constitute a waiver of the Company's right to require strict compliance with the Contract and/or the P&P. The waiver by the Company of any particular infringement committed by the Representative shall not affect or affect the rights of the Company with respect to any subsequent infringement, nor shall it in any way affect the rights or obligations of any other Representative. A delay or failure by the Company to exercise any right shall not affect or violate the Company's rights with respect to any subsequent or future infringement. A waiver by the Company may only be made in writing by an authorized officer of the Company.

### **15.07 Governing law**

Irish law shall apply to the exclusion of the UN Convention on Contracts for the International Sale of Goods. Mandatory regulations of the country in which the Representative has his habitual residence remain unaffected.

### **15.08 Place of jurisdiction**

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

#### **15.09 Severability clause**

If a clause of these General Representative Conditions is ineffective or incomplete, the entire contract shall not be ineffective. Rather, the ineffective clause shall be replaced by a clause which is effective and comes closest in economic terms to the meaning of the ineffective clause. The same shall apply when closing a gap requiring regulation.

#### **15.10 Notifications and Communication**

Any notice, request or other communication made or to be made by the Company to the Representative in or under the Contract, the P&P and/or the Compensation Plan shall be in writing and shall be delivered or sent to the relevant Party at the last known address or e-mail address. Any notice, request or other communication to the Company shall be sent to the Network Compliance Department in the office in Germany or by e-mail to [eu.support@qneurope.com](mailto:eu.support@qneurope.com). Any notice, request or other communication addressed to any such party shall be deemed to have been delivered 15 days after delivery or notice; if such day is not a business day in the country of delivery, the notice, request or other communication shall be deemed to have been delivered on the next business day. A notice, request or other communication sent by e-mail shall be deemed to have been delivered as soon as it is confirmed by the other party by e-mail.

Otherwise, amendments or supplements to these General Terms and Conditions of Representation must be made in writing. This shall also apply to the revocation of the written form requirement.

#### **15.11 Headings and Table of Contents**

Headings and tables of contents in the Contract, P&P and Compensation Plan are for convenience only and are not part of these documents. They do not serve as a basis for the interpretation or construction of the documents or as evidence of the intent of the parties.

#### **15.12 Sex etc.**

Unless otherwise apparent from the context, words in the singular shall include the plural, and words of the male sex shall include the female or gender neutral sex and vice versa; references to persons shall include companies and institutions whether registered or not.

#### **15.13 English Language Prevails**

In the event that the Policies & Procedures ("P&P") is translated into another language and there exists any inconsistencies in any provision between the English-language version and the translated version of the P&P, the English-language version shall always prevail.

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## **POLICIES & PROCEDURES**

### **APPENDIX 1 – THE COMPANY MARKETING AND COMPENSATION PLAN**

#### **01 Title**

This is the "Compensation Plan of QN Europe" or "CompPlan" as referred to in the QN Europe Policies & Procedures ("P&P"). This compensation plan provides for the entitlement and calculation of commissions and/or bonuses of QN Europe Sales & Marketing Limited's Independent Representatives.

#### **02 Definitions and Interpretation**

Where indicated below, all terms in this compensation plan have the same meanings as in the P&P definition.

**"Active IR"** means any IR who has achieved at least 60 Personal Business Volumes per quarter from the Repeat eStore.

**"Activated"** is a Qualified IR who has placed at least one Qualified Direct Recruitment on each side of his/her Tracking Center.

**"Binary Period" "Sales period" or "Sales Week"** means a one week period commencing from 05:01PM on Fridays until 04:59PM on the following Friday Central European Time (CET).

**"Business Volume" or "BV"** means the point value of a product used to qualify TCs and calculate Step Commissions.

**"BV Bank"** means a place which stores the BV earned by IR.

**"Commission Period" or "Commission Week"** means the period or week when commission is calculated and paid based on the preceding week's sales. However, commissions earned and BVs accumulated which include any local sales transactions will be placed in a different commission period based on Local Compensation Policy Schedules.

**"Compensation Level"** means the pay level of an Independent Representative. Commissions and/or bonuses are paid out according to an IR's Compensation Level and as provided in Annex 1 of this Appendix 1.

**"Compression"** means when an IR does not meet the quarterly requirement of 60 BV, active IRs under this IR will be temporarily promoted in order to occupy his position.

**"Counter"** means a calculating mechanism for a TC and it is on the left and right of each TC, the record of which reflects the balance of BV its Downline Group has accumulated for the purpose of calculating Step Commission. The Counters are either on or off based on the rules described in subclause 8.03

**"Commission Cycle"** means six (6) Commission Steps.

**"Commission Step"** means one (1) part of the Commission Cycle which is equivalent to 3,000 BV on the lower-volume leg.

**"Customer" or "Retail Customer"** means a person who purchased the Company's products but does not enroll as a Representative.

**“Demotion Policy”** means that in the event that an IR fails to meet the quarterly maintenance requirements for his/her current Compensation Rank, he/she will retain his/her current rank but will be paid at a lower rank in accordance with his/her performance in that quarter.

**“Downline Group”** has the same meaning as provided in subclause 7.02 hereunder.

**“Early Payout Option” (“EPO”)** means the payout that new IRs may receive immediately after reaching the qualifying BV in both right and left segments of their primary TC. This payout will apply to the primary TC on the first commission level of the 1st cycle, regardless of the ranking of the new IR and the total payout will be as set out in Appendix 1. The early payout procedure will be as set out and explained in subclause 7.03.

**“eVoucher Point (EP)”** means points that can be earned at each 6th level of each commission cycle and are redeemable for products.

**“First Purchase Profit”** means the difference between the price of the first purchase of the new IR and the reduced IR price. The first purchase price for new IRs is the retail price.

**“Flushing” or “Flushed”** means the elimination of excess BV when an IR has exceeded the Maximum Payout of the Compensation Level he/she is in, for the Commission Period.

**Group Business Volume or “GBV”** means the total BV accumulated in both left and right Downline Groups of a TC.

**“Inside Leg”** means the left Downline branch of a TC if that TC is on the right Downline branch of its immediate Upline or the right Downline branch of a TC if that TC is on the left Downline branch of its immediate Upline. It means the opposite side of the Leg below which the TC is placed.

**“IR Discounted Price” or “IR Price”** means the price of the Company’s products at which the Company sells to the IRs.

**Lower Volume Team”** means the weaker leg or the leg with the lesser volume in the Main Plan Genealogy on which the Step Commissions are calculated.

**“Rank Maintenance”** means an IR is required to achieve or maintain the minimum requirements of his/her current Rank on a quarterly basis as set out in Annex 1 of this Appendix 1 in order to earn income from the Compensation Plan.

**“Outside Leg”** means the Downline branch of a TC other than its Inside Leg.

**“Paid As”** means that if IR fails to fulfill the Maintenance of his/her current Rank, he/she shall be paid in accordance to the Pay Rank in which he/she is qualified for during that period. In this connection, if the IR’s current Title Rank is for instance Diamond Star but he/she is unable to fulfill the Maintenance for Diamond Star and he/she has only managed to fulfill the Maintenance of Gold Star, he/she shall be paid in accordance to the Pay Rank which is Gold Star (the Rank in which he/she is qualified for). This shall apply to each Rank and the corresponding Rank for avoidance of doubt.

**“Pay Rank”** is the recognition title given to an IR, when he/she achieves the Rank Advancement and/or Maintenance requirements within a fixed Month period. Pay Rank is subject to Demotion based on his/her achievement in a particular month.

**“Pay Rank Maintenance”** means the number of months that an IR is required to achieve the monthly rank requirements to get promoted to Platinum Star rank and above.

**“Personal Business Volume” or “PBV”** means the BV that the IR is personally responsible to produce or achieve, whether it is through retail sale to a customer or for personal consumption via the Repeat e-Store.

**“Personal Purchase”** means an IR’s own purchase of QN EUROPE products that are for personal consumption.

**“Placement”** means the way the TCs are placed in the database of the Company as shown in the Genealogy.

**“Primary TC”** means the first TC given to the new IR upon successful enrolment. It is usually identified as the extension ‘001’ after the Representative Identification Number (IR ID No.)

**“Qualified”** means when a TC has achieved and been allocated the minimum required BV to his/her TC (Primary TC-001 TC-002 and TC-003 each requires 500 BV).

**“Qualify Products”** means the goods and services that are offered for sale to retail customers and IRs at the QN EUROPE eStore. IR earns a certain amount of BV that is used for the qualification of his/her TC, upon purchasing Qualify products.

**“The Company eStore”** means the place accessible from the Company Website and IR's Virtual Office (VO) where both Qualify Products and Repeat Products are offered for sale to customers and IRs for their personal consumption.

**“QN Europe Redemption Store”** means the redemption store available and accessible from the IR’s Virtual Office (VO).

**“Quarterly”** is 13 commission weeks.

**“Title Rank”** is the recognition title given to an IR, which is based on the highest rank advancement requirements that he/she has achieved. An IR retains the highest Title Rank he/she has achieved subject to Demotion. The Company reserves the exclusive rights to demote the IR’s rank in accordance with the terms & conditions of QNEUROPE Policies & Procedures or based on the sole discretion of the Company.

**“Rank Advancement”** means an IR will be promoted to a new rank when he/she meets all of the requirements for the new rank as set out in Annex 1 of this Appendix 1 within a fixed quarterly period.

**Bronze Star** is the standard rank for new IRs.

**Silver Star** is the evolution of the Bronze Star upon meeting all the requirements of Annex 1 to this Appendix 1.

**Gold Star** is the entry level for existing / promoted qualified IRs and it may also be a Silver Star promotion after meeting all the requirements of Annex 1 to this Appendix 1.

**Sapphire Star** is the evolution of the Gold Star after meeting all the requirements of Annex 1 to this Appendix 1.

**Platinum Star** is the evolution of the Sapphire Star after meeting all the requirements of Annex 1 to this Appendix 1.

**Diamond Star** is the evolution of the Platinum Star after meeting all the requirements of Annex 1 to this Appendix 1.

**Blue Diamond Star** is the evolution of the Diamond Star after meeting all the requirements of Annex 1 to this Appendix 1.

**"Referralship"** means the activity of referring retail Customers or new IRs to the Company.

**"Repeat e-Store"** is the part of the e-Store on [www.qneurope.com](http://www.qneurope.com) for consumer products.

**"Repeat Sales"** means recurrence purchase or sale of products and services of the Company.

**"Repeat Sales Points"** or **"RSP"** are points that have been earned through repeat sales or purchases of the IR's 3rd level DownLine below the recruitment line and that can be converted into cash or BV.

**"Repeat Sales Commission"** means commission derived from accumulated Repeat Sales Points.

**"Retail Price"** means the selling price of the Company's products to its Customers.

**"Retail Profit"** means the difference between the Retail Price and the IR Discounted Price of a product of the Company. It is awarded only to an IR who sells the Company's products to retail customers.

**"RSP Pay Level"** refers to a position in the RSP Plan genealogy from which the Active IR is eligible to earn RSP. IR can earn RSP from maximum ten (10) Pay Levels in the RSP Plan.

**"Sales Period"** or **"Sales Week"** means a one-week period commencing from 05:01PM on Fridays until 04:59PM on the following Friday Central European Time (CET).

**"Secondary Tracking Centers"** means the left and right Tracking Centers that are directly connected to the Primary TC given to the new IR upon successful enrolment. The left TC is usually identified as the extension '002' and the right TC is identified as the extension '003' after the Representative Identification Number (IR ID No.).

**"Self-Activation"** are the qualifying tracking centers 001, 002 and 003 through retail sales or personal purchases.

**"Step Commission"** is the progressive commission paid according to the IR remuneration level.

**"Tracking Centre"** or **"TC"** means a position in the Company's database. Commissions and/or bonuses are calculated with reference to each Tracking Centre.

## 03 Acquisition of TCs

### 3.01 Tracking Centres

An IR shall be granted three (3) TCs upon acceptance as a Representative. The three (3) TCs appear in the genealogy in the following configuration: The primary TC-001 being the uppermost TC is directly connected to the TC-002 on its left and to the TC-003 on its right.

### 3.02 Qualifying all TCs

An IR has to qualify all his/her TCs before he/she can acquire additional TCs.

### 3.03 Minimum BV

For the purpose of acquiring additional TCs and also for the purpose of qualifying a TC, the minimum number of BV that can be allocated to one (1) TC shall be five hundred (500) BVs for the primary TC and for other TC extensions.

### **3.04 Acquiring additional TCs**

Subject to Clause 3.05, after qualification of all its existing TCs, an IR may acquire an additional TC by achieving a Personal Business Volume of five hundred (500) BV. These 500 BVs shall then be allocated to the newly created TC.

### **3.05 Maximum additional TCs in a single transaction**

An IR can only create a maximum of two (2) additional TCs in a single transaction, regardless of whether the earned PBV exceeds the minimum BV required to create the two (2) TCs.

## **04 Placement**

### **4.01 Right of placement**

A Referrer is entitled to use the primary TC of an IR that he/she has personally recruited or any other TCs that have been assigned to him/her (i.e. everyone decides the position of their own 004 and subsequent TC extensions as described in subsection 3.04), subject to the placement rules as set forth below.

## **05 Rules of Placement**

### **5.01 Limit of connected TCs**

Each TC can have only two (2) TCs connected downwards.

### **5.02 Immediate Upline TC**

Each TC can only have one (1) TC as its immediate Upline.

### **5.03 Placement rights of a Referrer**

Subject to subsection 5.08, a Referrer has the sole right to place the primary TC of an IR whom the referrer has personally referred. Subject to the foregoing, an IR shall have the right to place all TCs assigned to it.

### **5.04 Placement rights of an IR**

Subject to subsection 5.07, an IR may place any TC which he/she is entitled to place among existing TCs in its DownLine, starting from its primary TC (TC-001). But he cannot place a TC on a position that is already occupied by another TC.

### **5.05 Placement above the Primary TC**

An IR is not allowed to place any TC above his/her own Primary TC.

### **5.06 Placement under the Primary TC**

An IR cannot place any TC which he/she has a right to place in a position that is not under his/her

Primary TC. In other words, he/she cannot place a TC in contravention to subclause 5.08.

#### **5.07 Subsequent TC extensions to TC-003**

Pursuant to subclause 5.01, all TC extensions belonging to an IR subsequent to TC-003 (i.e. TC-004 and onwards) shall not be placed/connected directly to the same IR's existing TCs

#### **5.08 Default placement**

Where the placement instructions from a Referring IR is not clear, erroneous, contrary to the P&P (including the Compensation Plan) or he/she failed to give any placement instruction, default placement as stipulated under clause 6 Default Placement Method shall apply.

#### **06 Default Placement Method**

##### **6.01 Default placing of a TC**

A TC placed in the Genealogy by default, shall only be placed in the first vacant position in the Outside Leg of his/her TC or his/her Referrer's TC.

#### **07 Commissions and/or Bonuses**

(a) All IRs are entitled to Retail Profit. No Customer is eligible for any commissions and/or bonuses although a TC will be placed for their purchase.

(b) Only qualified and activated TCs are eligible to earn commissions and/or bonuses other than the Retail Profit.

(c) Any BV accumulated before Activation is not commissioned to the IR unless it occurs in the same Commission Period of Activation.

(d) All commissions and/or bonuses payable under this Compensation Plan are based on the sale of the Company's products, not on the introduction of persons into the Company.

##### **7.01 Retail Profit**

(a) An IR shall be entitled to the Retail Profit for every product that he/she personally and successfully promotes to a Customer who thus purchases it from the Company.

(b) A Referrer is also entitled to the Retail Profits from the first qualified personal purchase (which may include more than one product) at Retail Price by his/her personally referred Downlines.

##### **7.02 Step Commission**

(a) Step Commissions are paid to IRs based on BV accumulated from the purchases of products made by Customers or IRs. Only Qualified and Activated IRs are eligible for Step Commission.

(b) BV is assigned to each type of product and the same types of products may be assigned with different units of BV.

(c) Upon the sale of a product, the Company shall credit a certain number of BV, which shall be equal to the BV of that product, to one (1) of the TCs or the BV Bank of an IR who either purchased the product himself/herself or successfully promoted the sale of the product to a Customer. In the case of any product sold to a Customer, the Company shall credit the BV assigned to that product to a BV Bank of the IR who



successfully promoted the sales of the product and the IR shall allocate the obtained BV to his/her TC within seven (7) days.

(d) In the Genealogy, the TCs in the Inside Leg of a particular TC represent a DownLine Group of that particular TC. The TCs in its Outside Leg represent another Downline Group. In other words, every TC should have one (1) Downline Group in its Inside Leg and one (1) in its Outside Leg.

(e) For every TC, there is one (1) Counter which records the accumulation of BVs of each DownLine Group.

(f) Commissions shall be calculated for each TC on the basis of the total accumulated BV in both DownLine groups of a TC, as shown in the Counter and in accordance with the Step Commission Chart below

(g) The commission shall be calculated daily and paid weekly. The commission paid for a TC shall be calculated at the end of the commission period and any remaining balance for non-commissioned BV shall be carried forward to the next commission period. However, any commissions earned which include any local sales transactions will be placed in a different commission period based on the Local Compensation Policy Schedules.

(h) A maximum weekly step commission shall be capped for each remuneration level of the Independent Representatives as set out in Appendix 1. Any BV accumulated in a commission period in a single week after the maximum tier commission for the commission period has been reached shall be forfeited and shall not be taken into consideration in the calculation of any Step Commission payable to the IR.

### **7.03 Early Payout**

The early payout option only applies to a newly qualified and activated IR who has reached the required lower volume leg of the primary TC of the first step commission of the 1st cycle within the specified time. This is irrespective of the ranking of the new IR and the total payout will be made in accordance with the Step Commission Chart below. As stated in this clause, the IR must be activated by referring 2 qualified direct referrals placed on each side of its Tracking Center to qualify for early payout. Self-activation does not allow the IR to take advantage of the early payout option. A new IR who is qualified and activated must reach the required first 1,000 BV on his/her lower volume leg within the first 4 weeks after the date of registration in order to take advantage of the possibility of early payout. Thereafter, the new IR who is qualified and activated must reach the required second 1,000 BV on his/her lower volume leg within the first 6 weeks after the date of registration in order to take advantage of the possibility of the corresponding second early payout. Early payout explanation: A new IR who is qualified and activated and ranked first (Bronze Star) would immediately earn 45€ on his/her lower volume leg within the first 4 weeks of his/her registration date after reaching the first 1,000 BV and another 45€ if his/her lower volume leg reaches the second 1,000 BV within the first 6 weeks of his/her registration. The remaining balance of the named 1st stage payout for his/her active rank of 105€ will be paid on reaching the third 1,000 BV on his/her lower volume leg. In other words, for the Bronze Star rank, the total 1st tier commission payout is 195€ and will be paid in instalments of 45€ each for the first 1,000BV and 45€ each for the second 1,000BV and 105€ each for the third 1,000BV of the total required 3,000BV of the lower volume leg of the first tier commission of the 1st cycle. See the Early Payout table below.

### **7.04 Repeat Sales Points (RSP) and Repeat Sales Commission**

An IR shall be given the opportunity to convert his/her earned points from resales into cash or BV in accordance with Appendix 1. Cash converted from earned points from resales is called repeated sales commission. For each resale by an IR through which certain BV and RSPs are obtained, the IR receives the BV while the 3 levels of direct referrers earn the allocated RSPs, provided that the direct referrers have met the requirements of quarterly maintenance. For each repeat purchase to retail customers that achieve specific BV and RSPs, the acquiring IR of the retail customer becomes the direct first level referrer and receives both BV and designated RSPs. The direct second and third level referrers also receive the

designated RSPs provided they have complied with the provisions of the quarterly maintenance. In order to achieve the quarterly maintenance of 60 PBV from repeat sales, an IR must earn points from repeat sales.

### **7.05 Change of Commissions and/or Bonuses**

The Company may, at its discretion, replace or amend the Appendices to this Compensation Plan in order to change the method or amount described therein or to delete or add parts of the Appendices. If the Company wishes to replace, amend or delete the Appendices to the Compensation Plan, it will provide reasonable advance notice to the IRs by publishing an advance notice on the Company's official website. The new exchange, modification or deletion will take place immediately after the expiry of the reasonable period of advance notice.

## **08 Activation and Qualification**

### **8.01 Qualification**

(a) For the qualification of a TC, an IR can only use the BV assigned to a product it has personally acquired or promoted to a customer.

(b) An IR must qualify its primary TC (001) before qualifying its other TCs.

(c) After qualifying its primary TC, an IR may assign its remaining BV to another TC extension. In other words, if the IR has assigned the required qualified BV to its primary TC, the primary TC shall be considered a qualified TC and if it assigns the required qualified BV to other TC extensions, the other TC extensions shall also be considered qualified TCs.

### **8.02 Activation**

A Qualified IR may activate his/her representation by providing a direct Qualified IR Recruitment on each page of his/her primary TC (TC 001) or on each page of his/her secondary TCs, TC 002 and TC 003. Alternatively, a Qualified IR may activate its representation by placing a direct Qualified Recruitment on one side of its Primary TCs and accumulating a minimum of 500 BV from retail or personal sales on its Secondary TC placed on the other side of its Primary TC.

### **8.03 Turning on TC Counters**

The Counters of a TC will only be turned on after the TC is qualified and the Representativeship is activated.

## **09 Promotion**

### **9.01 Compensation Levels**

There are seven (7) Compensation Levels of IR to receive Step Commissions and Repeat Sales Commissions derived from earned RSP. Thereafter the ascending order of the compensation levels is as set out in the Step Commission Chart below.

### **9.02 Promotion to a higher rank**

IRs can be promoted to a higher Rank upon fulfilment of the requirements designated for each rank. The minimum requirements per quarter for the seven (7) ranks are set out in the Step Commission Table in Annex 1 of this Appendix 1.

### **9.03 Demotion**

- a) IRs who fail to fulfil the Rank Maintenance or meet the minimum Monthly Rank Maintenance requirements of the current Rank they are in, will retain their current Title Rank but shall be Paid As the Pay Rank corresponding to their achievement.
- b) New IRs who register on or after 22 July 2017 will be placed under the IR status and thereafter, upon fulfilment of the necessary rank advancement requirements, will be promoted to Bronze Star, Silver Star, Gold Star, Sapphire Star, Platinum Star, Diamond Star, and Blue Diamond Star accordingly. However, if IRs are unable to fulfil the Maintenance of their current Rank within the time frame, they will retain their current Title Rank but shall be Paid As the Pay Rank corresponding to their achievement. The lowest rank that an IR can be demoted to is Silver Star rank. As such, new IRs who are promoted to Gold Star, Platinum Star, Sapphire Star, Diamond Star, and Blue Diamond Star may be Paid As the Pay Rank not in any event below Silver Star Rank.
- c) Existing IRs who have registered and have achieved a certain Rank before 22 July 2017 will retain their current Rank. However, if IRs are unable to fulfil the Maintenance of their current Rank within the time frame, they will retain their current Title Rank but shall be Paid As the Pay Rank corresponding to their achievement.
- d) Existing IRs who have achieved the rank of Platinum Star or higher ranks shall:
  - a. Attend at least two (2) Company's events such as the following:
    - i. V Convention, whether live in-person or any online format;
    - ii. Zone, whether live in-person or any online format;
    - iii. Inner Circle Elite (ICE) Summit, whether live in-person or any online format; and
  - b. have their personal details, image or photographs and IR ID No. to be used in connection with testimonies for the products and business opportunity of the Company in various Company materials whether or not it is for promotional or advertising purposes including but not limited to, Profiles, Magazines, Websites, Presentation Notes, Virtual Office (VO), at the sole discretion of the Company.

In the event an IR fails to meet the above requirements, the IR may be demoted by two (2) ranks (both Title Rank and Pay Rank) at the sole discretion of the Company, unless commercially decided otherwise. Any appeal here must be for good and sufficient cause and made by the IR in writing stating with sufficient details the cause(s) of the appeal to [eu.support@qneurope.com](mailto:eu.support@qneurope.com) within fourteen (14) days from the date of demotion. Any determination here shall be in the sole discretion and consideration of the Company.

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#### **Apendix 1: STEP COMMISSION TABLE**

## Step Commission Chart

STEP	GROUP BUSINESS VOLUME IN ANY LOWER VOLUME TEAM (BV)	RANK						
		BRONZE STAR	SILVER STAR	GOLD STAR	SAPPHIRE STAR	PLATINUM STAR	DIAMOND STAR	BLUE DIAMOND STAR
1	3.000 BV	175 EUR	195 EUR	220 EUR	225 EUR	240 EUR	260 EUR	280 EUR
2	3.000 BV	175 EUR	195 EUR	220 EUR	225 EUR	240 EUR	260 EUR	280 EUR
3	3.000 BV	175 EUR	195 EUR	220 EUR	225 EUR	240 EUR	260 EUR	280 EUR
4	3.000 BV	175 EUR	195 EUR	220 EUR	225 EUR	240 EUR	260 EUR	280 EUR
5	3.000 BV	175 EUR	195 EUR	220 EUR	225 EUR	240 EUR	260 EUR	280 EUR
6	3.000 BV	10 EP	10 EP	10 EP	10 EP	10 EP	10 EP	10 EP

## Weekly Maximised Step Commission per TC

RANK	BRONZE STAR	SILVER STAR	GOLD STAR	SAPPHIRE STAR	PLATINUM STAR	DIAMOND STAR	BLUE DIAMOND STAR
Payout per step	175 EUR	195 EUR	220 EUR	225 EUR	240 EUR	260 EUR	280 EUR
Maximised steps per week	40	50	60	65	70	80	90
Maximised payout per week	60 EP	80 EP	100 EP	100 EP	110 EP	130 EP	150 EP

## ANNEX 2: EARLY PAYOUT

Group Business Volume of the groups in each smaller volume segment (GBV)	Early Payout (€)	Time Frame
1.000 BV	45 €	Within the first 4 weeks of the registration date of the IR
1.000 BV	45 €	Within the first 6 weeks of the registration date of the IR
1.000 BV	105 €	-k.A.-

*This illustrates the early payouts of an IR ranked Bronze Star.*

### ANNEX 3: MINIMUM MONTHLY RANK ADVANCEMENT AND MAINTENANCE REQUIREMENTS

REQUIREMENTS	BRONZE STAR	SILVER STAR	GOLD STAR	SAPPHIRE STAR	PLATINUM STAR	DIAMOND STAR	BLUE DIAMOND STAR
<b>Prerequisite</b>	Registered IR, Qualified and Activated	Qualified and Activated and must be a Bronze Star	Qualified and Activated and must be a Silver Star	Qualified and Activated and must be a Gold Star	Qualified and Activated and must be a Sapphire Star	Qualified and Activated and must be a Platinum Star	Qualified and Activated and must be a Diamond Star
<b>PERSONAL RSP</b>	50 *	50 *	50 *	50 *	50 *	50 *	50 *
<b>QUALIFIED DIRECT REFERRALS</b>	N/A	OPTION 1 3 Qualified Direct Referrals with 500 BV each  OPTION 2 2 Qualified Direct Referrals with 1,000 BV each	N/A	N/A	N/A	N/A	N/A
<b>DIRECT BUSINESS VOLUME (DBV)****</b>	N/A	N/A	500 BV	1,000 BV	1,000 BV	2,000 BV	3,000 BV
<b>GROUP RSP</b>	N/A	N/A	600** from downlines within line of Referralship	2,000 ** from downlines within line of Referralship	5,000 **  with maximum of 2,500 GRSP per downlines from at least 2 different legs within line referralship	15,000 **  with maximum of 7,500 GRSP per downlines from at least 2 different legs within line referralship	20,000 **  with maximum of 7,500 GRSP per leg from at least 3 legs
<b>STEPS</b>	N/A	N/A	2	40	120	200	320
<b>GROUP PERFORMANCE</b>	N/A	N/A	N/A	5 Downlines ** with Gold Star rank or above	5 Downlines ** with Sapphire Star rank or above and 10 Downlines ** with Gold Star rank or above	15 Downlines (any downlines) who advance/maintain Platinum Star rank or above (a maximum of 11 from any side of his/her Account) and 1 Downline ** with Platinum Star rank or above	10 Downlines (any downlines) who advance/maintain Platinum Star rank or above (a maximum of 7 from any side of his/her Account) and 2 Downlines with a Diamond Star rank or above (1 on each side of TC 001, at least 1 within line of sponsorship)
<b>PAY RANK MAINTENANCE</b>					Achieve the Platinum Star rank requirements for 2 Consecutive Months ***	Achieve the Diamond Star rank requirements for 2 Consecutive Months ***	Achieve the Blue Diamond Star rank requirements for 3 Consecutive Months ***

\*Achieved by either personal purchase or retail sales of QNEUROPE products. Personal RSP can be carried forward up to one year from transaction date. 50 Personal RSP is an optional requirement for rank advancement and maintenance for Bronze Star and Silver Star.

\*\*Achieved from downlines within line of referralship.

\*\*\*For the rank maintenance of Platinum Star and above, achieve the requirements for only 1 month.

\*\*\*\*Direct BV can be accumulated from Directly Referred Retail Customers and Direct Referrals (new and existing). DBV can be carried forward up to one year from transaction date.

## ANNEX 4: RANK MAINTENANCE BONUS

RANK	DIAMOND STAR	BLUE DIAMOND STAR
Achieve the rank maintenance requirements for 6 consecutive months	9.000 EUR	26.000 EUR

## ANNEX 5: RSP PAY LEVEL PER RANK

RSP REQUIREMENTS	IR	BRONZE STAR	SILVER STAR	GOLD STAR	SAPPHIRE STAR	PLATINUM STAR	DIAMOND STAR	BLUE DIAMOND STAR
RSP PAY LEVEL per RANK	5	5	5	6	7	8	9	10
MINIMUM RSP REQUIREMENTS PER MONTH	*50 RSP	*50 RSP	*50 RSP	*50 RSP	*50 RSP	*50 RSP	*50 RSP	*50 RSP

*\*50 RSP must come from either IR's personal purchase or retail sales.*

\*Last update Mar 2021